Budget Retreat
April 21 & 22, 2022
Welcome
and
Overview
Retreat Protocol

• Think high level
• Complex process with multiple components
• Great amount of staff discussion to get here
• No problem solving, but rather building framework
• Inclusive but succinct
• Stay on track
Agenda – Day 1

• Budget Timeline and Approach
• Revenue Updates
• Employee Advisory Committee (EAC)
• Investing in Employees Update
• New Budget Appropriations
• Priority Based Budget
• Federal Funding
• November 2022 Ballot Measures
• Division Updates
Agenda – Day 2

• Division Updates
• Capital Improvement Program
• Council Parking Lot/Adds and Deletes Discussion
Budget Timeline and Approach
Budget Timeline

- December: Council Retreat
- February: Council Retreat
- Division Review
- April: Council Retreat
- June: Budget Adoption
Budget Approach

✓ Compensation and benefits
✓ Basic services and operational needs
  ✓ Transitioning 25% of ongoing operational needs funded one-time to ongoing funded
✓ Infrastructure needs
✓ Key Community Priorities and Objectives (Priority Based Budget)
✓ Carbon Neutrality Plan (CNP)
Color of Money

• **Special Revenue, Enterprise, Debt Service and Capital Project Funds**
  • The revenues in these funds are restricted on how they can be spent
    • Voter approved
    • State statute
    • Ordinance

• **General Fund** – mostly unrestricted revenues
Color of Money

**Color of Money – Fund Accounting**

Many of the City’s revenues are restricted and can only be spent on specific functions or organizations. Fund accounting is used to ensure proper tracking of these revenues and related expenditures.

City Council requires that each fund must be balanced on an ongoing basis for a minimum of five years. In addition, each fund must maintain a minimum fund balance. Minimum fund balance is required to mitigate in any event that fund must maintain a minimum fund balance. Minimum fund balance is required to mitigate in any event that fund position may be affected by unforeseen events. City policy requires that the City maintain a minimum fund balance to ensure financial stability and to provide funds for unexpected expenses.

Below is background information on the various City’s funds and their restricted revenues.

### Special Revenue Funds

These funds are restricted funds derived from specific taxes or other earmarked revenue sources. They are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute, charter provision, or ordinance to finance a particular function or activity.

- Library – Secondary property tax
- Water (Streets) – Sales tax
- Transportation Improvement
- Road Impact Fee
- Route 66 to Bridge Overpass

### Enterprise Funds

Self supporting line items adopted by ordinance such as Water/Wastewater/Trash Billings, Port and Airport lease and fees.

- Water
- Wastewater
- Reclamation
- Stormwater

### Capital Project Funds

These funds account for capital expenditures separate from ongoing operations.

- Restricted Federal Sources: Water Quality, Third Party Restricted Fees
- General Obligation Bond Projects:
  - TIFIS/OPAPF
  - Water/Wastewater
  - Transportation
  - USGS campus expansion

### Debt Service Funds

Used to account for the principal and interest payments on outstanding debt.

- Long-term bonds
- General Obligation Bond
- Special Assessment

### General Fund

This is the primary revenue and expense accounts used to fund services provided by the City. The General Fund includes revenues from all activities and other accounts.

- All activities and other accounts are included.

### General Fund Sources Include:

- Property Taxes
- Sales Tax
- Business License
- Occupancy Tax
- Proceeds from Various Sources
- Investments and Interest
- Other Tax Sources
- Federal Programs
- State Grants/Federal Grants
- Capital Improvement
- Other Revenues
- Utility Rates
- Other

### sustainability and Environmental Management

- Airport
- Solid Waste
- Housing Authority
Revenue Updates
Revenue Update – General Fund

- Last update provided at February retreat
- Activity for February continued growth
- Sales tax activity for March 3% decline over prior year
- Stressed tested to 1% decline versus 2% growth
- Recommend maintaining February revenue projections plus census allocation increases
- Exception: State Shared Sales Tax - $2.6M one-time
Revenue Update

Economic Considerations

• Inflation
• Federal Reserve Rates
• Work Force
• Fuel Prices
• War in Ukraine
• Supply Chain
• Housing
• State Legislative Session

AND....
## Revenue Update – General Fund

### City Sales Tax Revenues

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2021-22 Budget</th>
<th>FY 2021-22 Estimate</th>
<th>FY 2022-23 Budget</th>
<th>Change Budget to Budget</th>
<th>% Change Budget to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>$1,026,000</td>
<td>$1,063,000</td>
<td>$1,073,600</td>
<td>$47,600</td>
<td>5%</td>
</tr>
<tr>
<td>Telecom</td>
<td>150,000</td>
<td>146,000</td>
<td>146,000</td>
<td>(4,000)</td>
<td>-3%</td>
</tr>
<tr>
<td>Restaurants/Bars</td>
<td>2,899,400</td>
<td>3,232,000</td>
<td>3,296,600</td>
<td>397,200</td>
<td>14%</td>
</tr>
<tr>
<td>Amusements</td>
<td>69,700</td>
<td>74,000</td>
<td>99,900</td>
<td>30,200</td>
<td>43%</td>
</tr>
<tr>
<td>Commercial Rental</td>
<td>1,098,000</td>
<td>1,066,000</td>
<td>1,087,300</td>
<td>(10,700)</td>
<td>-1%</td>
</tr>
<tr>
<td>Personal Property Rental (TPP)</td>
<td>667,800</td>
<td>755,000</td>
<td>770,100</td>
<td>102,300</td>
<td>15%</td>
</tr>
<tr>
<td>Construction Contracting</td>
<td>1,886,400</td>
<td>2,230,000</td>
<td>2,118,500</td>
<td>232,100</td>
<td>12%</td>
</tr>
<tr>
<td>Retail</td>
<td>11,681,500</td>
<td>13,390,000</td>
<td>13,657,800</td>
<td>1,976,300</td>
<td>17%</td>
</tr>
<tr>
<td>Marketplace Retail</td>
<td>826,200</td>
<td>1,002,000</td>
<td>1,022,000</td>
<td>195,800</td>
<td>24%</td>
</tr>
<tr>
<td>Hotel/Motel</td>
<td>1,492,300</td>
<td>1,743,000</td>
<td>1,777,900</td>
<td>285,600</td>
<td>19%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>102,300</td>
<td>96,000</td>
<td>97,800</td>
<td>(4,500)</td>
<td>-4%</td>
</tr>
<tr>
<td>Use Tax</td>
<td>1,663,800</td>
<td>1,777,000</td>
<td>1,794,800</td>
<td>131,000</td>
<td>8%</td>
</tr>
<tr>
<td><strong>City Sales Tax 1% Totals</strong></td>
<td><strong>$23,563,400</strong></td>
<td><strong>$26,574,000</strong></td>
<td><strong>$26,942,300</strong></td>
<td><strong>$3,378,900</strong></td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>

