



**COCONINO COUNTY BOARD OF SUPERVISORS,
COCONINO COUNTY PUBLIC HEALTH SERVICES DISTRICT BOARD OF
DIRECTORS, COCONINO COUNTY FLOOD CONTROL DISTRICT BOARD OF
DIRECTORS, KACHINA VILLAGE IMPROVEMENT DISTRICT BOARD OF
DIRECTORS**

BUDGET WORK SESSION MINUTES

Week 2

May 8, 2019

8:00 a.m.

**First-Floor Meeting Room
219 E. Cherry, Flagstaff, Arizona**

Present: Chairman Art Babbott, Vice Chairwoman Lena Fowler, Supervisor Matt Ryan, Supervisor Jim Parks, and Supervisor Archuleta

Absent/Excused: none

Also Present: County Manager James Jayne, Deputy County Manager Mike Townsend, Deputy County Manager Lucinda Andreani, Deputy County Manager Marie Peoples, Director of Special Initiatives Kim Musselman, Assistant Finance Director Megan Cunningham, Public Affairs Director Eric Peterson, Budget Analyst John Comer, Finance Business Manager Megan Coons, Facilities Director Sue Brown, Human Resources Director Erika Philpot, and Clerk of the Board of Supervisors Lindsay Daley.

Chairman Babbott called the meeting to order at 8:07 a.m.

1. Reserved for Discussion/Wrap-Up: 8:00 – 11:00 a.m.

County Manager Jayne thanked staff for the discussions over the last week and budget team for the work.

Item A: Available Funding

Deputy County Manager Townsend explained the available funding balance and stated that the unallocated dollars are available, however, they have been set aside for FY21/22 for recession options.

Supervisor Parks asked why either the unallocated funds or the funds for the LiDAR couldn't be put towards the Flood Control District to avoid raising the tax rate. Deputy County Manager Townsend explained that there wouldn't be a lot of recession flexibility if that's done.

Supervisor Parks stated the LiDAR project wasn't expected to start for three years.

Forest Restoration Director, Jay Smith explained that the LiDAR was already paid for and the study, if funding is approved, would commence in the fall and be ready to implement by 2021.

Supervisor Parks inquired about Oak Creek and Munds Park. Director Smith stated that those areas are not priority, the study is to pinpoint the needs of Mormon Mountain.

Supervisor Parks stated that the use of the unallocated funds towards the study would make the project possible without raising taxes, as the citizens were told the tax rate would remain flat.

Deputy County Manager Lucinda Andreani disagreed stating last year the decision was made to hold the tax rate flat; however, there is an opportunity to raise the rate in this transition year. Regarding General Fund, typically, outside of an emergency, General Fund dollars do not fund districts. General Fund dollars were loaned during the Shultz Flood, but they were paid back. Transfers of money from General Fund to districts should be cleared with the County Attorney.

Supervisor Parks asked how the base tax dollars are being spent on Flood Control? Is there a use that can make the base more sustainable? Deputy County Manager Andreani explained how the money is being spent. She noted that there are items that have been identified during the initial engineering review and that there have been discussions with the City for over two years now. If rate increase is approved, it will create capacity for forest restoration. In FY23, there will be dollars freed up and available to continue investing in forest restoration.

Supervisor Parks asked what if the tax rate is held level? Deputy County Manager Andreani stated there won't be enough to invest.

Chairman Babbott intervened stating there has been an attempt to have a balanced approach; each decision made will have budgetary implications. Supervisor Parks reiterated his desire to find a solution raising the tax rate this year.

Supervisor Ryan stated county government is complex, but the board looks at everything and works its way through the process. Money is put aside to weather the recession, to meet County needs. In terms of Flood Control, we just went through a huge reduction and the County is focused on forestry. Forest restoration costs, there's a tax associated with it.

Supervisor Archuletta noted that, based on a \$300K home, the tax increase is only \$1.18/month more than what is being paid now. Deputy County Manager Andreani concurred, it's about a \$14 increase per year.

Supervisor Parks asked the board to consider other options to avoid raising the tax. Chairman Babbott stated that although the board agreed yesterday, it doesn't mean they can't change their minds and take another look.

Supervisor Parks clarified he is still at the same place he was yesterday, but in looking at it, there is another way to solve the problem.

