

MINUTES

WORK SESSION
TUESDAY, APRIL 9, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

1. **Call to Order**

Mayor Nabours called the Work Session to order at 6:03 p.m.

2. **Pledge of Allegiance**

The Council and audience recited the Pledge of Allegiance.

3. **Roll Call**

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

PRESENT:

MAYOR NABOURS	
VICE MAYOR EVANS	COUNCILMEMBER ORAVITS
COUNCILMEMBER BAROTZ	COUNCILMEMBER OVERTON
COUNCILMEMBER BREWSTER	COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; Interim City Attorney Michelle D'Andrea.

4. **Public Participation (Non-Agenda Items Only)**

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

Al White, Flagstaff, introduced Eric Marcus, the new Executive Director of Northern Arizona Sustainable Economic Development Initiative (SEDI).

Eric Marcus, Flagstaff, then introduced himself as the new SEDI Executive Director and briefly discussed their goals.

Don Fanning, Flagstaff, voiced concern more information not being available to the public regarding the recent water panel meeting, and he voiced concern with the water quality in Flagstaff.

Brad Garner, Flagstaff, said that he hoped they would continue the discussion of the Water Policy in the near future.

5. **Preliminary Review of Draft Agenda for the April 16, 2013, City Council Meeting.***

**Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

Mayor Nabours explained that normally the Council pulls any items from the draft agenda and moves them to the later discussion, but since the CDBG item needed to be discussed, he was suggesting that any agenda items for next week on which there were questions should be addressed at this time.

Mayor Nabours said that he had concern with next week's item **9-C** regarding the culvert under Route 66 by the Mall. For a long that there has been a bottleneck for stormwater and he asked if this project could create a problem for county residents who have come to rely on the bottleneck. Additionally, near the driving range there is a bottomless pit and he wondered how this project may impact that as well. He did not necessarily need answers this evening but wanted them addressed by next week.

Utilities Director Brad Hill said that the intent of the second culvert on Route 66 was to assist with potential flooding of Route 66 if it did backup. He did not know if modeling had been done and what impact it may have downstream, but he would get with the Stormwater Manager and get that information. Additionally, he would follow up on the sink hole as well.

Councilmember Woodson asked for clarification on Item **9-B**, noting that they were adding to an existing contract that was grant funded, but he was not sure if the fee included construction or just design. Mr. Hill said that they do have an existing contract that was grant funded, with no strings attached, but he would verify that it included construction.

Councilmember Woodson also asked for additional information on Item **9-D**, and asked why the road outside his office window was still dirt. Tiffin Miller said that they are just getting through a winter shutdown which was not originally anticipated, and it is scheduled for paving by the first of May.

Councilmember Woodson asked why it was not scheduled better, and why staff did not know ahead of time the circumstances they would be facing with the project. Mr. Miller said that they did have geotech reports on which they based their decisions, but it appeared that they were not as accurate as they should have been.

Councilmember Wood said that he did not know that the City did a good enough job of informing the public, particularly those in this area, on what the scheduled was going to be.

Mayor Nabours asked why Cottage Avenue improvements were added to the change order rather than a different area. Mr. Miller said that the water and sewer mains in that area are deteriorating and they do qualify under the 2010 utility replacement program. A main busted out there during the winter that magnified the urgency to fix one of the mains, and this ties into the south portion of the Humphreys project. He noted that this was a half-street paving.

- A. **Discussion of Resolution No. 2013-07:** A resolution approving the City of Flagstaff 2013/2014 Annual Action Plan and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

Housing and Grants Administrator Justyna Costa gave a PowerPoint presentation on the CDBG Housing resolution which will be presented to Council next week for adoption, and addressed:

- WHAT IS CDBG?
- CDBG ELIGIBILITY CRITERIA
- COUNCIL DIRECTION
- PUBLIC PARTICIPATION PROCESS
- PROPOSAL SCORING CRITERIA EXAMPLES
- DISTRIBUTION ALLOWED BY HUD
- PUBLIC SERVICES
- HOW MUCH MONEY ARE WE TALKING ABOUT?
- HOUSING AND ECONOMIC DEVELOPMENT PROPOSALS
- INFRASTRUCTURE OPTIONS
- PUBLIC SERVICE PROPOSALS
- FISCAL YEAR 13/14 OPTIONS
- NEXT STEPS

Council discussed the various options. Staff was asked for more information on the Sunnyside Alley Waterlines. Mr. Peterson said that replacement of the 2" line would facilitate the needs of properties along that line, providing them with approximately an 8" line to provide for denser development and redevelopment in that area, and would assist around 40 lots. He said that it was an easy project to identify because it has already been designed and was scheduled for completion previously, but then the downturn in the economy occurred.

