

# AGENDA



# 9:00 A.M.

CITY COUNCIL RETREAT TUESDAY, JANUARY 15 & WEDNESDAY, JANUARY 16, 2019

## NOTES:

- Public Forum:

There will be no Public Forum or Public Comment, as this is a City Council Retreat.

### 1. CALL TO ORDER

### 2. ROLL CALL

### 3. SPECIAL BUSINESS

#### a. Presentation/discussion/possible direction regarding the following:

- i. Introductions & Expectations Setting
- ii. Budget & Finance Review
- iii. City Council Priorities Including Community Plan Progress & Survey Results
- iv. Review Current Council Processes & Protocols and Identify Possible Changes
- v. Discussion with Sedona Chamber of Commerce and Tourism Bureau Including Next Year's Budget & Workplan (Wednesday, January 16, 2019)
- vi. Items not completed on Tuesday, January 15, 2019 will be carried over to Wednesday, January 16, 2019, beginning at 9:00 a.m.

### 4. ADJOURNMENT

Posted: \_\_\_\_\_

By: \_\_\_\_\_

Susan L. Irvine, CMC  
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

The Best Western Plus Arroyo Roble Hotel is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

BEST WESTERN PLUS ARROYO ROBLE HOTEL  
MEETING ROOM  
400 NORTH STATE ROUTE 89A, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

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# MEMO

To: City Council  
From: Justin Clifton, City Manager  
Date: January 9, 2019  
Subject: Council Retreat



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*Office of the City Manager*

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This year's retreat will take place January 15<sup>th</sup> and 16<sup>th</sup> in the conference room at Best Western Arroyo Roble. Both days will start at 9:00 a.m. and conclude later in the afternoon (around 3:00-4:00 p.m.). There are many activities planned for each day that are all designed to create a big-picture framework designed to enable Council to establish a vision and direction moving forward. The general outline of the two-day's activities is as follows:

- Review of the City's finances and preparation for the upcoming budget
- Priority setting including a review of progress on the Community Plan, key survey findings, and progress on existing priorities
- Review and consideration of select processes and protocols
- A joint discussion with the Sedona Chamber of Commerce and Tourism Bureau regarding next year's budget and workplan

While the retreat setting is ideal for having more elaborate conversations on topics that often don't get attention, it's important to recognize the breadth of what we intend to cover in just two days. Efficient use of our time requires that we resist the urge to dig too deeply on any one issue that can be addressed during follow-up meetings to ensure we have time to cover each topic area sufficiently.

Below please find a more detailed description and supporting information regarding each activity:

## **Budget and Finance Review:**

Enclosed with your packet is a memo and PowerPoint presentation from Finance Director Cherie Wright. The information is intended lay out the FY20 budget calendar/process, review financial trends and long-range forecasts, and cue up certain key decisions regarding next year's budget. This is an opportunity to learn or refresh your knowledge on the City's budgeting methodology and to review how numerous budgeting policies and practices address financial sustainability and the relationship between current/future budget allocations and service levels.

## **Priority Setting:**

An important component of this year's retreat is to establish the City Council priorities for FY20. This is a unique opportunity to take a "balcony view" and try and balance numerous projects and initiatives competing for limited funding, time, and attention. This is perhaps the most important and most challenging task for the City Council. Previously established priorities may limit our ability to create many new ones. That said, Council should embrace the opportunity to review and perhaps reconsider direction where appropriate.

Enclosed with this memo are numerous data points and documents meant to help frame the priorities conversation from a high level. We appear to have broad alignment between the strategic vision set forth in the Community Plan, input from citizens, and the historic priorities of City Council. City Council and staff should be proud that we have numerous years of sustained efforts to fulfill the Community Plan. That said, a deeper analysis reveals that there are disparities in the way human and financial capital are allocated in pursuit of various Community Plan components. This may be intentional and appropriate. It is also possible that these disparities exist not because it is intentional but because of other circumstantial factors such as: lack of awareness, lack of knowledge, limited resources, fidelity to the past etc. The bottom line is that we should evaluate progress on our priorities not on what we *say* but rather what our *actions and outcomes* indicate. This is an opportunity to ensure that our actions are directed appropriately.

Enclosed in your packet of materials are the following documents meant to help paint a broad picture of where we've been, where we are and where we're going:

1. Community Plan Progress Report: This report provides follow-up on all policies and action plans. For further review of the Community Plan in its entirety please refer to the city's website [here](#).
2. The 2017 National Citizen Survey Community Livability Report. This report captures citizen input on key indicators of a healthy, vibrant community.
3. The 2017 National Citizen Survey Trends Over Time Report. This report uses the same data as the Livability Report but includes trends from previous surveys completed in 2002, 2004 and 2007. Trends are available for some, but not all survey questions. Other survey documents, including verbatim responses to open-ended survey questions are available on request.
4. An updated FY 19 Council Priorities Document. This is a staff document created from priority setting and budget meetings with Council and is updated periodically by staff. The document is mostly used internally by staff to track priorities and to facilitate scheduling of future meetings. This is the most recent updated document that reflects progress on various priorities. The document mostly includes proactive initiatives established from priority setting meetings but also includes anticipated reactive projects (such as development proposals) that become priorities once submitted, which can be time consuming. The document includes a section on "other projects/initiatives" that include items that are not official Council priorities but nevertheless capture items that involve Council and entail significant organization and workload.

#### Key Findings/ Considerations:

1. Substantial policies and actions included in the Community Plan have been addressed since its adoption in 2014.
2. Previous Council priorities have translated to significant action on certain Plan components, especially those related to traffic.
3. Previous Council priorities have incorporated other certain Plan components that have not led to significant action.
4. Almost all Council priorities are outwardly focused and on project-type work. Very few Council priorities are inwardly focused on process-type work.
5. Current staff is limited in its ability to add new priorities, especially given the likelihood that numerous existing priorities continue.

6. Survey data generally supports the direction of the Community Plan and gives us further guidance on prioritization.
7. There remain areas of significant interest that are not addressed in the Community Plan nor identified as Council priorities, especially related to improved processes and organizational development.

Highlights from Citizen Survey data:

<b>Positive (% rating good or excellent)</b>	<b>Negative (% rating fair or poor)</b>
97—Overall feeling of safety	13—Travel by public transportation
96—Overall natural environment	15—Affordable, quality housing
94—Sedona as a place to visit	18—Employment opportunities
90—Sedona as a place to live	21—Cost of living
90—Overall appearance	24—Traffic flow
86—Religious/ spiritual events/ activities	25—Childcare/ preschool
85—Overall quality of life	27—Mental healthcare
84—Opportunities to volunteer	35—Place to work
82—Recreational opportunities	35—Confidence if city government
79—Place to retire	37—K-12 education

Citizens supported the following priorities for future City investment (could pick up to two of the following):

Ensure housing for those who work in Sedona	50%
Increase the walkability and bikeability of Sedona	32%
An Oak Creek Park or Walk	28%
Additional Cultural Facilities (museums, theatres etc.)	21%
Other (to be reviewed)	20%
Additional Parks and Facilities (playgrounds sports facilities etc.)	15%
None of these	10%

Citizens supported investments in the following areas (could pick up to three):

Social Services (senior centers, foodbanks etc.)	50%
Recycling Services	36%
Arts and Culture Programs	34%
Business Development Services	26%
Library Services	20%
Animal Services	16%
Other (to be reviewed)	12%
None, I'm fine with the level of services in the listed areas	14%

There is very strong support for investing in the following sustainability policies and programs:

Fostering National Forest Stewardship (trails, access etc.)	92%
Encouraging Water Conservation	96%
Increasing Use of Alternative Energy Sources	86%
Increasing Recycling Services	90%
Developing Plans to Meet the Goals of Zero Waste in Sedona	80%
Requiring Higher Green building and development standards	77%

Key questions to guide the priorities conversation:

- What are the most important outcomes we have yet to achieve?
- Are there existing Community Plan outcomes/strategies that aren't getting enough or are getting too much attention?
- Are there things that we should be doing that aren't included in the Community Plan or captured by input from citizens?
- Are there specific goals/targets within the priority areas we should identify?

**Review of select Processes and Protocols:**

Government is designed to be a somewhat slow and deliberate decision-making body. There are many layers of bureaucratic processes that come together to dictate how things get done. Some of these processes are the result of legal mandates, while many others are established by previous decision-makers and/or habit. For the most part, our processes were established by some deliberate action resulting from an attempt to solve a certain problem. However, in an environment where major decisions are made during precious few hours each month at Council meetings, it is often the case that we spend the vast majority of our time *in* our processes and spend very little time working *on* our processes.

The annual retreat provides a good opportunity to step back from the day-to-day activities and have deeper consideration about the way in which we conduct our businesses. There is no need to dig in deeply with things that seem to be working. However, Council should take advantage of the opportunity to discuss and consider making changes where it seems like we have meaningful ways to improve. Some examples of processes that have gotten some scrutiny by Councilors over the last year include:

- Council meeting start times
- The distinction between regular meetings, special sessions, and work sessions
- The way Council meetings are organized and managed
- Our process for handling citizen inquiries and/or complaints
- The line between the role of staff and Council
- Information exchange between staff and Council outside of formal meetings

Councilors are encouraged to identify any topics you may wish to discuss in this meeting.

## **Joint Meeting with the Chamber and Tourism Bureau**

The City Council and the Sedona Chamber of Commerce and Tourism Bureau are scheduled for January 16, 2019 at 11:00 a.m. This is the second annual joint meeting that resulted from a seven-year contract between the City and Chamber approved in 2017. The purpose of these annual meetings is to have a collaborative conversation about strategic priorities that would be incorporated in a subsequent draft budget and workplan that the Chamber would submit to the City. These meeting were requested by Council to ensure there was adequate input given to the Chamber before draft budgets and workplans were created and presented. This year, the meeting has the added dynamic of incorporating content from the recently drafted Sustainable Tourism Plan.

This meeting will be facilitated by Nicole Lance with Lance Strategies. Nicole has extensive local government experience, most recently serving as a Deputy City Manager of Surprise, AZ. Her work as a consultant focuses on facilitating difficult but often necessary conversations between parties. Her work incorporates concepts from *Crucial Conversations: Tools for Talking When the Stakes Are High* by Al Switzler, Joseph Grenny, and Ron McMillan.

The meeting will be an opportunity for the Chamber and Council to review data from past years, share insight and experience about positive and negative impacts of tourism and tourism promotion/management, and to provide strategic direction on next year's budget and work plan.

City and Chamber staff will present data to help provide historic and current context and frame the conversation, much of which is contained in the PowerPoint presentation enclosed with your packets. Some information will be provided in more detail at the meeting. This information is more comprehensive than the primarily economic data presented in previous years but will not be as thorough and complete as the data contemplated to be collected within the broader Sustainable Tourism Plan, much of which has not yet been collected.

Much of the conversation will focus on the nature of the relationship between the City and Chamber; establishing some mutual understanding of where we are and where we should be going; and acknowledging the difficulty in finding balance between a robust tourism economy and a high quality of life for residents. This high-level work will be essential to establish direction on future tourism management efforts. After some mutual understanding and high-level direction has been established, we will discuss implications for and give direction on specific strategies including: contract terms, funding levels, procurement methods (contract, RFP), structure/frequency of performance reports, specific program areas, etc.

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# FY 2020 Council Retreat Budget Memo

**To:** Mayor Moriarty & City Council  
**Thru:** Justin Clifton, City Manager  
**From:** Cherie R. Wright, Director of Financial Services  
**Subject:** FY 2020 Budget Kickoff  
**Date:** January 8, 2019

The Council Retreat marks the start of the FY 2020 budget process. This memo covers the following:

- FY 2020 Council Budget Meetings Schedule
- Explanation of Budget Process
- Explanation of Long-Range Forecasts
- FY 2020 Long-Range Forecast Assumptions
- Other Topics Covered in the Retreat

## FY 2020 Council Budget Meetings Schedule

The Council meetings planned for the FY 2020 budget process are the following:

### FY 2020 BUDGET PROCESS COUNCIL MEETINGS

	Dates
Retreat	January 15-16, 2019
Work Sessions	April 17-18, 2019
Tentative City Budget Adoption	May 28, 2019
Final City Budget Adoption	June 25, 2019
Tentative CFD Budget Adoption	June 25, 2019
Final CFD Budget Adoption	July 23, 2019

## Explanation of Budget Process

### *Council Retreat*

The Council Retreat is the kickoff of our annual budget process with the City Council. Information discussed during the Retreat will provide direction to staff for areas to be addressed in the upcoming budget development. Topics will include:

- Historical financial trends
- Long-range forecasts with multiple scenario options
- Long-range challenges and strategies

- Council Priorities

### ***Budget Work Sessions***

In the Budget Work Sessions, the Council reviews the proposed budget. Prior to the Work Sessions, departments have prepared their budget requests and presented them in review meetings with the City Manager and Citizens Budget Work Group. The proposed budget represents the City Manager's recommended budget as a result of the discussions in the review meetings.

The Work Sessions encompass two full days of presentations and Council discussions. Each department presents their budget proposals and answers questions regarding their requests. Other presentations include:

- Overall total budget summaries
- Budget summaries by fund
- Impacts to long-range forecasts based on the budget as proposed

These Work Sessions are the opportunity for Council to provide direction to staff regarding:

- Any changes to be incorporated for the budget adoption process.
- Any changes to the services/programs provided to citizens or the level of service

### ***Tentative Budget Adoption***

The Tentative Budget adoption occurs at a regular meeting. A presentation will include discussion of summary budget information and a recap of the changes directed by Council in the Budget Work Sessions. At this point in the budget process, additional changes to the Tentative Budget are rare. Following the presentation, a public hearing is held. Once the Council adopts the Tentative Budget, the total budget amount establishes the maximum expenditure for the final budget adoption.

### ***Final Budget Adoption***

The Final Budget adoption occurs at a special meeting. A presentation will include discussion of summary budget information. At this point in the budget process, additional changes to the Final Budget are extremely rare. After the maximum expenditure has been set in the Tentative Budget adoption, any changes can only reduce budget amounts or move amounts between funds or departments. Following the presentation, a public hearing is held.

## **Explanation of Long-Range Forecasts**

A key component of the preliminary budget planning process is a review of long-range forecasts. It is important to understand what a forecast is and the differences between a forecast and a budget.

### ***What is a Long-Range Forecast?***

A long-range forecast is a planning and decision-making tool that projects financial activity over a number of years based on a set of assumptions about possible future economic conditions and possible future financial decisions. A forecast is not a prediction of the future and is not an accurate accounting of future results.

### ***Comparison of Forecasts and Budgets***

The City is legally required to adopt a budget, while a forecast is a commonly used tool that is not legally required. A budget sets a legal cap for expenditures, while a forecast helps in developing a plan for addressing the financial needs that would be built into a budget.

A budget is developed based on an accumulation of maximum expenditures for the various funds and accounts, while a forecast typically starts with a status quo scenario with assumptions about current level spending (not budget) as a base and projecting into future periods. A budget is established based on a specific approved plan for one fiscal year, while a forecast contemplates a variety of scenarios and assumptions and can be used to evaluate the effect of potential decisions.

### ***Approaches to Developing a Forecast***

There are 2 different approaches commonly taken when developing a forecast: conservative and objective.

The conservative approach intentionally underestimates revenues and plans for a surplus balance at the end of the year. This approach reduces the danger of budgeting expenditures more than revenues can support.

The objective approach strives to estimate revenues as accurately as possible with the goal of making optimum use of all available resources with minimal surpluses at the end of the year. With this approach, there is a higher risk of being too optimistic; however, measures can be taken to minimize the risk with contingency accounts and short-term revenue monitoring.

According to the Government Finance Officers Association (GFOA), governments with effective forecasts are almost evenly split between conservative and objective approaches, with a slight tilt toward objective.

### **FY 2020 Long-Range Forecasts Assumptions**

One of the goals of this retreat is to ensure that the financial plans and FY 2020 budgets are consistent with the Council's direction and ongoing assumptions. A forecast model will be presented to the Council with a variety of scenario options. Estimates for FY 2019 revenues and expenditures were made, and the future years use the FY 2019 estimates as a base starting point. The FY 2019 estimates will be further refined as we develop the FY 2020 proposed budget and may have an impact on future forecasts as a result. The assumptions used for the long-range forecast include the following.

#### ***General Assumptions***

- Recessionary periods – Economists have extended the estimate of the frequency of recessionary periods to approximately every 7 years. The current recovery/expansion period is the 2<sup>nd</sup> longest in U.S. period at 115 months. The longest was 120 months. The most recent Monday Morning Quarterback newsletter written by Elliott D. Pollack & Company has been included. It includes a discussion of their thoughts regarding an upcoming recession. The forecasts included a projected recessionary period starting in FY 2021 and calendar year 2020.
- Population – The State of Arizona Office of Economic Opportunity projections of Sedona and Arizona population were used.
- Inflation/CPI projections – An estimated increase of 2% each year was used, except in recessionary periods when 0% was used.

#### ***Revenue Assumptions***

- Sales and Bed Taxes:
  - Started with historical information provided by the Chamber
    - Hotel/Bed & Breakfast (B&B) room base
    - Average annual occupancy rate

- Estimated ratio of hotel/B&B nights to other overnight stays (e.g., timeshares, RV parking, etc.)
    - Estimated ratio of overnight stays to day trip visitors
  - Projected occupancy rates based on four-year average (calendar years 2015-2018), used 2011 occupancy rate for periods projected as recessionary
  - Included a factor for potential new hotels and short-term rentals
- Wastewater Revenues:
  - Used rate increases as projected in the 2014 Fee Study
  - Used average annual number of accounts changing from standard and stand-by rates to low-flow rates
  - Used population increases as a factor to estimate new accounts
  - Assumed all accounts currently on deferred connection agreements will connect at the end of the agreements at the low-flow rate
  - Estimated capacity fees for potential hotels
- State Shared Sales Tax and Urban Revenue Sharing – Projected change in the City’s share based on the City’s and State’s population projections
- Highway User Revenue Funds (HURF) – Assumed no additional one-time revenues

***Expenditure Assumptions***

- Wages – Included average merit increases of 3.5% in non-recessionary periods, 0% in recessionary periods
- Benefits –For FY 2020, most of the benefit rate changes are unknown at this time. The following estimations were used:
  - Health Insurance – 5% annual increases
  - Arizona State Retirement System (ASRS) Rate – Used estimates provided by ASRS. Rates may increase approximately 1.5% to 2.5% until FY 2023. Rates are anticipated to gradually increase after FY 2023.
  - Public Safety Personnel Retirement System (PSPRS) – Continued level funding payments of \$1M as directed in the FY 2019 budget cycle
- Operations – Assumed 10% under budget for FY 2019 and adjusted based on COLA for remaining years
- Community Service Contracts – Assumed increases based on the inflation factor
- Chamber Contract – Assumed 55% of bed tax revenue projections
- Streets Rehab and Pavement Preservation – Based on construction index projections
- Debt Service – Based on current debt retirement schedules
- Lease Payments:
  - Based on current lease schedules
  - Assumed new leases after 7-year vehicle life
- Capital Improvement Projects – Assumed projects based on available funding sources and if no funds available, assumed project will be delayed
- Other Supplies & Services – Assumed increases based on the inflation factor

***Fund Transfer Assumptions***

- General Fund Subsidy to Streets Fund
  - Based on difference between estimated Streets Fund revenues and expenditures
- General Fund Subsidy to Wastewater Fund
  - Based on subsidy levels proposed in the 2014 Fee Study
- General Fund Transfer to Capital Improvements Fund
  - Used \$1.5 million per year as directed in the FY 2019 budget cycle

- Capital Improvements Fund Transfer to Art in Public Places Fund
  - 1% of projected capital improvement expenditures

## **Other Topics to be Covered during the Retreat**

### ***Status of Financial Matters***

We will review the status of a variety of financial matters that have been addressed over the past 3 years. Many of these are in progress and/or ongoing and include the following:

- Fiscal sustainability review and policy adoption
- Changes in budgeting process and approach
- Initiation of new reserve funds
- Analysis of Wastewater Fund
- Plan for addressing traffic/transportation concerns
- Plan for addressing the unfunded Public Safety Personnel Retirement System (PSPRS) liability
- Restored positions frozen during recession and other added positions
- Increased funding levels for streets rehabilitation
- Tracking of environmental sustainability costs
- Annual funding for affordable housing program
- Tracking of net paid parking program revenues dedicated for improvements in Uptown
- Annual funding allocation for non-transportation CIP projects

Other financial matters on the radar still to be addressed are the following:

- Staff retention/compensation issues
- Watching for debt refinancing opportunities
- Evaluating and finding opportunities for avoiding/minimizing risk
- Preparing for future expenditure limitation elections
- Analysis of how programs are funded
- Any other Council priorities

### ***Review of Financial Reports***

We will review the various financial reports that are available on the City's website and walk through the highlights of a monthly financial report.