13% 14%
# Revenue Update – General Fund

## State Shared Revenues

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2021-22 Budget</th>
<th>FY 2021-22 Estimate</th>
<th>FY 2022-23 Budget</th>
<th>Change Budget to Budget</th>
<th>% Change Budget to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Shared Sales Tax</td>
<td>$8,285,200</td>
<td>$9,800,000</td>
<td>$9,894,000</td>
<td>$1,608,800</td>
<td>19%</td>
</tr>
<tr>
<td>State Shared Urban Revenue</td>
<td>$9,790,000</td>
<td>$10,075,700</td>
<td>$13,735,500</td>
<td>$3,945,500</td>
<td>40%</td>
</tr>
<tr>
<td>Auto Lieu</td>
<td>$3,718,300</td>
<td>$3,876,000</td>
<td>$3,876,000</td>
<td>$157,700</td>
<td>4%</td>
</tr>
<tr>
<td><strong>State Shared Totals</strong></td>
<td><strong>$21,793,500</strong></td>
<td><strong>$23,751,700</strong></td>
<td><strong>$27,505,500</strong></td>
<td><strong>$5,712,000</strong></td>
<td><strong>26%</strong></td>
</tr>
</tbody>
</table>
Revenue Update

Other Funds

- BBB
- Highway User Revenues
- Water Services
Investing in Employees
Staffing Increases

• General Fund
  • Human Resources Analyst - Recruitment (1.0 FTE) – Human Resources
  • IT Administrator (1.0 FTE) – IT Business Systems
  • IT Analyst (1.0 FTE) – IT Cyber Security Analyst
  • Emergency Management Administrator (1.0 FTE) – Management Services
  • Grants and Contracts Administrator (1.0 FTE) – Management Services
  • Business Systems Analyst (1.0 FTE) – Public Works
  • Project Manager (1.0 FTE) – Public Works
Staffing Increases

• General Fund (Continued)
  • Transportation Technician (.48 FTE) – Transportation
  • Parks and Recreation Director (1.0 FTE) – Parks, Recreation, Open Space and Events
  • Open Space Coordinator (1.0 FTE) – Parks, Recreation, Open Space and Events

• Beautification and Arts and Science
  • Art Collections and Beautification Administrator (1.0 FTE)

• Water Services
  • Operation Technology Systems Specialist (1.0 FTE)
  • Water Services Operator (1.0 FTE)
Staffing Increases

• Solid Waste
  • Administrative Specialist (.50 FTE)

• Sustainability
  • Resilience Analyst (1.0 FTE)

• Flagstaff Housing Authority
  • Housing Navigator (1.0 FTE) – General Fund 25%
Reclassifications

• General Fund
  • 10 positions
    • Includes 2 positions within Dispatch
• Library
  • 2 positions
• Solid Waste
  • 1 position
• Sustainability
  • 1 position
Reorganizations

• City Manager’s Office (pending Council ordinance approval)
  • City Clerk’s Office from Section to Division
  • Sustainability from Section to Division
• Management Services
  • Grants and Contracts from Program to Section
  • Add Emergency Management responsibility

• Community Development
  • Building, Safety and Code Compliance from Program to Section
Staffing History (Full-time Equivalents)
FY 2022-2023 Proposed Budget by Category

General Fund Expenditure Budget

Personnel: 52%
Services: 22%
Commodities: 3%
Contractuals: 19%
Pension: 4%
# Retention Trends – Turnover Comparison

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2019</th>
<th>Calendar Year 2020</th>
<th>Calendar Year 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Separations</td>
<td>108</td>
<td>124</td>
<td>177</td>
</tr>
<tr>
<td>Retirements</td>
<td>25</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Voluntary/Involuntary</td>
<td>74</td>
<td>84</td>
<td>151</td>
</tr>
<tr>
<td>Total Turnover Percentage</td>
<td>12.16%</td>
<td>17.44%</td>
<td>24.10%</td>
</tr>
<tr>
<td>Bureau of Labor Statistics: State/Local Rate</td>
<td>18.00%</td>
<td>19.10%</td>
<td>18.70%</td>
</tr>
<tr>
<td>Temporary/Contract Separations</td>
<td>108</td>
<td>211</td>
<td>193</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>10.1%</td>
<td>12.01%</td>
<td>17.07%</td>
</tr>
</tbody>
</table>
Retention Trends – Exit Interview Summary

• Better Pay and/or Benefits continues to be the dominant reason

Primary Reason(s) for Leaving the City of Flagstaff Workforce – Calendar Year 2021

*Compensation Plan changes July-November 2021
Retention Trends – Exit Interview Summary

Please rate the following employee benefits – Calendar Year 2021
Retention Trends – Exit Interview Summary

Market Based Pay Plan
Equitable Pay Movement through the Pay Plan Promotional Increase Rate of Pay upon hire

Employee Compensation – Calendar Year 2021

*Compensation Plan changes July-November 2021
Attraction Trends

Recruitment

• 2019: 189 Hires 56 internal (30%)/133 external
• 2020: 155 Hires 25 internal (16%)/130 external
• 2021: 290 Hires 103 internal (35%)/187 external

Declined Offers have Decreased!

• 2019 = 32 (17%), Reason because of another offer = 10
• 2020 = 17 (11%), Reason because of another offer = 5
• 2021 = 14 (5%), Reason because of another offer = 2
Recruitment Efforts
Recruitment Efforts
Recruitment Efforts

Assistant City Attorney position open
Applications due by April 8

Currently advertising the open Assistant City Attorney position on this professional association site: 30-day listing, premium position, elevated search, will be sent via email to the Bar’s 18,000 legal professional membership.
Recruitment Efforts

Next Steps:

• Continue to run radio, print, and digital spots locally, regionally and nationally
• Continue to update our COF website
• Photography completed – format photos and use them in all advertising
• Video shot – get it ready for real time
• Continue to work with TEAM FLAGSTAFF to recruit the finest and best
Break
Budget Approach

Compensation and Benefits

✓ Focus on taking care of current employees
✓ Merits are funded
✓ Continue to provide a market-based pay structure
✓ Minimum wage will be adjusted for Consumer Price Index (CPI)
✓ Exploring opportunities to increase benefit coverage contributions
✓ Maintain General Fund sixty-day salary sweeps to fund benefits and compensation efforts
Benefit Recommendations

• Medical Insurance
  • Moving to 3-Tiered Plan
    • Employee
    • Employee +1 (new)
    • Employee + Family
  • Improved Cost Share for All Employees
    • Every employee with City insurance will see a reduction in cost
    • Competitive rate for employees to cover dependents
    • On Par with Other Public Agencies
    • 72%/28% cost share for Employee+1 and +Family coverage
    • Increase employer contribution to Health Savings Accounts for HDHP Plan
• $1.07 Million
Compensation Recommendations

• Merit
  • Regular Pay Plan 3%
  • Step increases in Step Plans
  • $2,057,000

• Minimum Wage Adjustment
  • 7% increase
  • IMPLEMENT EARLY: July 10, 2022 versus January 1, 2023
  • New Minimum Wage: $16.60/hour
  • Impacts >200 employees in Regular Pay Plan, 179 in Temp Pay Plan
  • $451,000
  • If August CPI greater than 7%, further adjustment January 1, 2023
CPI Adjustment Employee Examples

• Library Clerk
  • Current Pay Range 00R - $16.22/hour
  • Move to New 06R – 7% CPI new rate = $17.45($1.23/hour increase)
  • 3% merit on anniversary – new rate = $17.98
  • Total FY 2023 increase of $1.76/hour (over 10%)

• Administrative Specialist
  • Current Pay Range 10R - $20.76/hour
  • Move to New 11R – 7% CPI new rate = $21.91/hour ($1.15/hour increase)
  • 3% merit on anniversary – new rate = $22.57/hour
  • Total FY 2023 increase of $1.81 (almost 9%)
Compensation Recommendations

• Market Adjustment Fund
  • $143,000

• Compression Adjustments
  • Regular Pay Plan
    • Pay Range 20R and above (Ranges not impacted by the CPI adjustment)
  • Police Step Plan
    • Officer and Sergeant
  • Fire Step Plan
    • Airport Rescue Firefighters, Firefighter, Engineer, Captain
  • $706,000
Total Employee Investment

• Compensation and Benefits
  • Merit
  • Minimum Wage Adjustment
  • Market Adjustment Fund
  • Compression Adjustments
  • Medical Insurance Cost Sharing

• $4.8 Million (with ERE)

Employee Quote: "We again want to thank you, the HR folks, and budget for following through on things. We will never be able to express our gratitude for what the entire pay plan correction has done for us. Single greatest improvement that I’ve heard from all of the long-time guys. …But I can tell you that the ship has been righted in a huge way with what you ALL have done. Not just for the fire department, but the city as a whole."
Employee Advisory Committee
EAC Budget Recommendations

• Deep appreciation and support for the Benefit and Compensation Recommendations for the FY 2022-2023 budget.

