

ISSUES AND UPDATES

PERSONAL SERVICE COSTS

PAY PLAN

The FY 2008 budget includes a market adjustment of 2% to the City's pay plan for classified employees. The cost of the market adjustment is approximately \$613,000 to all funds. This adjustment is based on a market analysis, which included the same markets as identified in previous surveys. The market data includes local, private and public sector information. The EAC supported this recommendation.

In addition, the average merit that classified staff will be eligible for is 3.2% costing approximately \$610,000.

The exempt employee pay plan has not changed; it is still open range which means exempt employees do not receive an automatic market adjustment; and any pay increase is based on performance. Exempt employees will be eligible to receive on average a 5.2% merit increase. The total salary cost for merit increases for exempt employees is estimated to be \$715,000 to all funds.

Employees who are in the skill based pay plan are eligible for pay adjustments based on acquiring skills and knowledge that are associated with skill blocks.

A salary survey for all Assignment Pays was conducted this year and a 5% adjustment was made. The cost to all funds is approximately \$20,000.

The Civil Attorney and Prosecutor positions in the Legal Department will be broad banded July 1, 2007, in order to increase productivity and efficiency as well as compensating employees for the added value they bring to the division.

HEALTH INSURANCE

Fiscal year 2008 begins the fifteenth year the City has participated in the joint purchasing of health insurance through Northern Arizona Public Employees Benefit Trust (NAPEBT). NAPEBT members are Coconino County, Flagstaff Unified School District, Coconino Community College, and the City of Flagstaff.

This is the first year the Board of Trustees for NAPEBT have been operating under an administrative services contract, which is a modified form of a self insured plan. This change was made in an effort to manage the continued increase in health insurance costs while still providing a competitive health package.

This year a three-option health insurance plan was offered to all employees in order to provide them the opportunity to make choices in the type of coverage and premiums that best met their needs. NAPEBT also funded a "wellness program" in an effort to control costs.

The premium increase for health insurance this year is 5.29%. This is well below national trend for plans similar to the City's, which is approximately 14%. One of the reasons NAPEBT is below trend is that NAPEBT is operating under an administrative contract which has provided the NAPEBT Trustees more flexibility in managing costs. In addition there has been more emphasis in educating employees through the "wellness" initiative. However, cost will continue to increase in the future due to prescriptions, technology, cost shifting based on government regulations, etc. as well as plan utilization (claims).

FY 2008's budget reflects the continuation of the City of Flagstaff paying the full premium for the employee and keeping the subsidy for dependent health insurance at its current rate of \$314.00 per month. This increase was recommended by the Compensation Committee and supported by EAC. For FY 2008 the total budget for employee only health insurance is \$4.1 million dollars, which is an increase of 8.3% to all funds. The total cost of the dependent subsidy to the City is \$1.2 million which is an approximate increase of 17.3 % compared to last year.

Employees who do not elect dependent health insurance coverage are eligible for \$60 per month in their deferred compensation. This is an increase of \$10 per month and the cost to all funds is approximately \$48,000.

Dental insurance premiums, both employee only and dependent, resulted in a rate increase of approximately 4%. The City pays 100% of employee coverage and employees pay 100% for dependent coverage. No plan design changes were made for FY 2008.

RECLASSES, RERANGES, RETITLES, REZONES

Maintenance of the job classification system is an ongoing process to ensure that job classifications accurately reflect the responsibilities and tasks being performed by City employees. If a department head believes that an employee(s) is functioning out of class on a regular basis or that job responsibilities have changed sufficiently, a request may be made for the Human Resources Division to conduct a review. The Human Resources Division then conducts an audit and evaluates the request utilizing Decision Band Method (DBM) methodology.

If the audit and analysis indicates that an adjustment needs to be made to a position classification, Human Resources procedures allow for four types of changes.

1. RECLASS - An individual(s) within a classification is evaluated in regard to moving that person(s) from others in the same classification to a higher (or lower) classification. Some instances may include a title change.
2. RERANGE - A classification in a given pay range is evaluated in regard to moving that position classification to a higher (or lower) pay range. This affects all employees in the classification, including single incumbent classifications. Some instances may include a title change.
3. RETITLE - A job title is evaluated in regard to changing the job title only. This does not affect pay.
4. REZONE – An individual within a broadband may be move to a higher-level zone within the broadband based on the employee's performance.

The audit can also show that the position is properly classified and/or titled and that no changes are needed.

All requests from departments were submitted to Human Resources for review, and only those recommended for approval were forwarded to the Budget Review Committee for inclusion in the FY 2008 budget. Human Resources have notified all department heads of the status of their requests, whether approved or disapproved. All approved changes will be effective as of July 1, 2007.

Human Resources received a total of 23 requests for reclassification and 10 requests for rezones. The following shows those positions that were approved:

RERANGES				
Old Position Classification	Old Range	New Title	New Range	No. of Employees Effected
Environmental Services Operation Manager	15	No Change	16	1
Contract Specialist	9	Senior Procurement Specialist	10	1
Application Specialist	8	Application Specialist II	9	1
Senior Buyer	9	Senior Procurement Specialist	10	2
Parks and Recreation Manager	16	Parks and Recreation Director	17	1
Network Administrator	9	Senior Network Administrator	12	1
Assistant Fire Chief	17	Deputy Fire Chief	18	2
Environmental Code Enforcement Officer	7	Environmental Code Specialist	9	1
Revenue Collector	7	Collections Specialist	8	1
Associate Planner	9	Community Planner I	12	1
Plant Technician - MSW	SB1	Maintenance Specialist	B31	1

REZONES				
Current Job Title	Old Zone	New Job Title	New Zone	No. of Employees Effected
Administrative Specialist	1	No Change	2	1
Administrative Specialist	2	No Change	3	1
Administrative Assistant	1	No Change	2	4
Administrative Assistant	2	No Change	3	1
Development Case Manager	1	No Change	2	1
Development Case Manager	2	No Change	3	1
Water Service Specialist	2	No Change	3	1

REORGANIZATIONS

Three mid-year reorganizations were implemented during FY 2007: (1) Community Investment Division - The purpose of the reorganization was to reduce the number of direct reports to the Director and streamline processes and create efficiency. This resulted in creating four sections: Housing, Redevelopment, Community Code Administration, and Planning and Community Design. (2) Facilities Maintenance -This reorganization resulted in a Maintenance Worker II HVAC/Electrical and a Maintenance Worker III-Carpenter/Plumber providing an increase in employee skill/knowledge base, a reduction of outsourcing and promotional opportunities for employees. (3) Environmental Services - The Solid Waste Collection and Disposal and Environmental Management were split into two sections with the Sustainability Program moved under Environmental Management. The name of Environmental Management was changed to Sustainability and Environment Management Division.