#### **Attachments:**

January 7, 2019 Monday Morning Quarterback newsletter by Elliott D. Pollack & Company  
PowerPoint Presentation

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City Council Retreat  
January 15, 2019

ANNUAL BUDGET



CITY OF SEDONA, ARIZONA  
FISCAL YEAR 2019/20



# Agenda

Budget Calendar

Status of Financial Matters

Review of Financial Reports

Long-Range Forecasts

- Historical Trends
- YTD Results
- Forecast Assumptions
- Challenges & Strategies for Long-Term Financial Plan
- Long-Range Forecasts for Major Funds

## Fiscal Year 2019/20 Annual Budget

Special Thanks to Brenda Tammarine for PowerPoint Design!



# FY 2019-20 Budget Calendar

	Participants	Date
Leadership Team Budget Planning Meeting	Leadership Team	December 13, 2018
Operating Budget Kickoff Meeting	Staff	January 7, 2019
Capital Improvement Program (CIP) Budget Kickoff Meeting	Staff CIP Team	January 7, 2019
City Council Retreat	Council, Staff, CBWG	<b>January 15, 2019</b>
CIP Requests Due	Staff CIP Team	February 4, 2019
Review of CIP Project Submittals	Staff	February 13, 2019
Operating Base Budgets and Decision Packages Due	Staff	February 14, 2019
Department Narratives Due	Staff	February 21, 2019
Review of Revenue Projections	Chamber, Staff	February 27, 2019
CIP Funding/Budget Balancing	CMO, Finance	February 28, 2019
Citizens Budget Work Group (CBWG) Kickoff Meeting	CBWG, Staff	March 12, 2019
City Manager Review of Operating Base Budgets, and Decision Package Requests	Staff, CBWG	March 19-20, 2019
City Manager Review of CIP Budgets	Staff, CBWG	March 21, 2019
Proposed Budget Distributed to City Council	Staff	April 4, 2019
City Council Work Sessions	Council, Staff	April 17-18, 2019
City Council Adoption of Tentative Budget	Council, Staff	May 28, 2019
City Council Adoption of Budget	Council, Staff	June 25, 2019
Board Adoption of Tentative CFD Budget	Board, Staff	June 25, 2019
Board Adoption of Final CFD Budget	Board, Staff	July 23, 2019



# Status of Financial Matters

**Fiscal Year 2019/20 Annual Budget**





# Recap of Addressed/In Process

**Fiscal Year 2019/20 Annual Budget**



# Fiscal Sustainability

- Citizen Work Group
- Addressed funding for CIP
- Revised Fund Balance Policy
- Debt Management Policy
- GFOA Fiscal Sustainability Pilot Program



**Fiscal Year 2019/20 Annual Budget**



# Budgeting Changes

- Program/Performance Budgeting
- Review of Budget Surpluses
- One-time vs. Ongoing
- Movement of Costs between Programs/Depts
- Full Cost Analysis – Direct and Indirect
- Prioritization Method for CIP

**Fiscal Year 2019/20 Annual Budget**



# New Reserves

- General Equipment Replacement
- IT Equipment Replacement (new fund)
- WW Major Maintenance

**Fiscal Year 2019/20 Annual Budget**



# Wastewater Fund

- Analysis of Fund Status
- Master Plan
- Rate Study



**Fiscal Year 2019/20 Annual Budget**





# Traffic/Transportation

Study Completed

Traffic Control Assistants Program Created

CIP Projects Built into Budget

Added Assistant Engineer

Funding Approach

- Adopted designated half-cent sales tax
- Reduction of General Fund operating reserve designated for transportation projects
- Paid parking program revenues designated for uptown parking improvements study
- Portion of bed tax designated for tourism management allocated to SIM projects
- Grants and other outside participation pursued

## Fiscal Year 2019/20 Annual Budget





# PSPRS Unfunded Liability

	As of 6/30/2016	As of 6/30/2017	As of 6/30/2018
Estimated Liabilities <sup>(1)</sup>	\$10,683,505	\$11,800,232	\$12,298,407
Assets <sup>(2)</sup>	6,292,723	6,855,350	7,754,964
Unfunded Liability	\$ 4,390,782	\$ 4,944,882	\$ 4,543,443
Funded Status	59%	58%	63%

<sup>(1)</sup>Discounted to present value. Represents cumulative effect of previous costs not funded.

<sup>(2)</sup>Market value of assets as of actuarial date.

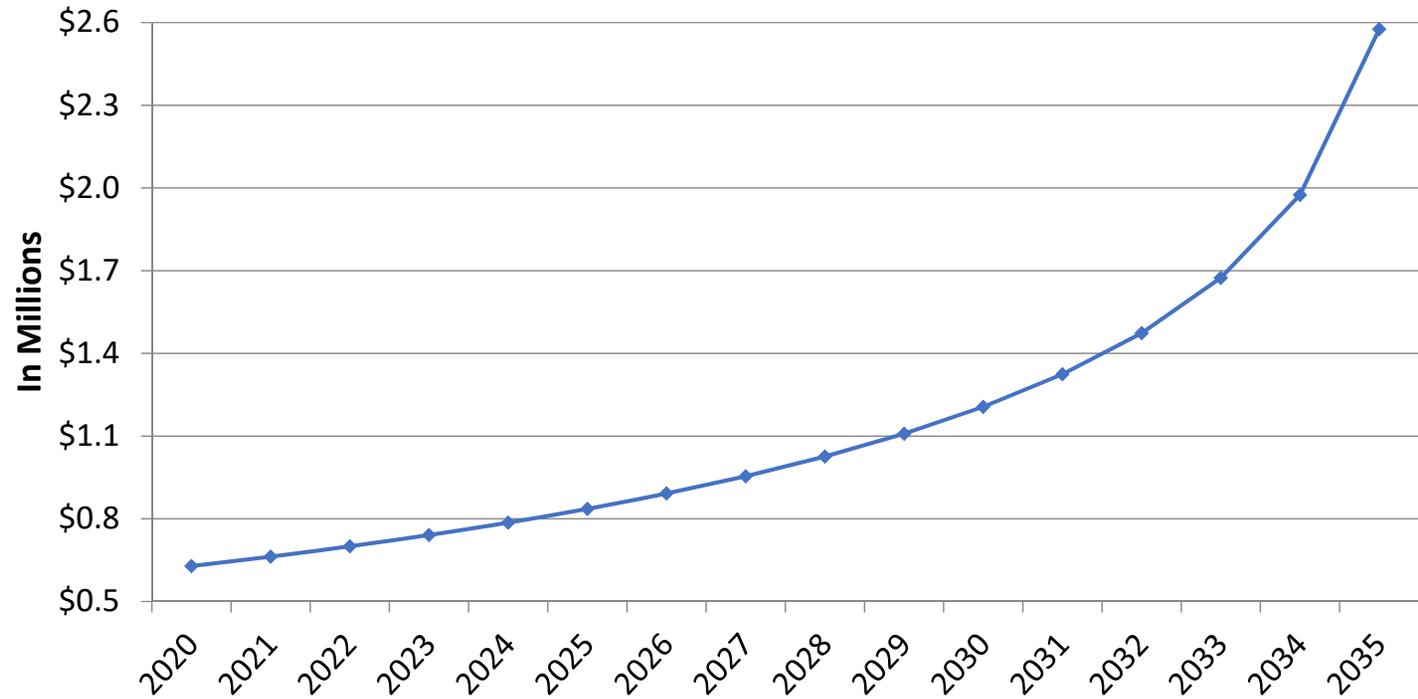
**Fiscal Year 2019/20 Annual Budget**





# Boston College Pension Funding Model Projections - Updated

Estimated Contributions Assuming Closed Amortization Period Unchanged



Based on model projections, a level payment of approximately \$1M each year will save the City approximately \$3.2M.

## Fiscal Year 2019/20 Annual Budget



# Other Restored/Added Positions

Chief Building  
Official

5<sup>th</sup> Police  
Sergeant

WW New  
Position and  
Dept Reorg

Maintenance  
Worker II

IT Support/Help  
Desk Technician

Court Clerk

Parks & Rec.  
Admin. Assistant

Bike Park  
Maintenance

Increase WW  
Admin. Assistant  
to full-time





# Other Areas Addressed

## Streets Rehabilitation

- Annually budgeted to maintain approx. 5 miles per year

## Environmental Sustainability

- Mechanisms built into budget to track costs

## Affordable Housing

- Annual funding of \$100,000 from bed tax dollars transferred to Affordable Housing Fund

## Uptown Improvements

- Tracking of paid parking program net revenues built into budget

## Non-transportation CIP Projects

- Annual funding of at least \$1.5M from General Fund





# Future Areas to be Addressed

**Fiscal Year 2019/20 Annual Budget**





# Staff Retention/Compensation

## Actions Taken

- Compensation pool used for targeted adjustments
- Increased merit adjustment ranges by eliminating COLA adjustments

## Future Action

- Evaluate compensation compared to cost-of-living/housing affordability

# Bond Refinancings

Bond Issue	Remaining Payment Dates	Interest Rate	Remaining Principal	Remaining Interest	Status
Series 1998 <sup>(1)</sup> , Original Issue: \$41M Refunded 1993, 1995, 1997: \$11M Impr. to WW system: \$30M	7/1/2020-2024	5.20%-5.24%	\$6.3M	\$15.2M	Not subject to call prior to stated maturity
Series 2007, Original Issue: \$17.9M Drainage/Sewer Impr. (fully paid) and Impr. to SR 179	7/1/2019	4.125%	\$0.7M	\$15,366	Callable, no premium
Series 2012, Original Issue: \$8.4M Refunded portion of 1998 (savings \$420k)	7/1/2025-2026	4.50%	\$8.4M	\$2.6M	Callable 7/1/22, no premium
Series 2014, Original Issue: \$9.8M Refunded Second 2004 (savings \$552k) which: Refunded portion of 1998 (fully paid) Refunded 1999 (City Hall)	7/1/2019	0.66%	\$0.4M	\$1,286	Callable, no premium
Series 2015, Original Issue: \$10.4M Refunded 2005 (savings \$1.3M) which: Refunded portion of 1998	7/1/2019	1.30%	\$4.0M	\$26,000	Callable, no premium
Second Series 2015, Original Issue: \$8.0M Refunded portion of 2007 (savings \$1.1M)	7/1/2019-2027	1.94%	\$7.7M	\$0.7M	Callable, no premium

<sup>(1)</sup>The only remaining portion of the Series 1998 bonds are capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

## Fiscal Year 2019/20 Annual Budget





# Other Areas to be Addressed

## Risk Avoidance

- Risk Management team is developing an approach for future budgets for evaluating risk

## Expenditure Limitation

- Re-evaluation of Home Rule vs. PBA

## Analysis of How Programs are Funded

- Updated analysis of how sales tax is generated
- Add analysis to budget of how much of each program is funded by residents compared to visitors
- Cost recovery status of fees

## Other Council priorities?



# Review of Financial Reports

**Fiscal Year 2019/20 Annual Budget**





# Financial Reports Available On-Line

## Budgets

- Proposed
- Tentative
- Adopted

## Comprehensive Annual Financial Reports (CAFRs)

## Annual Expenditure Limitation Reports (AELRs)

## Monthly Financial Reports

**Fiscal Year 2019/20 Annual Budget**





# Monthly Financial Report Layout

## Executive Summary

- Sales/Bed Tax summary
- Fund Balance status (June only)
- Revenue summary
- Expenditure summary
- Report format explanation (doesn't change except month)
- Additional information (doesn't change)

## Table of Contents

- Snapshot of each revenue and expenditure category

## Revenue and Expenditure Charts

## Sales Tax Charts

**Fiscal Year 2019/20 Annual Budget**





# Monthly Financial Report Layout

Summaries of General and Wastewater Funds

All Funds Summary

Debt Outstanding

Capital Projects Summary

Investment Reports

- Required per Council policy

## Fiscal Year 2019/20 Annual Budget





# Long-Range Forecasts

**Fiscal Year 2019/20 Annual Budget**



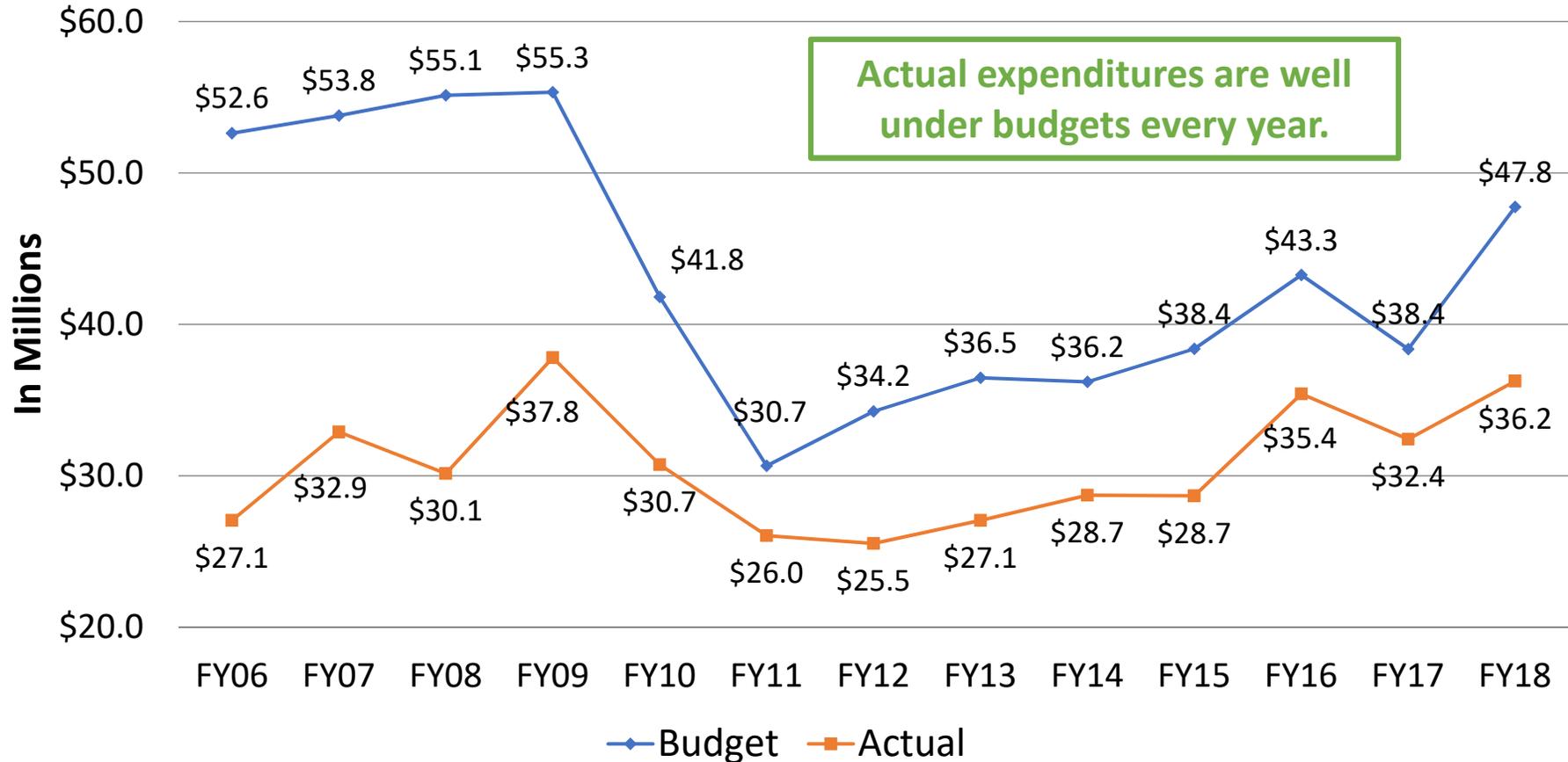


# Historical Trends

**Fiscal Year 2019/20 Annual Budget**



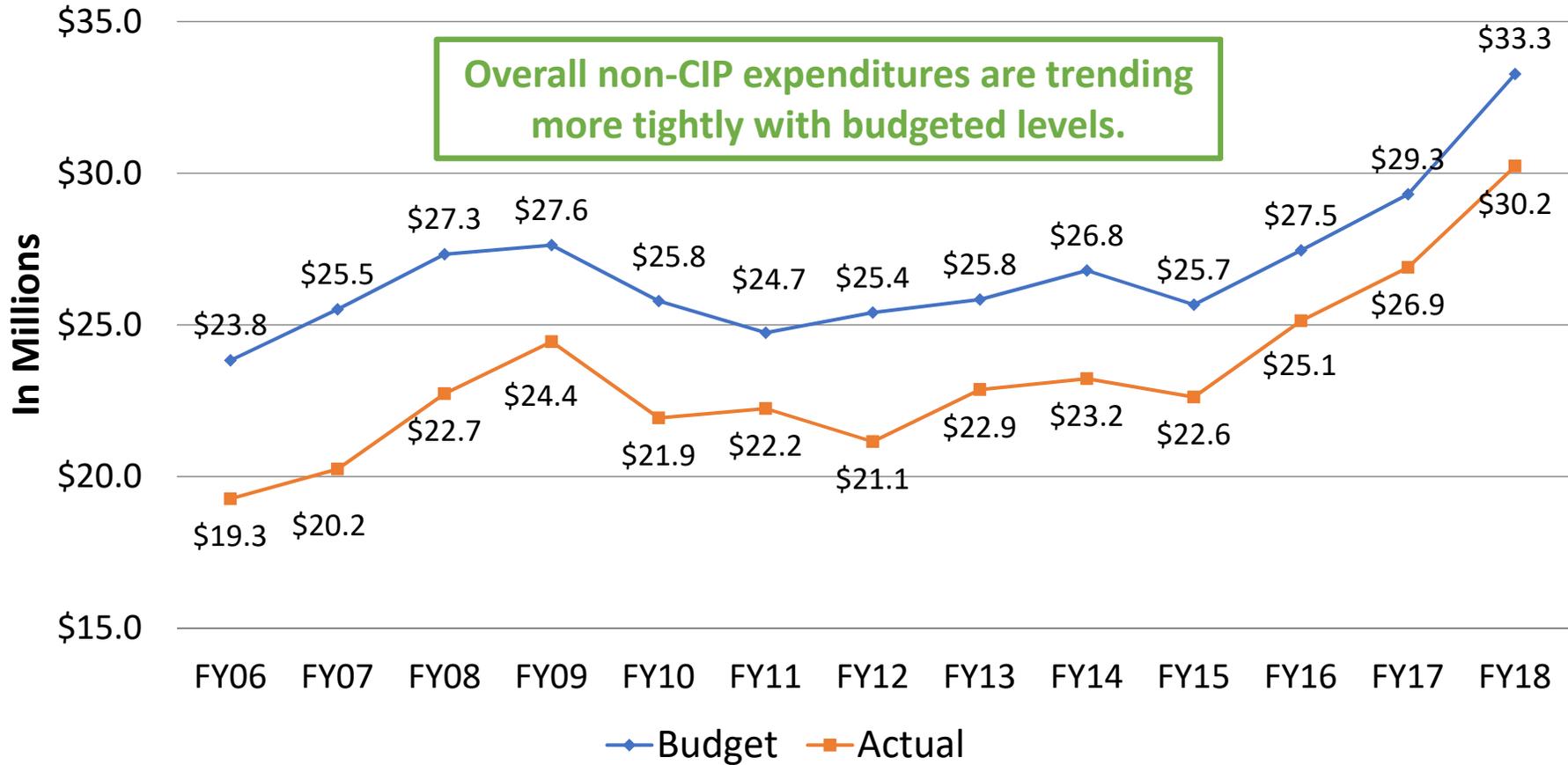
# Historical Budget vs. Actual Expenditures All Funds



