CITY COUNCIL BUDGET RETREAT
AGENDA

CITY COUNCIL RETREAT
THURSDAY
FEBRUARY 2, 2023

CORE SERVICES FACILITY
3200 WEST ROUTE 66
8:30 A.M.

All City Council Meetings are live streamed on the city's website (https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings)

PUBLIC COMMENT

If you want to provide a verbal comment during the Retreat, use the link below to join the virtual public comment room.

VIRTUAL PUBLIC COMMENT

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented into the record as such.

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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. ROLL CALL

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

MAYOR DAGGETT
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. City Council Budget Retreat

STAFF RECOMMENDED ACTION:

Presentation and Discussion Regarding FY 2023/2024 Budget

5. Public Participation

6. 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 _____, 2023.

_____
Stacy Saltzburg, MMC, City Clerk

4.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Co-Submitter:	Budget Team
Date:	01/31/2023
Meeting Date:	02/02/2023

TITLE

City Council Budget Retreat

STAFF RECOMMENDED ACTION:

Presentation and Discussion Regarding FY 2023/2024 Budget

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 City Council meets to gather input on major budget issues prior to the preparation of the budget.

This retreat is set to provide a financial outlook to the Council and to provide additional information and receive City Council input on budget issues. The main goal of the retreat is for the City Council to provide FY 2023-2024 budget direction to the City Manager.

Attached to the staff summary is a Detailed Agenda and Presentation.

INFORMATION:

Attachments: Detailed Agenda
Presentation

City Council Budget Retreat
February 2-3, 2023
Detailed Agenda

Time	Duration (Min)	Topic	Staff
8:30am	10	Welcome and Objectives	Greg Clifton Katie Wittekind
8:40am	5	Budget Timeline	Heidi Derryberry
8:45am	30	January Retreat Follow-up	Greg Clifton Heidi Hansen
9:15am	30	Revenue Updates • General Fund • Highway User Revenue Fund (HURF) • Transportation • Bed, Board and Beverage Funds (BBB) • Other Revenue Considerations	Rick Tadder Greg Clifton
9:45am	30	Available Resources and Fixed Costs • Available Resources - General Fund • Pension Cost Trends • Fixed Costs – General Fund • Other Considerations • Other Funds Fiscal Health	Brandi Suda
10:15am	**15**	**Break**	
10:30am	75	Investing in Employees Update • Recruitment/Retention • Benefits • Compensation • Employee Advisory Committee	Randy Tracy Brandi Suda EAC Rep
11:45am	**30**	**Lunch**	
12:15pm	45	Bond Projects Update • Public Safety • Stormwater • Wastewater • Housing	Mark Gaillard Scott Overton Ed Schenk Jim Huchel Sarah Darr
1:00pm	60	Federal Funding Update • Awarded Projects • Pending Applications • Available Opportunities	Stacey Brechler-Knaggs
2:00pm	**15**	**FIKA Break**	

Please note: All times are estimates and items could be reordered during the meeting. Agenda items from 2/2/23 may be rescheduled to 2/3/23 as needed.

City Council Budget Retreat
February 2-3, 2023
Detailed Agenda

Time	Duration (Min)	Topic	Staff
2:15pm	90	Resource Allocations and Priorities • Capital Improvement Projects ➢ Transportation ➢ Airport ➢ Water Services (Continued next day)	Paul Mood Trevor Henry Brian Gall Gary Miller
3:45pm		**Closing Comments/Public Participation**	
8:30am	15	Welcome	Katie Wittekind
8:45am	75	Resource Allocations and Priorities (Continued from previous day) • Operating Capital Replacements/Maintenance ➢ Facilities ➢ Fleet ➢ Information Technology • Carbon Neutrality	Sam Beckett CJ Perry Jenny Niemann
10:00am	**15**	**Break**	
10:15am	60	Relationship Building	Katie Wittekind
11:15pm	**30**	**Lunch**	
11:45pm	90	Resource Needs • CARES Unit Funding • NAH Development • Service Partner Contracts	Mark Gaillard Tiffany Antol Michelle McNulty Paul Mood Rick Tadder
1:15pm	30	Council Forum and Budget Expectations for April Retreat	Mayor Daggett Greg Clifton
1:45pm		**Closing Comments/ Public Participation**	

Please note: All times are estimates and items could be reordered during the meeting. Agenda items from 2/2/23 may be rescheduled to 2/3/23 as needed.

The Budget Team
CITY OF FLAGSTAFF

Council Budget Retreat
February 2 – 3, 2023

The Budget Team
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Welcome and Objectives

Welcome

- Welcome
- Objectives
- Meeting Protocol

Agenda

- Budget Timeline
- January Retreat Follow-up
- Revenue Updates
- Available Resources and Fixed Costs
- Investing in Employees Update
- Bond Projects Update
- Federal Funding Update
- Resource Allocations and Priorities
- Relationship Building
- Resource Needs
- Council Forum/Budget Expectations

The Budget Team
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Budget Timeline

Budget Timeline

- February 2 & 3, 2023 – 2nd Council Budget Retreat
- Capital Improvement Program (CIP) Retreat April 7, 2023
- April 27 & 28, 2023 – City Manager Recommended Budget Retreat
- June 6, 2023 – Tentative Budget Adoption
- June 20, 2023
  - Property Tax Levy Hearing
  - 1st Reading of Property Tax Adoption
  - Final Budget Adoption
- July 3, 2023 – Final Reading of Property Tax Adoption

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January Retreat Follow-up

January Retreat Takeaways

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- **Investing in Employees**
  - Continue to look at retention of our employees
  - Cost of benefits
- **Increased Community Engagement**
  - Boots on the ground efforts, meet the citizens where they meet
  - Utilizing Public Affairs and Discover Flagstaff
- **Housing**
  - Continue to look at solutions for our housing crisis
  - Look at a diverse range of housing types

January Retreat Takeaways

- **Flood Mitigation**
  - Continue efforts to control flooding
- **Fire Equipment Needs**
  - Fallen behind, need to prioritize
- **Wastewater and Reclaimed**
  - Priority is the treatment of our water resources and greener
- **Props 441 & 442**
  - Staying on top of these and delivering
- **The Big Shift**
  - Continued work on this plan
  - Clearing sidewalks during snow for our pedestrians is a must

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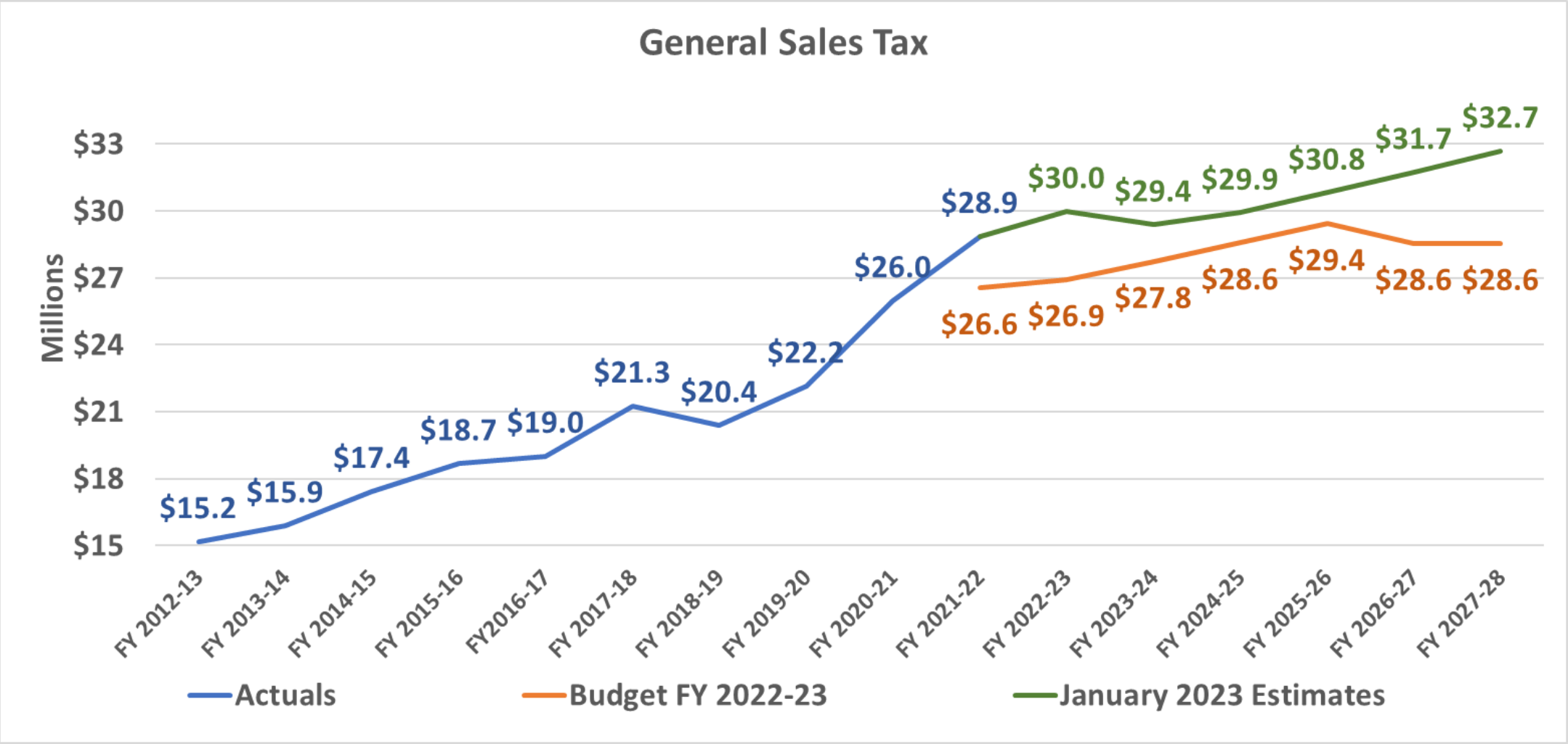
Revenue Update

General Fund



General Fund

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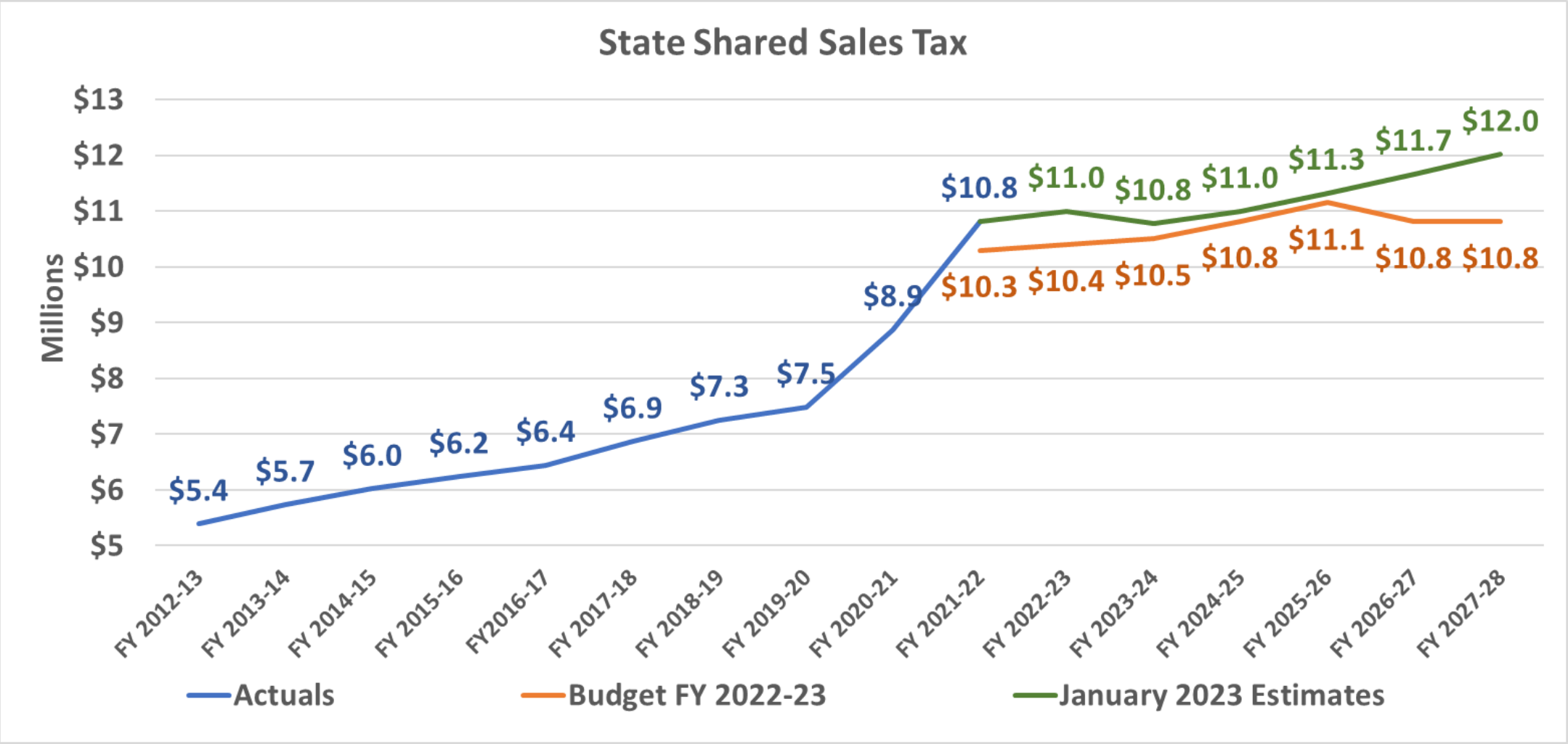
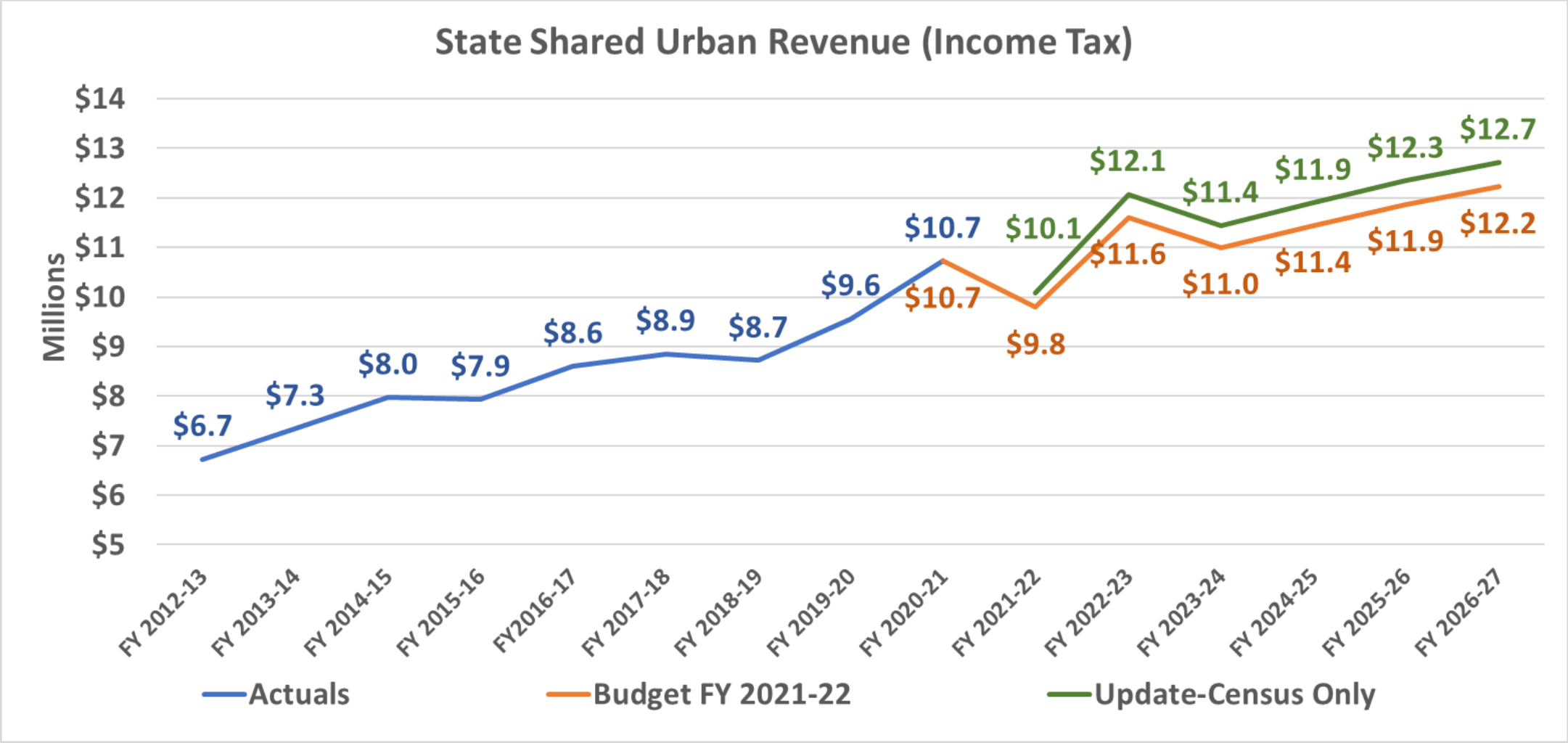
Category	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Estimate	Change	% Change
Sales Taxes					
Utilities	$ 1,048,716	$ 1,140,596	$ 1,160,000	$ 19,404	2%
Telecommunications	146,517	136,997	130,000	(6,997)	-5%
Restaurant/Bars	2,932,835	3,649,070	3,800,000	150,930	4%
Amusements	43,459	89,964	100,000	10,036	11%
Commercial Rental	1,155,087	1,147,011	1,280,000	132,989	12%
Personal Property Rental	692,359	819,159	890,000	70,841	9%
Contracting	2,352,792	2,412,364	2,850,000	437,636	18%
Retail	13,075,833	14,319,420	14,400,000	80,580	1%
Marketplace Retail (outside AZ)	860,794	1,039,064	1,160,000	120,936	12%
Hotel/Motel/STR	1,592,928	2,073,966	2,090,000	16,034	1%
Miscellaneous	110,436	107,107	103,000	(4,107)	-4%
Use Tax	1,920,847	1,937,747	2,020,000	82,253	4%
Sales Taxes Total	**$ 25,932,603**	**$ 28,872,465**	**$ 29,983,000**	**$ 1,110,535**	4%