• The initial recommendation of the EAC was for a 5% Cost of Living Adjustment (COLA) and for the City to absorb the medical insurance increase.

• The proposed recommendations provide a much more holistic approach addressing a broader area of need and provide long-term improvements versus one-time.

• These recommendations will have a significant impact on retention as well as recruitment.

• Demonstrates Council and Leadership’s stated commitment for making employee compensation a priority.
New Budget Appropriations
# Summary – Total Budget Requests

<table>
<thead>
<tr>
<th>Total General Fund Budget Requests</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel (excludes merits and employee benefits)</td>
<td>$2,643,295</td>
<td>$788,678</td>
</tr>
<tr>
<td>Other Budget Requests</td>
<td>6,874,678</td>
<td>6,033,845</td>
</tr>
<tr>
<td><strong>Total Requests</strong></td>
<td><strong>$9,517,973</strong></td>
<td><strong>$6,822,523</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total All Other Budget Requests</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel (excludes merits and employee benefits)</td>
<td>$1,099,006</td>
<td>$167,900</td>
</tr>
<tr>
<td>Other Budget Requests</td>
<td>5,015,059</td>
<td>6,614,650</td>
</tr>
<tr>
<td><strong>Total Requests</strong></td>
<td><strong>$6,114,065</strong></td>
<td><strong>$6,782,550</strong></td>
</tr>
</tbody>
</table>

| Total All Funds                  | $15,632,038 | $13,605,073 |
# Employee Investments – GF

## Summary of Employee Investments - General Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merit</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>319,300</td>
</tr>
<tr>
<td>Market Adjustments</td>
<td>170,200</td>
</tr>
<tr>
<td>Compression Adjustments</td>
<td>813,300</td>
</tr>
<tr>
<td>Medical and Dental Insurance</td>
<td>704,200</td>
</tr>
<tr>
<td><strong>Total Employee Investments</strong></td>
<td><strong>$3,607,000</strong></td>
</tr>
</tbody>
</table>
## Infrastructure – General Fund

<table>
<thead>
<tr>
<th>Summary of Infrastructure – General Fund</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleet – Fire</td>
<td>$ 4,600,000</td>
</tr>
<tr>
<td>Fleet – Parks</td>
<td>200,000</td>
</tr>
<tr>
<td>Fleet – Police</td>
<td>500,000</td>
</tr>
<tr>
<td>Facilities - Facility Improvements</td>
<td>355,000</td>
</tr>
<tr>
<td>Information Technology - Fiber Projects</td>
<td>500,000</td>
</tr>
<tr>
<td>Information Technology - Infrastructure</td>
<td>579,000</td>
</tr>
<tr>
<td>Public Safety Communication Equipment</td>
<td>2,600,000</td>
</tr>
<tr>
<td><strong>Total Infrastructure</strong></td>
<td><strong>$ 9,334,000</strong></td>
</tr>
</tbody>
</table>
### Summary – General Fund

<table>
<thead>
<tr>
<th>Summary – General Fund</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available FY 2022-2023 – February Retreat</td>
<td>$3,000,000</td>
<td>$10,500,000</td>
</tr>
<tr>
<td>Revised Revenue Projections</td>
<td>690,000</td>
<td>2,848,900</td>
</tr>
<tr>
<td>Funding Set Aside (Merits –ongoing)</td>
<td>1,800,000</td>
<td>1,005,000</td>
</tr>
<tr>
<td><strong>Total Available FY 2022-2023</strong></td>
<td>5,490,000</td>
<td>14,353,900</td>
</tr>
<tr>
<td>Approved Budget Requests and Fixed Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investing in Employees</td>
<td>3,607,000</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure Investments</td>
<td>0</td>
<td>9,334,000</td>
</tr>
<tr>
<td>All Other Approved Budget Requests (Net)</td>
<td>1,843,500</td>
<td>2,314,200</td>
</tr>
<tr>
<td>Support for Other Funds</td>
<td>0</td>
<td>1,148,700</td>
</tr>
<tr>
<td>FY 2023-2024 Set Aside for Facilities, Fleet and IT</td>
<td>0</td>
<td>1,200,000</td>
</tr>
<tr>
<td><strong>Total Available</strong></td>
<td><strong>$39,500</strong></td>
<td><strong>$357,000</strong></td>
</tr>
</tbody>
</table>

*No Primary Property Tax levy increase, except new construction.*
An Investment in Our Future: Carbon Neutrality

The risk and cost of inaction will be far greater than the cost of action.

1. Staff were asked to consider funding requests through the lens of the Carbon Neutrality Plan

2. The benefit of this process
   • Keeping the City accountable
   • Understanding the City’s investment
   • Education and capacity building

3. Analysis
   • Aligns with Carbon Neutrality Plan
   • Advances the Carbon Neutrality Plan
Carbon Neutrality

Equitable Systems

Building Fuel Switching

Clean Energy Sources

Community Resilience

Electric Mobility

Clean Electricity

Managed Consumption

Decreased Dependence on Cars

Reduced Building Energy Use

Upholding our Commitment

Carbon Dioxide Removal

Sustainable Consumption & Waste Mgmt.
CNP Alignment and Advancement by Target Area

- Emissions Reductions
- Community Resilience
- Equitable Systems
- Decreased Dependence on Cars
- Electric Mobility
- Clean Electricity
- Fuel Switching
- Reducing Building Energy Use
- Sustainable Consumption & Waste
- Carbon Dioxide Removal

Legend:
- Blue: Aligns with CNP
- Orange: Advances the CNP

# of related & funded budget requests
## CNP New Investments

<table>
<thead>
<tr>
<th>CNP Target Area</th>
<th>27 Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions Reductions</td>
<td>1</td>
</tr>
<tr>
<td>Community Resilience</td>
<td>6</td>
</tr>
<tr>
<td>Equitable Systems</td>
<td>6</td>
</tr>
<tr>
<td>Decreased Dependence on Cars</td>
<td>7</td>
</tr>
<tr>
<td>Electric Mobility</td>
<td>3</td>
</tr>
<tr>
<td>Clean Electricity</td>
<td>0</td>
</tr>
<tr>
<td>Fuel Switching</td>
<td>0</td>
</tr>
<tr>
<td>Reducing Building Energy Use</td>
<td>1</td>
</tr>
<tr>
<td>Sustainable Consumption &amp; Waste</td>
<td>2</td>
</tr>
<tr>
<td>Carbon Dioxide Removal</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total CNP New Investments</strong></td>
<td><strong>$ 2,063,297</strong></td>
</tr>
</tbody>
</table>
Examples of Requests that Advance the CNP: Equity