Difference between budget to actual (in millions)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$25.6	\$20.9	\$25.0	\$17.5	\$11.1	\$4.6	\$8.7	\$9.4	\$7.5	\$9.7	\$7.9	\$6.0	\$11.5

# Historical Budget vs. Actual Expenditures All Funds (Excluding CIP)

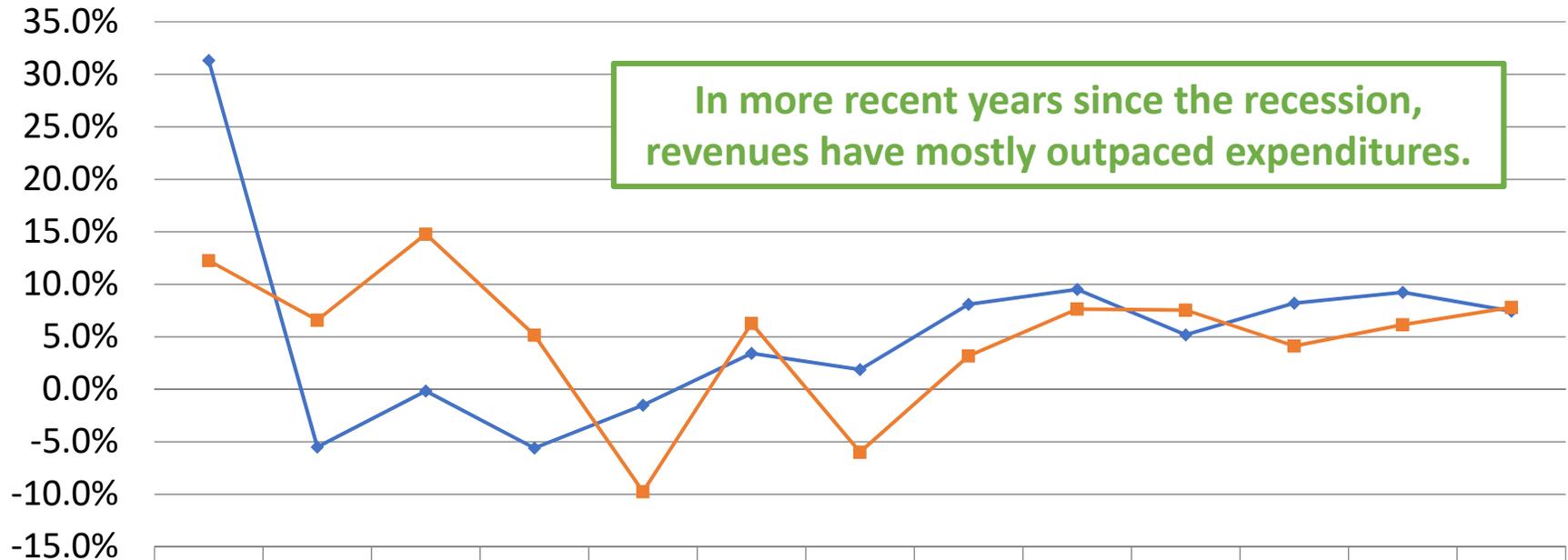


Difference between budget to actual (in millions)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$4.6	\$5.3	\$4.6	\$3.2	\$3.9	\$2.5	\$4.3	\$3.0	\$3.6	\$3.0	\$2.3	\$2.4	\$3.0

# General & Wastewater Funds

## Revenue vs. Non-CIP Expenditure Changes

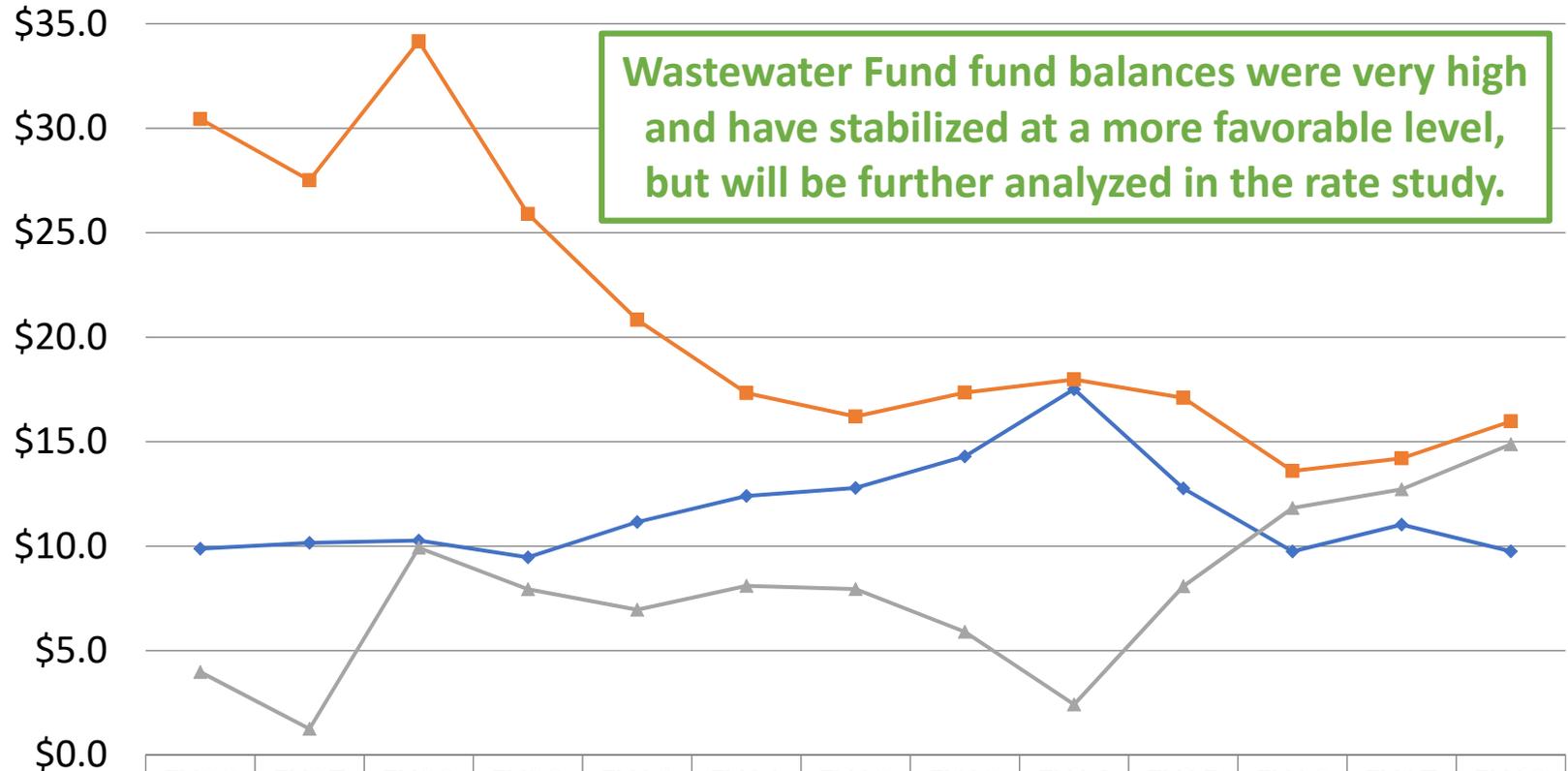


	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Revenues	31.3%	-5.5%	-0.2%	-5.6%	-1.5%	3.4%	1.9%	8.1%	9.5%	5.2%	8.2%	9.2%	7.5%
Expenditures	12.3%	6.6%	14.8%	5.2%	-9.7%	6.3%	-6.0%	3.2%	7.6%	7.5%	4.1%	6.2%	7.8%

FY 2017 expenditures increased due to the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund of approx. \$818k.; an increase in allocation to the tourism management program of approx. \$365k due to higher bed tax collections; and the addition of Chief Building Official, Maintenance Worker II, Police Sergeant, part-time IT Support/Help Desk Technician, and part-time Court Clerk positions.

FY 2018 expenditures increased due to refunds of PSPRS contributions deemed unconstitutional; a 30% increase in the PSPRS contribution rate; costs associated with the new paid parking program; operating capital purchases for a replacement generator at the wastewater treatment plant, replacement of a generator in the IT Dept, and replacement of a server and storage area network; and the addition of a Parks & Rec Administrative Assistant, 6 part-time traffic control assistants, Bike Park maintenance position, reorganization and addition of position in Wastewater, and increase in part-time Wastewater Administrative Assistant to full-time.

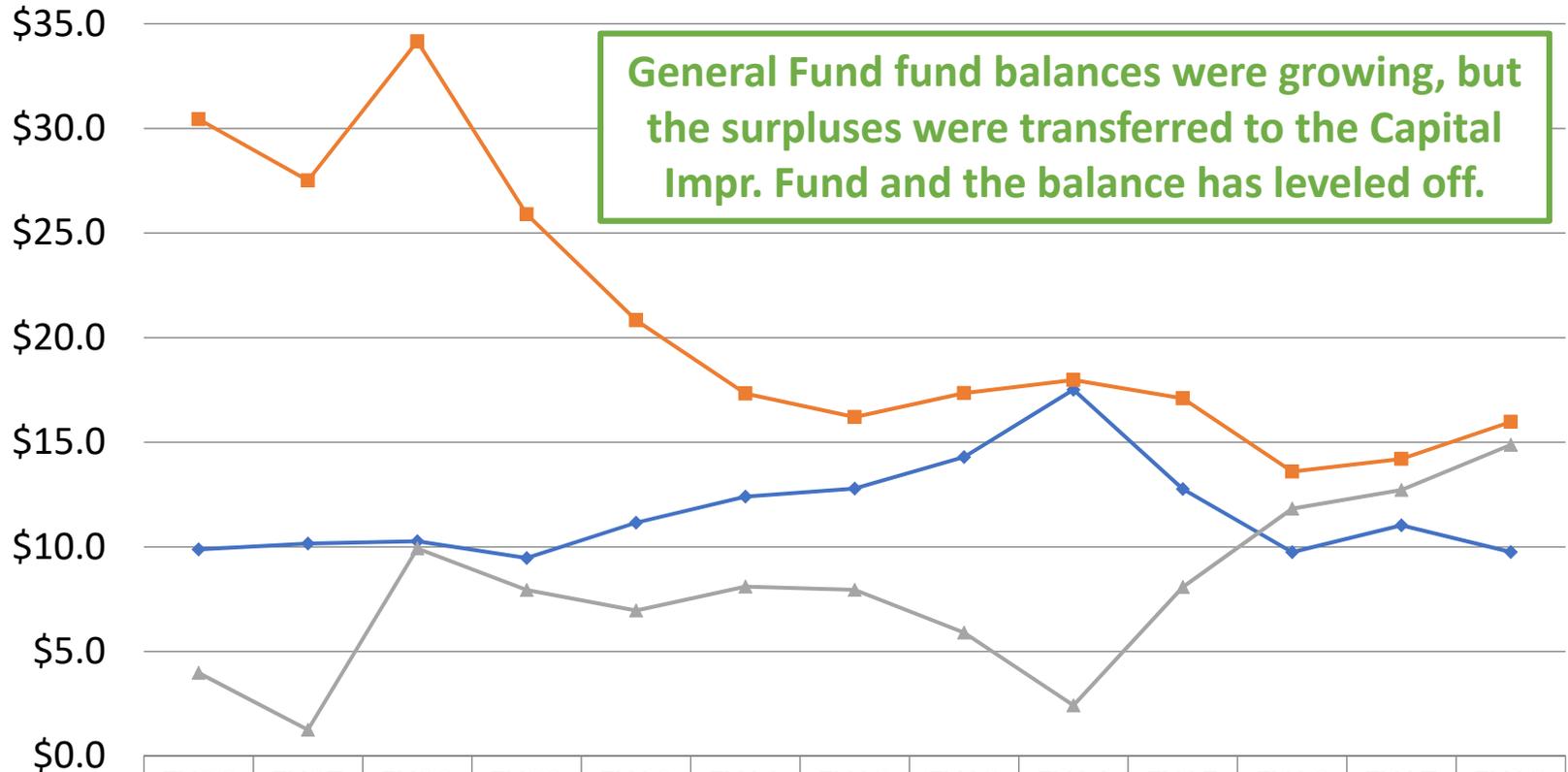
# General, Wastewater & Capital Impr. Funds Fund Balances



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
General Fund	\$9.9	\$10.2	\$10.3	\$9.5	\$11.2	\$12.4	\$12.8	\$14.3	\$17.5	\$12.8	\$9.8	\$11.0	\$9.8
Wastewater Fund	\$30.4	\$27.5	\$34.2	\$25.9	\$20.8	\$17.3	\$16.2	\$17.3	\$18.0	\$17.1	\$13.6	\$14.2	\$16.0
Capital Impr. Fund	\$4.0	\$1.3	\$9.9	\$7.9	\$7.0	\$8.1	\$7.9	\$5.9	\$2.4	\$8.1	\$11.8	\$12.7	\$14.9

# General, Wastewater & Capital Impr. Funds

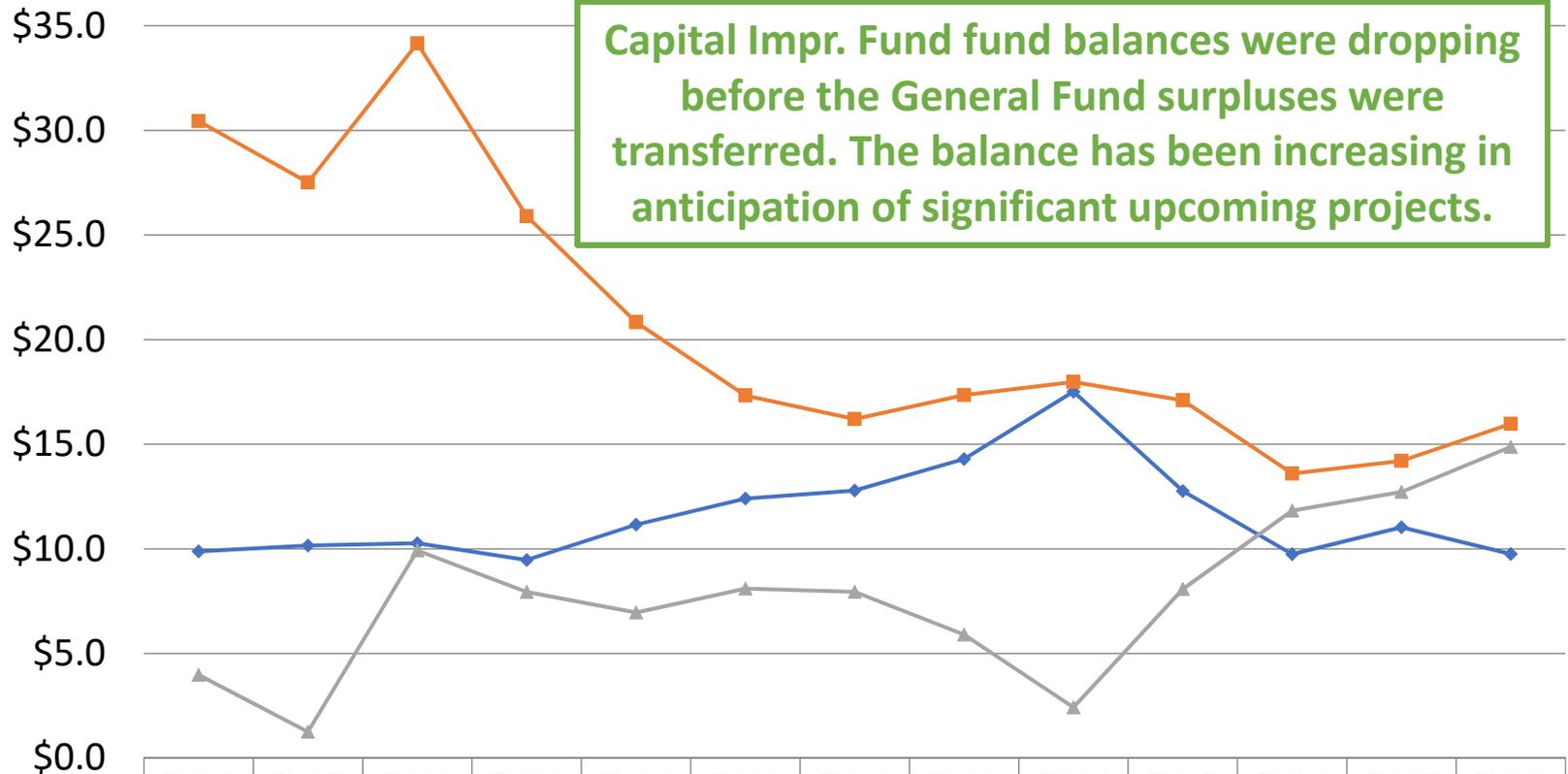
## Fund Balances



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
General Fund	\$9.9	\$10.2	\$10.3	\$9.5	\$11.2	\$12.4	\$12.8	\$14.3	\$17.5	\$12.8	\$9.8	\$11.0	\$9.8
Wastewater Fund	\$30.4	\$27.5	\$34.2	\$25.9	\$20.8	\$17.3	\$16.2	\$17.3	\$18.0	\$17.1	\$13.6	\$14.2	\$16.0
Capital Impr. Fund	\$4.0	\$1.3	\$9.9	\$7.9	\$7.0	\$8.1	\$7.9	\$5.9	\$2.4	\$8.1	\$11.8	\$12.7	\$14.9