The major reorganizations that will be implemented during FY 2008 are:

(1) Public Works - The major change to this reorganization is to reduce the number of direct reports to the Public Works Director and create an Assistant Public Works Director similar to how the Utilities Department is organized. In addition a Parks Supervisor job has been created to assist in the day-to-day operation in the Parks Division. In Fleet Services two Mechanic III, Lead Worker positions were created in an effort to increase employee skill/knowledge base and provide promotional opportunities. The Environmental Services –Collections/Landfill Division re-organized all the administrative assistants and specialists so that all five of them would all report to an Administrative Supervisor.

(2) IT Division - The reorganization of this Division will result in the operational side of the division being restructured and splitting the Operations Team into Network and Systems and Applications so that there are now four sections: GIS, Support, Network and Systems and Applications. This change would add clarity and streamline processes.

(3) Courts – The major changes to this reorganization is the addition of another Deputy Court Administrator so that there are now three: Operation, Judicial Enforcement, and Court Services. It also creates two Court Supervisors one for the financial side and one for the services side. In addition a Jury Services Specialist position will be created and the Administrative Assistants will be changed to Judicial Services Specialists. This will address the increasing complexity of the cases, the changes in automation, specifically moving to Arizona Case Management System (CMS), integration of systems (new Electronic Court), and the Electronic Document Management System is being integrated with the CMS and will significantly change the way the court handles files. In addition there is new required training for court staff as well as Evidence Based Sentencing which will result in significant changes to post conviction requirements. This reorganization increases overall FTE’s by 0.83.

POSITION ADDITIONS/DELETIONS

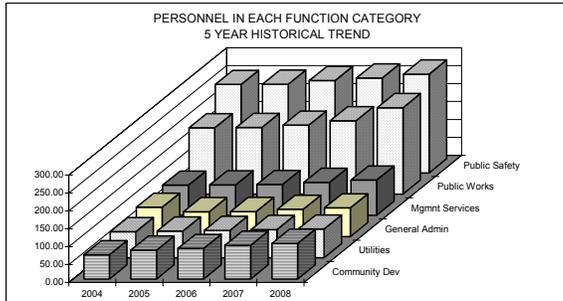
In preparing budget requests for FY 2008, new position requests would be considered for:

- 1) Those that could identify a funding source
- 2) Those needed for maintenance of effort
- 3) Those needed to fulfill Council direction

A review of the Personnel Table of Organization (see Appendix Section), provides complete detail, including

staffing request changes that are reclassification requests and transfers of personnel between divisions to accommodate changing program needs.

A total of 64.7 FTE's were added across all funds. The following detail highlights the five year historical staffing trend as well as the City's calculation of City staff in comparison to population.



Employees per 1000 Population			
	<u>Population</u>	<u>Employees</u>	<u>Emp/Pop</u>
1980	34,743	422	12.1
1985	38,247	470	12.3
1990	45,857	527	11.5
1995	52,701	612	11.6
2000	52,894	685	13.0
2005	62,371	875	14.0

Year	Emp/Pop
2005	14.0
2000	13.0
1995	11.6
1990	11.5
1985	12.3
1980	12.1

* Estimated census per Arizona Department of Economic Security

Increased Service Levels:

Staffing increases that are related to new programs include:

City Attorney (2.0) The City is adding a Senior Assistant City Attorney to address ongoing demand for contractual review, code development and other needs as directed by Council. A Prosecutor position is being added to handle anticipated increases in Driving Under the Influence (DUI) cases due to legislative changes.

Community Investment (4.0) Two positions are being added to the Housing Division to address citywide issues in affordable housing and the administration of the growth in current programs. In addition, a Business Attraction Specialist is being added to supplement efforts

in economic development. Also, the City is anticipating the need for a Downtown Parking District and should that become a viable work program in FY2008, a Downtown Manager position will be filled.

Community Improvement (0.25) Ten additional hours per week of a traffic engineering intern have been added to assist with ongoing needs.

Police (7.0) Six officers are being added to create an additional squad within the City to address increased response needs. An additional detective position has been added to address growing concerns with property crime and this position cost will be offset through the implementation of a new fee.

Parks (3.25) Two FTE permanent and 0.83 FTE temporary time has been added to address growing maintenance needs for expanded inventory in the streetscape improvements. In addition, 0.36 FTE temporary time has been added to address a similar need for FUTS maintenance. The Parks Division is also adding approximately 125 hours per year for snow removal.

Facilities (2.0) A Maintenance Worker II position is being added for specific assignment to the Aquaplex. A second Maintenance Worker II has been added that will have specialized expertise as an Electrician.

Cemetery (2.19) The Cemetery is adding temporary staff on a one-time basis to work on an irrigation installation.

Recreation (26.15) 2.0 FTE permanent staff and 24.15 temporary staff are being added for specific assignment to the Aquaplex.

Library (4.01) 3.5 FTE's permanent staff and 0.51 temporary staff hours have been added to address expanded needs at both the Flagstaff libraries and the branch libraries located throughout Coconino County

MPO (0.13) An additional 5 hours intern time per week has been added to facilitate a number of tasks as related to program management.

HURF (2.5) 2.5 FTE temporary staff have been added to address drainage clearance during the spring and summer seasons. This effort will be funded through a transfer from the Stormwater fund.

Convention and Visitor's Bureau (1.0) One full time permanent Marketing Manager position has been added to address the growing need to respond to the growth in requests and outreach in the tourism industry.

Maintaining Service Levels:

Purchasing (1.5) The Purchasing division is adding 0.5 FTE to the Warehouse to provide coverage and is

adding 1.0 FTE Buyer to maintain timely response and updates to current contracts or other purchasing needs.

Finance (1.0) The Finance department is adding 1.0 FTE Accountant II to meet current demands as dictated by both operational and capital growth.

Development Services (1.0) The City continues to experience high growth in the commercial sectors so an additional Plans Examiner is needed.

Fire (1.0) A 1.0 Also in response to citywide growth, an additional position has been added to address fire prevention code issues.

Police (3.0) Two positions have been added to address greater response needs within dispatch services. In addition, a position has been added as a Property Control Coordinator to help track City property as retained by the Police Department.

Fleet (1.0) A Parts Specialist position has been added to maintain needs as evidenced through the overall growth in Fleet.

Court (0.25) Ten hours per week of Magistrate Pro Tem has been added to deal with a growing case load.

Streets (1.06) The Streets Division is adding 1.0 FTE Equipment Operator I to assist with increasing maintenance to the City street inventory and approximately 125 hours per year is added to address snow removal needs on these same streets.

Water/Wastewater (1.25) One Maintenance Service Worker position has been added at the Lake Mary Water Treatment Plant and ten hours (0.25 FTE) per week has been added to assist with greater demands on Customer Service.

Airport (0.5) A current temporary employee will be increased to full time to address growing maintenance needs on existing runways.