- Housing Plan review of city codes, processes, and fees for cost-saving strategies
- Developer Incentives for Affordable Housing Creation
- Increased joint meetings with Indigenous partners
- Wood stove rebate pilot that incentivizes upgrades to stoves that use 30% less wood & burn cleaner
Examples of Requests that Advance the CNP: Resilience

- Jointly-funded C-aquifer monitoring
- Annual flood mitigation
- Ongoing flood mitigation alert network maintenance
- Software to support scenario planning and hybrid public engagement (Regional Plan Update)
Examples of Requests that Advance the CNP: Mitigation

• Land Availability and Suitability Assessment
• Replenish funds for the Sustainable Automotive Sales tax rebate program
• Expanded Use of Right of Way Funding
• Employee EcoPass Program
• Aquaplex EV Charging Stations – subscription service
• Funds to include a Carbon Removal prize category for the Innovate Waste Challenge in perpetuity.
• Two DC fast electric EV charging stations. Enables rapid EV charging and supports visitation.
Priority Based Budget
Priority Based Budget Process

- Program Inventory
  - Governance
  - Community
- Program Costing
- Program Scoring
  - Based on Priorities and Objectives
- Budget Requests – Using new software functionality
CITY OF FLAGSTAFF
Key Community Priorities

- Environmental Stewardship
- High Performing Governance
- Livable Community
- Safe & Healthy Community
- Robust Resilient Economy
- Inclusive & Engaged Community
- Sustainable, Innovative Infrastructure
Operating Requests by Quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Total Requested</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartile 1</td>
<td>$ 10,228,135</td>
<td>39.6%</td>
</tr>
<tr>
<td>Quartile 2</td>
<td>8,424,447</td>
<td>32.4%</td>
</tr>
<tr>
<td>Quartile 3</td>
<td>6,702,904</td>
<td>25.8%</td>
</tr>
<tr>
<td>Quartile 4</td>
<td>552,581</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 25,908,067</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Excludes capital*
## Recommendations by Quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Total Recommended</th>
<th>Percent</th>
</tr>
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<tbody>
<tr>
<td>Quartile 1</td>
<td>$7,229,420</td>
<td>40.8%</td>
</tr>
<tr>
<td>Quartile 2</td>
<td>$6,390,996</td>
<td>36.1%</td>
</tr>
<tr>
<td>Quartile 3</td>
<td>$3,614,332</td>
<td>20.4%</td>
</tr>
<tr>
<td>Quartile 4</td>
<td>$490,424</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$17,725,172</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Excludes capital*
# Requests & Recommendations

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Total Requested</th>
<th>Total Recommended</th>
<th>Percent Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartile 1</td>
<td>$10,228,135</td>
<td>$7,229,420</td>
<td>70.3%</td>
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<tr>
<td>Quartile 2</td>
<td>8,424,447</td>
<td>6,390,996</td>
<td>75.9%</td>
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<tr>
<td>Quartile 3</td>
<td>6,702,904</td>
<td>3,614,332</td>
<td>53.9%</td>
</tr>
<tr>
<td>Quartile 4</td>
<td>552,581</td>
<td>490,424</td>
<td>88.8%</td>
</tr>
<tr>
<td>Total</td>
<td>$25,908,067</td>
<td>$17,725,172</td>
<td>68.3%</td>
</tr>
</tbody>
</table>

*Excludes capital*
Total Budget Requests* – All Funds

Total Requested: $25,908,067
Total Recommended: $17,725,173

*Excludes capital
Recommended Requests in Q4

- PD Recruit Housing & Meals at POST
- Code and Ordinance codification
- Training, Communications & safety for Aircraft Rescue & Firefighting
- Increase in Utilities for Airport
Next Steps

• Continued partnership with ResourceX to develop the Budgeting Tools
• Organization discussion on Success and Challenges
• Improve interface for PBB Users
• Enhanced reporting within software
• Further development of Insights
Lunch
Federal Funding
Federal Funding Acronyms

• BIL – Bipartisan Infrastructure Law
• FEMA – Federal Emergency Management Agency
• DEMA – Department of Emergency Management and Military Affairs
• FMA – Flood Mitigation Assistance
• BRIC – Building Resilient Infrastructure and Communities
• HMGP – Hazard Mitigation Grant Program
• DFFM – Department of Forestry and Fire Management
• FHWA – Federal Highway Administration

• BOR – Bureau of Reclamation
• WIFA – Water Infrastructure Finance Authority
• EPA – Environmental Protection Agency
• EDA – Economic Development Administration
• HUD – Housing and Urban Development
• Army Corp – Army Corp of Engineers
• USDOT – U.S. Department of Transportation
• FAA – Federal Aviation Administration
Flooding, Grants, BIL

**FLOOD EMERGENCY WORK**

- DEMA, Emergency and Permanent Work: Museum and Flagstaff Area Flooding - $4M
- DFFM, Landfill Fees: Debris Removal Dumping Fees - $456,586
- DFFM, Reimbursement for Emergency Work: Museum Area Work - $415,331
- FHWA, Emergency Road Repair: Spruce Wash & Linda Vista, Fanning Intersection - $40,000

**FLOOD MITIGATION**

- DEMA, Pre-Disaster: FUTS Low Water Crossing - $26,000
- DFFM, Museum Flooding Equipment: Swift Water Rescue, Loader, Combo Truck, Mini Excavator, Message Board, Barricades, Jersey Barriers, & more - $1.5M
- DEMA BRIC, South Mt. Elden: Detention/Retention Basins - $2M
- DEMA BRIC, Linda Vista Culvert: Culvert Upsizing - $1.1M
FLOOD MITIGATION CONTINUED

- DEMA, HMGP Lower Spruce/ Switzer Wash: Channel Resiliency - $185,000
- DEMA, HMGP Cedar Avenue Crossing: Dual Box Culvert - $1.1M
- DEMA HMGP Spruce Wash Cedar to Arroyo Seco: Channel Upsizing - $8M
- DEMA HMGP Sunnyside Neighborhood: Upsize Stormwater Conveyance - $2.6M
- DEMA HMGP Rio de Flag Water Reclamation Plant: Backup Generators - $2.8M

ENVIRONMENTAL INFRASTRUCTURE

- Army Corp, Downtown Flood Lateral Tunnel: Storm Drain System West Santa Fe - $1.2M
- Army Corp, Killip Inlet at Ponderosa Park: Open Channel Construction - $1.5M
- FY 23 Application Not Available will Pursue
WATER AND WASTEWATER

• BOR, FY23 WaterSMART Drought Response: Water Efficiency & Drought Resiliency, Wildcat Hill Reclamation Plant Flowdiversion
• BOR, FY23 WaterSMART Water Reclamation & Reuse: Reclamation Plant Expansion, Recycled Water System
• WIFA Loans: Inner Basin Raw Waterline Design, North Reservoir Filtration Plant Design, Upper Lake Mary Raw Waterline Design