Ms. Costa said that the proposed new thrift store for BOTTHANDS would focus on maternity and children's items, which are currently not addressed. It would provide funding for start up with a majority of it being used for four part-time people.

Devonna McCaughlin with BOTTHANDS said that the site had not yet been secured, as they needed funding to do that, but they would hope to be close to the Sharon Manor to potentially provide some job training for those living there.

Sandy Flores, Catholic Charities, then gave further information on the rehab and PATH program. She said that they are proposing a rehab of their shelter, which is the only family homeless shelter in Flagstaff that serves families and single dads. She said that it opened in 2006 and over time they have used CDBG to make upgrades. They currently have a security system that has not been sufficient in their neighborhood and they would like to upgrade it. Additionally, they would also like to install air conditioners and improve the parking lot.

She said that the PATH program provides outreach with teams of individuals that go into the streets and forests, trying to locate the homeless to provide them with needed supplies and sometimes get them to a shelter. They are able to identify the seriously mentally ill and provide access to housing and help them work through that process.

After further discussion, it was the consensus of Council to move forward with Option B and have staff bring back the resolution with Option B wording for action at next week's Council meeting.

6. Presentation on the City of Flagstaff's Procurement Code Manual.

Purchasing Director Rick Compau began review of where they left off last time in discussing the proposed Procurement Code Manual, starting with Article 10. He said that they would like to address Article 10 and then Article 14 as they both dealt with the issue of a local bid preference, and value-added, respectively. The Chamber of Commerce had been notified that this was the evening when the Council would be discussing these articles, as there was a lot of interest on the part of the business community.

Mr. Compau said that the Invitation to Bid process is used 95% of the time for a product where price is the determining factor. This originates with the end user who works with the purchasing department. The end user provides the specifications to be inserted into a document put together by Purchasing and once they have a final draft of the document, it is routed to the City Attorney's office. Once approved by Legal it is then advertised. Their rule of thumb is they like to advertise for least 21 days.

Mayor Nabours said that this is one of the more important paragraphs that they need to focus on as he has issue with the way they are doing this. Mr. Compau said that they publish the notice at least one time, as required in the City Charter, and also post it on the City's website (which is directed further down in the document). He explained that businesses are able to sign up for receiving any type of notices, based on the categories they select.

Councilmember Woodson and Barotz both mentioned that they subscribe to the notices and the process works very well. After further discussion, it was suggested that Art. 10.4.c be combined with 10.3 to clarify that process.

Discussion was then held on the pre-bid conference, and when they are mandatory. Mr. Compau said that sometimes he will receive complaints that a vendor did not know about something, but it had been covered in the pre-bid conference which they chose not to attend. The pros and cons of mandating pre-bid conferences were discussed and

Mr. Compau said that it is a judgment call on when they should be mandatory, usually based on the type of bid or proposal being requested.

It was suggested that language be included that prospective bidders were highly encouraged to attend the pre-bid conference, and also include wording that attendance at pre-bid conferences may be mandatory.

It was suggested that webinars could be held for the pre-bid conferences, or a series of the conferences be held at different times of a day. Mr. Compau said that they are seeing more and more vendors contacting them, either by phone or e-mail, letting them know they cannot attend, and staff has facilitated their attendance via teleconferencing.

Mayor Nabours asked what "technical offers" referred to in Article 10.14. Mr. Compau gave the example of four or five years ago when the City first wanted to look at WiFi through the City. The technology was not all that advanced and they were tasked with looking at it further. Sometimes staff may not know enough about a given technology so they advertised a Request for Technical Offer to obtain further information and learn about some the technologies in the field.

Discussion was held on the use of the term "operating capital" and why the language was not clearer on what that would include. Mr. Burke explained that the term is often used during the budget process to identify things that are not necessarily permanent in nature. It was agreed that it should be defined within the document, similar to the definition for "capital improvements."

Discussion was also held on the use of the wording "contract's inception." Ms. D'Andrea said that they had other wording that would be clearer that they would use.

Discussion was held on Article 10.3 where it states that the bids were to be sealed and would be opened publicly but "shall not be open for public inspection." Mr. Compau explained the process and agreed to change the word ...not be "open" to "available." He said that once there is a bid opening, but before it is awarded by Council, the other bids are not available for public inspection. They are only available after the award is made.

Discussion then turned to the issue of a "local bid preference." It was noted that some cities provide for a 5% or 10% local bid preference. Mr. Compau explained that in order to allow for that a study must be prepared that justifies the need. The benefits of purchasing locally, even at a slightly higher rate, were discussed, but it was also suggested that at some point, it becomes an issue of spending more for a product than necessary and misusing the taxpayers' money. It was suggested that perhaps a threshold could be put on the price of an item/service for when such a preference would be considered.