City of Flagstaff, Arizona
FY2008 Full Cost Plan
Analysis of Fund Allocation by Service

CENTRAL SERVICE	GENERAL	LIBRARY	HURF	UTILITIES	STORMWTR	AIRPORT	ENVIRON.	TOTAL	TOTAL
	001	030	040-044	201	210	270	SERVICES		CHARGED
							280		OUT - GF
General Fund Services									
Non-Departmental	2,437,311	64,739	204,060	318,142	13,661	65,777	243,588	3,347,278	909,967
Council & Commissions	124,126	10,922	32,734	36,194	1,807	4,727	27,140	237,650	113,524
City Manager	374,713	47,045	91,977	118,367	9,234	16,047	90,546	747,929	373,216
City Clerk	150,184	9,202	27,447	32,096	1,511	3,971	22,849	247,260	97,076
City Attorney	475,268	25,524	76,134	84,323	4,192	11,018	63,382	739,841	264,573
Human Resources	355,085	29,216	26,022	50,399	4,937	7,317	-	472,976	117,891
Risk Management	98,586	9,606	16,682	22,201	1,568	3,027	9,538	161,208	62,622
Management Services	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-
Purchasing	132,055	13,396	100,911	52,327	1,083	7,340	40,191	347,303	215,248
Mail Services	35,160	-	2,182	5,092	722	2,086	1,981	47,223	12,063
Warehouse	30,298	751	2,811	43,954	10	792	2,934	81,550	51,252
Property Management	67,816	-	21,132	4,449	3,337	-	-	96,734	28,918
Financial Services	75,685	6,838	20,396	22,590	1,123	2,952	16,980	146,564	70,879
Copy Center	22,882	1,114	939	3,615	600	423	768	30,341	7,459
Management Services	363,896	22,099	148,371	132,027	6,875	13,593	62,854	749,715	385,819
Information Systems	241,647	-	48,496	256,235	-	-	63,045	609,423	367,776
Finance	431,316	56,133	61,106	90,815	36,180	64,432	93,096	833,078	401,762
Sales Tax & Licensing	591,993	14,571	1,157	23,604	-	32,935	45,828	710,088	118,095
Public Works Admin.	138,382	-	96,206	-	-	88,923	100,930	424,441	286,059
Public Facilities Maintenance	477,580	119,875	3,286	41,956	8,403	34,601	47,375	733,076	255,496
Mechanical Shop	69,816	503	65,149	17,192	421	4,715	105,540	263,336	193,520
Community Devel Admin	61,736	-	-	-	-	-	-	61,736	-
Development Services	2,516,326	24,726	304,785	600,216	13,642	10,673	61,399	3,531,767	1,015,441
Community Improvements	112,650	-	561,203	-	56,431	-	-	730,284	617,634
Community Investments	714,449	22,965	68,502	75,865	3,772	9,913	57,027	952,493	238,044
Contributions	279,904	10,130	33,832	71,021	6,175	8,823	30,792	440,677	160,773
Total General Fund	10,014,968	467,256	1,867,149	1,970,653	168,809	380,492	1,124,929	15,994,256	5,979,288
BY DEPARTMENT									
General Administration	\$ 1,453,836	\$ 120,593	\$ 238,262	\$ 307,386	\$ 21,442	\$ 41,380	\$ 186,315	\$ 2,369,214	\$ 915,378
Community Development	2,690,712	24,726	865,988	600,216	70,073	10,673	61,399	4,323,787	1,633,075
Management Services	1,628,852	92,803	259,130	502,681	43,055	110,960	264,823	2,902,304	1,273,452
Public Works	685,778	120,378	164,641	59,148	8,824	128,239	253,845	1,420,853	735,075
Non-Departmental	3,555,790	108,756	339,128	501,222	25,415	89,240	358,547	4,978,098	1,422,308
	\$ 10,014,968	\$ 467,256	\$ 1,867,149	\$ 1,970,653	\$ 168,809	\$ 380,492	\$ 1,124,929	\$ 15,994,256	\$ 5,979,288
Utility Fund Services									
Customer Services	\$ 21,441	\$ 3,746	\$ 3,620	\$ (221,849)	\$ 10,200	\$ 642	\$ 182,200	\$ -	\$ -

COST ALLOCATION

The cost allocation plan has been developed utilizing a methodology that is in accordance with generally accepted accounting principles (GAAP). Incorporated within GAAP are three basic principles related to the allocation of central service support costs to operating departments that have been adhered to in the preparation of the cost allocation plan. First, costs should be necessary and reasonable for proper performance of a program. Second, costs should be charged or allocated to programs in accordance with relative benefits received. A program should only be charged for services it utilizes or benefits from, and should only be charged in relation to benefits derived from the service. Third, costs should be accorded consistent treatment as either direct or indirect. A cost should not be charged to a program as a direct cost if any other cost incurred for the same purpose in like circumstances have been allocated to the program as indirect costs. The methodology accommodates detailed analysis of all service areas through the provisions of a structure that identifies total costs (both direct and indirect) by activity and allocates/assigns costs to benefiting services utilizing a base that appropriately represents the level of benefit provided or derived from each activity by each service. The cost allocation is based on actual expenditures for the fiscal year ending June 30, 2006. The City utilized the services of a consultant to prepare this year's plan. The cost allocation plan also provides information for user fees and the ability to charge indirect cost to grants. The City also utilizes the cost allocation plan to calculate an indirect cost rate that is allowable in accordance with OMB A-87. The City will annually update the indirect cost rate based on actual expenditures, as required by OMB A-87.

METHODOLOGY

A multiple allocation base methodology has been utilized to prepare the Plan. This methodology acknowledges that the utilization of central administration and support (indirect) services by users varies by type of service. The cost of each indirect service or activity of a service is allocated to users based on an appropriate allocation base related to the service performed. For example, general accounting has been allocated to users based on total budgeted expenditures; accounts payable activities have been allocated on the number of accounts payable transactions processed during FY 2005; and human resources activities have been allocated on the number of budgeted full-time equivalent positions served.

In selecting an allocation base to be used, the objective has been to utilize a base for each service that is available and reasonably results in the allocation of a service to users based on the relative benefit they receive or derive. A list of the allocation basis is provided in the Appendix.

FLEET MANAGEMENT

Fleet Management is dedicated to sustaining Flagstaff's resources by providing vehicles and equipment that maximizes fuel resources that preserves the environment for the Citizens of Flagstaff.

Fleet Management has set the goals of:

- Preserving the environment
- Purchasing environmentally compatible vehicles
- Improving fuel efficiency
- Conserving resources
- Downsizing vehicles
- Reducing green house emissions by using alternative energy
- Rotating under-utilized vehicles

Each piece of equipment submitted for review is evaluated by the Fleet Superintendent and fleet staff. Units are forwarded to the Fleet Review Committee that is comprised of a few supervisors and line workers familiar with equipment use and application. Based on the evaluated vehicle physical condition, fiscal year-to-date costs, and probability of major component failure, units are recommended for retention or replacement. Recommendations are determined by Fleet Review Committee using strict budget funds and guidelines.