ECONOMIC DEVELOPMENT

• EDA, FY23 I-17 Airport Interchange Bridge Widening & Road Improvements - $15M
• EDA, FY23 Airport Industrial/Commercial Park Public Improvements - $35M
• USDOT Multimodal Project Discretionary Grant: Downtown Mile - $30M
• FAA Airport Infrastructure Grant: Snow Removal Equipment Building - $24M
• FAA Airport Terminal Program: Accessibility & Service Animal Relief Area - $350,000
• FAA Airport Terminal Program: Terminal Expansion - $3.7M
Earmarks

- EPA Flagstaff Watershed Protection Project: Forest Resource Information & Analysis - $3.5M
- HUD Home Energy Retrofit: Retrofit Program for Low-Income & Vulnerable Families - $750,000

FY 2022 COMMUNITY DIRECTED SPENDING/EARMARKS
# Earmarks

<table>
<thead>
<tr>
<th>Submitted FY23 Community Directed Spending Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prescribed fire training exchange</strong></td>
</tr>
<tr>
<td><strong>Timber stand improvement</strong></td>
</tr>
<tr>
<td><strong>Open access fiber conduit system</strong></td>
</tr>
<tr>
<td><strong>Museum post-fire flood mitigation</strong></td>
</tr>
<tr>
<td><strong>Emergency radio equipment</strong></td>
</tr>
<tr>
<td><strong>Emergency communications center expansion</strong></td>
</tr>
</tbody>
</table>
November 2022
Ballot Measures
November 2022 Ballot Measures

• Following Council majority direction from April 2021
• Committee considering potential bond measures
  • Public Safety Infrastructure
  • Stormwater and Wastewater Infrastructure
  • Housing
  • Climate Action
November 2022 Ballot Measures

• Timeline
  • Finished presentations to Citizen Bond Committee members March 3rd
  • Conducted tours of Wildcat and Rio de Flag for committee members of plant operations
  • Committee members' feedback about bond projects reviewed on April 7th
  • Community survey feedback will be shared with Committee on April 14th
  • Committee will draft bond recommendations through May 12th
  • Recommendations to City Council on June 7th
Division Updates
Division Updates

Budget Direction
  • Alignment with Priority Based Budget
  • Staff presented requests in priority levels

Presentation include:
  • Summary of approved budget requests and new personnel
  • PBB Chart of Requested and Approved
  • Highlights of a few approved requests
  • Key Community Priorities
Key Community Priorities

- Environmental Stewardship
- High Performing Governance
- Livable Community
- Safe & Healthy Community
- Robust Resilient Economy
- Sustainable, Innovative Infrastructure
- Inclusive & Engaged Community
Carbon Neutrality

Equitable Systems
Building Fuel Switching
Clean Energy Sources

Strong Neighborhoods
Community Resilience
Electric Mobility
Clean Electricity

Managed Consumption
Reduced Building Energy Use
Decreased Dependence on Cars

Upholding our Commitment
Carbon Dioxide Removal
Sustainable Consumption & Waste Mgmt.
Total Approved Budget Requests and New Personnel: $1,311,859
(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

- Quartile 1: $76,238
  - Requested: $30,957
- Quartile 2: $794,326
  - Requested: $1,786,571
- Quartile 3: $608,709
  - Recommended: $465,289
- Quartile 4: $21,898
  - $21,287

*Excludes capital
# Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election Management</td>
<td>3</td>
<td>$611</td>
<td>$400,056</td>
</tr>
<tr>
<td>Community Climate Change Adaptation, Resilience, and Mobilization</td>
<td>2</td>
<td>$27,610</td>
<td>$297,580</td>
</tr>
<tr>
<td>Climate Action</td>
<td>2</td>
<td>$82,173</td>
<td>$211,000</td>
</tr>
<tr>
<td>Intergovernmental Affairs</td>
<td>2</td>
<td>$2,270</td>
<td>$66,498</td>
</tr>
<tr>
<td>Communications</td>
<td>2</td>
<td>$7,700</td>
<td>$42,500</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance
• Added City Clerk Administrative Specialist to improve workflow and operations
• Advanced Priority Based Budgeting, new budgeter tool for requests
• Incorporated the Carbon Neutrality Plan information into the Staff Summary
• Regional Plan Amendment to align the Flagstaff Regional Plan with the Carbon Neutrality Plan

Safe & Healthy Community
• Enhanced communication products for Museum post-fire flooding
• Make A Difference Day to help those impacted in the Museum Fire flooding
• Partnered with the Flagstaff Police Department and Hazardous Products Center to host two Drop-off Days
Key Community Priorities

Inclusive & Engaged Community

• Added a Community Engagement Specialist to support Public Affairs
• Expanded the City’s social media presence to Instagram and NextDoor
• Created communication outputs to increase awareness of the Citizen Bond Committee
• Continued to refine and improve the City’s platform to host hybrid Council meetings
• Developed Climate Advisory Groups (Youth, Business, and Equity) to bring local voices into climate action and decision-making
• Distributed $50,000 in Neighborhood Sustainability Grants to eleven community projects
• Trained 15 community members to be Flagstaff Sustainability Leaders during an 8-week intensive course
Key Community Priorities

Sustainable, Innovative Infrastructure

• Worked with the City’s lobbyist to secure millions of dollars in federal funding for sustainable infrastructure
• The Residential Food Scraps Drop-off pilot diverted 15,000 pounds of food waste from the landfill
• Secured a $100,000 grant from MetroPlan for training and tool development to support Flagstaff’s transportation transformation
• Selected Noresco as the Energy Services Company to conduct energy conservation audits of all municipal facilities
Key Community Priorities

Livable Community

• Created communications products to highlight the work of the Neighborhood Liaison
• Facilitated the Indigenous Commission in creating a Land Acknowledgement that is now read at the beginning of all City Council meetings
• Rented 92% of the community garden plots at Bonito, Izabel, and Southside community gardens.
• Coordinated clean-up efforts of 111 miles of trails and avenues
• Led six Home Energy Efficiency Workshops for community members.
• Hosted two Fix-it Clinics where volunteers fixed items saving 789 pounds of waste from the landfill
Key Community Priorities

Environmental Stewardship
  • Completed a second year as a signatory of the Mayor's Monarch Pledge

Resilient and Robust Economy
  • Distributed all Energy Rebate Funds for FY 2021-2022 and began providing an Income Qualified Rebate Supplement for lower-income households
  • Hosted Flagstaff’s first Ride and Drive Electric Car Guest Drive event with APS
  • Partnered with Economic Vitality and Moonshot to host the Moonshot Innovate Waste and Carbon Neutrality Challenge
City Manager

Council Discussion
Human Resources

Total Approved Budget Requests and New Personnel:
$268,756

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital

Values
- Requested
- Recommended

91
## Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>2</td>
<td>$132,668</td>
<td>$600</td>
</tr>
<tr>
<td>Employee Development and Training</td>
<td>2</td>
<td>0</td>
<td>68,458</td>
</tr>
<tr>
<td>Performance Management Program</td>
<td>2</td>
<td>2,645</td>
<td>27,332</td>
</tr>
<tr>
<td>Risk Management Safety and Claim Mitigation</td>
<td>3</td>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>Human Resources Compliance</td>
<td>2</td>
<td>0</td>
<td>9,500</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance

• Recruitment
  • Innovative outreach partnership with Economic Vitality
  • NeoGov online platform for applicants, employees and hiring leaders
  • Electronic fingerprints

• Benefits
  • Wellness programs
  • Online enrollment platform
  • HR Manager, leaves management platform
  • Northern Arizona Public Benefits Trust (NAPEBT)
Key Community Priorities