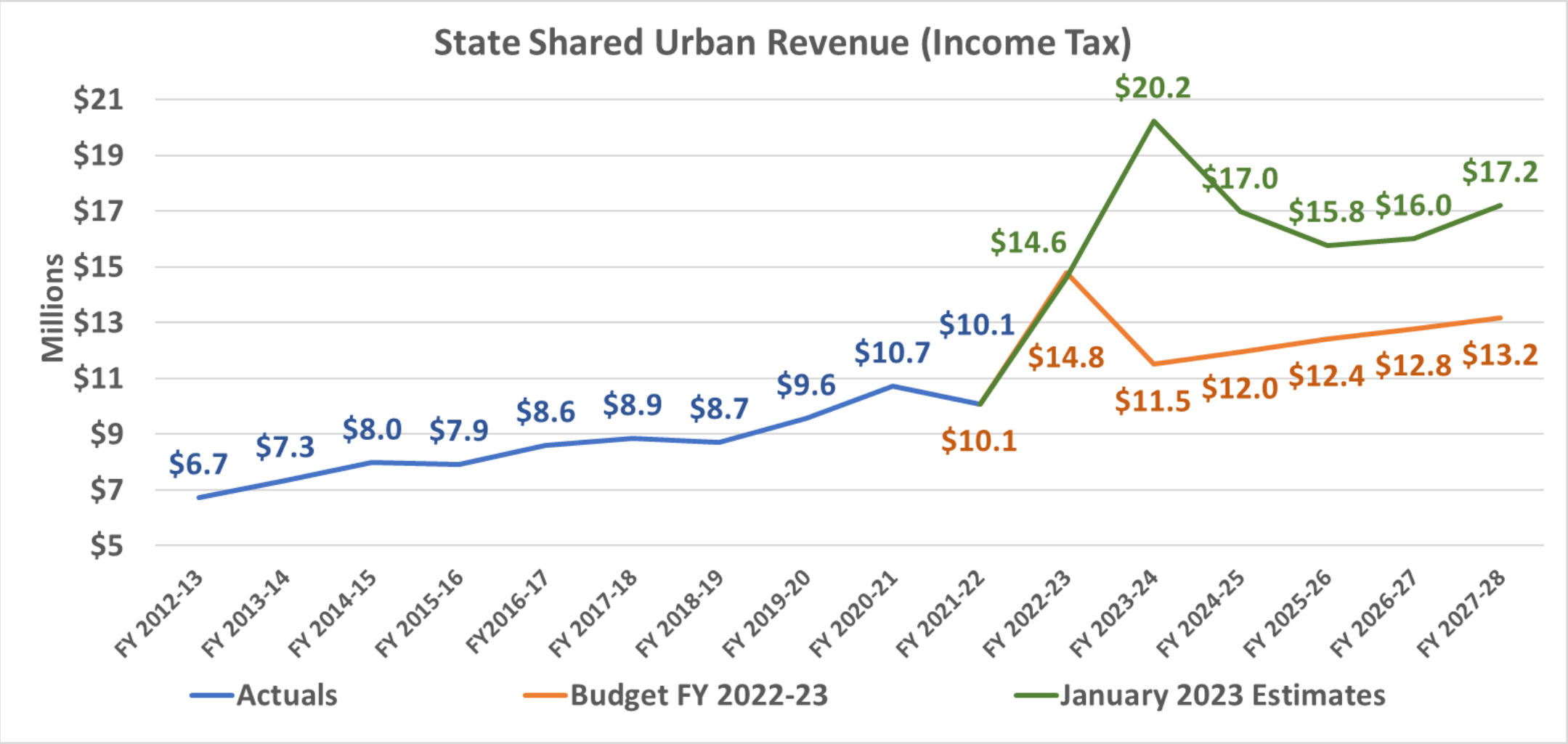
General Fund



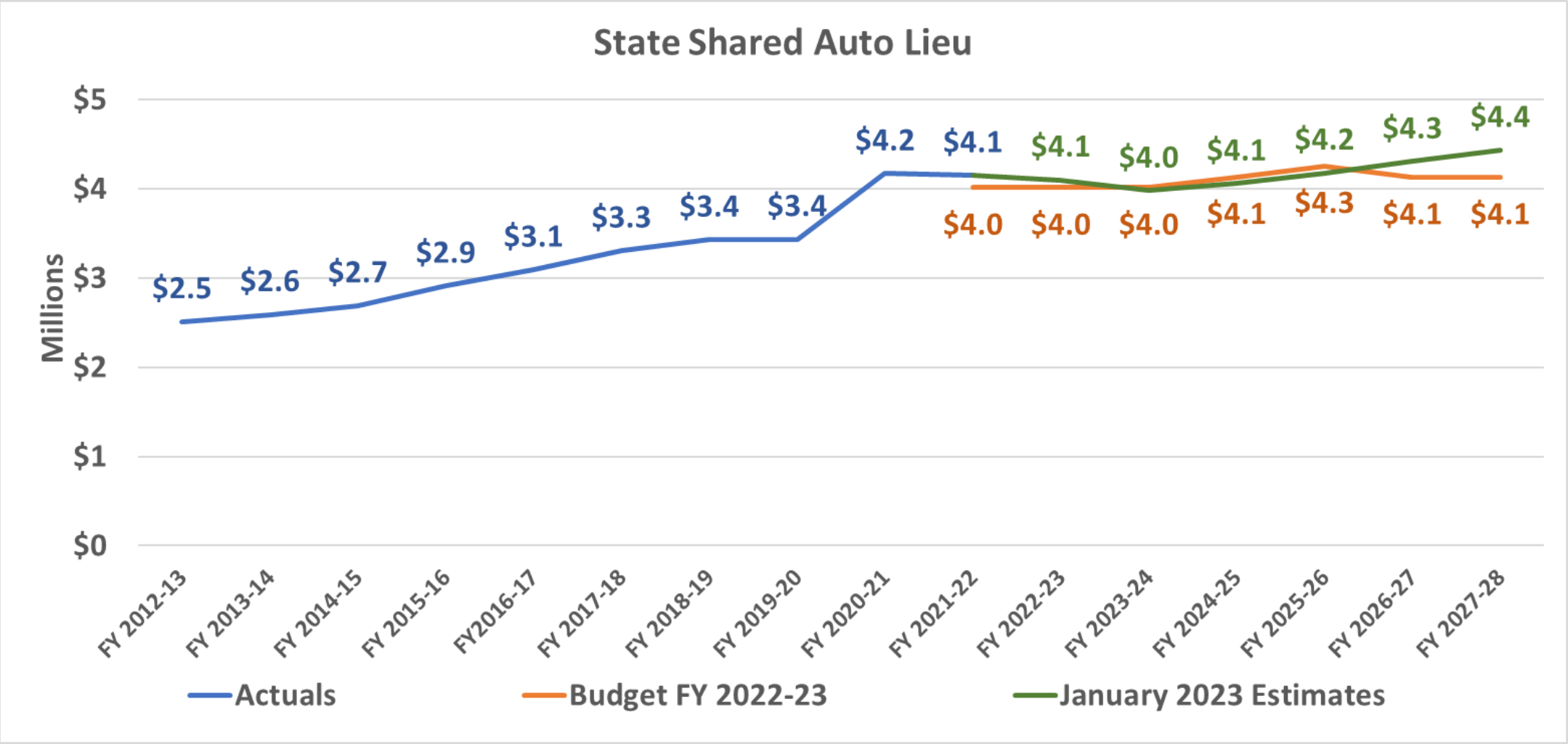
General Fund (PRIOR YEAR!)