This past fiscal year the Fleet committee had a very busy year. Some of the major accomplishments that occurred:

- Updated the five-year plan by incorporating replacement data from the H.T.E. fleet system.
- Provided hands-on-computer training to the Fleet Review Committee on accessing the H.T.E. fleet system for information.
- Updated vehicle replacement criteria to extend vehicle useful life to maximize financial resources.
- Purchased twelve hybrid vehicles this year, eight Ford Escapes and four Toyota Prius'.
- Reviewed 38 vehicle replacement requests, forwarded 35 on them to the Fleet Review Committee that were approved along with 11 new additions.
 - The police department received a new prisoner transport.
 - Utilities received two new vectors
 - Streets received three new dump trucks.
 - Environmental Services received three top loaders, four automated side loaders, two roll offs, and one rear loader ordered.
 - Parks will receive two replacement skid steer loaders.
 - The fire department will receive a Quint aerial truck, a heavy duty rescue vehicle and replacement pumper
- Continued to monitor practical vehicle utilization and rotation.

- Water 1 ½ ton utility trucks will have diesel engines.

- All ¾ ton and larger trucks will have diesel engines.

FLEET FISCAL YEAR 2008 REPLACEMENTS			
DIVISION	AMOUNT	DIVISION	AMOUNT
22 POLICE		47 LK MARY WATER TREATMENT PLANT	
HYBRID COMPACT FWD SUV	\$ 26,500	1 TON FLATBED	29,000
COMPACT 4X4 P/U EXT CAB ANIMAL	19,500	48 CUSTOMER SERVICE	
POLICE SEDANS (6)	141,000	COMPACT 4X4 PICKUP EXT CAB	19,500
26 PARKS		COMPACT 4X4 PICKUP EXT CAB	19,500
3/4 TON PICKUP WITH UTILITY	31,000	49 WATER DISTRIBUTION	
1 TON DUMP 4X2 DUEL R WHEEL	50,000	COMPACT 4X4 PICKUP EXT CAB	19,500
3/4 TON DIESEL PICKUP	24,000	1 TON F 450 4X4 UTILITY WITH CRANE	65,000
3/4 TON DIESEL PICKUP	17,500	53 WASTEWATER TREATMENT PLANT	
3/4 TON DIESEL PICKUP	17,500	FORKLIFT	27,000
CROWN VIC SEDAN *	-	1 TON UTILITY 4X4 WITH CRANE	65,000
29 FACILITIES MAINTENANCE		1 TON UTILITY 4X4 WITH JET RODDER	80,000
COMPACT 4X2 PICKUP	16,900	TOTAL UTILITIES FLEET	324,500
66 NON-DEPARTMENTAL			
HYBRID SEDAN	26,000	41 ENVIRONMENTAL SERVIC	
HYBRID COMPACT SUV	27,500	1/2 TON 4X4 PICKUP	20,000
TOTAL GENERAL FUND FLEET	397,400	1/2 TON 4X4 PICKUP	20,000
		WATER TENDER	125,000
32 STREET MAINT. & REPAIR		AUTOMATED SIDELOADER	246,000
10 WHEEL DUMP	200,000	AUTOMATED SIDELOADER	246,000
10 WHEEL DUMP	200,000	RESIDENTIAL SIDELOADER	195,000
5 YARD LOADER	366,000	BIN MAINTENANCE TRUCK	60,000
TOTAL HURF FLEET	766,000	ROLL OFF TRUCK	175,000
		TOPLOADER	230,000
		TOPLOADER	195,000
		TOPLOADER	209,500
		TOTAL ENVIRONMENTAL SERVICES FLEET	1,721,500
		TOTAL FLEET REPLACEMENTS	3,209,400
* RETAIN P3069			

Proposed objectives for FY 2008 include:

- Purchase hybrid vehicles and diesel pickups for approved replacement units if appropriate for user needs.
- Monitor maintenance and operations costs for fleet hybrid vehicles for comparisons to gasoline vehicles.
- Encourage fuel economy and efficiency with recommendations to down size vehicles appropriate for users' job performance.

- Continue to analyze vehicle utilization and rotation recommendations to attain required miles/age criteria.
- Continue training for the Fleet Review Committee in accessing the H.T.E. fleet information system.
- Provide training to Fleet Services' technicians to service and maintain hybrid vehicles.

FIVE-YEAR IT PLAN

The City of Flagstaff's short term IT plan focuses on continuing a replacement program for end-user equipment as well as servers and other equipment. Our goal is to continually improve the quality of service IT provides to the City's employees as well as to the citizens of the Greater Flagstaff area.

Items to consider

- Creation of IT plan
- E-Government initiatives, completion of click2gov applications.
- Build-out with NPG, and redundancy.
- Examination of permitting system options.
- Completion of aerial imagery of the city and surrounding area.
- Update of digital data standards for submission to the City.
- Continuation of disaster recovery planning.
- Plan for city-wide imaging solution.
- Data sharing with public and private agencies.

FY2008 Acquisitions

Some large expenditures in FY2008 in the areas of networks and equipment upgrades. IT will be continuing to deploy replacement PCs at an accelerated pace. Server replacement will be accompanied by a more scaleable and robust infrastructure approach.

Replacements \$161,000

- Personal computers \$95,000 – The budgeted amount should allow replacement of a of the remaining end-user equipment that is out of date.
- Network Equipment \$66,000 – This replacement budget encompasses new server purchases as well as switch upgrades

Special Projects

- WIFI \$108,000 – These are carryover monies to explore the options for WIFI in the community.

E-Government \$40,000

The City has completed the implementation of online utility billing access, and is in the process of implementing employee web access to payroll, online vendor registration, and a new web based integrated applicant/ tracking system. The committee will continue to consider additional e-government opportunities.

New Hardware/Software and Upgrades \$2,153,619

Monies used for upgrading existing software to newest versions and/or ensuring we are properly licensed. New software purchases funded from these funds may include AutoCAD, Visio system and modules for enhancing existing applications.

The City has a legacy software system for the collection of sales tax. In order to meet today's customer needs we need to change the existing software. Staff has been exploring alternatives and needs to set aside \$1 million dollars to accommodate a new system. This is based on what other cities have spent for new systems. Staff will continue look to purchase and implement a new system in FY2008.

The existing Kiva module is in need of a major upgrade. In working IT, staff will explore whether KIVA/Acela is the product for the City or whether a better alternative is available. The city has allocated \$50,000 for start this process. The city is also exploring a automated time entry system for the City. Funds are allocated for training on the attorney "Damien" system, as system used by the judicial system in Flagstaff for tracking cases. Staff will work with the City managers office on a complaint tracking system. The financial enterprise solution H.T.E. has an integrated package; however the City Managers office needs to direct processes and procedures they would like to implement.

Public Safety \$306,000

The police departments MIS needs include laptop replacement, network equipment upgrade, and replacement of Mobile Digital computers, (MDC's) in police and fire vehicles. Software in the way of additional licenses for MS Office and Windows 2003 and new detective software is also included in the budget. This year there are monies to train staff on the Intergraph software platform, Oracle.