High Performing Governance
• Performance Management
  • NeoGov PERFORM platform
    • Performance Evaluations
    • Employee development
    • Track check-ins between employee and leader throughout the year
• Learning and Development
  • NeoGov LEARN platform
    • Support career enrichment and development
    • Compliance training
• Tuition Assistance
Key Community Priorities

High Performing Governance

• Compensation
  • Competitive compensation structure and philosophy
  • Market benchmark pay ranges
  • Key organizational priority

• Technology
  • Enhance services, access to information and efficiency
  • NeoGov Suite
Human Resources

Council Discussion
Information Technology

Total Approved Budget Requests and New Personnel:
$2,182,851

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
## Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Application Management</td>
<td>1</td>
<td>$118,027</td>
<td>$371,005</td>
</tr>
<tr>
<td>Network Management</td>
<td>1</td>
<td>2,434</td>
<td>590,358</td>
</tr>
<tr>
<td>Systems Management</td>
<td>1</td>
<td>173,503</td>
<td>74,979</td>
</tr>
<tr>
<td>IT Security Management</td>
<td>2</td>
<td>109,788</td>
<td>130,000</td>
</tr>
<tr>
<td>Desktop Management and Support</td>
<td>2</td>
<td>3,500</td>
<td>203,580</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance

• Focus on improving staff efficiencies through technology
• Continued overhaul of our aging network infrastructure
• Fiber project
• Transition staff to a hybrid work environment including conference room upgrades and office technology enhancements
Information Technology

Council Discussion
Total Approved Budget Requests and New Personnel: $20,937

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
# Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misdemeanor Prosecutions</td>
<td>3</td>
<td>$750</td>
<td>$10,635</td>
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<tr>
<td>Legal Advice Staff / Council</td>
<td>1</td>
<td>0</td>
<td>7,040</td>
</tr>
<tr>
<td>Pre-Rule 11 Diversion</td>
<td>3</td>
<td>0</td>
<td>2,250</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance

• Draft, negotiate, and/or review all City contracts, deeds, easements, leases, etc., for approval
• Assist with public records requests and records production
• Provide legal advice to City staff, City Council, and boards and commissions
• Assist divisions in drafting new ordinances and administrative policies, as well as revising and amending existing ordinances and policies
• Negotiate, mediate, and litigate in-house when able, and as required, any claims and litigation by or against the City
• Represent City in Section 1983 claims/litigation in-house when able
Key Community Priorities

Safe & Healthy Community

• Prosecute violations of city ordinances, state statutes, and civil traffic matters

• Collaborate with Veteran’s Administration and mental health providers to conduct Veteran’s Court and Mental Health Court

• Pre-Rule 11 Diversion - collaborate with jail, mental health providers, and public defender to reduce jail days and recidivism

• Actively participate in the Criminal Justice Coordinating Council (CJCC)

• Provide victims’ rights notifications per state statutes and comply with Attorney General’s Office of Victim Services for grant funding

• Provide public safety legal advice and ongoing legal training to officers on legal issues and developments in the law
City Attorney

Council Discussion
Public Participation
Day 1
WrapUp
Day 2
Opening and Overview
Municipal Court

Total Approved Budget Requests and New Personnel: $368,975

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital

Values
- Requested
- Recommended
### Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests</th>
<th>By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court Support Services</td>
<td>2</td>
<td>$14,760</td>
<td>$134,360</td>
<td></td>
</tr>
<tr>
<td>Court Appointed Counsel - Public Defender Contract</td>
<td>1</td>
<td>18,843</td>
<td>107,452</td>
<td></td>
</tr>
<tr>
<td>Judicial Services</td>
<td>1</td>
<td>0</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Court Case Processing</td>
<td>1</td>
<td>43,560</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance

• Court Support Services
  • Funding for bailiff positions and increased facility costs

• Judicial Services
  • Funding for use of on-call magistrates to address case backlog due to Covid-19 Pandemic

• Public Defender Contract
  • Legal representation for indigent clients

• Court Case Processing
  • Criminal Justice Integration Project
Municipal Court

Council Discussion
Management Services

Total Approved Budget Requests and New Personnel: $692,093

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
## Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Processing and Reporting</td>
<td>2</td>
<td>$</td>
<td>$ 177,500</td>
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<tr>
<td>Cash Receipting</td>
<td>3</td>
<td>219</td>
<td>159,781</td>
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<tr>
<td>Contract Management</td>
<td>1</td>
<td>84,176</td>
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<tr>
<td>Grant Management</td>
<td>1</td>
<td>80,242</td>
<td>0</td>
</tr>
<tr>
<td>Procurement</td>
<td>1</td>
<td>50,665</td>
<td>0</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance and Environmental Stewardship
• Currently implementing an automated time entry system
• All formal procurements are managed electronically
• Municipal Billing and Miscellaneous Accounts Receivable customers may receive electronic billing and pay online
• Partnering with NORESCO for meter replacement program

High Performing Governance
• Extremely successful Grants Management Program
• Budget and financial report awards for 27 consecutive years
• 11 consecutive year for the national procurement award
Management Services

Council Discussion
Fire

Total Approved Budget Requests and New Personnel: $6,433,787

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital*
# Highlights of Approved Budget Requests

<table>
<thead>
<tr>
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<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Response</td>
<td>1</td>
<td>$3,357</td>
<td>$665,000</td>
</tr>
<tr>
<td>Fire, All-Risk and Catastrophic Emergency Management/Preparedness</td>
<td>1</td>
<td>1,679</td>
<td>550,000</td>
</tr>
<tr>
<td>Fire Suppression</td>
<td>1</td>
<td>43,894</td>
<td>210,500</td>
</tr>
<tr>
<td>Alternative Response</td>
<td>3</td>
<td>0</td>
<td>208,000</td>
</tr>
<tr>
<td>Standard of Cover and Quality Assurance</td>
<td>2</td>
<td>15,839</td>
<td>0</td>
</tr>
</tbody>
</table>
Key Community Priorities

Safe & Healthy Community
• Regional Training Coordinator, add a full-time 24-7 rescue unit, equipment replacement, increased funding for EMS equipment, special operations certification training

High Performing Governance
• Increased overtime, added cancer initiative testing, acting pay, facility repair funding, increased fund for apparatus maintenance and repair, updated reporting/analytics software platform, apparatus replacement

Inclusive & Engaged Community
• Alternative response mobile unit, Lexipol training and policies software, recruit academy funding

Environmental Stewardship
• Approved sustainable funding for the wildfire management, funding for hazard tree removal, reorganized wildfire management to a more efficient configuration
Fire

Council Discussion
Police

Total Approved Budget Requests and New Personnel: $2,033,340

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
# Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency and Non-Emergency Uniform Response</td>
<td>2</td>
<td>$50,188</td>
<td>$574,568</td>
</tr>
<tr>
<td>911 Communications Regional Call Taking and Dispatch</td>
<td>2</td>
<td>26,810</td>
<td>181,478</td>
</tr>
<tr>
<td>Evidence and Property Management</td>
<td>3</td>
<td>2,688</td>
<td>125,667</td>
</tr>
<tr>
<td>Police Emergency Response Team</td>
<td>3</td>
<td>25,188</td>
<td>65,799</td>
</tr>
<tr>
<td>Criminal Investigations</td>
<td>2</td>
<td>2,688</td>
<td>71,198</td>
</tr>
</tbody>
</table>
Key Community Priorities