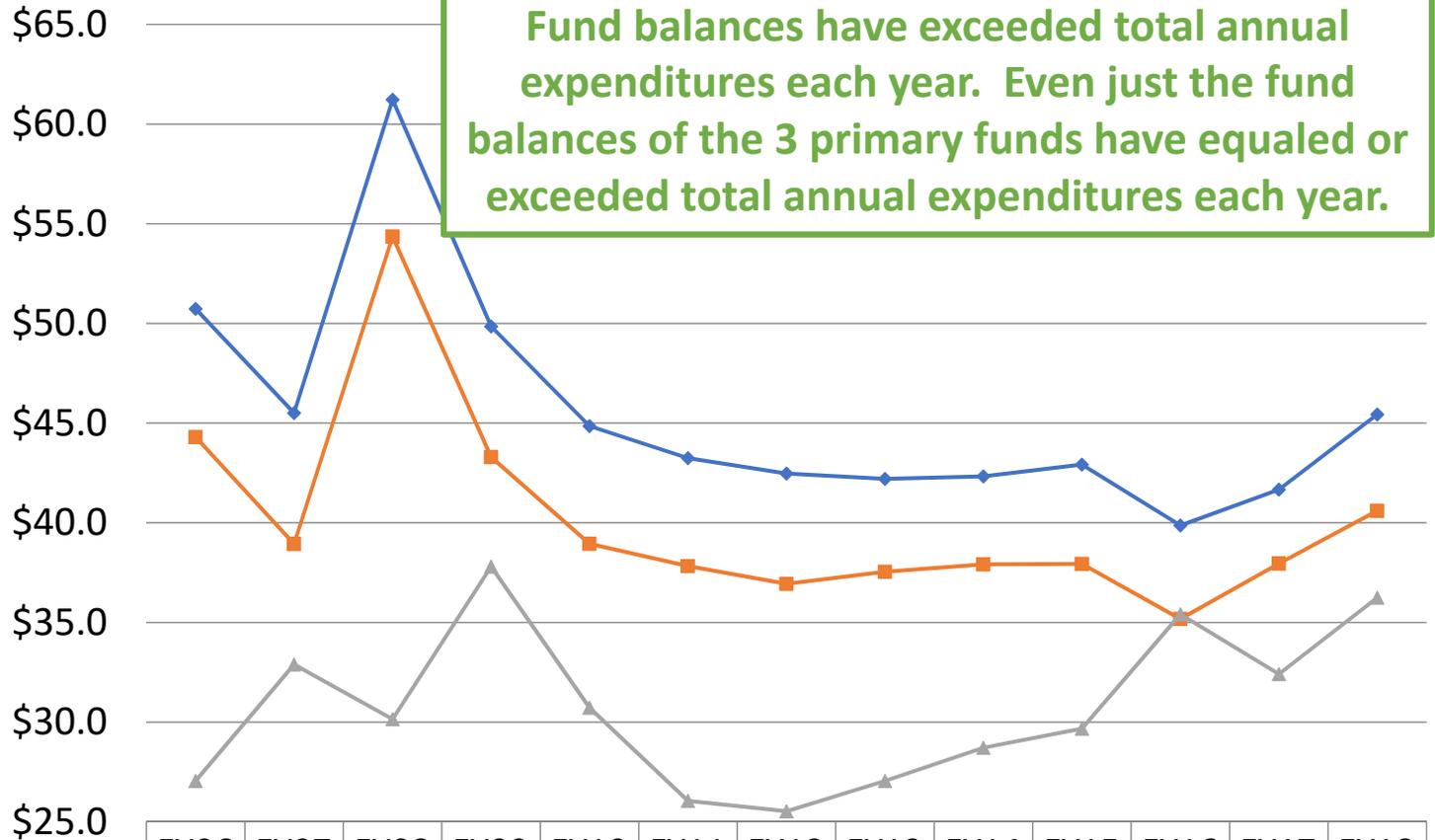
# General, Wastewater & Capital Impr. Funds

## Fund Balances



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
—◆— General Fund	\$9.9	\$10.2	\$10.3	\$9.5	\$11.2	\$12.4	\$12.8	\$14.3	\$17.5	\$12.8	\$9.8	\$11.0	\$9.8
—■— Wastewater Fund	\$30.4	\$27.5	\$34.2	\$25.9	\$20.8	\$17.3	\$16.2	\$17.3	\$18.0	\$17.1	\$13.6	\$14.2	\$16.0
—▲— Capital Impr. Fund	\$4.0	\$1.3	\$9.9	\$7.9	\$7.0	\$8.1	\$7.9	\$5.9	\$2.4	\$8.1	\$11.8	\$12.7	\$14.9

# Historical Fund Balances vs. Total Expenditures – All Funds



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
◆ Total Fund Balances	\$50.7	\$45.5	\$61.2	\$49.9	\$44.9	\$43.2	\$42.5	\$42.2	\$42.3	\$42.9	\$39.9	\$41.7	\$45.4
■ Gen, WW, CIP Fund Balances	\$44.3	\$38.9	\$54.4	\$43.3	\$38.9	\$37.8	\$36.9	\$37.5	\$37.9	\$37.9	\$35.2	\$38.0	\$40.6
▲ Total Expenditures	\$27.1	\$32.9	\$30.1	\$37.8	\$30.7	\$26.0	\$25.5	\$27.1	\$28.7	\$29.7	\$35.4	\$32.4	\$36.2



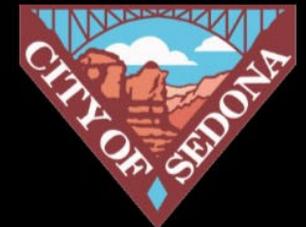
# Growth in Sales & Bed Tax

(Using FY2014 as Base Year)

Fiscal Year	Total Sales & Bed Tax <sup>1</sup>	Increase over FY2014	Chamber Contract	Increase over FY2014
FY2014	\$14,690,315		\$ 500,000	
FY2015	16,362,345	\$1,672,030	1,462,609	\$ 962,609
FY2016	18,009,946	3,319,631	1,656,234	1,156,234
FY2017	20,080,186	5,389,871	2,096,450	1,596,450
FY2018	21,773,478	7,083,163	2,126,400	1,626,400
<b>Total Increase</b>		<b>\$17,464,694</b>		<b>\$5,341,693</b>
<b>Net additional revenue to City</b>			<b>\$12,123,001</b>	

<sup>1</sup>Does not include half-cent sales tax dedicated to transportation projects.

## Fiscal Year 2019/20 Annual Budget





# YTD Results

**Fiscal Year 2019/20 Annual Budget**



# Sales & Bed Tax Revenues

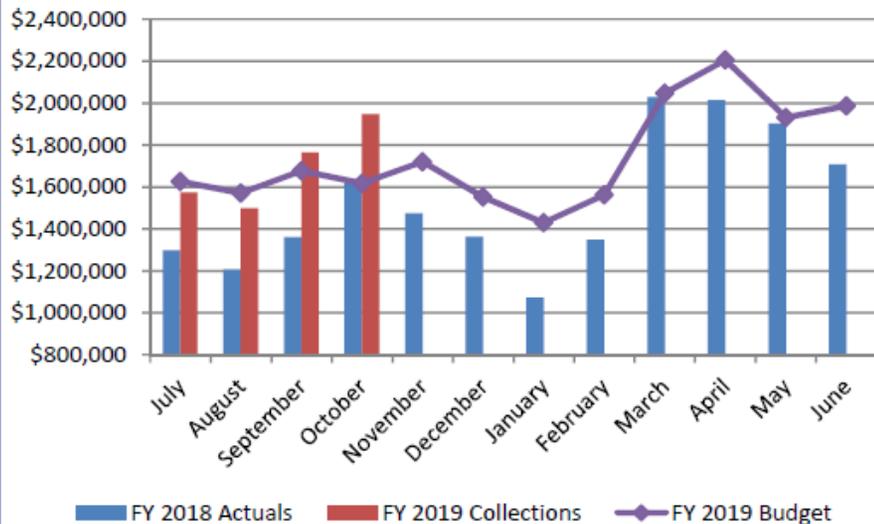
## City Sales Tax Revenues

Month	FY 2018 Actuals	FY 2019 Collections	Actual Variance	FY 2019 Budget	Budget Variance
July	\$ 1,297,282	\$ 1,574,181	21%	\$ 1,625,890	-3%
August	1,205,770	1,498,313	24%	1,571,690	-5%
September	1,360,591	1,763,676	30%	1,677,560	5%
October	1,620,757	1,945,977	20%	1,618,200	20%
November	1,473,873	-	-	1,720,080	-
December	1,361,221	-	-	1,551,680	-
January	1,072,086	-	-	1,429,350	-
February	1,348,938	-	-	1,562,740	-
March	2,028,697	-	-	2,047,660	-
April	2,014,685	-	-	2,205,570	-
May	1,902,023	-	-	1,931,850	-
June	1,707,594	-	-	1,986,230	-
<b>Totals</b>	<b>\$ 18,393,517</b>	<b>\$ 6,782,148</b>	<b>24%</b>	<b>\$ 20,928,500</b>	<b>4%</b>

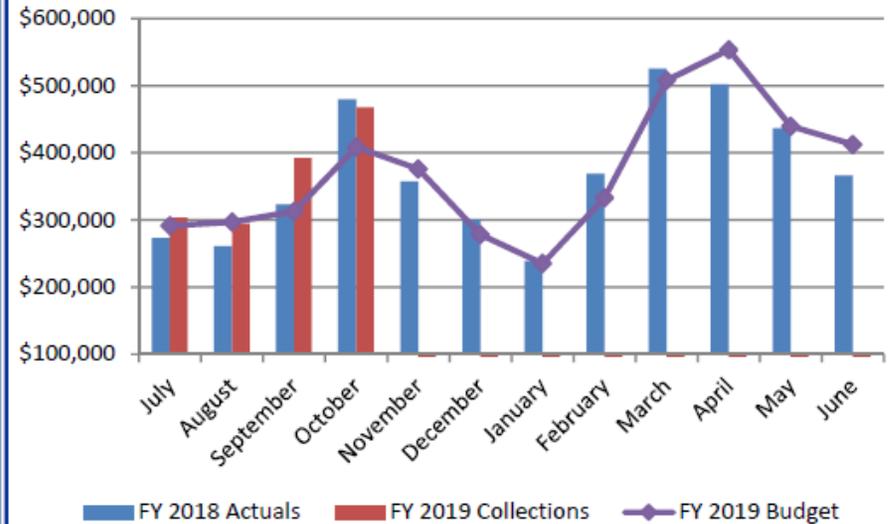
## Bed Tax Revenues

Month	FY 2018 Actuals	FY 2019 Collections	Actual Variance	FY 2019 Budget	Budget Variance
July	\$ 272,841	\$ 303,167	11%	\$ 291,340	4%
August	260,798	294,795	13%	296,840	-1%
September	323,072	392,461	21%	312,700	26%
October	480,203	467,620	-3%	408,650	14%
November	357,617	-	-	376,110	-
December	300,077	-	-	278,390	-
January	238,911	-	-	235,030	-
February	368,899	-	-	333,320	-
March	525,190	-	-	508,210	-
April	501,573	-	-	553,570	-
May	436,389	-	-	439,370	-
June	366,110	-	-	412,470	-
<b>Totals</b>	<b>\$ 4,431,680</b>	<b>\$ 1,458,043</b>	<b>9%</b>	<b>\$ 4,446,000</b>	<b>11%</b>

### City Sales Tax Revenues



### Bed Tax Revenues





# Forecast Assumptions

**Fiscal Year 2019/20 Annual Budget**



# General Assumptions

## Recessionary periods

- Generally every 7 years
- Longest expansion period = 120 mos (1991-2001)
- Current expansion period = 115+ months
- Assumed starting in FY 2021 / CY 2020

## Sedona & Arizona population

- Used AZ Office of Economic Opportunity projections

## Inflation/CPI projections

- 2% each year except 0% in recessionary periods

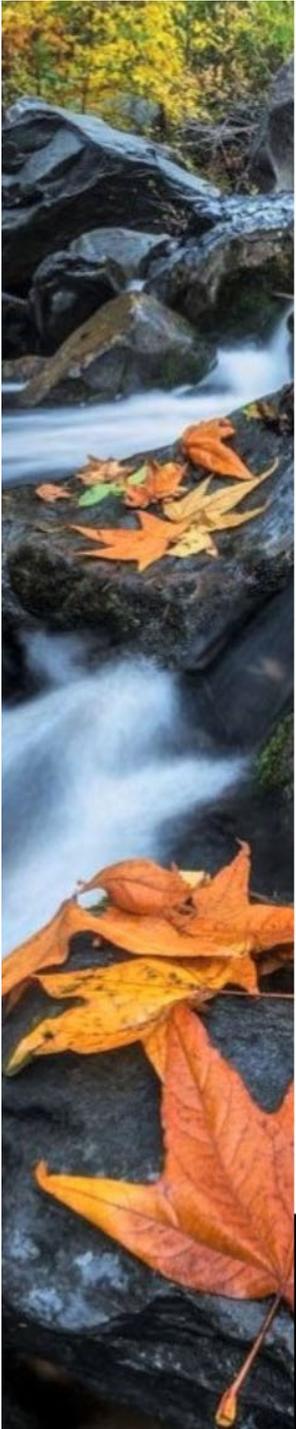


## Western Region CPI - Annual Changes

Month	2012	2013	2014	2015	2016	2017	2018
January	2.6%	1.7%	1.7%	0.7%	2.6%	2.5%	3.1%
February	2.5%	2.0%	1.3%	0.9%	2.1%	3.0%	3.1%
March	2.4%	1.5%	1.5%	1.1%	1.5%	3.1%	3.2%
April	2.1%	1.3%	1.8%	1.0%	1.8%	2.9%	3.2%
May	2.0%	1.3%	2.3%	1.2%	1.5%	2.6%	3.5%
June	2.0%	1.5%	2.3%	1.1%	1.6%	2.5%	3.6%
July	1.8%	1.9%	2.3%	1.3%	1.4%	2.5%	3.6%
August	2.1%	1.5%	2.1%	1.3%	1.5%	2.7%	3.6%
September	2.2%	1.3%	2.0%	1.0%	2.0%	2.9%	3.4%
October	2.5%	0.9%	2.0%	1.1%	2.3%	2.9%	3.5%
November	1.9%	1.3%	1.7%	1.5%	2.3%	3.1%	3.3%
December	1.7%	1.8%	1.3%	1.8%	2.5%	3.1%	

**Fiscal Year 2019/20 Annual Budget**





# Sales & Bed Tax Assumptions

## Historical information provided by the Chamber

- Hotel/B&B room base
- Average annual occupancy rate
- Estimated ratio of hotel/B&B nights to other overnight stays
- Estimated ratio of overnight stays to day trip visitors

## Projected occupancy rates

- Based on 4-year average
- Used lowest occupancy rate for recessionary periods

Added factor for potential new hotels and short-term rentals

**Fiscal Year 2019/20 Annual Budget**





# Wastewater Fund Rates & Subsidies

Fiscal Year	Rate Increase	Subsidy %
FY 2018-19	4%	25%
FY 2019-20	4%	20%
FY 2020-21	3%	20%
FY 2021-22	3%	20%
FY 2022-23	3%	15%
FY 2023-24	0%	15%
FY 2024-25	0%	15%
FY 2025-26	0%	15%
FY 2026-27	0%	0%

**Note:** Based on recommendations in the 2014 Rate Study approved by Council.

## Fiscal Year 2019/20 Annual Budget





# Expenditure Assumptions

## Wages

- Assumed 0% in recessionary periods
- 3.5% average merit increases

## Community Service Contracts

- Used inflation factor

## Chamber Contract

- 55% of bed tax revenue projection



# Challenges & Strategies

**Fiscal Year 2019/20 Annual Budget**





# Unknown Impact of Legislative Changes

## Prop 126

- No additional tax increases on services
- Services not defined
- Retroactive to 1/1/2018

## SB 2502 “Officer Craig Tiger Act”

- Traumatic event counseling
- Possibly covered by insurance?

## Wayfair Decision by U.S. Supreme Court

- Changed nexus for online sales
- May be ADOR administrative ruling issued for implementation
- Impact may be less than 10%

**Fiscal Year 2019/20 Annual Budget**



# Staff Retention/Compensation

## Historical Employee Turnover Rates

Fiscal Year	Turnover
FY 2014-15	18%
FY 2015-16	22%
FY 2016-17	15%
FY 2017-18	20%
FY 2018-19 YTD	7%



**Fiscal Year 2019/20 Annual Budget**





# Staff Retention/Compensation

- Many positions have required numerous recruitment attempts
- Conduct salary comparisons to other cities
- Eliminate COLA and increase merit pool?





# Disposition of FY2018 General Fund Surplus

	FY 2018 Actuals
Beginning fund balance	\$10,524,998
Revenues	27,601,469
Expenditures	(19,091,334)
Transfer to Wastewater Fund	(4,351,138)
Transfer to Streets Fund	(35,389)
Transfer to Capital Impr. Fund	(1,500,000)
Transfer reduction of operating reserve to SIM	(3,912,787)
<b>Ending fund balance</b>	<b>\$9,235,819</b>
<b>Reserves:</b>	
Operating reserve	\$5,869,181
Debt service reserve	800,000
Budget carryovers	463,400
Equipment replacement	288,075
Uptown improvements	480,699
Tourism management	272,946
Prepaid items	15,604
<b>Surplus balance</b>	<b>\$1,045,914</b>

## Fiscal Year 2019/20 Annual Budget



# Forecast Model



**Fiscal Year 2019/20 Annual Budget**



Questions?



**Fiscal Year 2019/20 Annual Budget**



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## Cherie Wright

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**From:** Elliott D Pollack & Company <info@edpco.com>  
**Sent:** Monday, January 7, 2019 4:45 PM  
**To:** Cherie Wright  
**Subject:** The Monday Morning Quarterback



ELLIOTT D. POLLACK  
& Company

**FOR IMMEDIATE RELEASE**  
**January 7th, 2019**

### **The Monday Morning Quarterback**

*A quick analysis of important economic data released over the last week*

The decline in the stock market over the past few months now qualifies as a bear market. This has created concern about the prospects for the overall economy. Indeed, of the eleven bear markets (usually defined as a stock market decline of 20% or more) since the end of World War II, seven have been associated with a national recession. Four have not. To put this in context, the current recovery/expansion is now in its 115th month. That makes it the second longest recovery/expansion in U.S. history. The longest is 120 months. Thus, by mid-year, if the expansion continues, this upcycle will be the longest in U.S. history.