MIS Five Year Projection FY2008 - 2013

MIS Five Year Projections	Actual FY2006	Budget FY2007	Estimate FY2007	Budget FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Replacement Programs									
Replacement PC's and Printers	\$ 5,733	\$ 240,000	350,000	95,000	120,000	130,000	70,000	70,000	70,000
Network equip	230,254	275,000	-	66,000	240,000	320,000	240,000	240,000	240,000
Total - Replacement Programs	235,987	515,000	350,000	161,000	360,000	450,000	310,000	310,000	310,000
GIS									
Hardware upgrades/replacement	-	5,000	-	10,000	5,000	10,000	30,000	30,000	30,000
Software upgrades	-	5,000	-	10,000	5,000	10,000	10,000	10,000	10,000
Total GIS	-	10,000	-	20,000	10,000	20,000	40,000	40,000	40,000
E-Gov									
	-	40,000	-	40,000	20,000	30,000	30,000	30,000	30,000
New Hardware & Software and Upgrades									
Work Order Management/HR	-	-	-	80,000	-	-	-	-	-
Sales Tax Software	-	500,000	-	1,000,000	-	-	-	-	-
Hardware & Software Purchases	144,693	479,854	566,254	1,073,619	216,000	150,734	252,734	284,734	316,734
Total New Hardware & Software	144,693	979,854	566,254	2,153,619	216,000	150,734	252,734	284,734	316,734
Public Safety									
Police Upgrades	-	183,200	106,302	149,000	149,000	149,000	212,000	228,700	247,700
Public Safety Equipment	-	214,700	-	157,000	125,000	125,000	125,000	125,000	125,000
E citation	-	118,000	-	-	-	-	-	-	-
Total Public Safety	-	515,900	106,302	306,000	274,000	274,000	337,000	353,700	372,700
Total Expenditures	\$ 380,680	\$ 2,060,754	1,022,556	2,680,619	880,000	924,734	969,734	1,018,434	1,069,434
Funding									
General Fund MIS allocation	\$ 798,603	\$ 798,603	798,603	870,533	914,060	959,763	1,007,751	1,058,139	1,111,046
One time monies		560,251	223,953	1,000,000					
Carryover	200,000	583,900	-	810,086	-	-	-	-	-
Grants	118,000	118,000	-	-	-	-	-	-	-
Total Funding	1,116,603	2,060,754	1,022,556	2,680,619	914,060	959,763	1,007,751	1,058,139	1,111,046
Expenditure Summary									
Replacement Program	235,987	515,000	350,000	161,000	360,000	450,000	310,000	310,000	310,000
Local & Wide Area Network	-	-	-	-	-	-	-	-	-
GIS	-	10,000	-	20,000	10,000	20,000	40,000	40,000	40,000
E-Gov	-	40,000	-	40,000	20,000	30,000	30,000	30,000	30,000
New Hardware & Software Purchases	144,693	979,854	566,254	2,153,619	216,000	150,734	252,734	284,734	316,734
Public Safety	-	515,900	106,302	306,000	274,000	274,000	337,000	353,700	372,700
Total Expenditures	380,680	2,060,754	1,022,556	2,680,619	880,000	924,734	969,734	1,018,434	1,069,434

2007 Updates

E-Government

The City website continues to grow providing 24/7 access to City information and services. In 2006 there were more than 1.2 million visits to the City of Flagstaff Website as compared with 914,859 in 2005. We had over 15 ½ million hits on the website in 2006 with just under 12 million hits in 2005. On average, 3,422 people visit our site per day – in 2005 that number was 2,506. And, the average hits per day are now more than 42,000 -- we came close to 33,000 in 2005. The top pages frequented in 2006 were: the city home page, job openings and job status, community profile, linking to the CVB website, Pulliam Airport, Parks & Recreation, bids and current events.

Significant accomplishments for the past year include:

- Adding HTE's "Click 2 Gov" allowing us to provide online services to the public such as utility bill payments and access to other utility related information
- Adding pages for Human Resources (not just job information), and
- Keeping the community informed on significant fire event

Fiscal Year 2008 improvements include:

- Working on improvements to the City Home Page
- A complete overhaul of the Public Works pages
- An HTE Click 2 Gov vendor registration
- Employee self serve and human resources applications
- The development of on-line fill able forms
- Public access to GIS
- Coordination of the development of computer work stations at City Hall and other locations for the public to have access to the City website and online services.

The E-gov team and IT will also continue to explore the possibility of moving the website and its management/development in-house. There is a budget of \$30,000 in Public Information and \$40,000 in non-departmental to facilitate maintenance and any additional E-gov activities.

Information Technology

The city's network infrastructure was a varied combination of technologies. Working with NPG Cable of Flagstaff, The City is installing a fiber network between City Hall and all of its remote sites. The resulting network will be faster, more secure, more reliable, and will allow for future technology upgrades and enhancements. The cost of the installation of the fiber to each curb location was discounted and is split between the City and NPG. The cost of extending the fiber into each of the City's sites is the responsibility of the City.

As part of the contract with NPG Cable, the City's partners (Coconino County, Flagstaff Unified School District, NAU, and Coconino Community College) have the ability to take advantage of similar terms with NPG Cable to create fiber networks for their use.

When completed, each city site connected through this network will have a faster, more reliable, more secure network connection to City Hall and the Internet, and will result in cost savings for network.

Facility Planning

Growth in City operations and personnel has created a serious problem with office space and facility needs throughout City operations. Over the past several years there have been numerous remodels in City Hall to accommodate new personnel. As City Hall has reached its capacity, departments have turned to off campus locations for office space. City personnel occupy approximately 12,000 to 13,000 square feet of office space in a combination of leased and owned space.

Three City locations are identified for demolition as part of the Downtown Redevelopment Project. While it may take a year to two years for this project to move forward, we must anticipate the need to relocate at least 55 employees requiring 12,000 to 13,000 square feet of office space.

There are several options for short and long term solutions to this ongoing problem.

1. Rehabilitate additional space the City currently owns in the redevelopment area to resolve short term space needs.
2. Lease additional space to resolve short term needs
3. Build additional facilities or provide a major addition to the existing City Hall building to provide longer term solutions.

Funds have been budgeted to hire a space needs consultant to assist staff with the development of these options or create new ones for Council consideration. Facilities working closely with the Real Estate Manager and Finance are researching potential locations and funding options for Council consideration.

Housing Work Program

The Housing Section will continue to implement an aggressive work program in Fiscal Year 2008. The addition of a Project Coordinator and Administrative Specialist will greatly impact housing program work program and allow existing staff to better address the program demands and meet community expectations.

The work program is divided into three major areas of focus: Research and Planning; Policy; and Housing.

Research and Planning

Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, as well as development and project specific planning.

- Continue to write and obtain approval from the U.S. Department of Housing and Urban Development of the Annual Action Plan and the Consolidated Annual Performance Evaluation and Report (CAPER), as well as collect and report all the data required to be in compliance with the performance measurement system.
- Utilize results from Nexus Study to educate the community on job/housing linkage.
- Complete a Housing Element for the Regional Plan.
- Continue to participate in the Development Services processes to ensure workforce housing is included in developments as appropriate.
- Work with developers to incorporate workforce housing units into upcoming developments in the City of Flagstaff where appropriate.
- Research avenues to expand housing opportunities.