High Performing Governance

• Emergency and non-emergency uniform response
  • Increased overtime budget, replacement of expired bulletproof vests, body camera program

Sustainable, Innovative Infrastructure

• 911 communications regional call taking dispatch
  • Radio system maintenance, backup power supply for server room

Inclusive & Engaged Community

• Police training
  • Lexipol training policies and virtual reality training platform
Police

Council Discussion
Break
Community Development

Total Approved Budget Requests and New Personnel: $3,316,795

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital*
## Highlights of Approved Budget Requests

### By Priority Based Budget Program

<table>
<thead>
<tr>
<th>Description</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
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</thead>
<tbody>
<tr>
<td>Direct Rental Assistance</td>
<td>3</td>
<td>$1,636,550</td>
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<td>Affordable Housing Unit Creation</td>
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<td>Community Development Block Grant Management</td>
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<td>Zoning and Subdivision Code Management</td>
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<td>Plan / Permit / Project Review</td>
<td>2</td>
<td>13,649</td>
<td>206,000</td>
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</tbody>
</table>
Key Community Priorities

High Performing Governance
• Citizen’s Access Portal – development and permit review
• Contract services

Safe & Healthy Community
• Building Safety and Code Compliance

Inclusive & Engaged Community
• Regional Plan update collaborative process and facilitation
• Facilitation Services (non-Regional Plan)
Key Community Priorities

Livable Community

• Real Estate services
• Regional Plan update scenario planning
• Housing Emergency
• 10-year Housing Plan implementation
  • Consultant review of codes, process and fees
• Community Homebuyer Assistance Program (CHAP)
• Employer Assisted Housing (EAH)
• Affordable Housing Developer Incentives
• Flagstaff Housing Authority
  • Maintenance
  • Housing Assistance Payments and Vouchers
Key Community Priorities

Robust Resilient Economy
- Land Availability and Suitability Assessment

Environmental Stewardship
- Dark Sky Specialist
- Implementation of Zoning and Building Codes
Community Development

Council Discussion
Public Works

Total Approved Budget Requests and New Personnel: $2,363,985

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
### Highlights of Approved Requests

<table>
<thead>
<tr>
<th>By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Building Repairs</td>
<td>2</td>
<td>$</td>
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<tr>
<td>City Facility Inspection and Maintenance</td>
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<tr>
<td>Public Works Safety</td>
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<td>219,576</td>
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</table>
Key Community Priorities

Environmental Stewardship

• Solid Waste has partnered with an environmental services consultant to assist in the transition of the Material Recovery Facility (MRF) to a transfer station.
• Electrification of fleet is evaluating all the latest technology and implantation in various sections and programming

Sustainable, Innovative Infrastructure

• Sequence D excavation is complete, final design of the lining and cell infrastructure is underway
• Landfill road
  • National Environmental Protection Act (NEPA) study will conclude by late summer
  • Final design and construction is expected Spring 2023
Key Community Priorities

Safe & Healthy Community

• Enhanced community response efforts to Museum post wildfire flooding
  • Completed feasibility and modeling work
  • Killip regional detention basins delivered prior to summer of 2022
  • Established stronger roles with emergency operations and incident management teams
• Secured equipment to improve response to events
  • Sweeper, loader, traffic control, siren system
Public Works

Council Discussion
Economic Vitality

Total Approved Budget Requests and New Personnel: $2,284,220

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
## Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
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<tbody>
<tr>
<td>Domestic Markets</td>
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<td>$62,500</td>
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<td>Airport Parking and Street Maintenance</td>
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<td>Facility and Building Maintenance</td>
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<tr>
<td>Business Retention and Expansion</td>
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<tr>
<td>Business Attraction</td>
<td>2</td>
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</table>
Key Community Priorities

Robust and Resilient Economy

• Business incentives for attraction, retention, and expansion
• Economic Development Master Plan
• Airport maintenance
• Tourism marketing expanded
  • Fire safety, Winter Wonderland, 4th of July changes and more

Sustainable, Innovative Infrastructure

• Library ADA project completion
• Airport projects – hold room expansion and scheduling work
Economic Vitality

Council Discussion
Water Services

Total Approved Budget Requests and New Personnel: $2,784,674

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
**Highlights of Approved Budget Requests**

<table>
<thead>
<tr>
<th>Highlights of Approved Requests</th>
<th>By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floodplain Management and Emergency Flood Response</td>
<td></td>
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<td>$</td>
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<td>Water Services Computerized Remote Control and Monitoring</td>
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<td>Wildcat Hill Water Reclamation Plant Operations and Maintenance</td>
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<td>Wells Groundwater Production, Operations and Maintenance</td>
<td></td>
<td>1</td>
<td>150,000</td>
<td>10,000</td>
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</tbody>
</table>
Key Community Priorities

High Performing Governance
• Legal representation to protect water rights for the City of Flagstaff
• Separate servers and vulnerability management system to protect water system

Safe and Healthy Community
• Watershed investment and stormwater maintenance are added protections to community

Inclusive and Engaged Community
• Strong water conservation ethic; communications program efforts
Key Community Priorities

Sustainable, Innovative Infrastructure
• Infrastructure and water resource planning, technology investments, Regional Plan and CAAP
• Water quality sampling and compliance, distribution and collections, highly trained staff

Environmental Stewardship
• Wastewater treatment and compliance to the highest State standard; stormwater protections
Water Services

Council Discussion
Engineering and Capital Improvements

Total Approved Budget Requests and New Personnel: $143,748

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
### Highlights of Approved Requests

#### By Priority Based Budget Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
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</thead>
<tbody>
<tr>
<td>Traffic Systems Management</td>
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<tr>
<td>Intra-divisional Engineering Assistance and Support</td>
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<td>417</td>
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<tr>
<td>Engineering Plan/Permit Review</td>
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<tr>
<td>Engineering Design and Construction Standards Development</td>
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<tr>
<td>Planning Discretionary Review</td>
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<tr>
<td>Plan / Permit / Project Review</td>
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<td>1,252</td>
<td>0</td>
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</tbody>
</table>
Key Community Priorities

High Performing Governance

• Ensure well trained, team oriented staff
• Adhere to budget/program
• Consistent objective communication
• Records retention

Inclusive and Engaged Community

• Enhance community outreach and engagement opportunities
• Released the Active Transportation Master Plan for public review
• Coordinate use of right-of-way with Franchise Utility Companies
• Inter-agency relationships
  • ADOT, NAU, MetroPlan, Mountain Line, Flagstaff Unified School District, Coconino County and BNSF Railway
Key Community Priorities

Safe and Healthy Community
- Electronic plan review and permitting
- 352 permits issued
- 13,954/3,114 inspections/tests performed (coordinate with private sector)
  - Very low amount of warranty work
- Ensure safety on all projects in the right-of-way
- Coordinate with Police Department for neighborhood traffic safety enforcement
- Fair and consistent administration of the Engineering Standards
  - Ensures well-built, long-lasting infrastructure
  - Completed 59 studies and work orders to enhance the transportation system

Robust Resilient Economy
- Work with consultants and contractors to improve our Engineering Standards
- Participated in the Chamber of Commerce’s development listening tour
Key Community Priorities