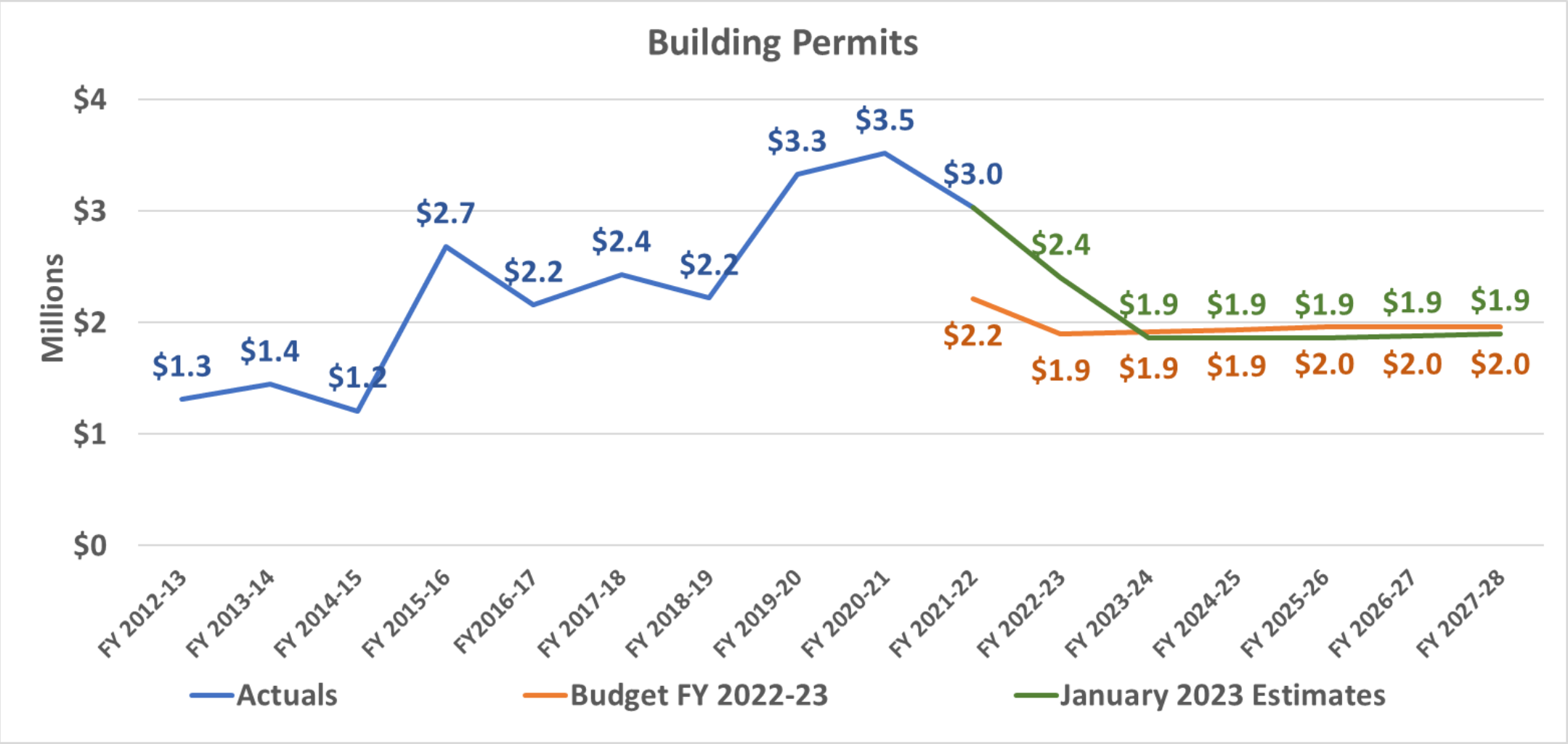
General Fund



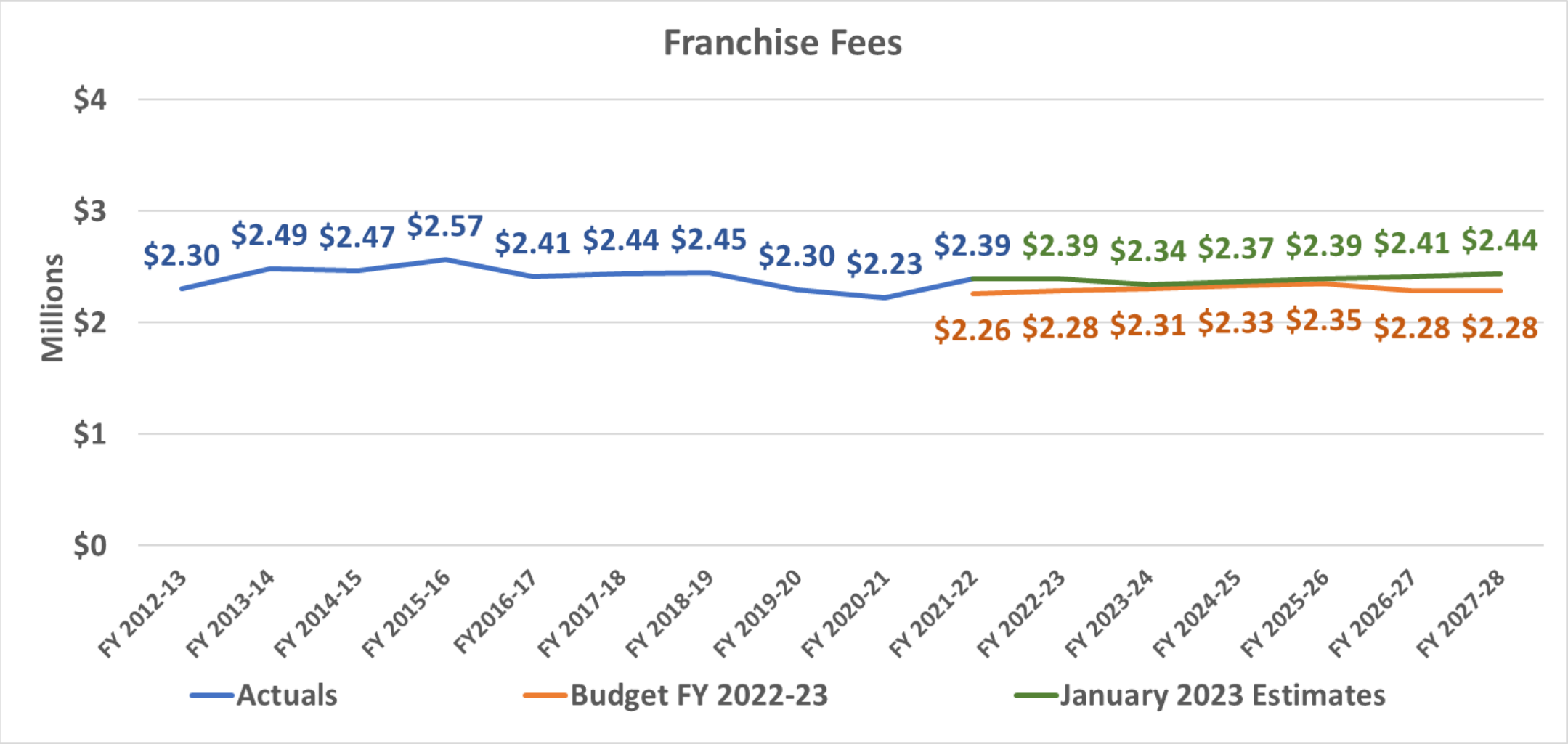
General Fund



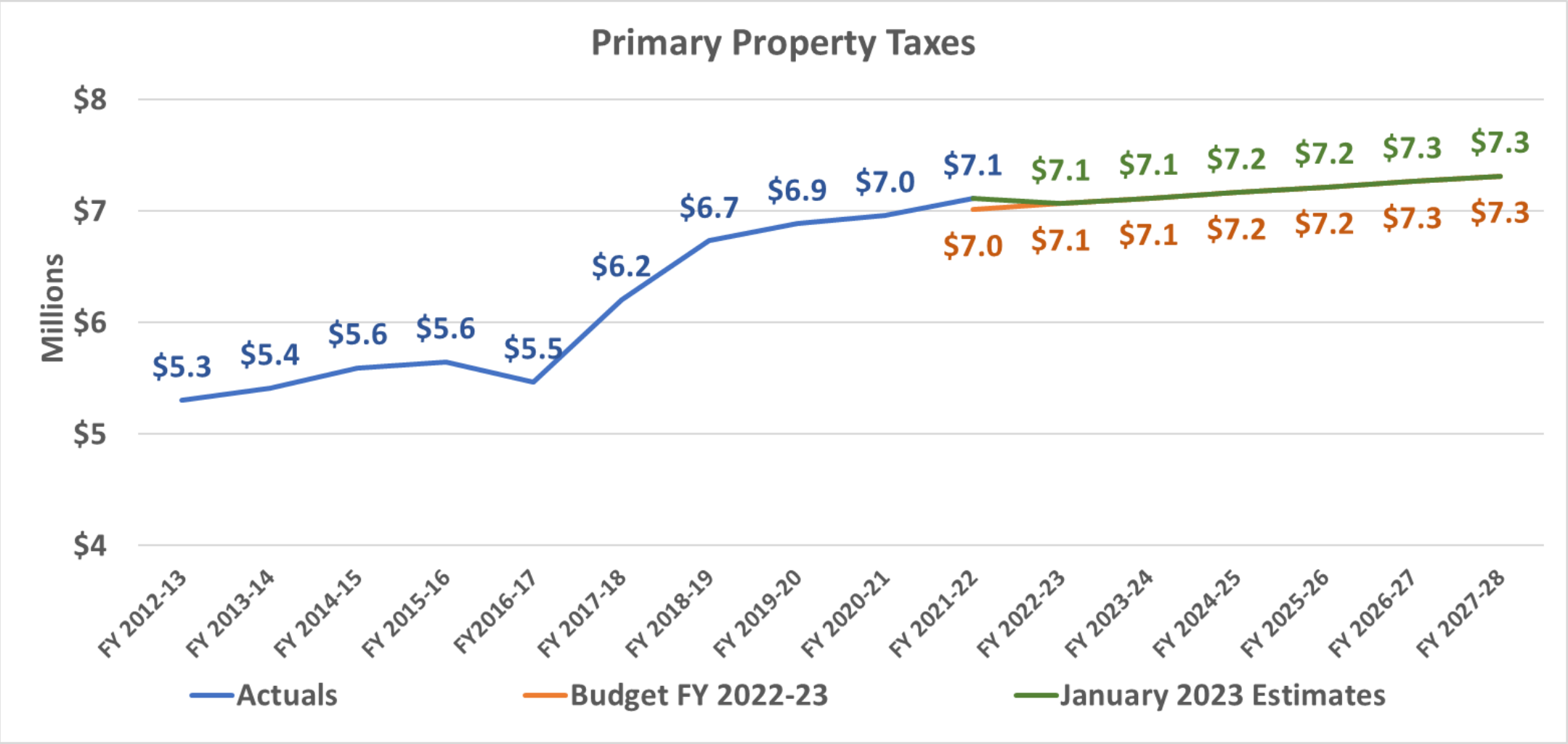
General Fund



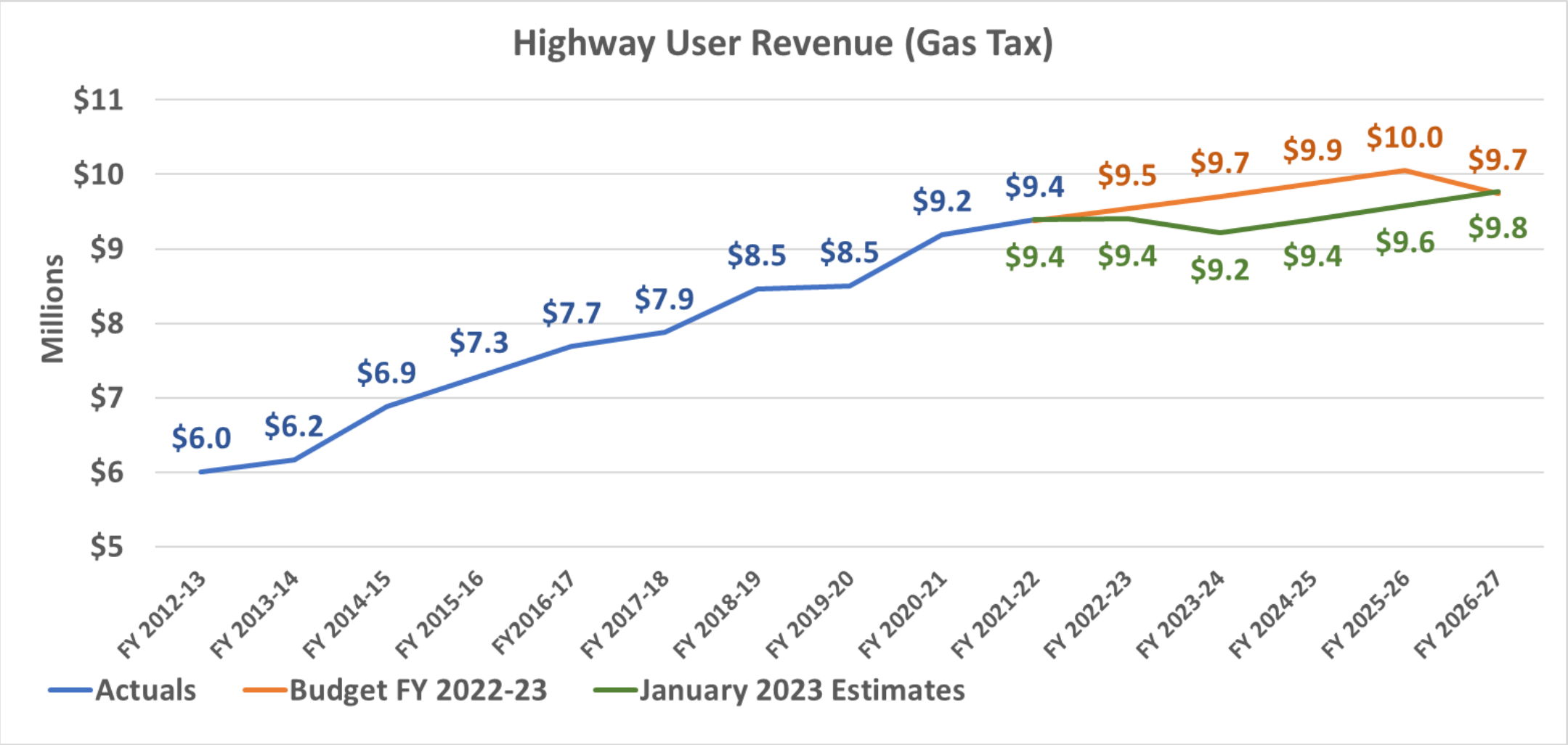
General Fund



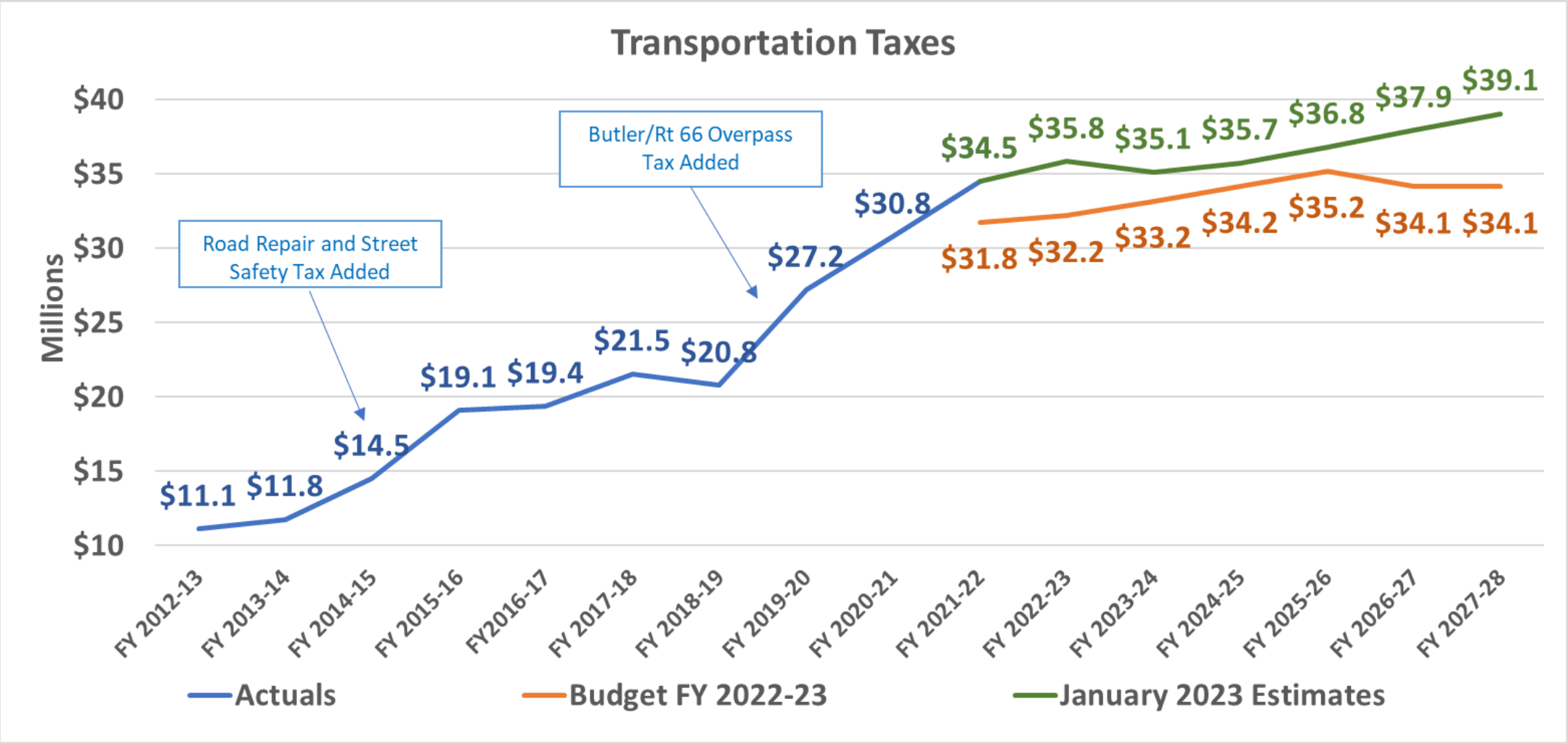
General Fund



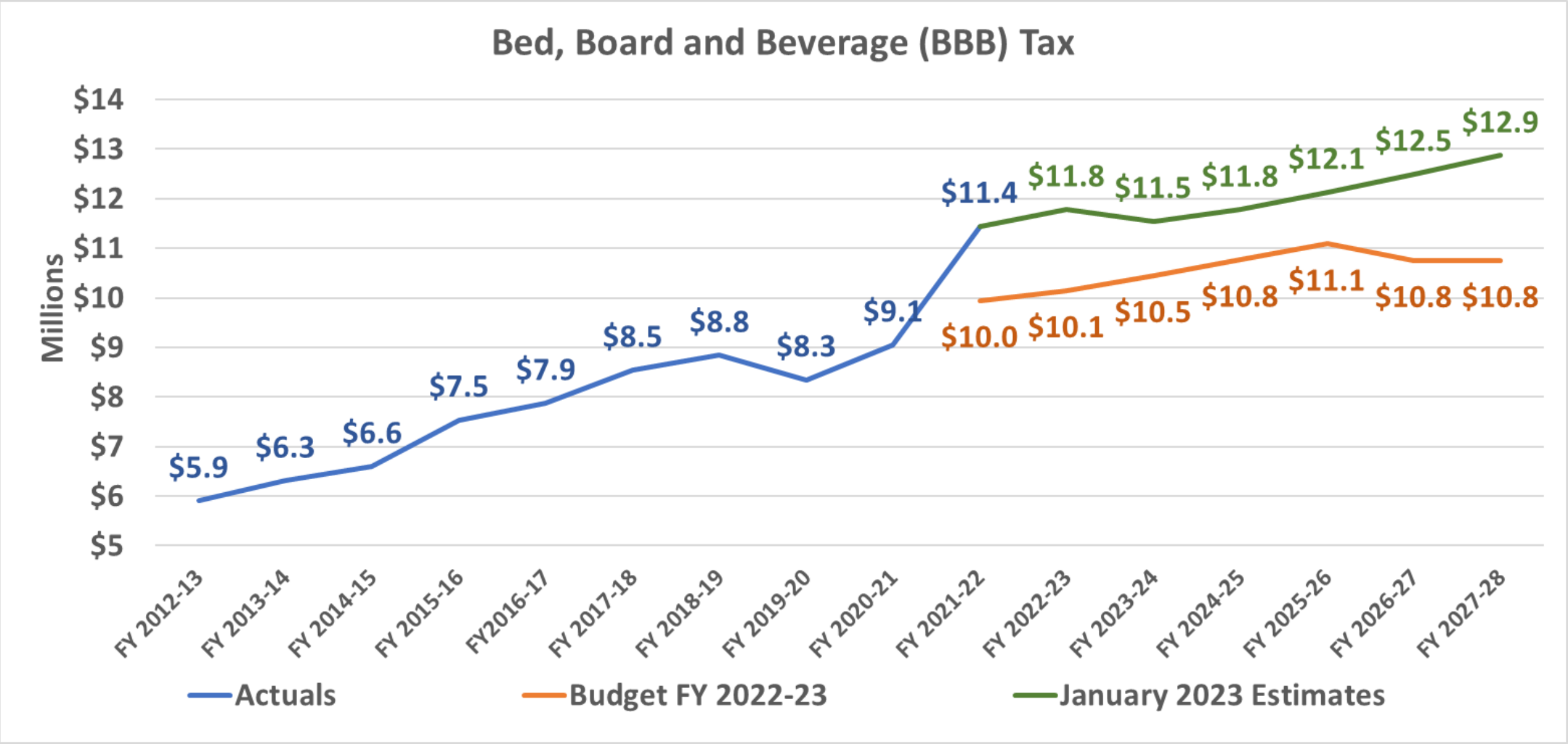
Highway User Revenue Fund



Transportation Taxes



Bed, Board and Beverage Funds



Other Revenue Considerations

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- Charges for Service/Rates/Fines
  - General Fund: behind pre-pandemic levels
  - Other Funds: difficulty keeping up with compensation and inflation
  - Working on Comprehensive Cost Recovery Policy
  - More rate studies will follow
  - State resources/legislative
  - Couple House bills include Stormwater funding
    - Can't rely on until approved and signed
    - Recent success $3M (HB2543) $8.9M (HB2286 Amendment) possible
  - Consider increasing lobbyist efforts
  - Some bad bills also exist
    - Minimum wage, corporate income taxes, sales taxes

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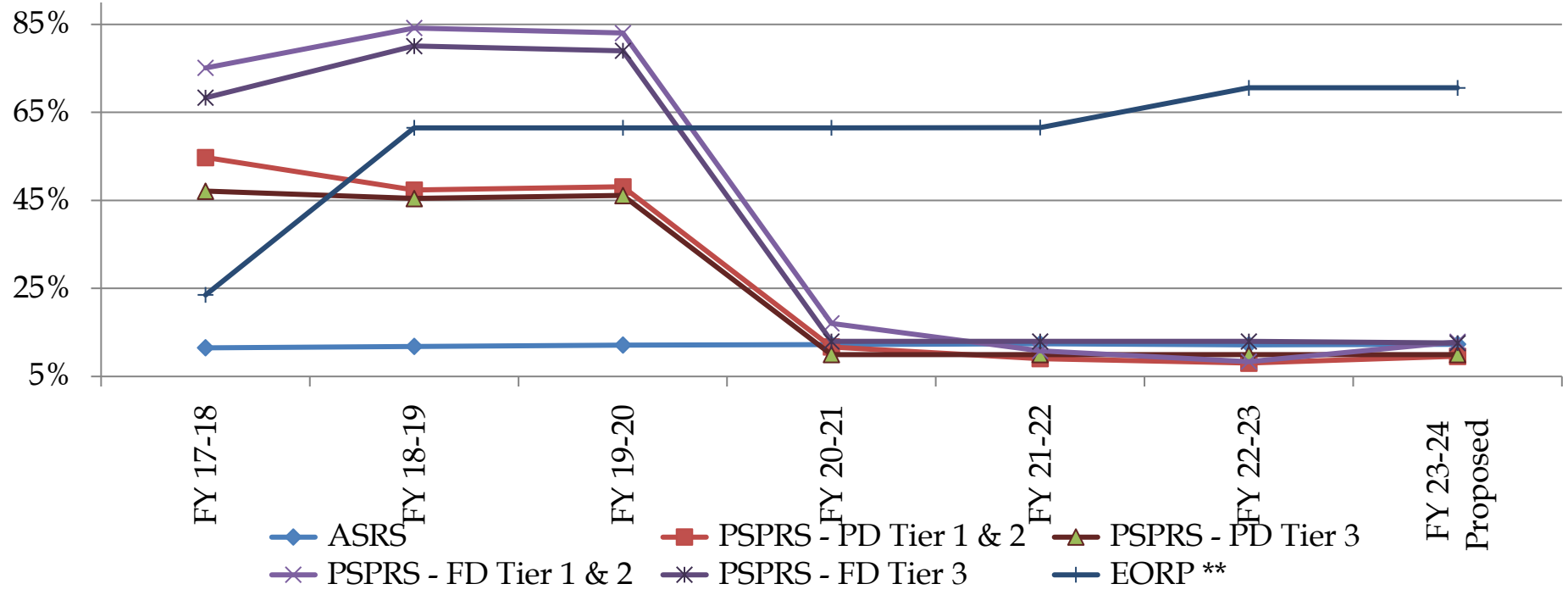
Available Resources and Fixed Costs