Supervisor Ryan stated that when the Board makes these changes, we take away from something else.

Item B: Employee Compensation

Deputy County Manager Townsend reviewed employee compensation and various scenarios and answered questions from various board members.

Direction: To have the capacity to give the \$337 raise in FY2021 one-time.

Item C: General Fund - Juvenile's Family Empowerment Pilot and Initial purchase of Page Vehicle; and, Explore Option to Decrease General Fund funding for Halo Bends in exchange for Full funding of Mediation SIRs

Deputy County Manager Townsend stated Juvenile is looking for capacity, they are not adding funds.

Supervisor Archuleta asked if the department had access to and capacity in their special funds rather than using General Fund? Chairman Babbott stated it could be brought back in a work session for discussion.

Supervisor Fowler stated there are restriction on funds; therefore, the board should approve what is needed through the General Fund to ensure there is transportation available to the parents and family. Assistant Finance Director, Megan Cunningham, stated that juvenile has agreed to use special funds to purchase the vehicle. Manager Deputy County Manager Townsend stated that there is a Risk Management concern regarding transporting family members. Supervisor Archuleta stated that if the department doesn't have capacity, consider the General Fund to cover the costs.

Supervisor Ryan expressed he didn't feel the discussion needed to be a work session, but rather a discussion with the department.

County Manager Jayne clarified the consensus regarding use of the special revenue funds. He stated he will confirm with Risk Management whether families will be allowed to be transported. Supervisor Archuleta suggested looking at a nonprofit and keeping an open-minded approach if transportation is not allowed.

Chairman Babbott stated that he would benefit from better information about the use of special funds. County Manager Jayne stated they will work on it and find a constructive solution.

Item D: Remove \$25K Fredonia Pool Carryover possible transfer to fund Board Advocacy Travel

Deputy County Manager Townsend reviewed the information; he and Director Peterson answered questions from various board members.

Item E: County Partner SIRs

Deputy County Manager Townsend discussed service improvement requests from individual county partners and provided historical funding information.

The Board discussed funding in rural areas versus Flagstaff based program areas which resulted in a consensus to bring the discussion back to a future work session.

Item F: Strategic Investment Plan

Deputy County Manager Townsend reviewed the Strategic Investment Plan; he and Deputy Director Andreani answered questions from various Board members.

Item G: Dark Sky Compliance Officer

Deputy County Manager Townsend reviewed Item G, breaking down the contributions and answering questions from various Board members.

Item H: Possible one-time SIR increase instead of recurring funding for Diversity Councils

Deputy County Manager Townsend reviewed the information and answered questions from various Board members. Discussion was held.

Item I: FY20 Secure Rural Schools allocation

Deputy County Manager Townsend reviewed the information and answered questions from the Board.

Item J: Potential uses of \$1M tax appeal set-aside if the funds are not needed

Deputy County Manager Townsend reviewed the information and answered questions from various Board members. County Manager Jayne explained it would be fiscally responsible to set aside dollars for financial liability.

Item K: Possible creation of Economic Development Alliance (District 5 Request)

Director Peterson explained proposal of the economic development alliance being a result of the impending NGS closure. As Board discussion ensued, staff answered questions from various Board members.

Item L: One-Time/Recurring budget increase for community cleanups

Deputy County Manager Townsend reviewed the information and staff answered questions from the Board and explained historic costs which resulted in a consensus to add \$20,000 in one-time funding.

Item M: Other Topics

Deputy County Manager Townsend asked the board if there were any other topics that needed to be revisited. The board began conversations on the following:

- Public Defenders request for a new full-time legal assistant
- Recurring Dollars to Superior Court
- Increase homicide cases – consider a pool of shared staff for complex cases.
- Urban Forestry
- Land Management
- Joint Land Use Study
- Public Safety Buy Down
- Air Curtain Burner


Chairman Babbott stated the item will be moved to Tuesday to accommodate further conversation.

2. Roundtable: To be discussed. Pursuant to A.R.S. 38-431.02(H), these matters will not be acted upon.

Roundtable discussion was not held.

There being no further discussion, Chairman Babbott adjourned the meeting at 11:03 a.m.

COCONINO COUNTY BOARD OF SUPERVISORS



Art Babbott, Chair

ATTEST:



Lindsay Daley, Clerk of the Board

(SEAL)