Michael Sistik of the Flagstaff Chamber of Commerce addressed the Council voicing the Chamber's support for a local bid preference ordinance and noted that he had distributed a letter from the Chamber's President, Julie Pastrick, which further addressed the issue.

It was also noted that one of the issues that needs to be settled is the definition of "local" they would intend to use if they moved forward.

Mr. Compau noted that there is a downside to a local bid preference, in that if surrounding communities were to adopt a similar ordinance, it could prohibit the local businesses from being able to compete in those other communities, and that could keep them from even bothering to submit a bid.

A break was held between 8:00 p.m. and 8:10 p.m. during which time Mayor Nabours left the Work Session for the evening and Vice Mayor Evans assumed conduct of the meeting.

Council agreed to move forward with having an updated study done and further defining the definition of "local."

7. **Presentation on the Discussion and Next Steps for the Core Services Maintenance Facility.**

Mr. Compau gave a PowerPoint presentation which addressed:

- TOPICS OF DISCUSSION
- REQUEST FOR PROPOSAL (RFP) ADVERTISEMENT

The question was raised as to why staff would attend realtors/brokers meetings in Phoenix. Ms. Trompeter said that they already attend some meetings in the Valley and they would double up on that trip to provide this information.

- PRE-PROPOSAL CONFERENCE
- SITE TOUR

Mr. Burke said that the site tour of the McAllister Ranch property was to assist with those that may be interested in an exchange.

- EVALUATION CRITERIA

Mr. Compau reviewed the different percentages applied to each item and Council discussed the various aspects and how they were determined.

A lengthy discussion followed on the importance of price, and the ability to have price be submitted separately. Ultimately staff was directed with moving forward in developing an RFP to be reviewed further once completed.

8. **Presentation/Discussion of Pavement Preservation & Transportation System Financing.**

Mr. Burke said that this issue was an extension of earlier discussions they have had with the Council in the mini budget retreats, and he reviewed a PowerPoint presentation which addressed:

- COUNCIL GOAL #1 – Repair, Replace and Maintain Infrastructure (streets/utilities)
- BACKGROUND
- MAINTENANCE ISSUES VS. WHOLE TRANSPORTATION SITUATION

- TRANSPORTATION SYSTEM
- MAINTENANCE ONLY
- MAINTENANCE ONLY - PROPOSAL #1
- MAINTENANCE ONLY - PROPOSAL #2
- WHOLE SYSTEM

Staff reported that there were other entities talking of potential elections for bonds and/or taxes, such as the Community College District and the County, and possibly FUSD.

Discussion was held on the benefits of each of the proposals. Some believed that the Whole System approach was the best way to move forward, but also agreed that it would be the most difficult sell. Members voiced appreciation for the various options made available. They were not in agreement on which direction to move and wanted to hear from the City's partners before selecting a direction.

Staff was directed to move forward with meeting with the other partners and gather additional information to report back to Council at a later time (at the April budget retreat).

9. **Review of Draft Agenda Items for the April 16, 2013, City Council Meeting.***

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

None

10. **Public Participation**

None

11. **Informational Items To/From Mayor, Council, and City Manager.**

Vice Mayor Evans said that she would like to see a memo regarding the public participation process with Bushmaster Park, addressing what level the City was engaging the citizens according to the City's public participation plan. She also requested: 1) Middle steps taken to make sure that at public meetings the public can see they are being heard; 2) How staff was using comments from the public; 3) the different options of the draft plan; 4) When and how the public will be able to review the plan; 5) Incorporating ideas/suggestions in the area that could not come to the two community meetings; 6) How conflicts/struggles are being addressed; and 7) would like to see at last two or three more meetings before completing the draft plan.

Additionally, Vice Mayor Evans asked for a status report of the road project across from High Country Conference Center as it was disrupting the businesses in that area. Mr. Burke and Councilmember Woodson explained that was the same project they had previously discussed. Vice Mayor Evans said that staff needed to have a conversation with the surrounding businesses so they were aware of when they would have their road back.

Mr. Burke said that they would work on the communication, and further stated for everyone's information that the contractor is back on site after a winter shut down and they are expecting to complete Humphreys by May 1. They are looking for a change order to address Cottage, all of which is on next week's agenda.

12. **Adjournment**

The Flagstaff City Council Work Session of April 9, 2013, adjourned at 9:27 p.m.

MAYOR

ATTEST:

CITY CLERK