Given the current unemployment rate, the shortage of labor and other factors, it appears that the cycle is "late in the game". That doesn't necessarily mean the cycle will end very soon. Expansions don't die of old age. They die because of imbalances such as asset bubble, too much debt or Fed policy errors. In fact, most recoveries die because the Fed tightens sufficiently to create a credit crunch. The tightening by the Fed causes lending to tighten significantly. This brings on a decline in investment and employment that can bring on a recession.

Most of the time, the Fed shoots for a "soft landing." In other words, they attempt to slow the rate of growth in the economy without causing a recession. Most of the time they miss. Yet, so far in this cycle the Fed tightening (increases in the Fed Funds Rate) does not appear to be significant enough to cause a credit crunch.

Let's look at the current situation. Currently, leading indicators are still rising. Consumer confidence remains very high. The Recession Probability indicator created by the New York Fed remains well below levels that have historically given a recession signal. The unemployment rate continues downward. Prices remain under control. So does consumer debt. And there are more than 7 million unfilled jobs in America.

On the other hand, there are things to be concerned about. There almost always are. The employment cost index is rising. This indicates that there is a supply/demand imbalance in labor markets. Auto debt delinquencies are rising. The yield curve (as measured by the spread between 10-year and 2-year treasury rates) is close to inverting. Home sales are weakening. Corporate debt levels are at the high end of normal. People are concerned about a trade war with China (unnecessarily in our opinion). And up until very recently, the cyclically adjusted price/earnings ratio was extremely high by historic standards.

None of the negatives seem overwhelming at this point. If the yield curve does invert, and if history is any guide, it would indicate a recession probably in 2020 rather than 2019. The weakening in home sales is all about affordability. Increases in the costs of building a home and rising interest rates are pushing down affordability levels in many parts of the country. Yet, affordability ratios nationally are just slightly below historic norms. In addition, the demographics of single family housing are extremely strong. And the supply/demand situation seems very favorable. It is, for the most part, the polar opposite of the 2007 situation. The current slowdown in home buying is probably a result of the recent rise in mortgage rates to the 5% level. Since most new buyers are millennials who have been weaned on very low mortgage rates, this shock is understandable. They will come to accept the new situation.

The major issue at the present time we believe is a shortage of labor. The labor force is growing at about 1.2% annually. As recently as 2002-2007, growth was more than 5% annually. This, and the relatively slow rate of growth in productivity, limits the long terms rate of growth in the economy and suggests that labor markets will be tight for some time to come. This should result in an upward push on wages and inflation. This upward push is what the Fed is trying to control.

The Fed getting too far ahead of the curve is a risk for this cycle. But, it is not there yet. Thus, at this point our conclusion about most of 2019 being a year of slowing but continued growth remains intact. While we are monitoring things closely and it is time to be cautious, our forecast for 2019 remains relatively unchanged.

### **U.S. Snapshot:**

- Total nonfarm payroll employment increased by 312,000 in December. The unemployment rate rose to 3.9%. That's up slightly from 3.7% in November. The increase was due mainly to an increase in the labor force. Job gains occurred in health care, food services and drinking places, construction, manufacturing, and retail trade. For the year as a whole, job gains were 2.6 million. This compared to a gain of 2.2 million in 2017. November's gain over October was revised upward to 274,000 from the 237,000 originally reported.
- Manufacturing expanded in December as the ISM's manufacturing index was reported at 54.1. Any gain over 50 indicates that the sector is expanding. It should be noted that the reading was down from 59.3 in November. So, while manufacturing is expanding, it appears to be doing so at a slower rate.

### **Arizona Snapshot:**

- Total employment in Arizona grew by 3.6% in November compared to November 2017. For the first 11 months of 2018, employment was up 2.8% over the similar 2017 period. The state's unemployment rate was reported at 4.4% in November compared to 4.5% a year earlier.
- Total employment in Maricopa County in November was up 4.3% from year earlier levels. For the first 11 months of 2018, the county was up 3.5% compared to the first 11 months of 2017. The unemployment rate for the month stood at 3.8% compared to 3.9% a year ago.
- Total employment in Pima County was up 3.1% over year earlier levels in November. The 11-month vs. 11-month gain was 1.8%. The unemployment rate was 4.2% in November of both years.

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# Land Use Policies

**Policy 1:** Approve new housing units only if within the City’s current overall limit on the total number of homes that can be built under current zoning.

**Progress:** An analysis conducted in 2018 indicates we have approximately 700 fewer units developed compared to allowable zoning.

**Policy 2:** Limit expansion of the existing commercial areas, as represented on the Future Land Use Map, unless supported by an approved plan within a Community Focus Area or Planned Area.

**Progress:** Very few commercial areas have been expanded.

**Policy 3:** Ensure that a balance of land uses is maintained and identify general areas for concentrated, mixed use development, public gathering places, and land use transitions to provide healthy and sustainable residential neighborhoods and commercial areas and to address specific area needs.

**Progress:** CFA plans are the standard against which new development applications will be measured. Many CFAs contemplate significant mixed-use development. Very few applications for development in completed CFAs have been submitted but initial applications do not conform closely to the CFAs.

**Possible future action:** Continue to review CFAs (separately and collectively) to better examine the balance of proposed uses. Consider other incentives or tactics to promote development in conformance with CFA plans. Further consider/ clarify policy on lodging development.

**Policy 4:** Ensure that the proportion of lodging uses to other commercial uses does not significantly increase by limiting locations for lodging uses and by evaluating the proportional increase in all lodging rezoning applications.

**Progress:** Prior to the Community Plan, lodging area limits were established to prevent lodging from dominating commercial zones. CFA plans have further suggested new allowances and limits to lodging zoning.

**Possible future action:** Review completed CFAs together to evaluate total suggested lodging allowances and limits and make adjustments if necessary.

**Policy 5:** Preserve scenic views, including potential utility undergrounding and view corridor planning, in the consideration of new development and infrastructure, including limits on the approval of multi-story structures.

**Progress:** Some viewshed analyses have been completed with CFA plans and other development proposals. Current limits to height make it very difficult to build more than two-stories. CFAs have contemplated limited three-story structures in places thought to have minimal impact on views.

**Policy 6:** Ensure that proposed land uses are compatible with adjacent aggregate (sand and gravel) resources, if these resources are identified by the State of Arizona.

**Progress:** This policy is mandated by the state and has not historically been applicable to Sedona.

**Policy 7:** Require parking standards that are consistent with mixed and shared uses, promote efficient use of space, and minimize asphalt coverage.

**Progress:** Parking standards were reevaluated in the updated LDC. CFAs and development standards allow for alternatives to asphalt coverage.

**Policy 8:** Require design standards that reflect Sedona’s unique historic and cultural heritage and sign standards that provide diversity and prevent “franchise/ monoculture” (corporate signature) signs.

**Progress:** CFAs address unique design standards to preserve historic and cultural heritage. The Sign Code was recently amended.

**Policy 9:** Evaluate locations for public gathering spaces and residential services on a neighborhood scale and reflective of unique architectural character for neighborhoods within walking distance and located away from the main commercial areas.

**Progress:** CFA plans have contemplated services within walkable distances to residential areas. However, there is limited planning for any services away from commercial areas.

**Policy 10:** Where supported through citizen participation in a City-initiated planning process, allow densities greater than 12 dwelling units per acre in mixed use projects in the West Sedona Corridor.

**Progress:** The city initiated and completed a Community Plan Amendment that allows applicants to request densities greater than 12 dwelling units per acre using a Major Plan Amendment process. Some CFA plans also support higher density multi-family development.

**Possible future action:** Consider city-initiated planning to identify and zone parcels for greater density to further encourage added density takes place but only in appropriate areas.

**Policy 11:** Provide funding support to help maintain the integrity of older neighborhoods to ensure a diverse range of housing options.

**Progress:** No direct funding has been provided. Limited discretionary funding has been added to the Housing Fund and significant development contributions have also been made to the Housing Fund.

**Policy 12:** Encourage the retention of low to moderate income housing opportunities in the redevelopment of existing mobile home parks through retention of existing densities and other incentives.

**Progress:** No mobile home parks have been redeveloped.

**Possible future action:** Consider directing Housing Fund resources to retain affordable housing during redevelopment. Consider other proactive planning/ incentives to retain and/or expand affordable housing

**Policy 13:** Encourage housing for seniors by identifying locations for assisted living, age in place, and other housing options in close proximity to health services and by allowing a wide range of housing choices.

**Progress:** CFAs have identified places for senior living, including the Medical Center Area of the Western Gateway CFA. A local housing task force has also identified possible funding sources for senior housing.

**Possible future action:** Consider dedicating Housing Fund resources and pursuing other development partnerships to build senior housing.

**Policy 14:** Consider new and emerging trends for non-traditional housing developments, such as co-housing, garden apartments, and other alternate housing types.

- **Progress:** The new LDC incorporates the following to meet this policy goals:
- Added provisions and regulations for a new co-housing use type.
- Added flexibility to increase density in a CFA if it is specifically called for or meets the CFA goals. This can now be done administratively provided it is supported in the CFA. This would have otherwise required a rezoning.
- Added ability to do multi-family housing in commercial, industrial, lodging zones by right, which would have previously required a community plan amendment and rezoning.
- Added the ability to do housing as an accessory use to schools, with a CUP. This would have otherwise required a community plan amendment and rezoning.
- Added dwelling unit conversions to allow additional smaller units under the same density calculations. If someone doing multifamily builds a studio unit of 500 or less sqft, it will only count as .5 for the purposes of calculating density. For units that are

501 to 1000, they will only count as .75 towards calculating density limits. Only units over 1001 sqft would be counted as a full unit. These equivalencies will also apply to sewer capacity and development impact fees (DIF).

- Added a provision that says deed restricted affordable housing units do not count as units for density purposes, basically no density limits on true deed-restricted affordable housing.

Limited other housing options have been explored at a cursory level. Other policy changes, such as fractional units and planned changes to building codes to allow smaller structures may facilitate proposals for non-traditional housing.

**Possible future action:** Consider other policy incentives and/or proactive planning and entitling properties for development.

**Policy 15:** Encourage clustering of residential units to direct development away from more environmentally sensitive portions of a site.

**Progress:** Several developments have utilized clustering. The Schnebly CFA and new Oak Creek Heritage District also encourage clustering.

**Policy 16:** Establish good communication with community planning groups and public agencies within the Verde Valley region to address land use, circulation, and other regional issues.

**Progress:** City Council and staff remain engaged in regional planning through Intergov of multiple advocacy and action groups

**Possible future action:** Consider formal organizations where capacity is lack, such as affordable housing. Consider broader organized lobbying activities.

**Policy 17:** Allow densities greater than 12 dwelling units per acre through consideration of projects with strategies for achieving housing diversity, affordability and availability to address local housing needs in areas designated for Multi-family High Density.

- **Progress:** The city initiated and completed a Community Plan Amendment that allows applicants to request densities greater than 12 dwelling units per acre using a Major Plan Amendment process.

The new LDC:

- Adds flexibility to increase density in a CFA if it is specifically called for or meets the CFA goals. This can now be done administratively provided it is supported in the CFA. This would have otherwise required a rezoning.
- Added dwelling unit conversions to allow additional smaller units under the same density calculations. If someone doing multifamily builds a studio unit of 500 or less sqft, it will only count as .5 for the purposes of calculating density. For units that are 501 to 1000, they will only count as .75 towards calculating density limits. Only units over 1001 sqft would be counted as a full unit. These equivalencies will also apply to sewer capacity and development impact fees (DIF).
- Added a provision that says deed restricted affordable housing units do not count as units for density purposes, basically no density limits on true deed-restricted affordable housing.

**Possible future action:** Consider city-initiated planning to identify and zone parcels for greater density to further encourage added density takes place but only in appropriate areas.

## Land Use Action Plan

Priority 0-5 years

<p>1: Revise Land Development Code to be consistent with Community Plan land use designations and CFA/PA planning/review processes, CFA Specific Plans, and land acquisition tools such as transfer of development rights.</p> <p><b>Progress:</b> Land Development Code has been updated but thus far we have not established a mechanism for the transfer of development rights.</p>
<p>2: Prepare and update a specific corridor plan for West Sedona, coordinate with access control planning for SR 89A, prepare Specific Plans for the West Sedona Corridor CFAs, and prepare Community Plan revisions if applicable. Identify capital improvement priorities and funding sources</p> <p><b>Progress:</b> Numerous west Sedona CFAs have been completed. Access was addressed at a high level in the Transportation Master Plan.</p>
<p>3: Prepare Specific Plans for the following CFAs: Uptown, North Oak Creek, Ranger Road, Schnebly Hill, Cultural Park; and prepare Community Plan revisions if applicable. Coordinate with City-wide traffic modeling and Uptown traffic mitigation. Identify capital improvement priorities.</p> <p><b>Progress:</b> All CFAs are complete or in planning. Traffic modeling and mitigation was addressed in the Transportation Master Plan</p>
<p>4: Update residential housing inventory with analysis on purchase/ rental prices, unit size/type, and housing need. Update housing policy.</p> <p><b>Progress:</b> A housing task force has collected some information on purchase and rental prices and broad inventory of housing type (not size). Housing policies have been reviewed but not updated.</p>
<p>5: Prepare a land use master plan for the Wastewater Treatment Plant property (see CFA Community Expectations, page 49).</p> <p><b>Progress:</b> A work group completed a draft plan for the Dells in 2015 but the report has never been made public. Since then, it has not been prioritized by council.</p>
<p>Priority 6-10 years</p>
<p>6: Prepare a specific corridor plan for the SR 179 area south of Canyon Drive to evaluate opportunities for neighborhood-scale services, public spaces, open space retention, and ways to address visitor impacts to neighborhoods (such as the Chapel Road area).</p> <p><b>Progress:</b> None. However, certain CFA areas (Morgan Road) are will be pursued in the future and can consider neighborhood-scale services etc.</p>

## Circulation Policies

**Policy 1:** Pursue a range of multi-modal options to reduce traffic to safe and convenient levels, including but not limited to: park and walk/ride, access control, parking interconnections, street connections, transit, and incentives for reducing vehicle trips

**Progress:** The Transportation Master Plan identified numerous multi-modal options, many of which are being pursued as part of SIM.

**Policy 2:** Create a network of pedestrian and bicycle improvements and connections linking neighborhoods, activity centers, and popular destinations, and promote walkable, bike-able connections to transit stops.

**Progress:** Bike and pedestrian facilities are being pursued as part of SIM. A citizen workgroup is being created to create a master plan and prioritize improvements.

**Policy 3:** Support improvements to SR 89A in West Sedona that will improve vehicle, pedestrian, and bicycle safety, traffic circulation, access, and appearance

**Progress:** Limited improvements have been made as part of (re)development and are addressed in the completed CFA Plans to guide future development. Broader improvements are contemplated as part of SIM.

<p><b>Policy 4:</b> Help alleviate traffic congestion in Uptown by transforming Uptown into a “park once” district through improved wayfinding and parking availability.</p> <p><b>Progress:</b> Numerous additional parking spaces, parking management through metered spaces and wayfinding has been added. The Uptown CFA will address these issues and expand on efforts now underway.</p>
<p><b>Policy 5:</b> Provide street connections as low-speed alternatives to the highways that will maintain neighborhood safety and integrity.</p> <p><b>Progress:</b> Numerous connections were recommended as part of SIM. Smaller connections have been deferred after neighborhood pushback.</p> <p><b>Possible future action:</b> Consider re-prioritizing select connections</p>
<p><b>Policy 6:</b> Plan future transportation improvements and land use development at the same time and support a diversity of land uses within walking and biking distance of residential and lodging areas.</p> <p><b>Progress:</b> CFA planning and the Transportation Master Plan were done at a similar time, providing overlap in goals and approach.</p> <p><b>Possible future action:</b> Consider further policy guidance/ incentives to ensure conformance with CFA plans</p>
<p><b>Policy 7:</b> Support a future transit system that is a clear benefit to Sedona residents and a beneficial investment for the City.</p> <p><b>Progress:</b> Transit planning is underway. Expanded Lynx service funded in 2019.</p>
<p><b>Policy 8:</b> Provide transportation alternatives that meet the needs of seniors and those unable to drive.</p> <p><b>Progress:</b> The city continues to help fund organizations that provide senior transit. Additional transit may provide greater alternatives for seniors.</p>
<p><b>Policy 9:</b> Support and advocate changes to the current Arizona Department of Transportation policy that would communicate the use of SR 260 as an alternate route to Sedona from Interstate 17 to better disperse traffic coming into the community.</p> <p><b>Progress:</b> Signs are now used to communicate travel time.</p> <p><b>Possible future action:</b> Continue to advocate for a more effective way to use travel information for Sedona residents and visitors</p>
<p><b>Policy 10:</b> Support improved wayfinding signs at the SR 89A and SR 179 intersection to better direct visitors and residents to services in West Sedona and Uptown.</p> <p><b>Progress:</b> Street decals have been added to clarify the appropriate lane for travelers in select areas. Wayfinding has been planned for all major routes and destinations, including West Sedona.</p>
<p><b>Policy 11:</b> Develop information about alternate modes of travel (e.g., signage, maps, and websites) to encourage visitors and residents to walk and bike.</p> <p><b>Progress:</b> The Chamber has created limited walkable routes with maps.</p> <p><b>Possible future action:</b> Consider a more robust campaign to improve walkability and bike-ability and market more aggressively as part of a bike/pedestrian master plan.</p>
<p><b>Policy 12:</b> Focus on making the most efficient use of existing parking facilities before creating new facilities and investigate the creation of additional public parking through lease, purchase, or development.</p> <p><b>Progress:</b> Parking meters were added in uptown to drive efficient use of free parking. Spaces continue to be added through lease and purchase. Planning is underway to study long term parking needs.</p> <p><b>Possible future action:</b> Implement results of the parking study. The Uptown CFA and proposed parking garage study will address more efficient use of parking in Uptown.</p>
<p><b>Policy 13:</b> Support increased coordination and integration of land use and transportation planning and implementation to reduce traffic congestion and protect the natural environment.</p>

<p><b>Progress:</b> CFA plans focus on mixed uses. Improved connectivity, bike and pedestrian plans are contemplated with SIM.</p> <p><b>Possible future action:</b> Consider more proactive approaches to encourage conformance with CFAs including pre-planned entitlements and incentives.</p>
<p><b>Policy 14:</b> Make pedestrian and bicycle facilities and improvements to existing infrastructure a high priority for circulation-related capital funding.</p> <p><b>Progress:</b> SIM contemplates numerous improvements, but bike and pedestrian infrastructure has not been made a high priority for capital funding.</p> <p><b>Possible future action:</b> Consider more robust funding for bike and pedestrian related improvements identified in the bike/ pedestrian master plan.</p>
<p><b>Policy 15:</b> Ensure that SR 179 is maintained as a scenic corridor of uncommon beauty and that future improvements are an enhancement to this corridor.</p> <p><b>Progress:</b> SR 179 is maintained, and public art has been added. Scenic corridor is also preserved through good planning/ development decisions.</p> <p><b>Possible future action:</b> Consider further public art installation and/or landscaping enhancements.</p>
<p><b>Policy 16:</b> Support efforts to limit aircraft noise.</p> <p><b>Progress:</b> City staff has worked at a low-level priority since 2014 to address helicopter noise, which is a very difficult challenge to address given our lack of jurisdiction.</p> <p><b>Possible future action:</b> Continue to work with tour operators and the airport to gain consensus on noise mitigation policies.</p>
<p><b>Policy 17:</b> Support efforts to evaluate regional airport options.</p> <p><b>Progress:</b> This has not been pursued and would be very difficult to accomplish.</p>

## Circulation Action Plan

<p>Priority 0-5 years</p>
<p>1: Implement parking recommendations for Uptown from the 2012 update to the 2005 Parking Management Study and the Parking Advisory Committee</p> <p><b>Progress:</b> Complete</p>
<p>2: Prepare a traffic study and city-wide traffic model (corridor and access control planning for the West Sedona commercial corridor and traffic mitigation for Uptown, including evaluation of “Complete Street” standards to promote multi-modal circulation— see Land Use, Growth, and Housing Chapter 3).</p> <p><b>Progress:</b> Transportation Master Plan is complete. Complete streets evaluated and recommended on a project basis but have not been incorporated as design standards.</p>
<p>3: Develop and implement a pedestrian and bicycle master plan to develop a network of safe and connected routes for walking and biking. The plan will identify potential linkages, barriers and gaps, bike lanes and routes, sidewalks, separated pathways, and implementation strategies.</p> <p><b>Progress:</b> Numerous bike and pedestrian improvements are contemplated as part of SIM. A work group has been created to complete a master plan and establish priorities.</p>
<p>4: Prepare a transit feasibility plan that addresses commuter, visitor and residential needs, park and ride locations, new technologies, and Forest Service goals and options for reducing traffic in Oak Creek Canyon.</p> <p><b>Progress:</b> A Transit Implementation Plan is underway.</p>
<p>Priority 6-10 years</p>
<p>5 Implement SR 89A traffic mitigation improvements in Uptown based on traffic study recommendations.</p>

**Progress:** Uptown roadway improvements are under design. Uptown pedestrian improvements are being studied for viewshed impacts.