Policy

The development and subsequent implementation of policy initiatives is critical to the success of the City of Flagstaff's overall housing and economic development goals.

- Write, obtain Council approval and implement a Workforce Housing Incentive Ordinance (fka: Set-Aside Policy).
- Continue the implementation of Housing Policy Task Force recommendations.
- Incorporate sustainability benchmarks into projects.
- Integrate Smart Growth concepts where appropriate.
- Completion of Housing Policy to be included with the Housing Element for the Regional Plan.
- Participate in the creation of a city-wide property maintenance ordinance.

Housing

This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.

- Complete the Rio Homes project, resulting in a total of 30 units being sold and owner occupied.
- Complete the Izabel Homes subdivision, resulting in 16 Community Land Trust Program homes.
- Issue 2 SOQ/RFP for Community Land Trust Program construction.
- Continue to work with the development community to promote workforce housing efforts and opportunities.
- Administer of Community Development Block Grant program and subrecipient contracts in federally compliant manner.
- Complete Mt. Elden Estates project.
- Develop post-purchase support program for permanently affordable homes.
- Implement outreach and community building efforts.

- Administer the Community Homebuyer Assistance Program (CHAP).

Sustainability

In September 2006 the City signed the U.S. Mayors Climate Protection Agreement (Kyoto Protocol). Under the Agreement, Flagstaff has committed to take the following three actions:

- Strive to meet or beat the Kyoto Protocol targets - 7% greenhouse gas emission (GHG) reduction from 1990 levels by 2012;
- Urge the state and federal government to enact policies and programs to meet or beat the GHG reduction target suggested for the U.S. in the Kyoto Protocol; and
- Urge the U.S. Congress to pass the bipartisan greenhouse gas reduction legislation, which would establish a national emission trading system.

To meet these goals, the Sustainability Program will contract for professional assistance to conduct a comprehensive greenhouse gas emission inventory, emission forecasting and development of climate mitigation strategies. These strategies will be the foundation for the City of Flagstaff's Climate Action Plan and serve as a roadmap to Flagstaff's climate protection goals.

Achieving the Climate Action Plan requires dedication, financial commitment, political will and participation from all sectors of the Flagstaff community. The Plan will have strict guidelines for measurable results. Measurables must be monitored frequently, documented and reported annually to decision makers and to the public. The City of Flagstaff has five years to comply with the Agreement; through effective leadership, conviction and commitment the City has an opportunity to succeed.

Other Project Updates

APSES Energy Conservation Project. The solar project and associated walkway at City Hall has been completed. A public education and monitoring station will be installed in the lobby of City Hall to show, in real time, how much energy the solar panels are producing.

Cogeneration project at Wildcat Hill Wastewater Treatment Plant (construction by APSES). This project was approved by Council in December 2006 and the cogeneration equipment was immediately ordered. However due to long lead times for this type of equipment, it its not scheduled to arrive until July 2007. Construction completion is expected to be in September or early October 2007.

Wind turbine project at Cinder Lake Landfill. The turbine is installed and operational

Glass recycling. Staff is working on several options to make glass recycling easier for the community. Currently residents must take their glass to drop-off centers around town in order for it to be recycled. City staff is currently in negotiations with Norton Environmental, the owner/operator of our Material Recovery Facility (MRF), to allow glass to be commingled in the same 90-gallon curbside recycling container that most residents already have. This would require upgrades and some operational changes to the MRF so staff is working closely with Norton to help resolve those issues. If this option does not prove feasible, staff will pursue grant funding from ADEQ to complete a pilot project for a specific neighborhood that would provide for separate curbside collection containers that would be collected separately by Environmental Services operators.

Composting. Staff continues to research ways to develop on-site composting at the landfill to be used as an alternative daily cover. The City continues to evaluate alternatives and work toward understanding what the appropriate approvals from the Arizona Department of Environmental Quality would need to be.

Capital Project Updates

Thorpe Park Improvements Project

The Thorpe Park Improvements project represents a six million dollar investment in the renovation of one of the City's most popular regional park facilities. Originally authorized as part of the 1996 bond funded Parks Improvement program, the Thorpe Park renovations will be the last project of the 10 year program to be completed. Completion occurred in June 2007.

Designed to accommodate a variety of activities and users, the project included four completely reconstructed softball fields suitable for tournament play, a new multi-purpose field, restroom and concession facilities with adjacent plaza and site amenities including lighted walkways, urban trail improvements and parking. The project also includes electrical, irrigation and drainage infrastructure necessary to support the renovations.

The Adult Center Addition and Renovation

This project consisted of a major renovation for the Adult Center facility including a fitness room addition to the western side of the building. This project was funded through a combination of future BBB revenues, the General Fund portion of the Real Estate Proceeds Fund and the sale of City owned properties. The County contributed funding for kitchen. This project was completed March 2007.

The Flagstaff Aquaplex

The new state of the art recreation center is 51,441 square feet consisting of a multipurpose area for meeting and events, a babysitting room, a leisure pool, a

gymnasium, locker rooms and showering facilities administrative offices, and a fitness area. This facility has an energy efficient heating, ventilation, and air conditioning system (HVAC) and the solar water heater and uses water conserving filtration for the pool. The total project authorization for the Aquaplex facility is currently \$16,569,549 made up of the bond amount, interest earned, APSES lease funds, and additional approved by Council July 24, 2006 and April 3, 2007. This project is scheduled for completion in late summer of 2008, with an opening to be held as soon as possible thereafter.

Runway Extension

Construction started with the mobilization of heavy equipment in March 2007. Earthwork, utility relocates and minor electrical work will continue outside the current perimeter fence until the airfield approach lights are decommissioned (May 18) to fill the area immediately off of the north end of the runway. The next major event will occur in mid-June when the first 1000' of runway 21 will be closed to provide the FAA required construction safety area as work progresses inside the fence, ever closer to the existing asphalt. The shortened runway (6000') will serve our air traffic until we are ready to open the extended section in early November 2007, resulting in the 8800' runway need to service regional jets.

Flagstaff Fire Stations Relocations Project

City of Flagstaff voters approved the Fire Station Bond Program in May of 2004 for a total bond amount of \$16.8 million. The bond program was originally slated to include the relocation of 4 Fire Stations with land, the purchase of new equipment, and the construction of a Training Center and Emergency Operations Center. Due to massive escalations in construction and land costs, program reductions were made to control budget costs. Reductions included; reducing station sizes, the elimination of the Training Center/EOC, consideration of a modular Training Tower in conjunction with partnering with NAU and Coconino Community College, and securing grants for the purchase of equipment. The current budget short fall for the delivery of the entire program is on the order of \$1.4 million, however, the team is making progress on value engineering of the remaining stations and working to reduce all other costs associated with the program.

Construction continues on Fire Station No.1 located at 1972 S. Thompson Street. The Guaranteed Maximum Price for this station is \$2.85 million as approved by Mayor and Council in August of 2006. Scheduled completion of the facility is July 2007.