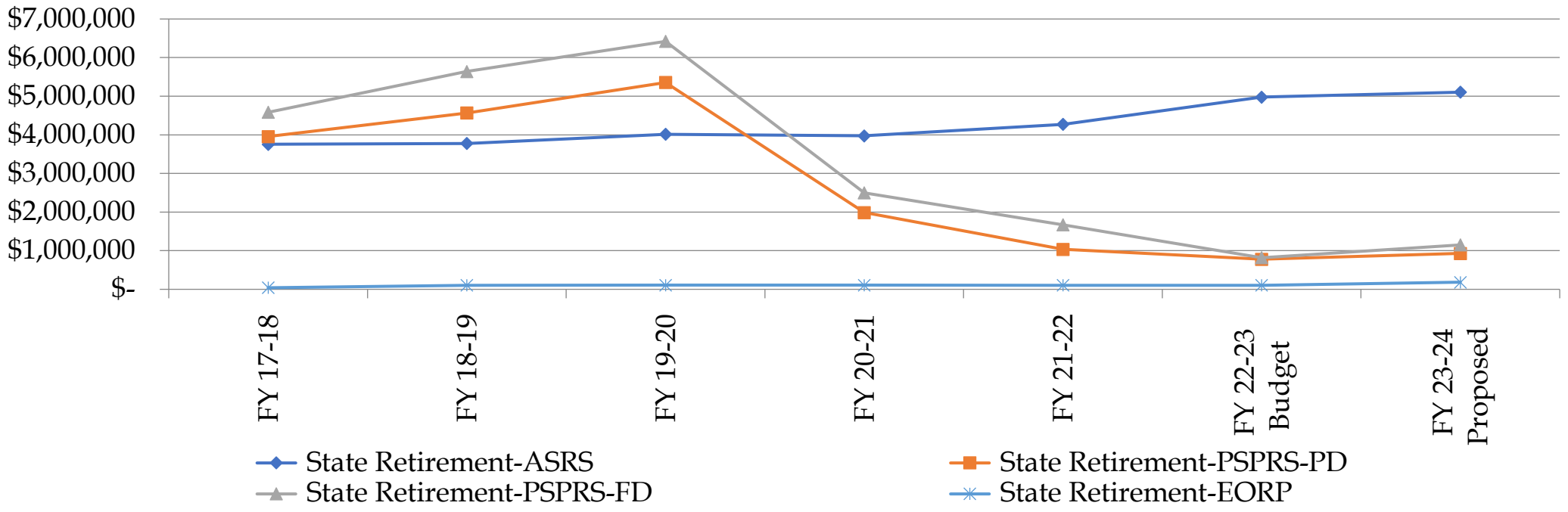
Pension Contribution Rates

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24 Proposed
ASRS	11.50%	11.80%	12.11%	12.22%	12.41%	12.17%	12.29%
PSPRS - PD Tier 1 & 2	54.73%	47.34%	48.09%	11.67%	9.04%	8.00%	9.56%
PSPRS - PD Tier 3	47.11%	45.43%	46.10%	9.94%	9.94%	9.94%	9.94%
PSPRS - FD Tier 1 & 2	75.11%	84.17%	83.03%	17.03%	10.77%	8.35%	12.86%
PSPRS - FD Tier 3	68.34%	80.08%	78.99%	12.94%	12.94%	12.94%	12.56%
EORP **	23.50%	61.50%	61.50%	61.50%	61.55%	70.59%	70.59%



Pension Expenditures

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 Budget	FY 23-24 Proposed
State Retirement-ASRS	3,754,600	3,776,918	4,013,187	3,973,921	4,270,225	4,975,058	5,104,432
State Retirement-PSPRS-PD	3,954,905	4,565,973	5,356,624	1,987,409	1,034,798	776,631	928,074
State Retirement-PSPRS-FD	4,584,857	5,641,220	6,421,351	2,498,080	1,669,895	818,010	1,150,244
State Retirement-EORP	39,679	102,903	106,743	107,039	103,258	103,967	180,780
	12,334,041	14,087,014	15,897,905	8,566,449	7,078,176	6,673,666	7,363,530



Fixed Costs – General Fund

General Fund		Ongoing
Merit Increase (3%)	FUNDED!	$ 1,725,000
Minimum Wage ($16.80 - CPI?)		357,000 - 449,000
Pension Cost Increase		550,000
Medical Insurance – maintaining cost share ratio		350,000
Council Salary Increase		180,000
Utility Rate Increases		70,000 - 175,000
Liability and Property Insurance		TBD
Workers' Compensation		TBD

Available Resources – General Fund

General Fund	One-Time	Ongoing
FY 2021-22 Revenue Growth	$ 8,240,000	$ -0-
FY 2021-22 Expenditure Savings	3,330,000	-0-
FY 2022-23 Revenue Estimate	4,025,000	-0-
FY 2023-24 Revenue Projection Growth	4,450,000	4,665,000
Total Capacity	$ 20,045,000	$ 4,665,000
Option: Primary Property Tax (8% increase)	-0-	590,000
	$ 20,045,000	$ 5,255,000

Other Considerations-All Funds

FY 2023-2024 Budget Considerations		Ongoing
Move annual one-time to ongoing (50% minimum)	$	1.7M - 3.4M
New personnel 37 FTEs/7 add pays – General Fund		4,034,000
New personnel 13 FTEs – all other		1,322,000
Reclass requests – all		244,000

Other Funds Fiscal Health

Other Funds	
Highway User Revenue Fund	
Transportation Taxes Fund	
Library Fund	
Bed, Board, Beverage (BBB) Funds	
Water Resources and Infrastructure Protection Fund	
Water, Wastewater, Reclaimed and Stormwater	
Solid Waste Fund	
Sustainability & Environmental Management Fund	
Airport Fund	

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Investing in Employees Update

Recruitment/Retention: Efforts and Success

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ADVERTISEMENTS: OUTWARD FACING

Recruitment/Retention: Efforts and Success

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ADVERTISEMENTS: INWARD FACING

Recruitment/Retention: Efforts and Success

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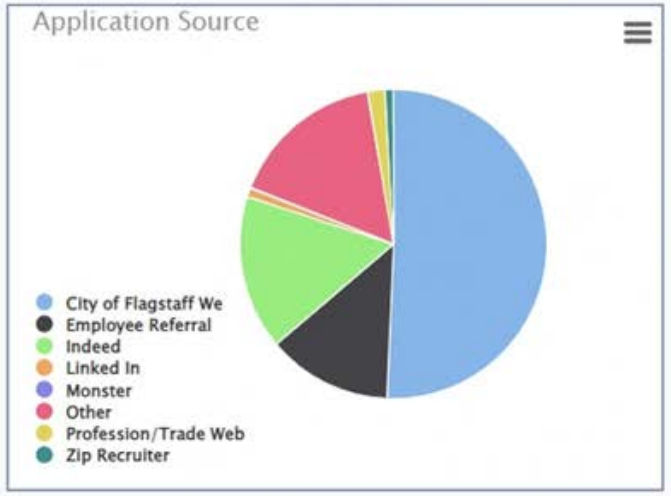
TRACKING APPLICATIONS IS IMPORTANT:
Helps us determine our marketing outreach efforts

BRANDING...is KEY!

Application Source

For all applications received between 01/01/22 and 12/31/22

source	total	total %
City of Flagstaff Website	1770	50.67
Employee Referral	459	13.14
Indeed	565	16.18
Linked In	33	0.94
Monster	2	0.06
Newspaper	0	0.00
Other	570	16.32
Profession/Trade Website	64	1.83
Zip Recruiter	30	0.86
Unknown	0	0.00
Totals	3493	100.00
	100.00	



Recruitment/Retention: Efforts and Successes

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Recruitment Data

- Recruitments
  - 2022: 212 recruitments
  - 2021: 188 recruitments
- Hires:
  - 348 in 2022
  - 291 in 2021
- Applications:
  - 3219 in 2022
  - 3441 in 2021

Vacancy Rates:
October 2019: 10.10%
October 2020: 12.01%
October 2021: 17.07%
October 2022: 11.15%

34.92% of positions filled internally

Recruitment/Retention: Efforts and Successes

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Time to Hire

- Time to Hire – time from creation of a requisition to the start date
- Team Flagstaff average = 74 days
- Benchmark average = 121 days

General Fund Benefits - Pension

- Elected Officials Retirement Plan – no update available yet
- Arizona State Retirement System (ASRS) - $95,000 increase
  - FY 2022-2023 (Effective 7/1/22)
    - Pension and health insurance 12.03%
    - Long term disability 0.14%
      - Total 12.17%
  - FY 2023-2024 (Effective 7/1/23)
    - Pension and health insurance 12.14%
    - Long term disability 0.15%
      - Total 12.29%
- Public Safety Personnel Retirements System (PSPRS) - changes in actuarial assumptions
  - Police increase - $150,000
  - Fire increase - $305,000

General Fund Benefits

- Vision - no increase
- Dental – no increase
- Medical
  - 5.5% increase
    - $350,000 increase to maintain cost share ratio
- Pension and health insurance increase to General Fund
  - $900,000

Benefits - Medical Insurance: 5.5% Increase

- Impact if cost share percentage is maintained: (monthly cost)

Plan	Coverage	New Total Cost	New City Cost	New Employee Cost	Employee Increase	City Increase	Total Increase
Buy Up	Employee	$ 864.80	$ 743.52	$ 121.28	$ 9.16	$ 39.80	$ 48.96
	Employee +1	$ 1,675.40	$ 1,063.31	$ 612.09	$ 39.40	$ 55.44	$ 94.84
	Family	$ 2,320.58	$ 1,472.04	$ 848.54	$ 54.62	$ 76.74	$ 131.36
Base	Employee	$ 763.52	$ 743.52	$ 20.00	$ -	$ 39.80	$ 39.80
	Employee +1	$ 1,476.82	$ 1,063.31	$ 413.51	$ 21.56	$ 55.44	$ 77.00
	Family	$ 2,044.50	$ 1,472.04	$ 572.46	$ 29.84	$ 76.74	$ 106.58
HDHP*	Employee	$ 671.10	$ 743.52	$ (72.42)	$ -	$ 39.80	$ 39.80
	Employee +1	$ 1,295.12	$ 1,063.31	$ 296.39	$ 6.24	$ 55.44	$ 61.68
	Family	$ 1,791.40	$ 1,472.04	$ 383.94	$ 8.28	$ 76.74	$ 85.02

*$ 72.42 - Employer contribution to Health Saving Account

Compensation

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Employee Increase Terminology

- Compression Adjustment
  - Individual employee salaries are adjusted upward to properly position them in their pay range (compa ratio)
- Cost of Living Adjustment (COLA)
  - All eligible employees receive at the same time
  - All eligible employees usually receive the same percentage (pay ranges are NOT adjusted)
- Market Adjustment
  - Ranges (and employees) adjusted upward to maintain competitive position with benchmarks
  - Amounts may vary by position
- Merit – or Performance Based
  - Eligibility and amount received normally based on performance

Compensation History
FY 2008-2009 to FY 2022-2023

Fiscal Year	Merit	Market	COLA	Other
2008 - 2009	Avg 3.2%	2%		1.2% pay decrease on 5/1/2009
2009 - 2010				
2011 - 2012				1.2% pay decrease restored
2012 - 2013				
2013 - 2014		3.20%		
2014 - 2015	0.4 - 2%			$100 - $450 longevity bonus
2015 - 2016		2%		
2016 - 2017		Min 2%		Plus, Phase I Market Based Pay Plan
2017 - 2018		Min 2%		Plus, Phase II Market Based Pay Plan
2018 - 2019		Min 2%		Plus, Phase III Market Based Pay Plan
2019 - 2020	1-3%			Merit based on years of service
2020 - 2021			2%	Effective 2/21 - ranges not adjusted
2021 - 2022	3% or Step (Ongoing)			New Pay Plan Structure with completely updated market-based pay ranges, compression adjustments
2022 - 2023	3% or Step (Ongoing)			Early implementation of minimum wage CPI, compression adjustments

Minimum Wage Ordinance

- January 1, 2023, the Flagstaff minimum wage increased to $16.80
- This year the City adjusted employees impacted by the minimum wage increase as well as all immediate compression caused by the increase through Regular Pay Range 04 and the Temp Plan
- Employee's current compa-ratio in the pay range was maintained to avoid reintroducing compression, which has been addressed over the last two fiscal years
- Beginning in January 2023 (and each year thereafter) the minimum wage must increase by the Consumer Price Index (CPI) ***AND*** be at least $2.00 higher than the State of Arizona minimum wage
- In spite of the routine Federal Reserve rate increases, lingering inflation is still impacting recruitment, retention, the overall compensation plan as well as the minimum wage
- CPI estimates indicate the next mandatory minimum wage increase may reach $18.00

Minimum Wage – CPI Impacts

- Regular Pay Plan impacts grades 04R – 25R to maintain some spread (5% vs 7.5%) between the lower ranges
  - Given the limited number of positions in 04R, discussion surrounding the elimination of 04R has occurred
- Temporary pay plan is impacted by the market adjustments since they are tied to grades 04R and higher

Minimum Wage – CPI Impacts

CURRENT City of Flagstaff Regular Pay Plan					
Pay Range	Min	Mid	Max	Spread	Mid Prog
04R	$16.80	$21.00	$25.20	50.0%	
05R	$17.43	$21.79	$26.15	50.0%	3.8%
10R	$18.30	$22.88	$27.45	50.0%	5.0%
15R	$19.22	$24.02	$28.82	49.9%	5.0%
20R	$20.18	$25.22	$30.27	50.0%	5.0%
25R	$21.54	$26.93	$32.31	50.0%	6.8%

PROPOSED City of Flagstaff Regular Pay Plan					
Pay Range	Min	Mid	Max	Spread	Mid Prog
~~04R~~	~~$18.00~~	~~$22.50~~	~~$27.00~~	~~50.0%~~	
05R	$18.00	$22.50	$27.00	50.0%	0.0%
10R	$18.90	$23.63	$28.35	50.0%	5.0%
15R	$19.85	$24.81	$29.77	50.0%	5.0%
20R	$20.84	$26.05	$31.26	50.0%	5.0%
25R	$22.19	$27.74	$33.29	50.0%	6.5%

- Regular Pay Plan - $365,000
- Temporary Pay Plan - $84,000
  - Total - $449,000

Merit

- Approved and budgeted (5-year plans)
- Maintain the commitment to employee compensation
  - Regular Pay Plan – 3% budgeted
  - Step Plans for Fire, Police and Water Services Operators
    - Percentage varies between steps, positions and plans

Pay for Performance

- Regular Pay Plan
  - Effective 7/1/23, moving from standard 3% merit to a true pay for performance merit
  - Merits will range from 2% to 4% based on evaluation score
  - Currently working on training plan for employees and supervisors
    - Collaborating with consultants
- Step Pay Plan – No Change

Annual Market Analysis

- To maintain a healthy, competitive, market-based pay plan a sampling of positions should be surveyed each year and adjusted if indicated (at least 25% of all classifications per year)
  - Priority is given to positions identified throughout the year that may be starting to lag in the market and/or are experiencing significant recruitment challenges
- This budget would **not** include division reclassification/reorganization requests or division requested market adjustments– those must be budgeted by the division
- Requested funding at $143,000 reoccurring
- Unused funds would carry over with the intent of developing adequate funding year-over-year

Pay Plan Market Adjustments

- Given the rapidly accelerating market, budget discussion is to possibly adjust all pay plans
  - Regular pay plan – 3% for ranges 30R and up (maintaining compa-ratio)
  - Fire – % varies based on the position in the market
  - Police - % varies based on the position in the market
  - Water Services Operators – 3% place holder for budget estimate purposes only

Pay Plan Market Adjustment Estimated Costs

- Regular pay plan (30R and higher) – $638,000
- Fire – $665,000*
- Police - $1,132,000
- Water Services Operators – $60,000**

- Total - $2,495,000

*This total only includes the overall step plan increase and paramedic pay - requested changes to other add pays has not been calculated
**Discussions still need to occur with Water Services to determine specific needs

Compensation Summary

- Minimum Wage $449,000
- Merit – Already Budgeted $2.1 M
- Market Analysis $143,000
- Pay Plan Market Adjustments $2,495,000
- Notes and assumptions: 1) final CPI calculation will modify this estimate; 2) turnover will reduce estimates for merit 3) market adjustment is an estimate, actual expense may be higher or lower 4) base budget costs (unburdened)

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Employee Advisory Committee (EAC)

Jared Wotasik, EAC Co-Chair

Input on Compensation/Benefits

- Impact of inflation and market trends on wages
- Minimum wage impact
- Pay for performance program
- Maintain cost share levels for benefit coverage contributions

Impact of Inflation and Market Trends on Wages

- Number one voiced concern by employees
- Directly affects recruitment and retention
- Have expressed that its hard to hire when we offer lower starting wages than jobs with less responsibility and accountability
- Other municipalities have done sharp increases in wages
- City has done well to build in ongoing merits and market analysis in 5 Year Plans, must continue and not let drop off

Minimum Wage Impact

- Sharp increases in minimum wage each year without similar increases to ranges above it create compaction and recruitment/retention issues
- With CPI adjustments on top of the $2.00 will we continue to see these large increases each year?
  - 19% increase FY 2021-2022
  - 9% increase FY 2022-2023

If so, what is the plan?