6 Evaluate the extension of Ranger Road as a replacement for the Brewer Road/SR 89A intersection.  
**Progress:** This was evaluated before roundabouts on 179 and 89A. It has not been formally evaluated since.

7 Work with the Sedona Airport Administration to coordinate future airport planning goals and non-aeronautical uses, Airport Road traffic mitigation and pedestrian safety, and Forest Service trailhead locations

**Progress:** City staff observed the Airport long range plan as a public participant. However, the County and Airport assert jurisdiction without any formal procedure for the city to participate.

## Environment Policies

**Policy 1:** Participate in and contribute to regional and statewide water planning efforts.

**Progress:** The city participates in numerous regional and statewide water planning efforts.

**Policy 2:** Investigate and implement appropriate methods to reuse treated wastewater and to recharge groundwater.

**Progress:** The city has pursued buildout of deep injection wells to manage effluent and recharge groundwater. Wells 1 and 2 are complete and being evaluated before further buildout.

**Policy 3:** Improve and maintain the water quality of Oak Creek.

**Progress:** The city manages storm water and supports Oak Creek Watershed Council but does not have other direct efforts to improve and maintain water quality in Oak Creek.

**Policy 4:** Implement incentives or regulations for existing and new development to incorporate water conservation measures and energy efficient site design and building features.

**Progress:** The city's reduced sewer bill for low-flow toilets is the only incentive for water conservation.

**Possible future action:** Consider broader educational efforts or incentives to promote water conservation

**Policy 5:** Incorporate water conservation, energy efficiency, the use of renewable energy sources, and sustainable practices into new and existing City facilities and programs.

**Progress:** The city pursued alternative energy through the Sun Edison solar installation and a Hoover Dam hydro-electric allocation. A recent performance contract was initiated to reduce use of energy at city facilities by upgrading lighting and mechanical systems.

**Possible future action:** Expand energy efficiency improvements at other city buildings and facilities. Consider further development of alternative energy.

**Policy 6:** Establish standards for the use of low impact development practices to manage stormwater.

**Progress:** The new LSC provides for low impact development and for infiltration into natural or landscaped areas but does not provide specific standards.

**Policy 7:** Work with Coconino County to relocate structures out of floodways during redevelopment efforts

**Progress:** The city has extensive policies regarding development in floodways and is closely coordinated with Coconino County.

**Policy 8:** Reduce harmful emissions

**Progress:** It's not clear if this policy goal pertains to the city as an entity or the broader community but it has not been a focal point of policy. Wastewater staff has reduced energy demands by installing variable frequency drives. Recent efforts by staff to better manage the city fleet will result in higher fuel efficiency and reduced emissions.

<p><b>Possible future action:</b> Consider greater alternative energy generation and a broader system to measure and attempt to reduce emissions in the community.</p>
<p><b>Policy 9:</b> Support community efforts to be dark sky compliant.  <b>Progress:</b> The city remains committed to dark sky compliant development</p>
<p><b>Policy 10:</b> Preserve and restore natural drainages and open space areas with native plants to provide wildlife habitat, reduce erosion, and improve stormwater retention.  <b>Progress:</b> The city’s stormwater management program works with natural drainage-ways but native plant “restoration” has not been a focal point. The Schnebly CFA and new Oak Creek Heritage District address the preservation of Oak Creek and tributaries, as well as native plant preservation and landscaping requirements.</p>
<p><b>Policy 11:</b> Control the spread of invasive exotic plant species through education, removal, and prevention.  <b>Progress:</b> The city has not had robust efforts to control the spread of invasive species. As part of the LDC Update, the new Design Review, Engineering, and Administrative Manual now includes an invasive plant list  <b>Possible future action:</b> Consider a broader program to educate the community about invasive species. Consider partnering with organizations who promote replacing invasive species with native ones. .</p>
<p><b>Policy12:</b> Implement a green building program that includes education, standards, and incentives.  <b>Progress:</b> Better green standards are being established though the planned adoption of updated building codes. There are not any established educational programs or incentives.  <b>Possible future action:</b> Consider educational programs and incentives.</p>
<p><b>Policy13:</b> Support recycling and other waste stream reduction efforts.  <b>Progress:</b> The city has continued and expanded funding for Sedona Recycles and is planning to help build additional drop-off facilities.  <b>Possible future action:</b> Consider further analyzing the funding model in a new era of recycling commodities.</p>

<h2 style="text-align: center;">Environment Action Plan</h2>
<p>Priorities 0-5 years</p>
<p>1: Ensure that a City representative participates in regional water advisory organizations.  <b>Progress:</b> Complete</p>
<p>2: Collaborate with private water companies to reduce water consumption.  <b>Progress:</b> The city has not done this yet. However, recent conversations with Arizona Water included a discussion on broader collaboration to reduce water consumption.</p>
<p>3. Reevaluate and update the dark sky ordinance.  <b>Progress:</b> This has been discussed with KSB.</p>
<p>4. Investigate existing weed management efforts and implement appropriate actions, which may include a partnership weed management plan.  <b>Progress:</b> Historic practice has been to avoid spraying toxic chemicals at parks and playing fields. City staff has also initiated use of alternative, non-toxic herbicide with the goal of replacing all toxic herbicide use. The city has limited installation of double weed barrier to reduce the need to spray weeds. No broader weed management plan has been created.</p>
<p>5. Develop a City green building code and associated incentives for all development.  <b>Progress:</b> Green building standards are being evaluated as part of the planned update of the building code. No incentives have been established.</p>
<p>Priority 5-10 years</p>

6. Conduct an inventory and audit of water conservation and energy efficiency of City facilities and operations and implement appropriate measures

**Progress:** The city recently surveyed and audited most city facilities and approved a contract for energy efficiency upgrades.

7. Develop an action plan that would focus on methods to improve energy efficiency and conservation and reduce harmful emissions.

**Progress:** The city's new Sustainability Program has adopted a short-term action plan that contemplates limited energy efficiency and conservation tactics.

8. Investigate the acquisition of private water companies

**Progress:** This has not been done.

## Parks, Recreation, and Open Space Policies

**Policy 1:** Provide and support community events, festivals, and programs that offer a variety of opportunities for social interaction and contribute to a sense of community.

**Progress:** City Parks and Rec staff continue to expand events. The city also offers limited financial assistance for certain events through small grants. City Parks and Rec staff also work diligently to make the rental process smooth so that outside agencies will host more events for the community at the parks.

**Possible future action:** Consider dedicated event venue space. Consider dedicated funding for events.

**Policy 2:** Diversify the funding sources that support the City Parks and Recreation Department to include public funding, earned revenues, and outside funding sources.

**Progress:** The Parks and Rec Department reviews fees frequently and seeks grants and private contributions when available. They also seek sponsorships for events on a continual basis to help cover costs and receive hundreds in in-kind services each year.

**Possible future action:** Further evaluate fee policies related to competitiveness and cost recovery.

**Policy 3:** Develop partnerships that leverage resources of the City and other organizations to support park and recreation facilities and programs.

**Progress:** Parks and Recreation has robust sponsorships and other community partnerships.

**Policy 4:** Establish regulations and incentives to incorporate parks and trails into subdivisions and other development projects.

**Progress:** There are no plans to expand park facilities in places they don't currently exist. Trails are often expanded by the Forest Service with some limited partnership with the city. Community Development and Public Works advocate for new trails during development applications. CFA Plans address trail improvements for future development.

**Possible future action:** Integrate trail access with a broader bike and pedestrian facilities master plan

**Policy 5:** Support collaboration between agencies, organizations, and businesses on trails marketing, management, and maintenance in recognition of the value of trails to the community and the economy.

**Progress:** There is a robust partnership for funding trail expansion and maintenance including the city, Forest Service, the Chamber and other non-profit groups.

**Possible future action:** Further develop ways to manage parking at trail heads and dispersion of users across the system.

**Policy 6:** Improve and manage public access to Oak Creek within the City.

**Progress:** City staff has initiated a few conversations with land owners over the years to create new access. Trail access is also contemplated in the Schnebly CFA. Management of access falls mostly on the Forest Service and non-profit groups dedicated to improving water quality.

**Policy 7:** Support Forest Service policies that ensure National Forest land in and around Sedona is permanently protected.

**Progress:** The old amendment 12 that significantly limits land trades has been incorporated in the Forest Service Management Plan. A National Monument was proposed by KSB but not supported by the city. No other mechanism for broader permanent protection has been considered.

**Policy 8:** Partner with the Forest Service to manage the wildland-urban interface to preserve and protect the National Forest and natural resources through joint planning and management.

**Progress:** There has not been a comprehensive effort to manage the wildland-urban interface beyond normal Forest Service management. The bike/ pedestrian master plan may involve collaboration with the Forest Service to address neighborhood access.

**Policy 9:** Maintain the lowest density land uses next to the National Forest, supporting cluster development, and reserving open space in Community Focus Areas or Planned Areas.

**Progress:** Very little new development adjacent to the National Forest has been proposed. No zone changes within these areas have been requested. Very few large subdivisions have been requested but those that have, have not utilized cluster development.

**Policy 10:** Preserve natural open space, including areas with significant natural resource values, the riparian habitat of Oak Creek, and viewsheds such as ridgelines, scenic vistas, along highways, and gateways into the community.

**Progress:** The city has worked to preserve open space as part of many development approvals. Impacts to ridgelines, scenic vistas and viewsheds is often considered as part of planning and/or development. The Schnebly CFA and new Oak Creek Heritage District address these issues for future development.

**Policy 11:** Support the preservation of significant open space between Verde Valley communities through ongoing coordination with other jurisdictions and land trusts.

**Progress:** Very little development in this area has been proposed. The most significant, El Rojo Grande, was opposed by the city.

## Parks, Recreation, and Open Space Action Plan

Priority 0-5 years

1 Develop City standards for park and trail acquisition, design, development, and maintenance.

**Progress:** This has not been done. There are city standards for maintenance. The Master Plan has acquisition criteria to consider if purchasing new park land.

2 Prioritize implementation of the City Parks and Recreation Master Plan recommendations to align with the Community Plan.

**Progress:** The Master Plan is from 2012 with most desirable components completed. Both documents are considered when making decisions.

3 Amend City regulations to improve the quality and usability of dedicated parklands; provide a trail dedication alternative to developers; develop design standards for trail and park design, size, and dedication options for developers; consider cash-in-lieu donations for park development with new subdivision approvals

**Progress:** Park regulations are evaluated frequently. Trail and trail connections are negotiated as part of development applications.

Priority 5-10 years
<p>4 Establish a trails coalition to improve community collaboration on trails related issues.  <b>Progress:</b> The Red Rock Trail Fund has served as the collaborative entity for trails and has been well integrated with the City, Forest Service, Chamber and other public lands advocacy groups.</p>
<p>5 Develop an open space and trails plan that includes criteria to identify open space access and preservation priorities, including regulatory tools and incentives for open space acquisitions, and to address trail access issues.  <b>Progress:</b> While some limited work has been done to explore trail connectivity and trail head location/ relocation, there is no comprehensive plan dealing with these items.</p>
<p>6 Investigate and possibly implement methods to obtain trail access across the State Trust Land parcel on Soldiers Pass Road.  <b>Progress:</b> City staff have discussed this along with other alternatives to provide alternative access to Soldiers Pass.</p>

## Economic Development Policies

**Policy 1:** Partner with the private sector to build an economically and environmentally attractive community by utilizing the City’s unique image to promote new investment.  
**Progress:** It’s not clear what this policy goal intends to accomplish. However, the city’s economic development department is well integrated with the community development department and numerous private and non-profit partners. Substantial CFA planning work has been done to focus on encouraging economic development.

**Policy 2:** Attract high wage employment opportunities and professional based businesses to diversify the City’s economic base and generate positive secondary benefits for the community.

**Progress:** While the economic development program does not have the resources for aggressive recruitment, the program does work to help locate businesses that have already demonstrated an interest in Sedona.

**Possible future action:** Consider providing resources for more active recruitment within targeted industries. Consider providing resources to better inventory available developed and undeveloped space to better facilitate recruitment.

**Policy 3:** Use an assets-based model to guide policy development and implementation in the areas of planning, economic development, and capital infrastructure.

**Progress:** The current and future pending economic development action plans takes an assets-based approach.

**Possible future action:** Consider further refining targeted industries. Consider more robust incentives for business recruitment and development.

**Policy 4:** Assist business organizations in developing and implementing new or improved product development opportunities to increase sales tax and bed tax revenue collections.

**Progress:** The chamber provides programs and services aimed at increasing bed tax and sales tax collections. However, most of that work is in the area of managing tourism but not working with businesses to promote the development of certain products. This has not been a focus of the city’s economic development program as it seems counter to the goal of diversifying our economic base. However, the program does offer assistance to businesses who collect and remit sales tax.

**Policy 5:** Prepare a ten-year economic development strategy to provide long-term guidance and direction to City leadership and the business community.

**Progress:** The city’s economic development program is currently guided by a 3-5 year action plan that was created during the decision to start the program. A long-range planning process is due to commence in the next month or two.

<p><b>Possible future action:</b> Consider providing funding for additional site-specific and/or industry-specific plans and research to guide future decision making.</p>
<p><b>Policy 6:</b> Support sustainable tourism that values, respects, and recognizes the economic benefit of tourism based on the protection of the National Forest.</p> <p><b>Progress:</b> Substantial work is being done to create a Sustainable Tourism Plan to emphasize best practices in managing tourism.</p>
<p><b>Policy 7:</b> Dedicate resources to pursue an expanded economic development program for the City.</p> <p><b>Progress:</b> A program was started with a minimal budget to hire a director level position and provide base level program support.</p> <p><b>Possible future action:</b> Consider investing additional resources to enhance programs and services for things like marketing, grant writing, educational trainings and events, recruitment etc.</p>
<p><b>Policy 8:</b> Preserve the City's commercial and light industrial land inventory by placing limits on rezoning to residential designations.</p> <p><b>Progress:</b> No light industrial land has been rezoned. CFA planning aims to preserve and enhance some of the city's limited light industrial space.</p> <p><b>Possible future action:</b> Establish an inventory of developed and undeveloped industrial space. Consider further evaluating infrastructure needs in industrial areas.</p>
<p><b>Policy 9:</b> Encourage the establishment of a year-round culinary institute in Sedona through partnerships with Yavapai College, business organizations, and other interested parties.</p> <p><b>Progress:</b> After years of advocacy, Yavapai College established a year-round culinary school at the Sedona campus.</p>
<p><b>Policy 10:</b> Create an economic development toolbox comprised of programs and incentives to reduce financial, regulatory, and operational constraints for existing or new business growth and expansion.</p> <p><b>Progress:</b> The city's economic development program has enhanced existing programs that provide access to capital and has established new programs to promote business start-up and expansion.</p> <p><b>Possible future action:</b> Consider additional investment that is needed to expand services. Consider adopting incentives for development of targeting industries.</p>
<p><b>Policy 11:</b> Coordinate with regional public and private partners to develop programs and support services for regional economic development efforts that will directly and indirectly benefit Sedona.</p> <p><b>Progress:</b> City staff is very active regional and state-wide organizations dedicated to economic development.</p> <p><b>Possible future action:</b> Consider increasing annual investment in VVREO in order to ensure needed administrative support.</p>
<p><b>Policy 12:</b> Work with public and private partners to build fiber optic infrastructure throughout the City to provide 21st century communications technology to current and future businesses.</p> <p><b>Progress:</b> This policy goal has been discussed with recent councils. It is clear the better connectivity would better position the city for economic development. That said, it was decided that broad public participation in connectivity build-out was not advisable considering the costs and current/ future planned expansion by private entities.</p>
<p><b>Policy 13:</b> Develop or enhance networking and relationship opportunities with public and private sector organizations inside and outside of the City to promote economic development opportunities in the City.</p> <p><b>Progress:</b> The city's economic development program has focused on networking during the first two years. Substantial external networks have been established with VVREO, the Northern Arizona Council of Governments (NACOG), the Northern Arizona Center for Entrepreneurship (NACET) the Small Business Development Center (SBDC), Yavapai College, Northern Arizona Healthcare, Local</p>

First Arizona, local groups like Sedona XYZ and more. The program has also been integrated with community development and other departments on a program basis.

**Policy 14:** Strive to become one of the best school districts in the state.

**Progress:** It is not clear how the city is expected to fulfill this policy. The city maintains a good working relationship with the Oak Creek Unified School District and works with the charter schools as well.

**Policy 15:** Prioritize the installation of key infrastructure at identified employment areas to facilitate development of these economic centers.

**Progress:** There has only been limited planning for this in areas like the AAA CFA.

**Possible future action:** Consider other infrastructure needs in targeted locations aimed at specific types of business development.

## Economic Development Action Plan

Priority 0-5 years

1 Prepare a ten-year economic development strategic plan.

**Progress:** A 3-5 action plan was created in 2016 and 5-year plan is scheduled to commence in winter 2019

2 Form a staff facilitated working group to work on development and establishment of a year-round culinary institute.

**Progress:** Complete

3 Establish consistent and competitive project review timeframes and fees

**Progress:** City staff has begun looking comprehensively at development related fees, including preparing an update to the Development Impact Fees (DIF). Timeframes for new development, especially those requiring a zone change or major plan amendment are very long.