City staff continues to work with the Catholic Church to secure a site for Fire Station No.2 to be located on the proposed Enterprise Road extension north of Rt. 66. This station is currently programmed to have 4 apparatus bays and a Battalion Chief office. Total

anticipated area will be approximately 10,450 square feet with an estimated construction cost of approximately

\$4.4 million. Scheduled completion of the facility is November 2008 dependant on securing property rights.

City staff continues to work with an interested developer to secure a site for Fire Station No.3. The site currently under consideration is located north of Railhead Avenue near the existing Fire Station No. 3. The station is currently programmed to have 3 apparatus bays with a total anticipated area of approximately 9,340 square feet, with an estimate construction cost of \$3.4 million. Scheduled completion of the facility is June 2009 dependant on securing property rights.

Fire Station No. 5. will be located on the City's north west side at 2525 N. Fort Valley Road. Council approved the Guaranteed Maximum Price for the construction of this station in March, 2007 in an amount not to exceed \$2,9 million. Scheduled completion of the facility is March 2008.

FY2008 Issues

All Mail Ballot Election

Elections are not an established Council priority; rather, they are statutorily required and dictated by the City of Flagstaff City Charter. The City is evaluating whether to conduct a Mail Ballot Election for the 2008 Primary and General Elections. A primary would only be conducted if there are sufficient candidates and general elections are only held in even numbered years.

Mail ballot elections are elections with no polling places. Voters can vote by mail, drop their ballots off at a specified drop-off location, or vote in person at a designated voting area in the County Recorder's Office.

Some of the expected outcomes of an all mail ballot include:

1. Improved voter turnout
2. Cost savings as all mail elections are less expensive than traditional polling place elections
3. Automatically meeting early voting requirements
4. Reduces ability of political committees for confuse voters with early voting campaigns
5. Easier for shut-in and other limited access voters to vote
6. Takes less time to vote
7. Election results can be released an hour after the election day deadline closes
8. Proposition 200 has no effect on mail ballot elections
9. Voters do not have to request ballots
10. Cleans up voter registration rolls
11. It is easier to detect voter fraud.

DUI Case Processing

Pursuant to Arizona Supreme Court Order, there is currently a pilot project underway to accelerate DUI case processing. The project involves eleven limited jurisdiction courts—Municipal and Justice Courts—throughout the state. The pilot project period is from April through June with anticipated completion in September. 2007. At the end of the trial period, the Supreme Court's Order will apply to all limited jurisdiction courts in Arizona, including Flagstaff Municipal Court.

The Supreme Court's objective is to resolve 90% of all DUI cases within four months of the date the charges were filed and 98% within six months. (In fiscal year 2006, 67% of the state's DUI cases were resolved within four months and roughly 82% percent resolved within six months). Each court will be required to develop a DUI case processing plan in order to meet established performance standards. At a minimum, the DUI case processing plan shall contain:

1. Baseline information regarding time to disposition of DUI cases disposed during the current fiscal year
2. The goal of resolving 90 percent of DUI cases within 120 days from the date of filing to disposition, and 98 percent of the cases within 180 days
3. How the rules of procedure will be implemented and notice provided to affected parties/agencies
4. A description of how the court plans to manage its calendar to avoid scheduling conflicts
5. The court's policy on continuances addressing common scheduling issues such as:
 - a. Unknown schedules of all parties related to the case which may prevent scheduling firm dates;
 - b. Attorneys scheduling multiple hearings on the same day in multiple locations; and
 - c. The court automatically granting motions to continue;
6. The steps necessary to accomplish the case processing time goal; and
7. The time needed for the court to meet this time goal.

In order to meet the mandated performance standards, cases will need to be processed more quickly, meaning that all activity on a case is compacted into a shorter period of time. In order to keep up with the intensified workload, an additional prosecutor and additional magistrate time will be required.

Downtown Management Program

Downtown is challenged today by competition for the retail and restaurant dollar and a rental market that has higher rents. New competitors for Downtown will come on line in the next year including a renovated and expanded Mall along with Aspen Park at the Sawmill, a 150,000 square foot mixed use traditional neighborhood development.

For Downtown Flagstaff to remain competitive, it must address:

- Parking

- Appearance
- Retail selection and variety
- Safety

Many of the prime parking spots on a regular basis by employees working in the downtown area. After more than a year of public discussion, parking meters have been identified as a critical element of a parking management program for Downtown as well as employee parking lots, group purchasing of annual bus passes for employees and jurors, new bike racks, coordinated signage and creation of an enhanced pedestrian and bicycle area.

Preliminary analysis indicates parking meters would be priced at \$1.00 per hour and enforcement would be Monday through Saturday from 7 a.m. until midnight, excluding major holidays.

A “Pay and Display” meter is recommended that allows patrons to purchase time increments up to three hours using coin, bills and credit or debit cards. A meter token program is also proposed to be sold to merchants at a twenty percent discount.

Parking meters or pay stations serve three purposes:

1. They create short-term parking close to retail and other businesses
2. They improve traffic circulation (minimizes the traffic friction caused by people searching for turnover parking) and economic vitality of the Downtown and Southside areas by maximizing the number of patron visits by car
3. They generate revenue for the City of Flagstaff for Parking Ambassadors, a Downtown Manager, meter repair and collections, sidewalk and street cleaning, and the potential for enhanced amenities like landscaping and banners

Under Arizona Revised Statutes 28-885, Parking Ambassadors would act as Civilian Parking Enforcement Specialists, with state-of-the-art ticket machines. Ambassadors would also be connected to the Police Department’s central dispatch to allow them to report emergencies, Ambassadors will be visible and mobile on bikes or electric vehicles to not only monitor meters but available to provide assistance to Downtown visitors.

The Downtown Manager will coordinate parking control, rentals, Ambassadors, cleaning along with assistance with tenant attraction. The Downtown team will be connected via radios to allow immediate response for cleaning or information and will have the ability to notify the Police should the need or situation arise. Downtown will be managed as if it were a Mall, allowing it to compete on many levels.

As revenues increase from meter usage, this program will be self sustaining. Future revenues will be available

to provide for additional marketing of the area and eventually could be used as one revenue stream for funding of a portion of a parking garage.

Land Development Code Rewrite

While the Land Development Code includes many strengths (standards and procedures for resource preservation, historic preservation, and design guidelines), it is complicated to use, lacks consistency, and is out-of date as many sections of the Code are now over 20 years old. There has not been a major code rewrite since its passage in 1991.

In addition, the Land Development Code is inconsistent with the Regional Plan and at least one section of the Land Development Code is inconsistent with applicable Arizona Revised Statutes. The staff along with a consultant will review the entire document to develop the necessary amendments to the Land Development Code to resolve any inconsistencies. At the same time, staff will also suggest revisions to address identified sections of the Code that require immediate amendment, such as the areas concerning political signs. This will conclude short term amendments to the existing Land Development Code until such time as a comprehensive rewrite is completed.

The City looks to complete the comprehensive rewrite of the Land Development Code within approximately 2 years. This will be paid through a 5% increase in building permit fees.