Pay for Performance

- EAC supports if improvements in the evaluation system have also been made to allow for fair accurate evaluations
- Concerns that have been expressed by members in past years
  - It is impossible to receive a below standard rating
  - It's too heavy on supervisor's subject opinion of the employee
  - Two employees of the same job and section with similar objective numbers/metrics can have two vastly different ratings
    - One can be standard and the other outstanding for the same work, but it matters which supervisor completes it

Maintain Cost Share Levels for Benefit Coverage Contributions

- The City made great strides in cost sharing last fiscal year
- Continue to stay competitive with the cost sharing ratios
- EAC understands that the premiums will go up this year and a portion will be passed on to the employee
- There is not an expectation for the City to absorb all increases, only maintain the current competitive ratio

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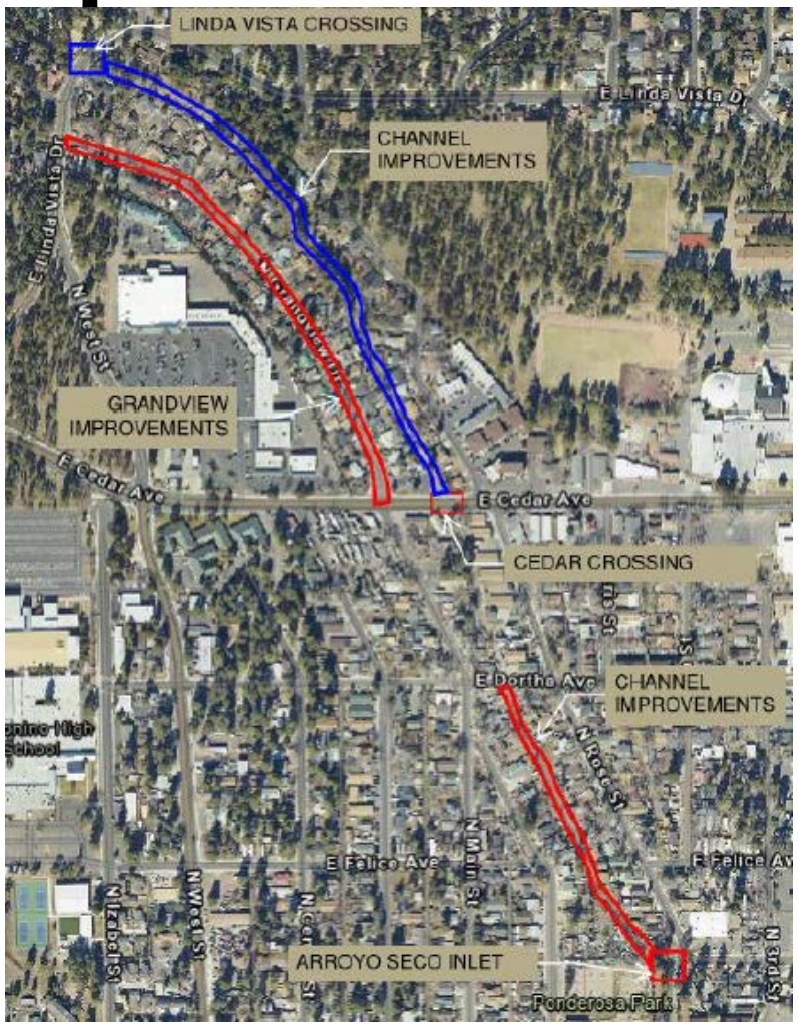
Bond Projects Update

Proposition 441: Wildfire Suppression

- Wildfire Engines (2)
- Water Tenders (2)
- Currently in the design and spec phase with a plan to go out for bid in April
- Anticipated May/June council agenda item for approval
- Estimated build time of 12-18 months (hoping to have for 2024 wildfire season)
- Total cost is estimated at $2,185,000

Proposition 441: Spruce Wash Improvements



- Multiple projects and three design firms
- Design firm selection and contracts
- Construction manager at risk selection
- FY 2022-2023 and FY 2023-2024 design
- FY 2023-2024 through FY 2025-2026 construction
- Approximate cost = $26,000,000

Flagstaff Wastewater Treatment

- Two treatment plants – Wildcat Hill and Rio De Flag
- History of treatment plants
- Conservation trends and solids loading
- Capacity limits and policies
- Capacity upgrades
- Maintenance projects

Wildcat Reclamation Plant Projects

- Anaerobic Digesters - $16M
  - Adds needed capacity
  - Needed redundancy
- Primary Effluent Pump Station - $5M
  - Needed redundancy
  - Improves efficiency
- Biogas Cogen - $4.5M
  - On-site power generation
  - Offset electrical demands and costs

Rio De Flag Reclamation Plant Projects

- Backup Generator - $2.2M
  - Needed redundancy

- Turbo Blowers - $1.4M
  - Improve operational capabilities
  - Improve efficiencies

Proposition 442 - Housing

Creating rental and homeownership opportunities for residents of Flagstaff

February 14 Work Session

Bond Programs and 10-Year Housing Plan Path Forward

Housing Commission Involvement

Program Design and Implementation

- Expanding the homebuyer assistance program - $7 million
- Repurposing existing available buildings into rental units - $3 million
- Incentivizing the private sector to incorporate affordable rental housing - $5 million
- Redeveloping City owned housing - $5 million

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Federal Funding Update

Awarded Projects - ARPA

Department of Treasury, American Rescue Plan Act (ARPA) Local Recovery Funds

ARPA Funding Breakdown

- $13,252,816 – Total awarded
  - $3,252,816 - Federally funded projects
  - $10,000,000 - Revenue replacement
    - $6,167,184 – Council Project allocations
    - $3,832,816 - General governmental services

ALLOCATION	PROJECT	FEDERAL ARPA FUNDS	NON-FEDERAL REVENUE REPLACEMENT
$400,000.00	Congregate care services, such as shelters	$400,000.00	
$2,400,000.00	Alternate care facility/services		$2,400,000.00
$75,000.00	Community ambassadors to assist with mental health/substance use	$75,000.00	
$1,900,000.00	Housing assistance programs	$1,900,000.00	
$60,000.00	Job training assistance	$60,000.00	
$300,000.00	Small business grants		$300,000.00
$150,000.00	Aid to non-profits - Arts and Sciences		$150,000.00
$300,000.00	Aid to non-profits - Food		$300,000.00
$150,000.00	Aid to non-profits - Other		$150,000.00
$300,000.00	Aid to non-profits - Victim Services	$300,000.00	
$150,000.00	Aid to tourism, travel, & hospitality		$150,000.00
$85,000.00	Local event support, permits & fees	$85,000.00	
$100,000.00	Support for filling vacancies, promotion of Team Flagstaff	$100,000.00	
$250,000.00	Education Assistance - Early learning	$250,000.00	
$350,000.00	Education Assistance - Facility construction for education programs		$350,000.00
$700,000.00	Premium Pay for public safety employees		$700,000.00
$1,500,000.00	Drinking Water Infrastructure - Cybersecurity		$1,500,000.00
$3,832,816.00	Revenue Loss Replacement		$3,832,816.00
$250,000.00	Administration of ARPA Local Recovery	$82,816.00	$167,184.00
		$3,252,816.00	$10,000,000.00
		TOTAL:	$13,252,816.00

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Awarded Projects - ARPA

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Federal Funds

- Congregate Care Services: $400,000
  - Five contracts awarded, 90% expended
- Community Ambassadors for Mental Health/Substance Use: $75,000
  - In progress, 0% expended
- Housing Assistance Programs: $1,900,000
  - Eight applications in review, 0% expended
- Job Training Assistance: $60,000
  - In progress, 0% expended
- Aid to Non-Profits - Victim Services: $300,000
  - In progress, 0% expended

Awarded Projects - ARPA

Federal Funds

- Local Event Support: $85,000
  - 100 permits/fees funded, 50% expended
- Support for Filling Vacancies: $100,000
  - Recruiting and advertising, 50% expended
- Education Assistance: $250,000
  - Notice of funding published, 0% expended
- Administration of ARPA: $250,000
    - $82,816 – Federal
    - $167,184 – Revenue replacement

Awarded Projects - ARPA

Revenue Replacement Funds – Unrestricted General Fund

- Alternate Care Facilities: $2,400,000
  - In progress, 0% expended
- Small Business Assistance: $300,000
  - Notice of funding published, 0% expended
- Aid to Non-Profits - Arts and Sciences: $150,000
  - Eight contracts awarded, 0% expended
- Aid to Non-Profits – Food and Other: $450,000
  - Notice of funding published, 0% expended

Awarded Projects - ARPA

Revenue Replacement Funds – Unrestricted General Fund

- Aid to Tourism, Travel, or Hospitality: $150,000
  - 23 contracts awarded, 25% expended
- Education Assistance, Facility Construction: $350,000
  - In progress, 0% expended
- Premium Pay for Public Safety: $700,000
  - Completed, 100% expended
- Drinking Water Infrastructure, Cybersecurity: $1,500,000
  - In progress, 0% expended

Awarded Projects

Federal Aviation Administration/Arizona Department of Transportation

- Coronavirus Aid, Relief, and Economic Security Act (CARES) - Operational Costs: $18M
  - $7.7M expended as of 12/31/2022
  - $599,012 for parking lot maintenance and fence replacement
  - $356,872 for airfield maintenance
  - Upcoming projects - terminal maintenance, terminal fire sprinkler replacement, terminal parking lot maintenance, Airport Rescue and Fire Fighting (ARFF) station maintenance, perimeter fence repair
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) - Operational Costs: $1.4M
- Airport Rescue Plan Act (ARPA) - Operational Costs: $1.9M
- Airport Drainage Plan Improvements: $350,000
- Environmental Documentation: $750,000
- Land Protection, Purchase 60 Acres North Side of Airport: $2M

Awarded Projects

Housing and Urban Development, Community Development Block Grants

- **2019-2020** – Eviction preventions, operational support, kitchen renovation, Sharon Manor rehabilitation: $616,928
- **2020-2021** – Housing as healthcare, Sharon Manor renovation, sewing and textile employment: $611,202
- **2021-2022** – After school and school break program, closing the gap facility acquisition, owner occupied housing rehab, Empowering Youth for the Future, and business incubator: $579,786
- **COVID-Coronavirus** – Closing the Gap facility acquisition, Front Door coordination entry, homeless and permanent supportive housing, COVID homeless outreach, alternative sheltering for COVID prevention, and caring for Flagstaff most vulnerable residents: $1.1M

Awarded Projects

- Staffing for Adequate Fire and Emergency Response (SAFER) - $1.4M (100%)
- Nationally Significant Multimodal Freight and Highways Projects (INFRA) - Downtown Mile - $56.3M (60%/40%)
- Environmental Infrastructure
  - Downtown flood lateral tunnel - $1.6M (75%/25%)
  - Killip inlet at Ponderosa Park - $2.0M (75%/25%)
- Community Directed Spending
  - Home retrofit program - $750,000 (100%)
  - Wildfire risk reduction - $3.5M (100%)
  - Museum Post-Fire Flooding Mitigation/Spruce Wash Property Acquisition - $1.48M

Pending Applications

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE) – Beulah widening complete street: $45M (80% to 100%)
- Consolidated Rail Infrastructure and Safety Improvements (CRISI) – Amtrack station accessibility project: $8.7M (80%/20%)
- Solid Waste Infrastructure For Recycling (SWIFR) - composting pilot program, new jobs, equipment and education: $2.7M (100%)
- Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD) - fiber network extension, signal and detection upgrades: $4.3M (80%/20%)
- Airport Improvement Program (AIP) - construct snow removal equipment building: $24M (91.06%/8.94%)

Pending Applications

- Airport terminal expansion: $3.7M (90%/10%)
- Airport accessibility and service animal relief area: $350,000 (90%/10%)
- Department of Forestry and Fire Management - inner basin waterline: $10M (100%)
- Energy efficiency and conservation block grant: $133,940
- Emergency watershed protection – Schultz Creek channel stabilization: $350,000 (75%/25%)
- Hazard mitigation grant program (75%/25%)
  - Cedar Avenue culvert: $1.8M
  - Spruce Wash flood mitigation: $2.7M
  - Sunnyside Neighborhood flood mitigation: $2.6M
  - Rio de Flag Water Reclamation Plant generators: $2.3M

Available Opportunities

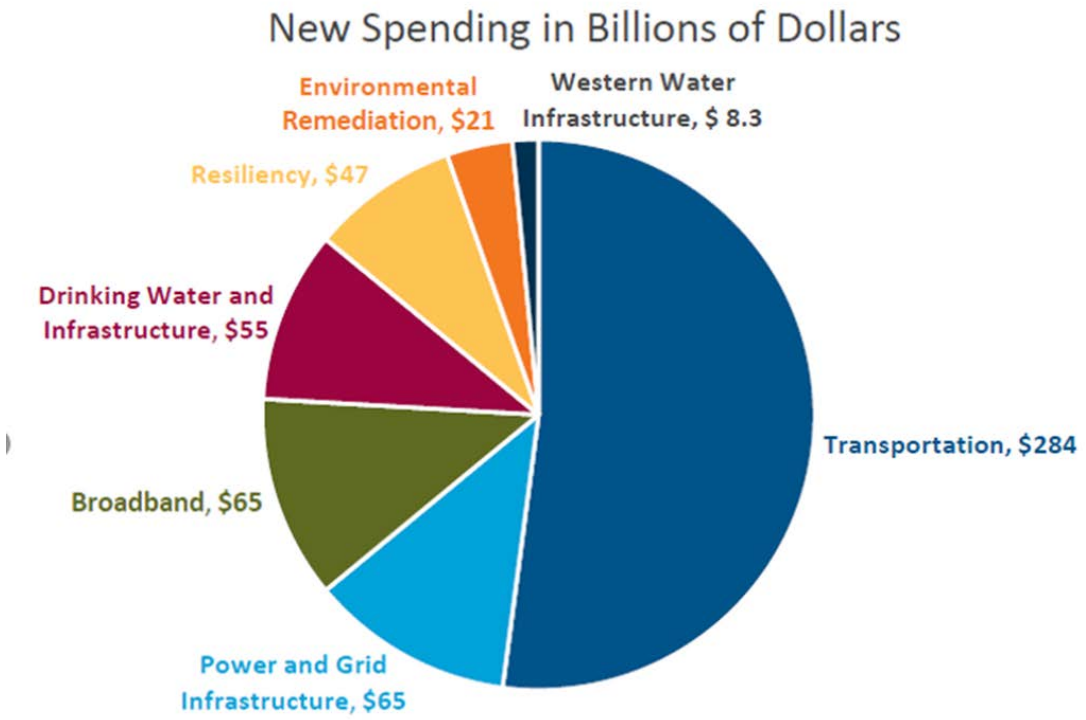
- FY 2023-2024 Community Directed Spending
  - Agriculture – watershed flood prevention, rehabilitation, healthy forests
  - Commerce, justice, science, and related agencies
  - Energy and water development
  - Financial services and general government
  - Homeland security
  - Interior, environment, and related agencies
  - Transportation, housing and urban development, and related agencies
- FY 2022-2023 Environmental Infrastructure for Arizona
  - Design and construction for water-related projects
    - Wastewater treatment facilities, water supply, storage, treatment, environmental restoration and surface water protection and development

Available Opportunities

- Bipartisan Infrastructure Law (BIL)

$550 billion in ***new spending*** over five years (FYs 2022 – 2026) above current baseline levels, including:

- **Transportation:** $284 billion
- **Power and Grid Infrastructure:** $65 billion
- **Broadband Infrastructure:** $65 billion
- **Drinking Water and Infrastructure:** $55 billion
- **Resiliency:** $47 billion
- **Environmental Remediation:** $21 billion
- **Western Water Infrastructure:** $8.3 billion



Available Opportunities

- Inflation Reduction Act, Environmental Justice Programs (IRA)
  - Reduce pollution, improve clean transit, clean energy, strengthen resilience to climate change
- Safer America Plan
  - Policing and other public safety efforts
  - Reduce gun violence
  - Crime prevention
- American Rescue Plan
  - Mental health, wellness and mental health funding
- All In: Federal strategic plan to prevent and end homeless and increase the supply of housing with supportive services

Available Opportunities

- Omnibus Appropriations Bill
  - Defense capabilities
  - Critical water infrastructure
  - Flood control projects
- HB2543: AZ House Bill Appropriations; Greater Arizona Transportation Projects
  - Lone Tree Corridor Improvements - $2.6M
  - State Route 180 flood mitigation improvements in the vicinity of Schultz Creek: $3M
  - J.W. Powell Boulevard/Interstate 17 overpass bridge replacement and widening: $5M

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Resource Allocations and Priorities

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Capital Improvement Projects

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Capital Improvement Projects
(Funded)

Lone Tree Overpass and Corridor

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Budget $81M

Design - $9.275M
Construction - $71.725M

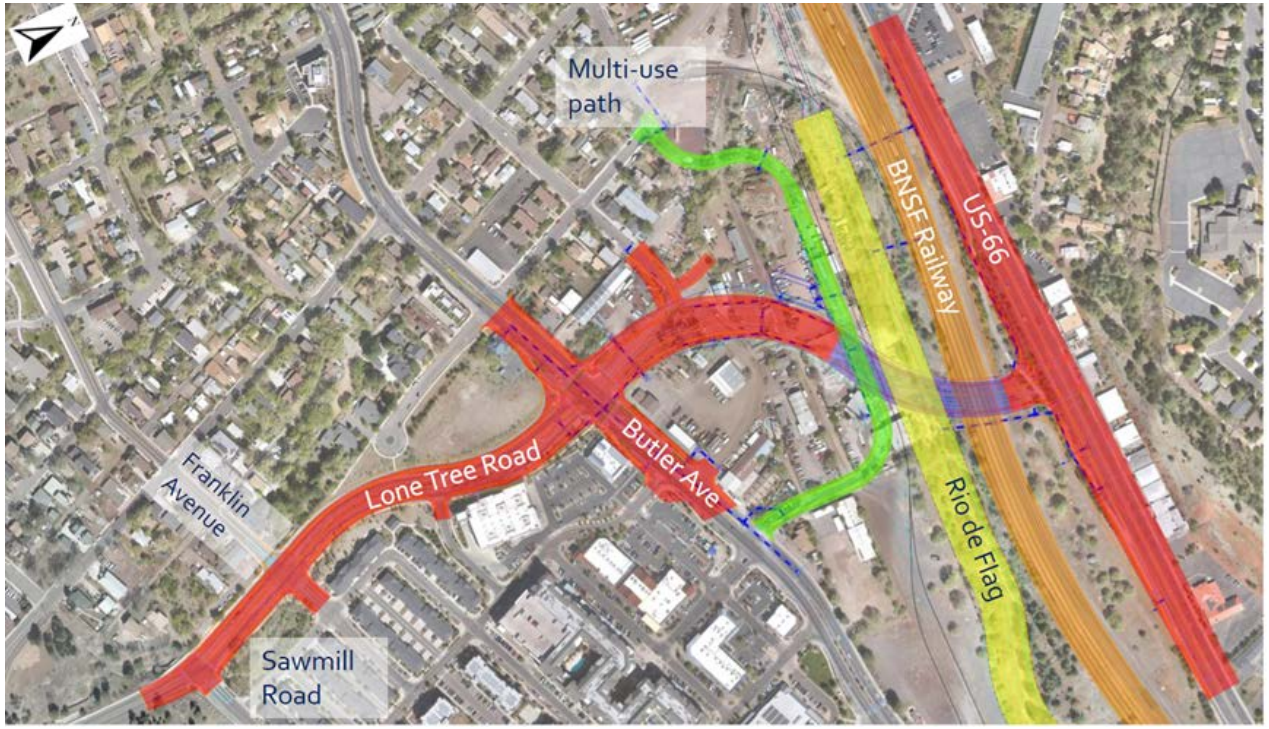
- Overpass – 2018 Proposition 420
- Corridor – 2018 Proposition 419