4 Work with City Council and other key departments to identify and implement economic development incentives to attract and retain preferred business clusters.

**Progress:** This has not been done.

5 Establish a ready response team comprised of City staff and key partners to assist in business retention, recruitment, and expansion.

**Progress:** City staff has taken incremental steps to establish this type of team and process. Much more could be done to enhance this type of service with additional resources.

6 Regulate temporary retail spaces to support local businesses.

**Progress:** It's not clear what the policy is meant to accomplish.

7 Establish an economic development on-line resources center

**Progress:** City staff has developed an economic development page within the city website. Substantially more could be done to enhance and promote programs and services with additional resources.

8 Develop and implement economic development investment guidelines to guide expenditures of public funds to support new or existing business growth.

**Progress:** This has not been done.

9 Identify existing and future employment centers within the City and their appropriate industry clusters

**Progress:** Limited work has been done within CFA planning. Future economic development plans will help to identify targeted industries.

10 Maintain and grow professional memberships and participation in strategic events with key international, national, and regional economic development organizations.

**Progress:** The city's economic development program has provided resources sufficient for limited participation in strategic events.

11 Establish a business incubator space through a public/private partnership to assist in new business attraction and development.

**Progress:** The Economic Development program has utilized grants and partnerships with NACET to provide "virtual" incubator services. City staff have discussed this concept of physical incubator or co-work space with numerous private partners but nothing concrete has been proposed.

12 Collaborate with the Sedona-Oak Creek School District to become one of the best school districts in the state

**Progress:** It is not clear how this is accomplished. The city maintains a good working relationship with the school district.

## Community Policies

**Policy 1:** Increase outreach and inclusion efforts to Sedona's ethnically diverse and special needs communities.

**Progress:** The city's direct outreach efforts are limited to law enforcement.

**Possible future action:** Consider more general efforts to reach out to targeted groups.

**Policy 2:** Support partnerships between the schools, City, non-profit organizations, and businesses that invest in and involve youth in community and cultural education, projects, and programs.

**Progress:** The city has limited programs focusing on youth related education, projects and programs.

**Policy 3:** Attract and retain creative professionals, businesses, and educational institutions that contribute to the arts, cultural, and economic vitality of the community.

**Progress:** It's not clear what this policy is or how success would be measured. The city is fairly aggressive in partnering with citizens and area non-profits.

**Policy 4:** Support contributions to the community from the spiritual, metaphysical, and healing sectors.

**Progress:** It's not clear what this policy is or how success would be measured.

**Policy 5:** Support public and private partnerships that will provide sustainable and dedicated funding for arts and cultural programs and facilities

**Progress:** The city maintains funding to its Arts and Culture program, art in public places and financial support to numerous non-profit arts related programs.

**Policy 6:** Foster partnerships and networks between the City's cultural, arts, and history sectors that support arts and cultural programs and non-profit organizations.

**Progress:** The city often facilitates certain networks, especially focused on its own programs and/or facilities. The city has not taken on a broader role to be the organizer of arts and culture groups more generally.

**Policy 7:** Pursue increased incentives for private installation of arts within the built environment.

**Progress:** Public art is required for numerous development activities. Some public art is negotiated as part of rezoning applications. Other incentives have not been created.

**Policy 8:** Modify and create City policies and regulations that support arts and cultural performance venues, artist studios, museums, events, instruction, and activities that further establish Sedona as a center for arts and cultural vitality, innovation, and education.

<p><b>Progress:</b> It is not clear how this policy is measured. The city has had numerous policies and funding decisions aimed at supporting arts, events and activities.</p>
<p><b>Policy 9:</b> Support and provide education programs, projects, and events that promote Sedona's unique cultural heritage and increase public awareness and appreciation of historic sites and the City Historic Landmark Program.</p> <p><b>Progress:</b> It is not clear how this policy is measured. The city maintains a Historic Preservation Commission (HPC), which holds annual events to celebrate Historic Preservation Month and continues to work with the Heritage Museum.</p>
<p><b>Policy 10:</b> Create incentives, tools, and programs that preserve historic sites, such as the transfer of development rights, allowing adaptive uses of historic structures, and a public/private partnership fund.</p> <p><b>Progress:</b> Some work has been done in collaboration with HPC, which has struggled to propose policies that would achieve this goal.</p>
<p><b>Policy 11:</b> Support public and private efforts that reflect and celebrate community with events, expressions, displays, and activities that will foster cultural innovation and creativity and promote the value and impact of arts, culture, and history to Sedona's community character.</p> <p><b>Progress:</b> It is not clear what this policy is or how success is measured. The city numerous things to celebrate community.</p>
<p><b>Policy 12:</b> Encourage collaboration and partnerships among community groups, including public, non-profit, and private youth and family service providers.</p> <p><b>Progress:</b> While the city actively participates in numerous groups, it is not clear to what extent the city encourages collaboration.</p>
<p><b>Policy 13:</b> Support facilities and services that address the health, safety, and welfare needs of the community</p> <p><b>Progress:</b> The city supports numerous facilities and services that address health, safety and welfare.</p>
<p><b>Policy 14:</b> Support programs and services for youth and families, including efforts to enhance intergenerational activities between youth and adults that create mutual relationships, respect, and knowledge sharing.</p> <p><b>Progress:</b> The city has a host of programs and activities that serve community members of all ages but does not have many services aimed directly at creating intergenerational activities.</p>

<h2 style="text-align: center;">Community Action Plan</h2>
<p>1 Maintain and enhance the Art in Public Places program.</p> <p><b>Progress:</b> The program has been maintained but funding has not been enhanced.</p>
<p>2 Amend the Land Development Code to create incentives to expand the installation of art in public and private spaces.</p> <p><b>Progress:</b> Incentives for public have not been addressed.</p>
<p>3 Continue and enhance funding for the Arts Education Program and other youth-oriented arts education programs.</p> <p><b>Progress:</b> Funding for the Artist in the Classroom program has been steady. Other youth-oriented arts programs are funded through the competitive small grants process</p>
<p>4 Provide funding support to facilitate the development of Sedona as a learning center for arts and culture.</p> <p><b>Progress:</b> The city does help provide funding for through small grants. The city has not initiated broader dedicated funding for this purpose.</p>
<p>5 Work with public and private sector partners to develop an art museum.</p>

<b>Progress:</b> City staff has continued to consult with a citizen group dedicated to building a new fine-arts museum.
6 Pursue acquisition of the historic Ranger Station by a public or community organization. <b>Progress:</b> Complete.
7 Enhance the City’s website to provide comprehensive information about the City’s Historic Landmark Program for property owners and the public. <b>Progress:</b> Complete.
8 Prepare a citywide Cultural and Arts Plan to develop specific policies, programs, and actions for the continued growth and development of Sedona’s cultural and arts heritage. <b>Progress:</b> This has not been done.
9 Assist in the development of a mentorship program among emerging and established creative professionals and artists. <b>Progress:</b>
10 Streamline approval processes and create City sponsored how-to guides and training sessions for cultural, arts, and historical events and activities. <b>Progress:</b> This has not been done.
11 Partner with public and private partners to develop one or more youth arts conferences and develop a semi-permanent to permanent youth arts exhibit space. <b>Progress:</b> This has not been done.
12 Partner with non-profit service providers and arts and cultural organizations to increase awareness and participation of senior citizens in arts and cultural activities. <b>Progress:</b> This has not been done.
13 Support the development of a local “Creative Conference,” bringing members of the arts, culture, and history communities together with private sector and public-sector leaders to explore the role of creativity in work, life, and learning. <b>Progress:</b> This has not been done.
14 Create a public marketplace for trade in local produce, products, and arts and crafts. <b>Progress:</b> There are local farmers market and craft market spaces provided by private businesses.
15 Maintain the City’s small grants program for arts and cultural organizations. <b>Progress:</b> Complete.
16 Maintain the City’s small grants program for historically designated buildings and properties. <b>Progress:</b> This program was discontinued, reinstated and discontinued again. There appears to be very little interest in this activity.
17 Pursue increased and affordable community events and activities that promote family togetherness and a sense of community <b>Progress:</b> Complete.
18 Explore the development of an online youth and family resources guide <b>Progress:</b> This has not been done.

<h2>Implementation Policies</h2>
<b>Policy 1:</b> Identify and use a variety of sources to finance necessary City services, facilities, equipment, and infrastructure that meet community needs. <b>Progress:</b> The city accomplishes this through the annual budget process.
<b>Policy 2:</b> Support funding mechanisms that are beneficial to development and bear a reasonable relationship to the burden imposed on the City to provide additional necessary public services.

**Progress:** It is not clear exactly what this policy aims to accomplish. Fees and other funding mechanisms are reviewed and amended frequently.

**Policy 3:** Ensure the review of the annual capital budget according to the priorities established in the Sedona Community Plan.

**Progress:** The community plan is reviewed frequently and budgets planned accordingly.

**Policy 4:** Require development to pay its fair, proportionate share of service and infrastructure costs through development agreements, development impact fees, and other appropriate methods.

**Progress:** The city evaluates fees regularly but further refinement of the policy goals balancing cost recovery and the burden of developing in Sedona is necessary.

## Implementation Action Plan

Priorities 0-5 years

1 Periodically review and adjust the City's development impact fees ordinance to ensure that the City collects sufficient funding to construct additional infrastructure needed to serve new residents and businesses developing in Sedona.

**Progress:** The city is mandated to review fees and is scheduled for an update in 2019.

2 Create a City Strategic Plan to help implement the Community Plan by prioritizing more specific action steps to carry out the Plan recommendations, prepare a capital budget, and identify funding sources.

**Progress:** This is accomplished through the creation of annual council priorities.

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# Sedona, AZ

Community Livability Report

2017

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# About

The National Citizen Survey™ (The NCS) report is about the “livability” of Sedona. The phrase “livable community” is used here to evoke a place that is not simply habitable, but that is desirable. It is not only where people do live, but where they want to live.

Great communities are partnerships of the government, private sector, community-based organizations and residents, all geographically connected. The NCS captures residents’ opinions within the three pillars of a community (Community Characteristics, Governance and Participation) across eight central facets of community (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement).

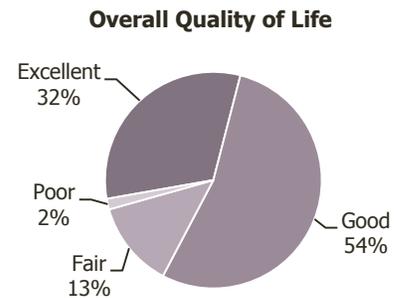
The Community Livability Report provides the opinions of a representative sample of 505 residents of the City of Sedona. The margin of error around any reported percentage is 4% for all respondents. The full description of methods used to garner these opinions can be found in the *Technical Appendices* provided under separate cover.



# Quality of Life in Sedona

Most residents rated the quality of life in Sedona as excellent or good. This rating was similar to the national benchmark (see Appendix B of the *Technical Appendices* provided under separate cover).

Shown below are the eight facets of community. The color of each community facet summarizes how residents rated it across the three sections of the survey that represent the pillars of a community – Community Characteristics, Governance and Participation. When most ratings across the three pillars were higher than the benchmark, the color for that facet is the darkest shade; when most ratings were lower than the benchmark, the color is the lightest shade. A mix of ratings (higher and lower than the benchmark) results in a color between the extremes.



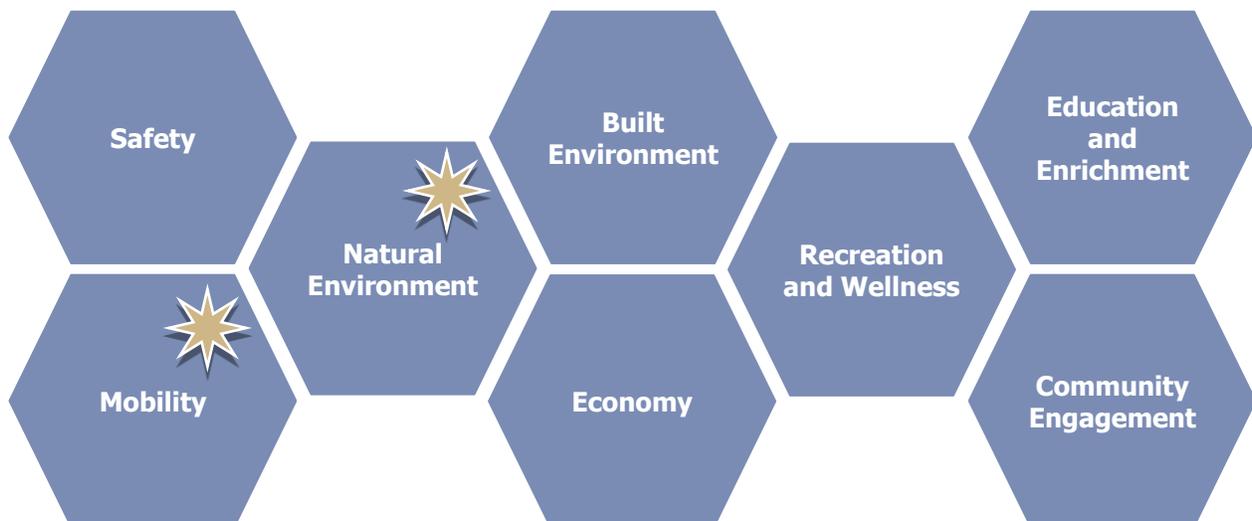
In addition to a summary of ratings, the image below includes one or more stars to indicate which community facets were the most important focus areas for the community. Residents identified Mobility and Natural Environment as priorities for the Sedona community in the coming two years. Ratings for all facets were positive and similar to national comparisons. This overview of the key aspects of community quality provides a quick summary of where residents see exceptionally strong performance and where performance offers the greatest opportunity for improvement. Linking quality to importance offers community members and leaders a view into the characteristics of the community that matter most and that seem to be working best.

Details that support these findings are contained in the remainder of this Livability Report, starting with the ratings for Community Characteristics, Governance and Participation and ending with results for Sedona’s unique questions.

## Legend

- Higher than national benchmark
- Similar to national benchmark
- Lower than national benchmark

★ Most important



# Community Characteristics

*What makes a community livable, attractive and a place where people want to be?*

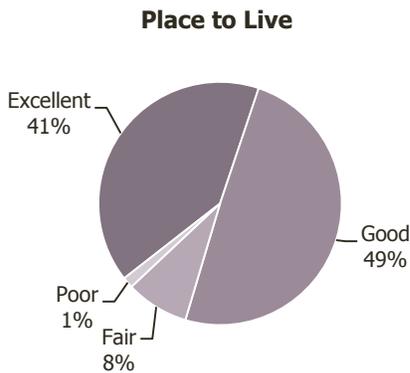
Overall quality of community life represents the natural ambience, services and amenities that make for an attractive community. How residents rate their overall quality of life is an indicator of the overall health of a community. In the case of Sedona, 90% rated the City as an excellent or good place to live. Respondents' ratings of Sedona as a place to live were similar to ratings in other communities across the nation.

In addition to rating the City as a place to live, respondents rated several aspects of community quality including Sedona as a place to raise children and to retire, their neighborhood as a place to live, the overall image or reputation of Sedona and its overall appearance. About 8 in 10 or more residents awarded high marks to the overall image and appearance of Sedona, their neighborhoods as places to live and the city as a place to retire; these ratings were either similar to or higher than national benchmark comparisons. Additionally, evaluations of the overall appearance of the community were higher in 2017 than in 2007 (see the *Trends Over Time* Report for more details). Half of Sedona respondents gave favorable scores to the city as a place to raise children, which was lower than national averages.

Delving deeper into Community Characteristics, survey respondents rated over 40 features of the community within the eight facets of Community Livability. Overall, residents' ratings for Community Characteristics varied and tended to be similar to or lower than comparison communities.

Almost all respondents gave excellent or good scores to each aspect of Safety and Sedona respondents' ratings for the overall feeling of safety in their community was higher than the national benchmark. Sedona participants were also pleased with the Natural Environment with at least 9 in 10 awarding excellent or good marks to each aspect.

Evaluations of Mobility, Economy and Recreation and Wellness tended to be more mixed; at least 8 in 10 residents gave positive scores to the availability of paths and walking trails, the city as a place to visit and recreational opportunities (a rating that increased since 2007). Ratings for each of these three aspects were higher in Sedona than in communities elsewhere. However, measures for overall ease of travel, ease of travel by public transit and car, availability of affordable quality housing, variety of housing options, cost of living and shopping and employment opportunities, among others, were less favorably rated and lower than comparison communities.