The end result of the project will be the adoption of a new easy-to-read and understand zoning ordinance that is consistent with the Regional Plan and Smart Growth policies, and that is developed with numerous opportunities for public input and participation.

Science Park Development

McMillan Mesa is home to a number City projects that create a science and research campus.

Currently the City of Flagstaff in cooperation with the Northern Arizona Council of Governments and the Economic Development Administration is constructing a science and technology incubator. Construction is slated to begin September 2007 with substantial completion in August 2008. The 10,000 square foot complex will include offices and laboratory spaces. The tenant space is anticipated to include some wet land space, the ability to provide in-depth research for clean energy, and the inclusion of a “white board” conference room that will allow clients and potential funders to map out business strategies.

The United State Geological Survey, already housed on the Mesa, is reviewing options for the redevelopment of its campus in cooperation with the General Services Administration and the City. The SmithGroup and

Johnson Walzer & Associates are updating the Plan to reflect the addition of the Incubator and changing some of the space requirements of the Survey to better reflect the needs of the organization given the current program direction. It is anticipated that the Survey will be looking for project funding in September 2008 for the campus redevelopment.

In addition, the City has a Memorandum of Understanding with the Plaza Companies and Higgins for the development of up to 200,000 square feet of science and technology space adjacent to the USGS Campus and the Incubator.

The Plaza Companies will be back to the City at the end of 2007 with the results of their feasibility study. Utilities are a major challenge to the site, especially sewer. It is recommended that the City consider a capital project to extend sewer service to the site since it is some distance from the site.

Property Crimes

Flagstaff continues to experience a higher rate of property crime than state and national averages. As an example, Flagstaff has double the number of thefts per 100,000 inhabitants compared to the state and the nation. Property crimes negatively impact the quality of life for citizens living and working in Flagstaff and the economy as potential business owners and residents decide whether or not to relocate to our community.

Each Detective carries a larger workload as their number of pending cases has increased in the past several years. In addition, advances in technology have led to property crimes becoming increasingly complex to investigate and prosecute. These factors leave investigators little time to do the proactive crime analysis work required to recognize and identify problem areas and possibly mitigate the impact of the aggravating factors/circumstances.

To address these issues, the City has added a police detective whose primary responsibility will be to investigate property crimes and coordinate with other case detectives to educate the public on topics such as target hardening. He/she will direct an enhanced use of Crime Analysis tools to identify trends and problem areas, explore the institution of CompStat and Management by Objective (MBO) principles to address crime trends, and create additional partnerships with law-abiding citizens (such as the Crime-Free Multi-Housing Program and "Project Nail-em").

This new position would provide greater oversight of pawn brokers, second hand merchants and metals recyclers in the Flagstaff community, as a large percentage of stolen property ends up in these establishments for resale. This position will be paid for through proposed changes to the current Pawn Ordinance to include a \$2 per transaction fee and a \$1500 annual fee to operate a pawn shop.

Conservatively, annual revenue is projected to be \$85,000.

Increasing Patrol Presence

Residential development and population growth within the Sunnyside neighborhood and Fourth St. business corridor have resulted in increased crime and degradation of the quality of life for residents. Many of these offenses are perpetrated by gang members and their associates. This area accounts for a disproportionate share of major crime when compared to the rest of the city. Studies have shown that when the crime rate within a particular neighborhood exceeds its percentage population, quality of life deteriorates and residents may begin to perceive their neighborhood as "blighted". Having six additional officers assigned to this area will allow the City to step up enforcement and work special projects designed to decrease gang and criminal activity such as vehicle burglaries and criminal damage.

Also under consideration is the establishment of a police substation in the neighborhood. As feasibility of this option has been researched, it has been concluded that for a substation to have any significant impact on the surrounding neighborhood, it must be "open for business" more often than not. The six additional officers would be required to staff the substation seven days a week from at least 8 am until 10 pm. These officers would be available to take crime reports, provide police services to the community on a walk-in basis, and provide extra uniformed presence in the host business complex. If the assigned officer is away from the substation, a sign would be posted in the window advising citizens that the officer is momentarily away on other neighborhood business and to call a cell phone (which the officer will carry) for assistance. After 10 pm, officers could be utilized for extra vehicular, foot, or bicycle patrols along Fourth St. and in the Sunnyside neighborhood.

Drainage Channel Maintenance

Within the city limits there is approximately 26 miles of main channel with another 10 miles of small collector channels. The Streets Division currently checks the culverts inlet/outlets four times per year with cleaning scheduled if warranted. Preventive maintenance of open channels is a level of service that cannot be currently provided by the Streets Division. By employing a seasonal crew of four temporary Maintenance Workers I's and one Equipment Operator III Crew Leader, the City estimates clearing approximately two miles of drainage channel per year on city easements and right-of-ways by removing overgrown weed beds and litter. The overgrowth cannot be removed from the banks due to erosion. Trimming back of the overgrowth will be very labor intensive.

In addition to labor costs, there are landfill fees, safety supplies and miscellaneous equipment that would need to be purchased.

Street division will work with the Stormwater division on prioritizing drainage channel maintenance with work commencing April 2008. The positive outcome of this work includes unrestricted water flows and an enhanced ability to control fire related issues that are the result of grass and weed growth.

Streets De-icing Program

As the City looks to make city streets safer for increased vehicle traffic, we will begin a pilot program with the use of de-icing agents. Chemical de-icers will be applied to first priorities areas which include major arterials, designated collector streets, school and public transit bus routes, the downtown area, and hills.

Positive impacts of using de-icing products include:

- Reducing clogged catch basins and culverts
- Less overtime paid for post storm ice problems
- Decreased amounts of cinders on sidewalks will allow safer pedestrian traffic
- Significant reduction in the total number of freeze/thaw cycles due to shade and icing, which causes damage to infrastructure
- Fewer trips to the product yard translates into more lane miles being cleared in a given period of time.

Negative aspects of using de-icers include:

- Corrosion to equipment and possible environmental impacts to vegetation
- De-icers become less effective at very low temperatures
- Melting capacities diminish in the range of 0 to 10 degrees.

To monitoring the environmental impact, the City's Environmental Management Services will conduct soil, water, and de-icer sampling.

The Street division will conduct two public outreach meetings, which will happen before the upcoming snow season.

The costs associated with de-icers for a regular winter season is estimated at \$150,000 with an offset provided as the City won't have to clean up after the cinders.

It is anticipated that a chemical de-icer will provide for:

- Decreased accidents and property damage.
- Significant reduction in roadway clean-up and particulate emissions caused by cinder dust.
- Allow the Streets Division to increase levels of service, ie. sweeping residential areas, devoting more time to patching asphalt deficiencies, hauling snow piled in cul-de-sacs, and resolving drainage concerns caused by ice and snow in curb lines

- Eliminate street closures.

Community Events

To provide the resident community and the tourist population with diversified events throughout the year, the City is looking to provide a structure for agencies/organizations to request funding for community events either on an ongoing or one-time basis.

A staff group with representatives from Recreation, the Convention and Visitors Bureau, and Finance will be formed. Around July 2007, the group will present their recommendations to Council.