Schedule

- Design completion – May 2023
- Construction – late summer 2023 - 2026

2023 Council Activity

- GMP 1 – early construction package
- GMP 2 – construction
- BNSF Railway agreements



Downtown Mile Safety and Connectivity Project

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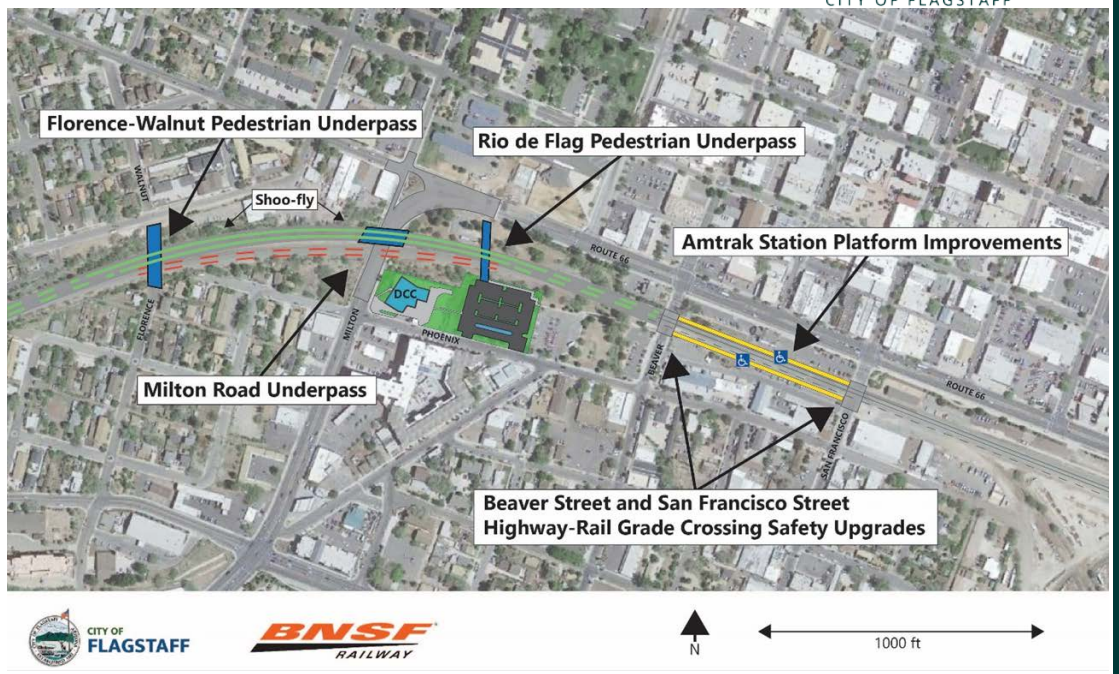
Budget

Design - $4.043M
- City of Flagstaff - $3,293,376
- MetroPlan - $499,000
- BNSF Railway - $250,000

Construction - USDOT INFRA Grant $56.3M
- Federal - $32.460M
- City of Flagstaff - $12.84M
- BNSF Railway - $11M



Schedule

- Design completion - February 2024
- Construction - Summer 2024 - 2028

2023 Council Activity

- Project presentation and intersection review – April 2023
- Design contract change order to add Amtrak platform improvements
- CMAR Pre-construction services contract
- BNSF Railway partnering agreements
- INFRA grant agreement

Beulah & University Improvements

Budget

Construction and Right-of-Way (ROW) - $22.1M

- Prop. 419 ("New" Transportation Tax) - $11.9M
- Prop. 403 ("Old Transportation Tax) - $8.6M
- Vintage Partners (Underpass) - $1.6M

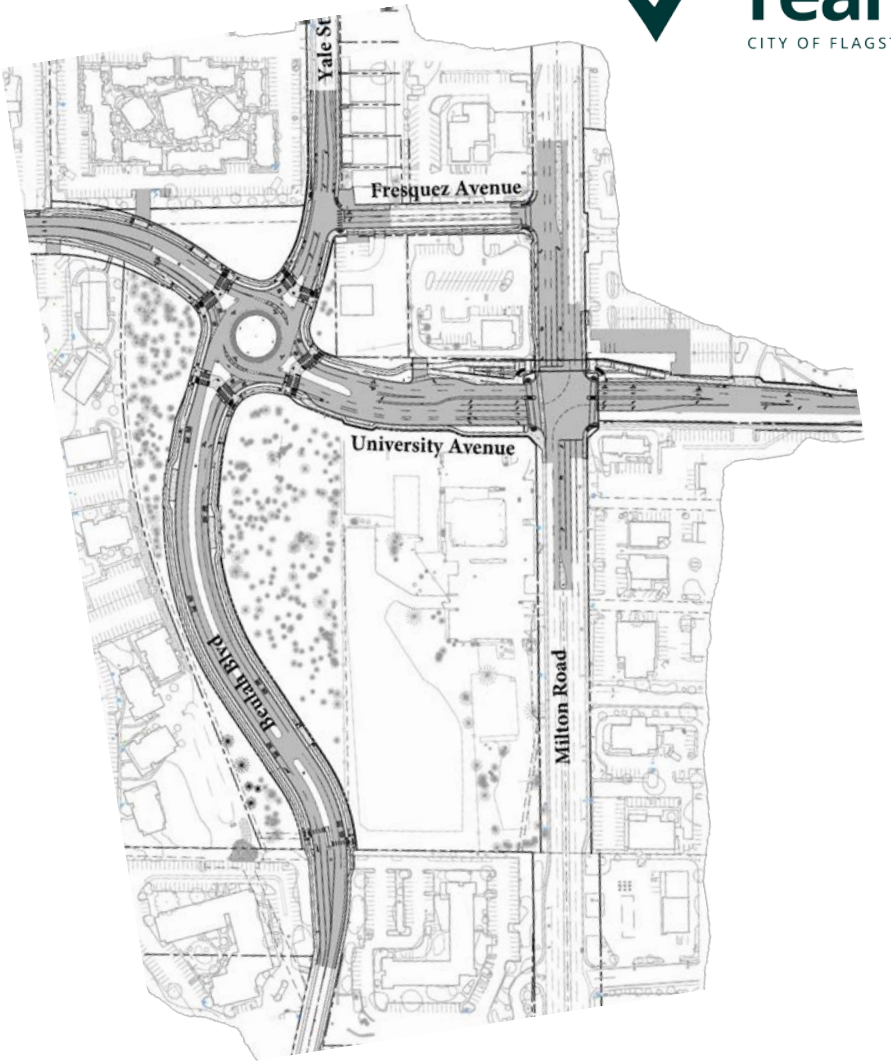
Schedule

Construction

- Anticipated April 2023
- Scheduled to end summer 2025

2023 Council Activity

- Project updates as necessary



Butler-Fourth Improvements

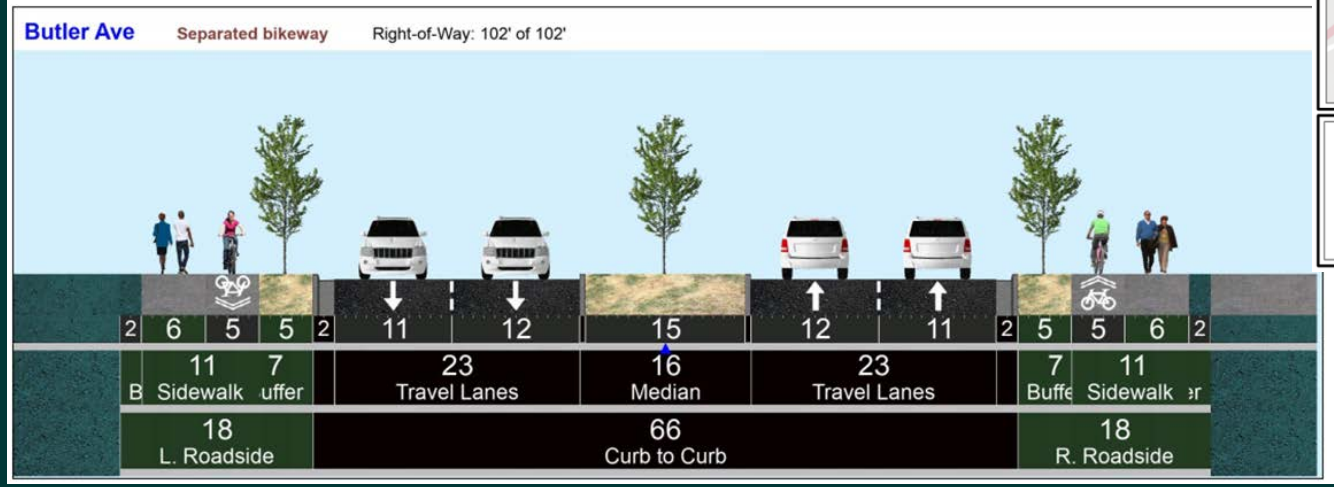
Budget

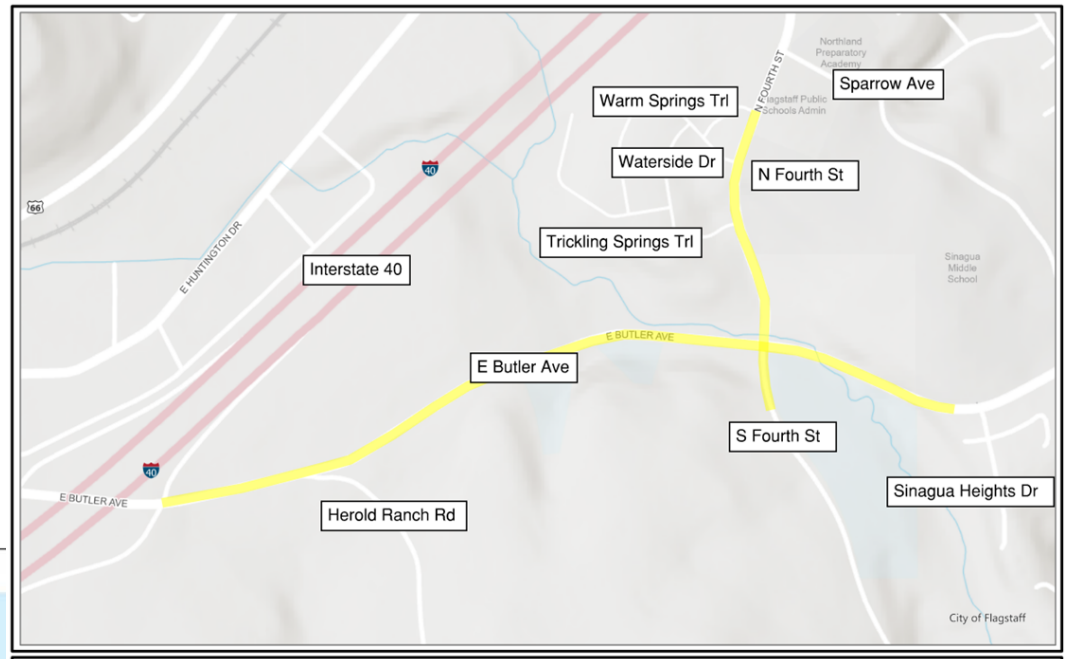
Total Project Budget - $16.2M

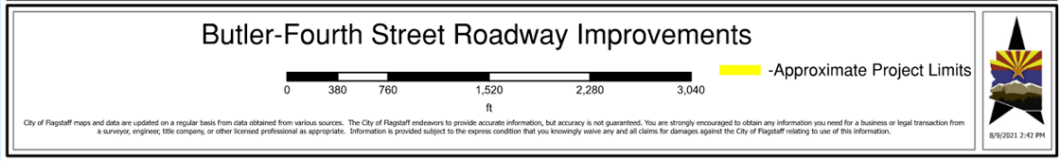
- $6.6M FY 2022-2023 authorized budget
- Includes $3.8M in developer "in lieu" contributions

Schedule

- Design completion - February 2024
- Construction - Spring 2024 - 2025







2023 Council Activity

- Public Outreach Project Presentation and Design Review – Spring 2023
- Construction Manager at Risk (CMAR) Contract Award- Summer/Fall 2023

Lockett and Cedar Roundabout

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Budget $4.2M

HSIP Grant - $1.928M
City of Flagstaff - responsible for any additional costs

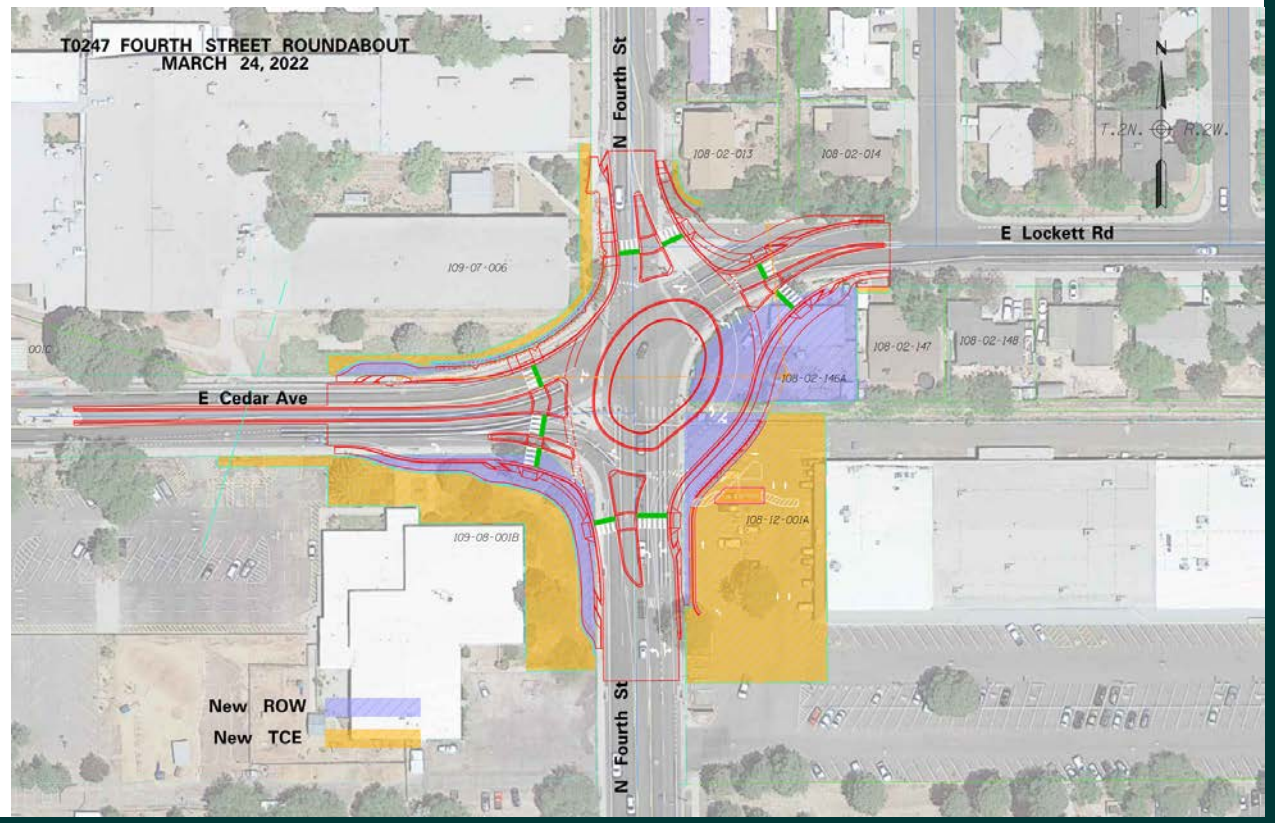
- Current City share is $2.25M

Schedule

- Design completion – Summer 2023
- Utility relocations-Summer 2023
- ADOT project advertisement-Fall 2023
- Construction – 2024