Sustainable, Innovative Infrastructure
• Operate 56 traffic signals and pedestrian actuated crossings
• Worked to identify and submit an Intelligent Traffic Systems grant
• Capital Projects Delivery
  • 419 & 420 Transportation projects
  • Replacement of aging infrastructure (water/sewer)
  • 6 projects in FY21-22, 9 projects in FY22-23
• Continue facilitation of the capital planning process and five-year capital program to assure the most effective allocation of the City’s capital resources

Environmental Stewardship
• Rio de Flag flood control project
• Dark Skies street lighting
• Museum Fire Flood Mitigation
Key Community Priorities

Livable Community

- Establish a Right-of-Way Lane/Sidewalk Use Policy
- Align Engineering Standards with Regional Plan, Carbon Neutrality Plan and Active Transportation Master Plan
- Capital Projects Delivery
  - Road Repair & Street Safety (nearing completion)
  - Replacement of aging infrastructure (water/sewer)
  - Continue delivery of bicycle/pedestrian projects
  - Beautification
- Support Transportation Commission
  - Bicycle Advisory Committee
  - Pedestrian Advisory Committee
Engineering and Capital Improvements

Council Discussion
Parks, Recreation, Open Space and Events

Total Approved Budget Requests and New Personnel:
$804,953
(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
# Highlights of Approved Budget Requests

<table>
<thead>
<tr>
<th>Highlights of Approved Requests By Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
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<tbody>
<tr>
<td>Park Grounds Maintenance</td>
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<td>Fitness and Aquatic Center Operations and Management</td>
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<td>Open Space Management and Maintenance</td>
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<tr>
<td>Open Space Planning</td>
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<tr>
<td>Open Space Education</td>
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<td>19,511</td>
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</tbody>
</table>
Key Community Priorities

High Performing Governance
• Serve the public through high customer service with our recreation centers and public lands (parks and open space)
• Encouraging public participation in the Thorpe Park Annex planning and the Observatory Mesa area trail and access plan

Safe and Healthy Community
• PROSE sponsors health and wellness by providing indoor and outdoor recreation, athletic and events opportunities, and multi-modal transportation (FUTS) that are community essential services
Key Community Priorities

Inclusive and Engaged Community

• Engaging indigenous public participation in the Thorpe Park Annex planning and future community events

Sustainable, Innovative Infrastructure

• Continued operational excellence with organic compounds for park grounds and open spaces
• Providing effective management of the FUTS through a grant at Buffalo Park making the trail accessible for all
Key Community Priorities

Robust Resilient Economy
• By providing athletic and event opportunities on City owned properties, PROSE strengthens responsible tourism opportunities

Livable Community
• Through 4 recreation centers, 700-acres of maintained park grounds and over 3,000-acres of open space, PROSE amenities and activities promotes a healthy lifestyle in our community
Key Community Priorities

Environmental Stewardship

• PROSE naturally promotes, protects and enhances a healthy, sustainable environment; trending examples are forest thinning in open spaces and park grounds and water conservation with a smart irrigation system
Parks, Recreation, Open Space and Events

Council Discussion
Total Approved Budget Requests and New Personnel:
$409,200

(Plus Compensation, Merit and Benefit Increases)
Approved Requests by PBB Quartile

*Excludes capital
## Highlights of Approved Budget Requests

### By Priority Based Budget Program

<table>
<thead>
<tr>
<th>Priority Based Budget Program</th>
<th>Quartile</th>
<th>Ongoing</th>
<th>One-Time</th>
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<tbody>
<tr>
<td>Council Meetings and Work Sessions</td>
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<td>Audit and Annual Comprehensive Financial Report (ACFR) Preparation</td>
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<td>Budget Development and Monitoring</td>
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<tr>
<td>Service Partner Contracts – Non-Departmental</td>
<td>1</td>
<td>$58,000</td>
<td>$196,905</td>
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## Current Service Partner Contracts

<table>
<thead>
<tr>
<th>AGENCIES</th>
<th>FY 2021-22 Adopted</th>
<th>FY 2022-23 Proposed</th>
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<tr>
<td></td>
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<td>One-Time</td>
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<td>FACTS</td>
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<td>Humane Society</td>
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<td>130,905</td>
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<td>Victim Witness</td>
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<td>Coalition for Children and Youth</td>
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<td>19,669</td>
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<td>NACASA</td>
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<tr>
<td>Weed &amp; Seed</td>
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<td>5,503</td>
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<tr>
<td>Boys &amp; Girls Club</td>
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<tr>
<td>Shelter Overflow</td>
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<td>Shelter Services</td>
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<td>Launch Flagstaff-3 Years</td>
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<td>70,000</td>
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<td><strong>Total</strong></td>
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<td><strong>$399,905</strong></td>
<td><strong>$1,114,062</strong></td>
<td><strong>$714,157</strong></td>
<td><strong>$254,905</strong></td>
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</tbody>
</table>
Service Partner Requests

Unfunded requests

• Black Lived Experience 3rd Year - $49,900
• CATs Mobile Outreach Bus - $37,500 (plus $37,000 FY 2021-22)
• High Country Humane (City/County IGA) – Up to $324,500
• Flagstaff Trails Initiative - $5,000 to $10,000
• Elevate Pre-K - $25,000
• Boys and Girls Club – No request, currently restructuring license
• Lowell Observatory Astronomy Discovery Center - $50,000
Non-Departmental

Council Discussion
Capital Improvement Program
## Summary

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2021-22 Estimate</th>
<th>FY 2022-23 Budget</th>
<th>FY 2024-27 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$12,982,244</td>
<td>$15,776,954</td>
<td>$53,131,000</td>
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<tr>
<td>Streets/Transportation</td>
<td>61,805,546</td>
<td>42,472,781</td>
<td>161,131,091</td>
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<td>BBB</td>
<td>4,668,379</td>
<td>2,374,000</td>
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<td>Water Services</td>
<td>23,489,461</td>
<td>50,672,932</td>
<td>86,159,894</td>
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<td>Solid Waste</td>
<td>6,097,080</td>
<td>4,825,000</td>
<td>2,845,000</td>
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<tr>
<td>Airport</td>
<td>6,171,396</td>
<td>32,918,537</td>
<td>29,650,400</td>
</tr>
<tr>
<td>Total</td>
<td>$115,214,106</td>
<td>$149,040,204</td>
<td>$339,949,685</td>
</tr>
</tbody>
</table>
Updates from March Retreat

• Carryover items
  • FY2022-2023 allocation of $550K for conceptual design to seek grants
    • Riordan Ranch Street Bikeway
    • Phase III Protected Bike Lanes (extend Butler to Ponderosa Parkway)
    • Butler Protected Intersections (Beaver and San Francisco)
  • Wastewater Treatment Capacity
    • Projects addressing capacity are being advanced in the budget
Unfunded Capital Improvements

- Information Technology - $14M
- Fire Department - $11.6M
- Police Department - $8.3M
- Flagstaff Housing Authority - $18M
- Municipal Facilities - $10.9M
- Parks - $119M
- Recreation - $37.4M
- Open Space - $66.8M

- Parking - $25M
- Airport - $25M
- Library – $31.1M
- Drinking Water - $298.3M
- Wastewater - $251.2M
- Wastewater Collection/Reclaim Distribution - $5.6M
- Reclaim - $29.3M
- Stormwater - $58.1M
- Transportation - $394.1M
Council Follow-up

• Criteria to Prioritize Projects
  • Council Homework from March 31st Retreat
Capital Improvement Program

Council Discussion
Public Participation
Break
Council Parking Lot
Adds/Deletes Discussion
Review and Confirm
Council Direction