2023 Council Activity

- Fall 2023 - possible amendment #2 to ADOT IGA prior to project advertisement



Rio de Flag Improvements

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Budget $122M

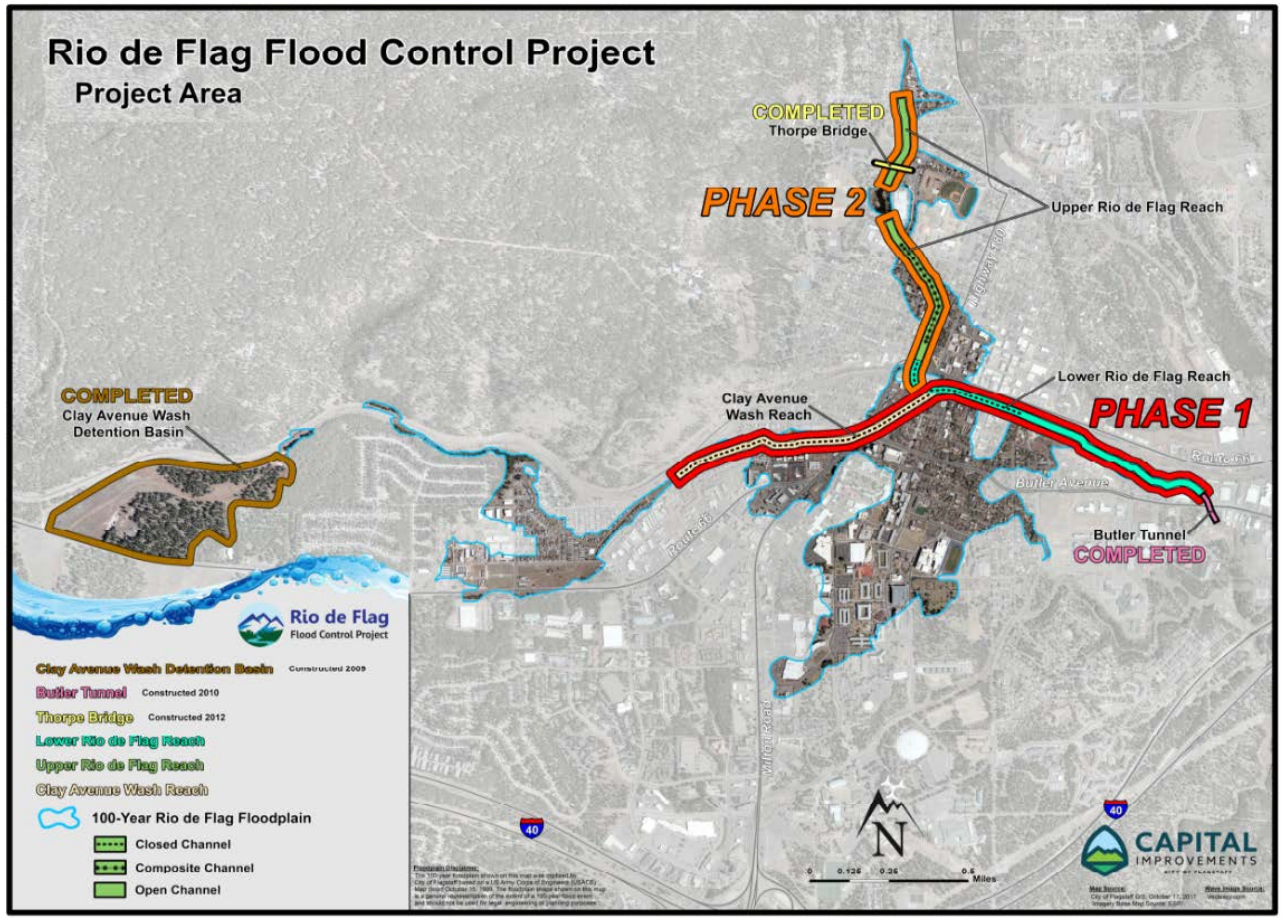
- US Army Corps of Engineers (65%) - $79,300,000
- City of Flagstaff (35%) - $42,700,000

Schedule

- Design completion – Summer 2023
- Construction – Winter 2023 - 2028

2023 Council Activity

- BNSF Railway agreements
- Design change order #17-SWI
- Real estate acquisition items



Airport Snow Removal Building

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Proposed Snow Removal Equipment Building

- Adjacent to existing Airport fire station
- Twelve equipment bays plus one maintenance bay
- Airport fleet: eight pieces of snow-removal equipment and four pieces of airfield maintenance equipment

$24.8M Estimated Construction Cost

- 90% Federal funding (FAA Airport Improvement Program Entitlement, discretionary, and Bipartisan Infrastructure Law grants) with state and local match

Design ongoing

Construction expected in Fall 2023

Airport Parking Lots

Terminal Lot – Primary Parking Lot

- Built in 1993 and expanded in 1997
- Maintenance challenges due to daily use

Terminal Lot Maintenance

- Economy Lot opening will allow terminal lot maintenance
- Three phases of construction expected this summer
- $2.2M estimated construction cost
- 100% Federal maintenance funding through FAA CARES Act grants

Airport Terminal Improvements

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Airport Terminal

- Constructed in 1993
- 115,596 enplanements (departing passengers) in 2021
- Operates 365 days per year

Terminal Maintenance Projects

- 100% Federal maintenance funding through FAA CARES Act grants
- Phase 1: Roof repairs, door replacement, airline office repairs, exterior painting - starting February 2023 ~$850K
- Phase 2: Flooring replacement, drywall repairs, interior painting - starting summer 2023 ~$750k
- Fire sprinkler replacement - design ongoing - construction spring 2023 ~$900k

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Capital Improvement Projects (Partially Funded)

Rio Plant Digesters - $24M

- 60% design
- Two concrete anaerobic digesters
- Digester control building
- Biogas handling system
- Dewatering and disposal
- Capacity needed by August 2024

Inner Basin Pipeline

Budget

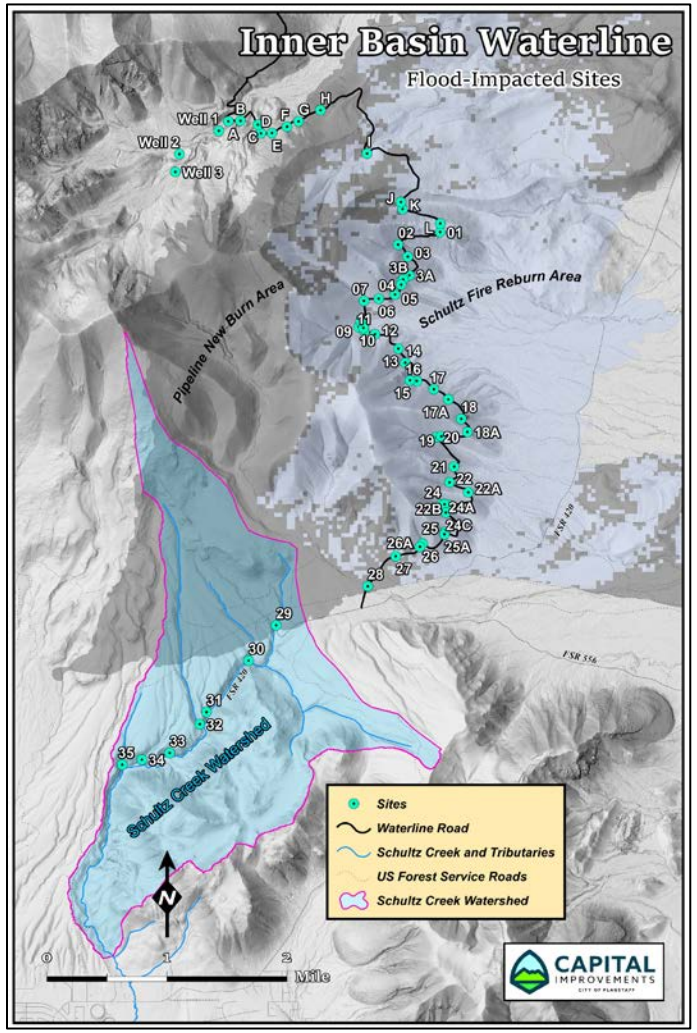
Preliminary estimate $10M

Design
- GMP 1 ($190K)
- GMP 2 (TBD)

Construction
- GMP 3 (TBD)
- GMP 4 (TBD)
- Inspection services contract (TBD)

Schedule

Construction
- Anticipated late summer 2023
- Scheduled to end late fall 2024



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2023 Council Activity

- GMP 2 (May 2023)
- GMP 3 (late summer)
- Inspections services contract (late summer)

Noresco Projects - Upcoming

- Wildcat septage and grease station with Greasezilla
- Wildcat mechanical dewatering
- Rio ABAC aeration
- Future solar drying

Lake Mary Raw Water Pipeline

- Waterline 60 years old
- Critical piece of infrastructure for water supply
- Several line breaks in the last 10 years
- FY 2023-2024 assessment and design

John Wesley Powell Extension

Budget

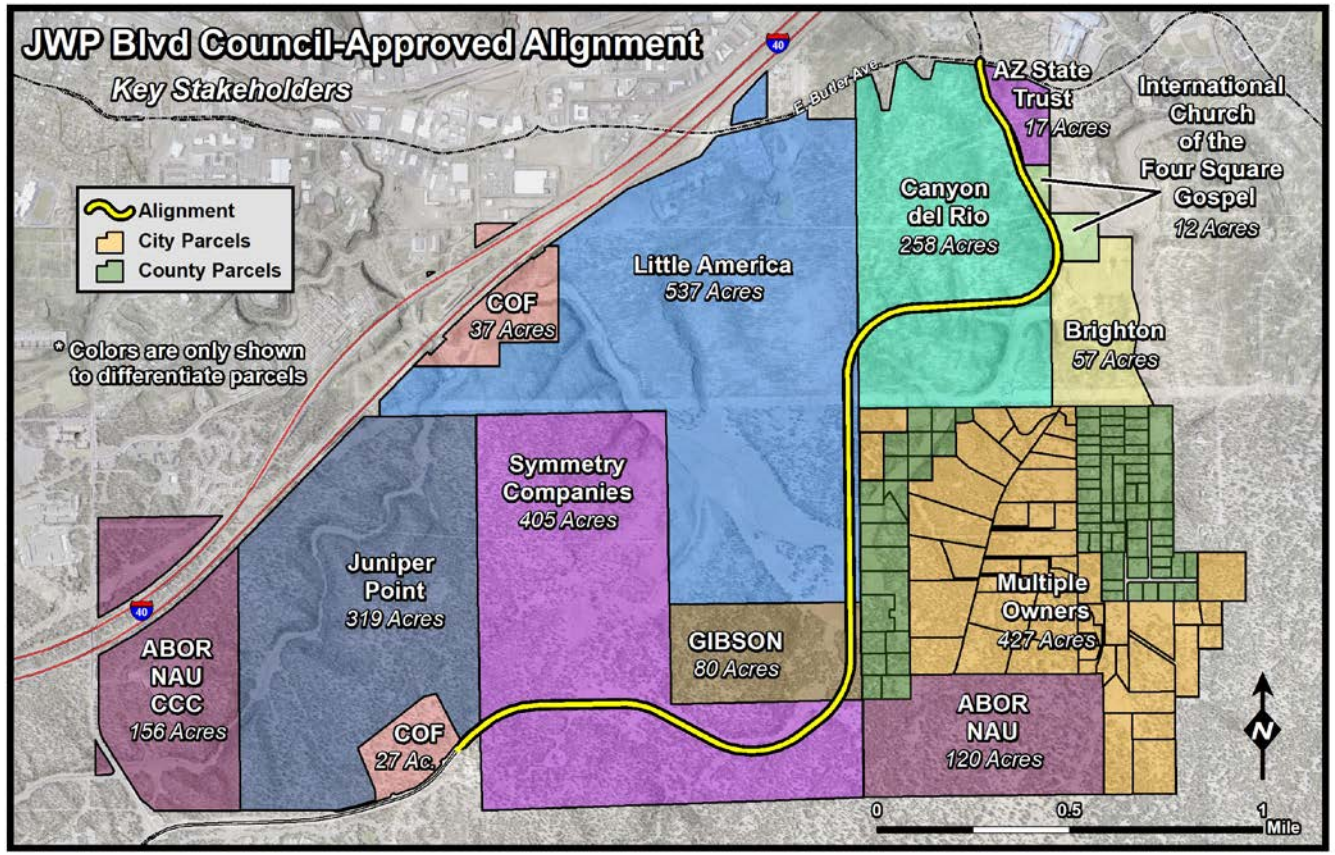
- City has 40% funding responsibility for construction - $9.2M

Schedule

- Specific Plan – ending spring 2024
- Design after specific plan
- Construction after design

2023 Council Activity

- Change order 5 – March
- Project updates as necessary



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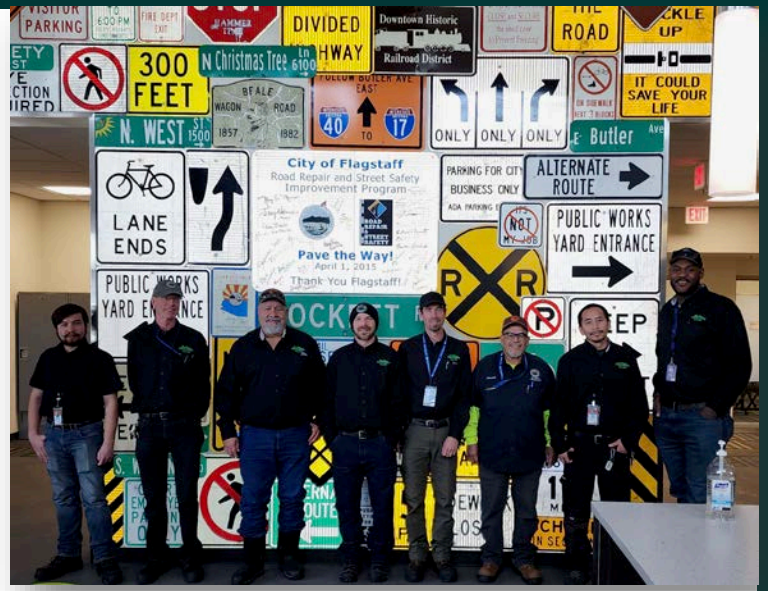
Operating Capital Replacements/ Maintenance

Facilities Maintenance



- Facilities Maintenance
  - Team of 11.5 dedicated employees
    - 102,663 sq ft of maintenance obligations per technician

- What does facilities maintenance do?
  - Maintain 75 of the 96 City owned facilities, which equates to one million square feet of maintenance
    - Tremendous infrastructure diversity and age is 1904 Milligan House to 2020 Courthouse
  - Maintenance of 86 HVAC units, 21 boilers, 75 plus building roofs
  - Project management of two-dozen capital maintenance projects

Facilities Maintenance

Focus on city wide stewardship through active communication and strong maintenance management.

- FY 2023-2024 Goals

Enhance Facility Advisory Committee	Improve City Security	Increase Preventative Maintenance	Increase Infrastructure Sustainability

Facilities Maintenance

The Budget Team
CITY OF FLAGSTAFF

How do we meet our FY 2023-2024 goals?

1. Purchase and implement a new asset management/work order system to improve customer service, house infrastructure data, track and better manage capital maintenance needs
2. Increase staffing in skilled trades workers to meet the increasing demand for service
3. Asking the budget team increase facilities operational budget to meet needs

Fleet Services

Responsible for the City rolling stock, demonstrating the focused attention to asset preservation, maintenance, and replacement of vehicles and equipment

- Assets
  - 720 units of unique equipment and vehicles
    - ~$28M fleet value
    - Unique uses, complex needs, and mixed funding resources
    - Robust replacement criteria by mileage, age, maintenance costs, and service reliability
- Fleet Management Committee
  - Representation of all users and internal support staff for strong collaboration
  - Reviewing asset assessments and prioritizes purchases regardless of fund source
  - Fleet assignments, repurposing, and highest utilization
  - Provides recommendations for Budget Team and Council
  - Stronger focus on emerging technologies and advancements (e.g., electric vehicles)

Fleet Services

- General Fund allocation is in the greatest need
- Current FY 2023-2024 budget appropriation is $1.165M for fleet replacements (not additions)
  - Replacement slip is occurring with units at end of life resulting in out of service conditions and increased maintenance costs
- Supply chain shortages and industry changes continue to present significant challenges, including large cost increases
- FY 2023-2024 request is to increase General Fund contributions by creating a reserve fund of no less than $350K to help offset significant and unforeseen cost increases
  - The cost of electric vehicles has nearly doubled over the past year

Information Technology

Broadband

- Over $2 million in funding (across multiple programs)
  - Fiber construction costs have almost doubled
- Working with 5+ fiber providers showing interest in Flagstaff
- City fiber priorities
  - City Hall to Butler (construction starting soon)
  - Water infrastructure (getting quotes for Rio)
  - Police station (aligning with Lone Tree overpass)
  - Economic Development (NACET, Airport, long-haul fiber connects)

Information Technology

Fiber coming to Flagstaff

- ADOT
  - Flagstaff to Phoenix down I-17
- APS
  - Flagstaff loop to Prescott, Phoenix and Holbrook
- Arcadian Infracom
  - Possible fiber from Denver/Salt Lake to Phoenix

Information Technology

Broadband

- Staff recommendation:
  - Continue efforts for a public private partnership
  - Dedicate primary resources to other capital infrastructure projects
  - Continue some fiber funding to add scope to capital projects, public/private partnerships or grant match opportunities
  - Patience ☺

Information Technology

IT Infrastructure

- IT Infrastructure includes things like
  - Servers
  - Network
  - Communication equipment
  - Software and licensing
  - PC/laptop replacements
  - Cyber-security
  - Hybrid work technology

Information Technology

IT Infrastructure

- Primary need – one-time to ongoing funding
- Inflation has really been biting us
  - Our storage platform cost went from $85,000 to $200,000+
- Application modernization
- Hybrid work improvements
  - Approximately $300,000 total need

Information Technology

IT Infrastructure

- Upcoming critical needs
  - $400,000+ server infrastructure replacement
  - $800,000+ dispatch software replacement
  - HR/Payroll implementation

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Carbon Neutrality

Carbon Neutrality Plan (CNP)

Since the initial conversations began on the climate emergency in 2020, staff has discussed the type of investment that will be required:

- Collective action - **2,309 jurisdictions in forty countries have declared a climate emergency** representing over one billion citizens
- Financial resources and sound investments are needed to address climate change
- The benefits that flow from these investments dramatically outweigh any upfront costs
- Transitioning to a "green" economy can unlock new economic opportunities and jobs
- An investment of US $1, on average, yields US $4 in benefits. *[*Climate Finance | United Nations*]

Carbon Neutrality Plan (CNP) Community Investment Needed

An Evolving Framework For Action Iteration 1

Total Projected Cost	Emissions Reduction	Net Benefit
$599,389,000	857,039 MTCO2e	$22,338,000

Communities Across the Country are Investing in their Communities through Climate Action

1. City of Ann Arbor, Michigan

   $1,056,409,000 estimated cost for their CNP

2. City of Denver, Colorado
3. City of Tucson, Arizona
4. City of Longmont, Colorado
5. Santa Fe County, New Mexico

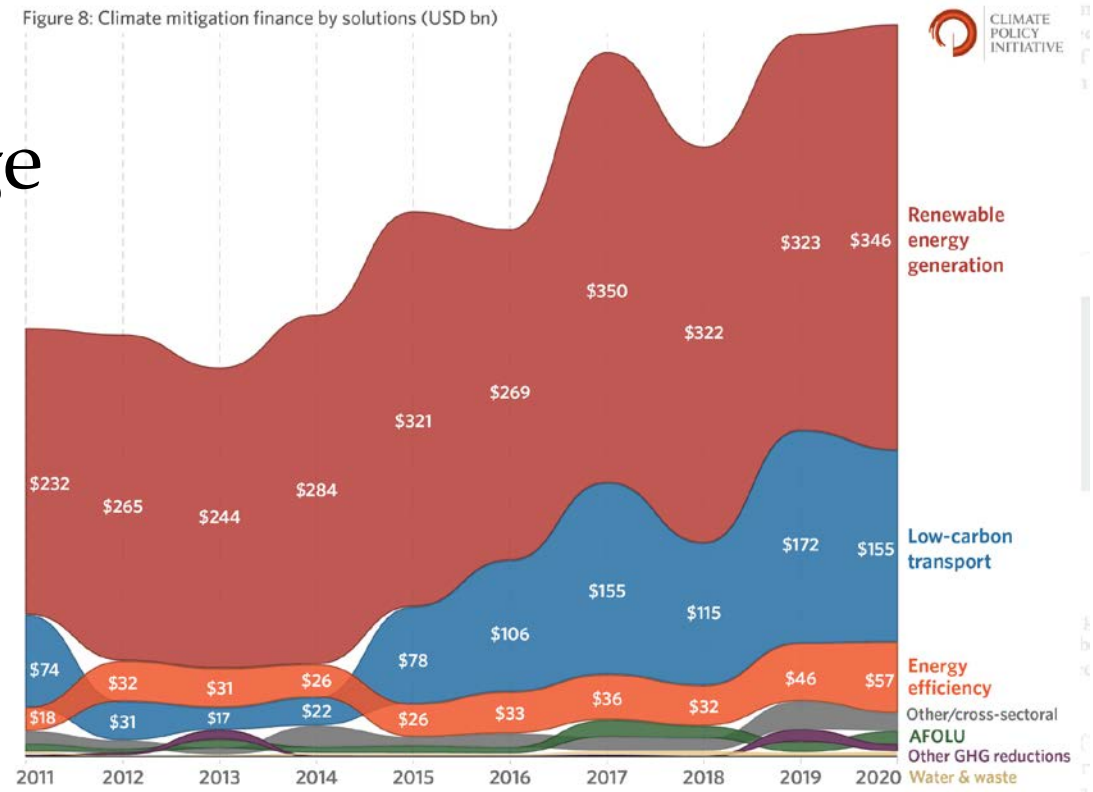
Strategy	Cost	Revenue	Metric Tons / CO2
Active Transportation Master Plan Implementation	**$200,000,000**		**38,751**
COF-Installed EV Chargers	$176,810		1,831
COF Electric Vehicle Fleet	**$2,630,000**	**$2,923,245**	**1,044**
Clean Energy Purchase / Project	**$38,947,334**	**$20,237,774**	**14,756**
City of Flagstaff ESCO	$1,500,000	$500,000	5,212
Electrification Rebate and Bulk Buy	$104,967,500	$305,133,005	25,142
LMI Deep Energy Retrofit Programs	$157,304,350	$170,641,237	16,626
Residential Loan Financing	$6,300,000	$105,000,000	28,372
Green New Construction	$5,440,970		11,571
Green Building Policies	$-		4,100
Improved Recycling & Expanded Composting	$19,704,535	$17,291,122	548
Landfill Gas Capture	**$11,663,000**		**103,149**
Commercial Energy Retrofits	$708,074		14,605
Carbon Dioxide Removal	$47,161,900		471,619
Programs Requiring Only Staff Time	$2,884,261		119,713

All Funding Sources Must Be Considered

1. Federal funds and grants
2. Philanthropic grants
3. Utility incentives
4. State funds and grants
5. General obligation bonds
6. Environmental Management Fee
7. General funds
8. Community partner investments

Moving the Needle

- Policy Change
  - Zoning Code
  - Engineering Standards
- Market and Technology Change
  - Electric mobility vehicles and electric bikes
  - Rapidly changing energy markets
  - Solar co-op "bulk purchase"
  - Carbon dioxide removal
  - Heat pumps and home electrification
  - City of Flagstaff energy conservation contract
- Behavior Change
  - Hybrid work policies, e.g., City of Flagstaff



Carbon Neutrality

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Neighborhoods

- Community Resilience
- Equitable Systems
- Decreased Dependence on Cars
- Housing for All
- Inclusive Recreation

Energy

- Electric Mobility
- Clean Electricity
- Building Fuel Switching

Consumption

- Reduced Building Energy Use
- Sustainable Consumption
- Water Security

Commitments

- Carbon Dioxide Removal
- Healthy Forests and Open Spaces
- Health and Safety
- Economic Prosperity

Carbon Neutrality

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Transportation

We need to rapidly shift how we plan, build, and maintain infrastructure

- Big Shift policy development
  - Engineering standards
  - Parking requirements
  - Code Analysis
- Transportation demand management (TDM) program
- Revitalize pre-pandemic micro-mobility share (bike/scooter) contract
- E-bike rebates
- Electric vehicle charging infrastructure
- Prioritize Active Transportation Master Plan (ATMP) projects

Carbon Neutrality

Building Energy

We need to begin rapidly changing our built environment

- Investing in City-owned buildings – energy conservation contract
  - Address deferred efficiency improvements
- Incentivize both residents and businesses to change how they use buildings
  - Pre-bates and rebates for existing homes and businesses
  - Incentives for new construction to reduce energy use
- Zoning Code analysis project
- Code updates
  - Industry training

Carbon Neutrality

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Neighborhood Resilience and Equity

We need to build foundations that help neighbors support each other

- Community volunteer portal
- Resiliency flood proofing grants
- Snow Hero initiative
- Neighborhood sustainability grants
- Wood stove rebate
- Additional community garden
- Communication

Regional Infrastructure

We need to create conditions to help Northern Arizona thrive

- Carbon dioxide removal projects

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Resource Needs

CARE Unit Funding

- Alternate Response Program
  - CARE (Community Alliance, Response and Engagement) Mobile Unit
    - Implemented in March 2021
    - Creating first annual report
    - Budget
      - $567,349 ongoing
      - $208,651 one-time for three years (second year)
      - $40,000 one-time equipment
      - $65,000 one-time vehicle
      - $229,000 ongoing personnel
      - Council adds: $20,000 program evaluation and $60,000 peer specialist both one-time
  - Reception Facility
    - Partnership with local service providers
    - Previous Council set aside funding of $2.4M. Funds are unrestricted. (ARPA revenue loss funding)
    - Consider re-allocation of funds

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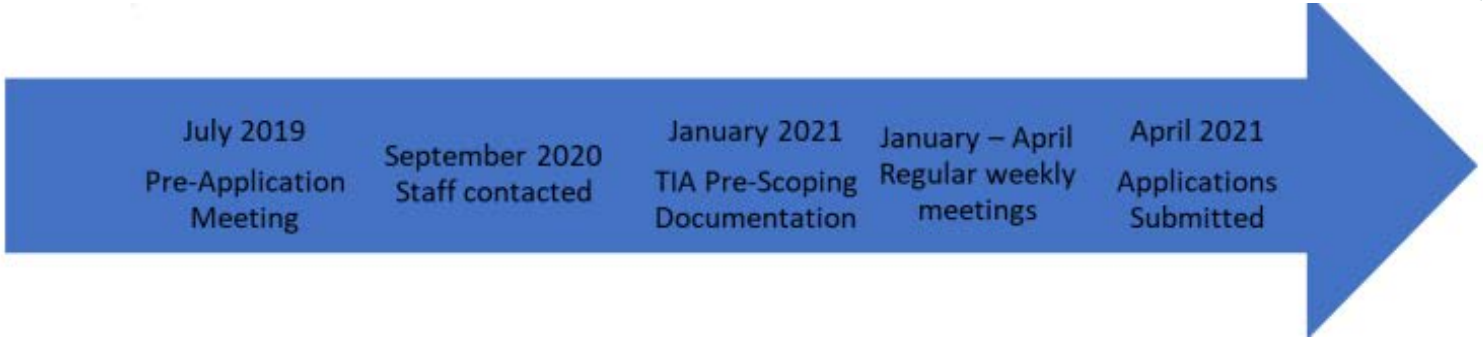
care
Community Alliance, Response & Engagement

NAH Development

- Timeline



- NAH Health Village broken into two phases of entitlement
  - Specific plan
  - Concept rezoning
- Phase I
  - Hospital
  - Ambulatory Care Center
  - Open space
- Capital expenses NAH is requesting City assistance

NAH Development

- Fire Service
  - FACETS Standards of Cover
    - Additional Fire – Emergency Medical Services (EMS) service in an area where almost none
    - Staffing for one full-time ladder truck for fireground support services
  - Impacts of rezone
    - Risk
      - High rise up to 142 feet
      - Institutional occupancy
    - $2.3 million operations and maintenance and 18 staff members
    - $9.2 million capital investment for fire station and apparatus/equipment
  - Funding
    - Development impact fees
    - Developer contribution
    - General Fund commitment

NAH Development

- Transportation
  - Establishing exact scope of work through TIA (transportation impact analysis)
  - RAISE Grant funding on reimbursement basis
    - Potential 100% federal funding
    - Capital project delivery by City staff, if awarded
    - Phase I Off-Site Improvements: widening of Beulah Blvd, Woodlands Village Blvd intersection, Lake Mary/University North intersection, University South intersection, Mountain Dell intersection, Fairgrounds Road/JW Powell Blvd roundabout
    - Estimated $35-$45 million
  - Mountain Line services

Service Partner Contracts

- General Fund Service Partner Contracts
  - One-time
  - Ongoing
- High Country Humane
  - Negotiated one year increase, amended contract for service improvements
  - Initial five years of contract ends 06/30/2024
  - County extended renewal period for their portion already
  - County included a consumer price index (CPI) bases pet services, 9.1%, min 1%, max 3%
  - Council Direction
- Service Partner Updates to Council?

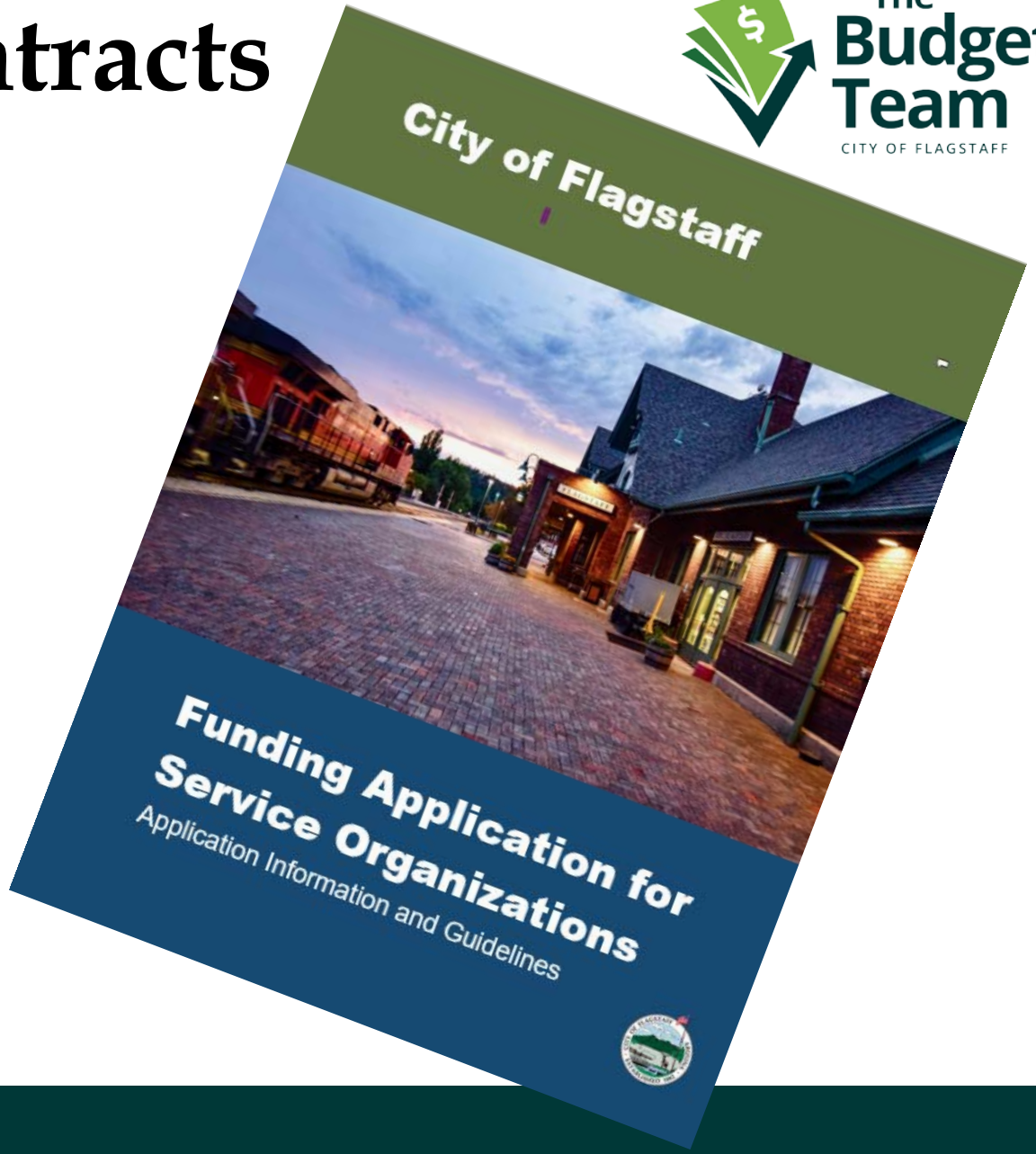
City of Flagstaff

FY 2019-20 to FY 2022-23 Service Partners Budget

General Fund	FY 2019-20	FY 2020-21	FY 2021-22 Adopted	FY 2022-23 Adopted			FY 2019-20 vs FY 2022-23
	Total	Total	Total	Ongoing	One-Time	Total	Change
AGENCIES							
United Way	293,750	$ 293,750	$ 293,750	$ 222,750	$ 71,000	$ 293,750	$ -
United Way-Step Up for Youth		30,000	-	-	-	-	-
FACTS	272,319	272,319	272,319	247,319	25,000	272,319	-
Animal Shelter Services	292,875	292,875	292,890	161,985	255,405	417,390	124,515
Victim Witness	41,304	41,304	41,304	41,304	-	41,304	-
Emergency Housing	20,000	7,000	7,000	-	7,000	7,000	(13,000)
Coalition for Children and Youth	19,669	19,669	19,669	19,669	-	19,669	-
NACASA	18,627	18,627	18,627	15,627	3,000	18,627	-
Weed & Seed	5,503	5,503	5,503	5,503	-	5,503	-
Boys & Girls Club	25,000	25,000	25,000	-	35,000	35,000	10,000
Short-term Emergency Services	84,562	59,562	-	-	-	-	(84,562)
Shelter Overflow	25,000	10,000	25,000	-	25,000	25,000	-
Shelter Services	-	-	50,000	-	-	-	-
Black Lived Experience	-	50,000	50,000	-	49,900	49,900	49,900
Launch Flagstaff-3 Years	70,000	70,000	70,000	-	-	-	(70,000)
Elevate Pre-K	-	-	-	-	25,000	25,000	25,000
Mobile Outreach Bus	-	-	-	-	37,500	37,500	37,500
Lowell Discovery Center	-	-	-	-	35,000	35,000	35,000
							-
Grand Total	*1,168,609*	*$ 1,195,609*	*$ 1,171,062*	*$ 714,157*	*$ 568,805*	*$ 1,282,962*	$ 114,353

Service Partner Contracts

- Application Process (DRAFT)
- Deadlines
- Eligibility and Requirements
- Request Alignment to
  - Mission
  - Vision
  - Value
  - Priority Based Budgeting



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Council Forum/ Budget Expectations

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