Percent rating positively (eg, excellent/good)

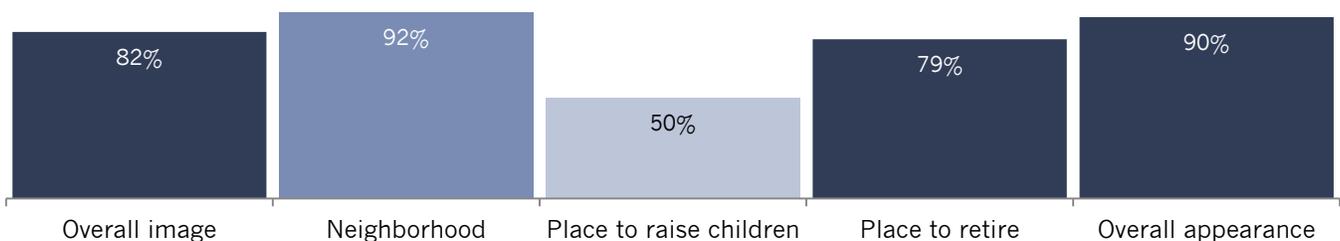
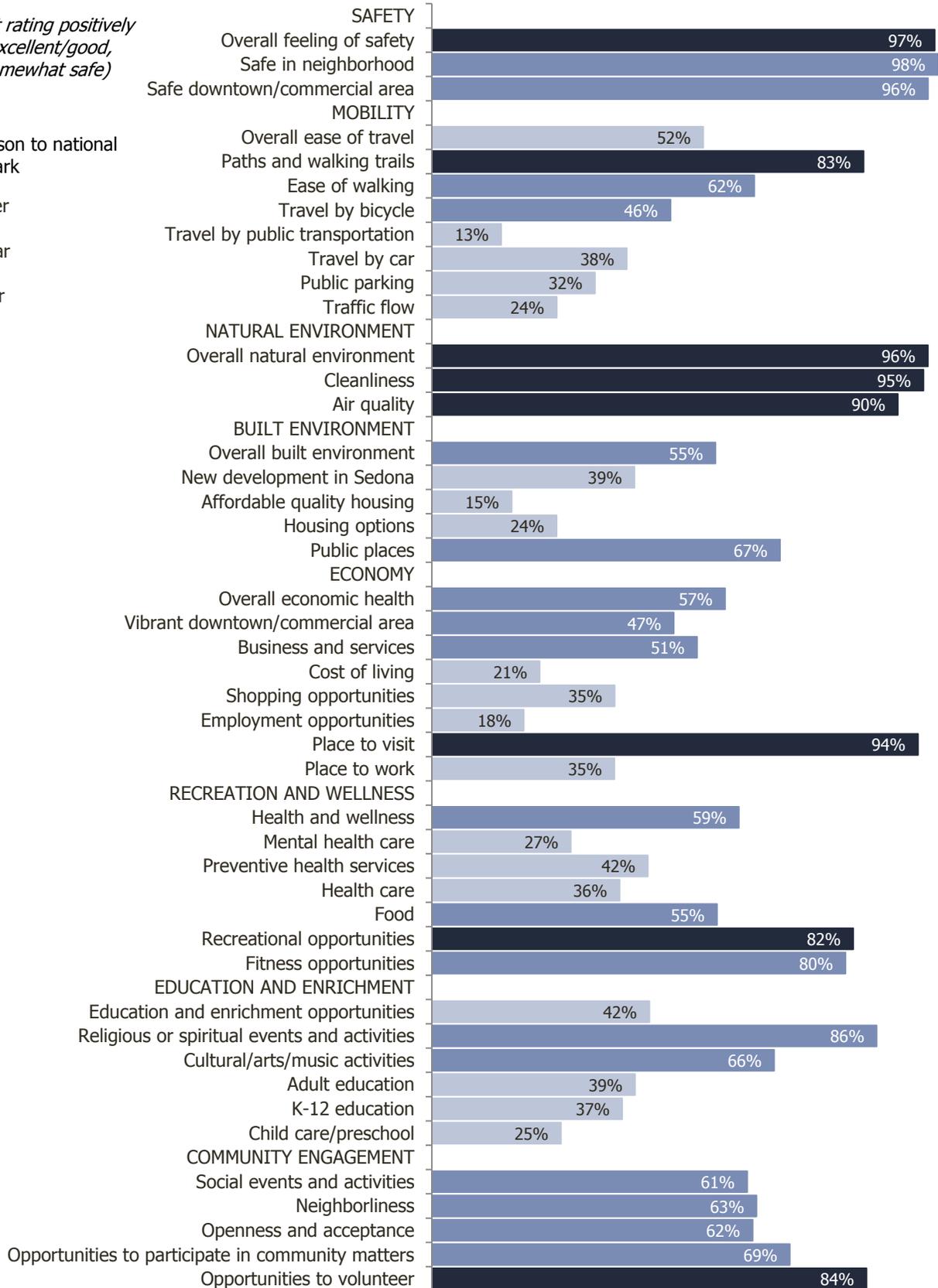


Figure 1: Aspects of Community Characteristics

Percent rating positively  
(e.g., excellent/good,  
very/somewhat safe)

Comparison to national  
benchmark

- Higher
- Similar
- Lower



# Governance

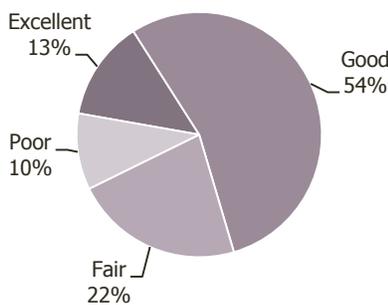
## How well does the government of Sedona meet the needs and expectations of its residents?

The overall quality of the services provided by Sedona as well as the manner in which these services are provided is a key component of how residents rate their quality of life. About two-thirds of residents rated the overall quality of services provided by the City of Sedona as excellent or good, whereas only about one-third gave high marks to the services provided by Federal Government. Both ratings were similar to the national benchmark.

Survey respondents also rated various aspects of Sedona’s leadership and governance. About one-third or more survey participants favorably rated most of these aspects (e.g., confidence in City government, the City acting in the best interest of the community, being honest and treating all residents fairly) and each was rated either similar to or lower than national comparisons. Respondents’ evaluations of the overall direction of the City, value of services for taxes paid and welcoming citizen involvement decreased from 2007 to 2017. Over three-quarters awarded excellent or good scores to the customer service provided by Sedona employees, which was a rating similar to communities nationwide.

Respondents evaluated over 30 individual services and amenities available in Sedona. Crime prevention outshined other communities across the nation, receiving excellent or good marks from at least 8 in 10 residents. Other services evaluated positively by about 9 in 10 residents or more respondents included fire, ambulance/EMS, garbage collection and public libraries, though these were all on par with comparison communities.

**Overall Quality of City Services**



Participants’ assessments for most other aspects of Governance were similar to comparison communities, though several ratings that lagged behind the national average could be found across aspects of livability, including Safety, Mobility, Natural Environment and Recreation and Wellness. Conversely, while Sedona residents were less pleased with recreation programs in 2017, evaluations of street cleaning; street lighting; sidewalk maintenance; recycling; land use, planning and zoning; and City parks increased since 2007.

Percent rating positively (e.g., excellent/good)

Comparison to national benchmark

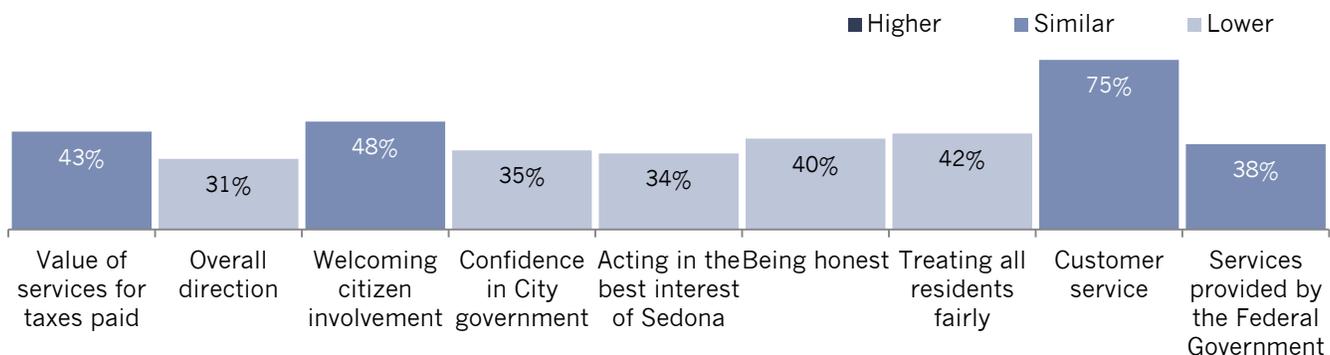
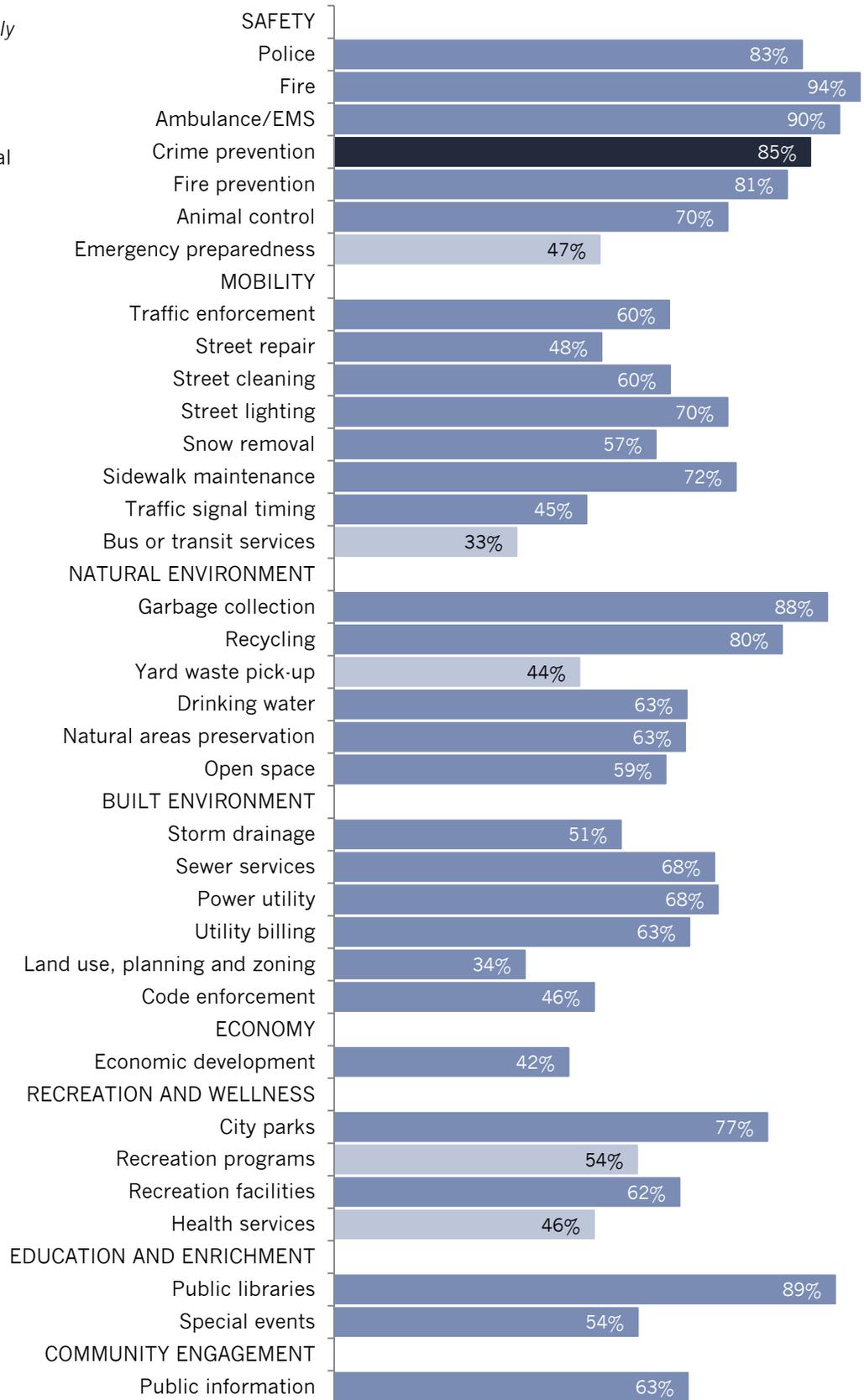


Figure 2: Aspects of Governance

Percent rating positively  
(e.g., excellent/good)

Comparison to national  
benchmark

- Higher
- Similar
- Lower



# Participation

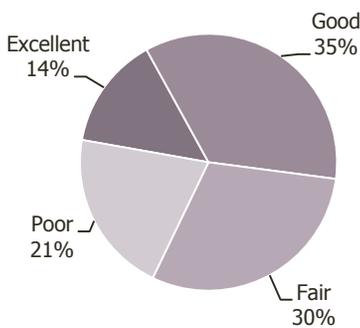
## *Are the residents of Sedona connected to the community and each other?*

An engaged community harnesses its most valuable resource, its residents. The connections and trust among residents, government, businesses and other organizations help to create a sense of community, a shared sense of membership, belonging and history. Similar to other communities in the U.S., about half of respondents gave excellent or good scores to the sense of community in Sedona.

About 8 in 10 survey respondents indicated that they would recommend living in Sedona to someone who asked and planned to remain in the community for the next five years, and about half of residents reported they had contacted City employees, a rate that decreased over time. These ratings were similar to those reported across the nation.

The survey included over 30 activities and behaviors for which respondents indicated how often they participated in or performed each, if at all. Although Sedona residents' levels of engagement varied, in most cases rates of Participation were similar to the national average, but there were a few exceptions. Survey respondents were engaged in their community with Sedona residents having campaigned, contacted elected officials, volunteered, participated in clubs, attended local meetings and voted in local elections at higher rates than other residents across the country. Survey participants were also more likely to report that they worked in Sedona, were optimistic about the economy and used public libraries compared to national averages.

**Sense of Community**



Compared to communities across the U.S., Sedona participants were less likely to indicate they had used public transportation instead of driving and higher levels of housing cost stress.

Residents reported higher levels of recycling at home, voting and economic optimism in 2017 compared to 2007, but library visitation and local meeting attendance rates were lower.

*Percent rating positively  
(e.g., very/somewhat likely,  
yes)*

Comparison to national benchmark

■ Higher ■ Similar ■ Lower

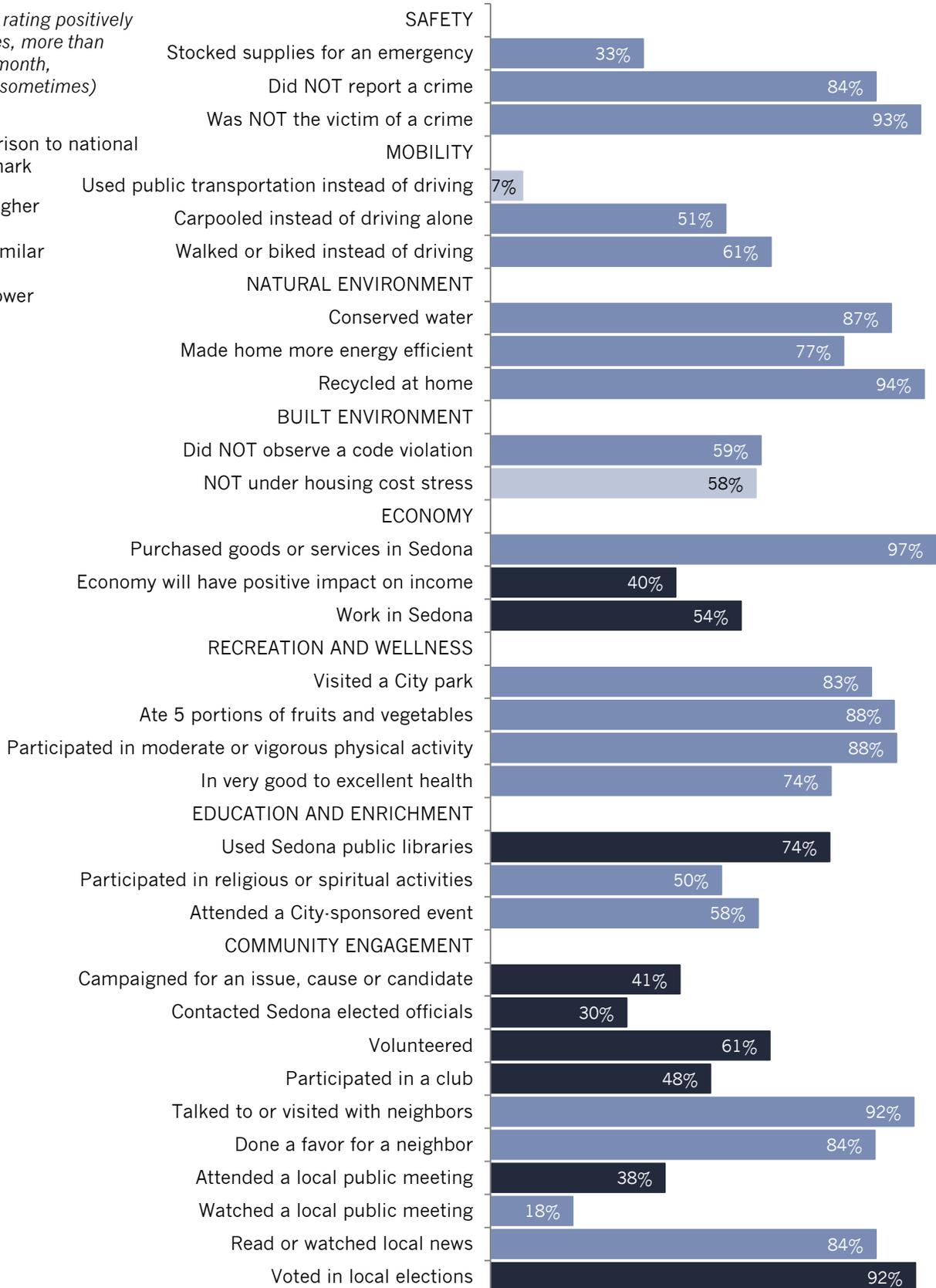


Figure 3: Aspects of Participation

Percent rating positively  
(e.g., yes, more than  
once a month,  
always/sometimes)

Comparison to national  
benchmark

- Higher
- Similar
- Lower



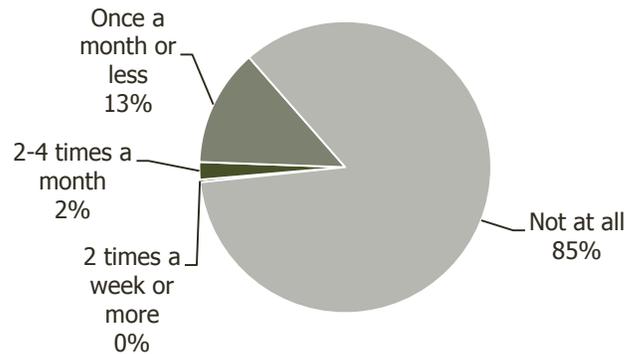
# Special Topics

The City of Sedona included several questions of special interest on The NCS. City leadership sought residents' feedback on topics such as utilization of the Hub, funding priorities and economic growth, sources for City information, increasing use of alternative transportation and support for sustainability actions.

The first question asked residents about their utilization of the Sedona Hub. At least 1 in 10 had used it at least once in the past 12 months while more than 8 in 10 had not.

Figure 4: Utilization of the Sedona Hub

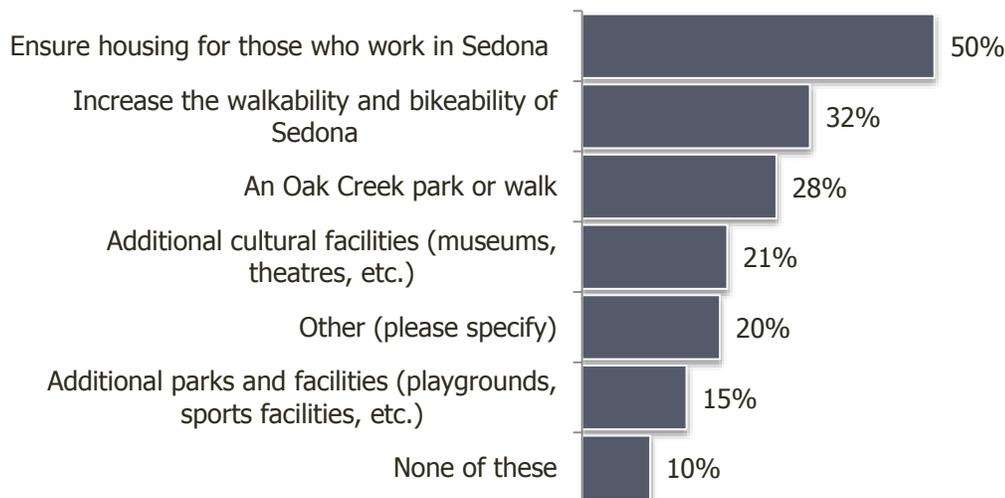
*In the last 12 months, about how many times, if at all, have you or other household members done each of the following in Sedona?*



Residents were asked to indicate which two investment priorities they would like Sedona to fund over the next few years. Half of respondents would like to ensure housing for those who work in Sedona and about one-third would fund increasing the walkability and bikeability of the community. Less than 2 in 10 would prioritize additional parks and facilities as investments.

Figure 5: City Investment Priorities

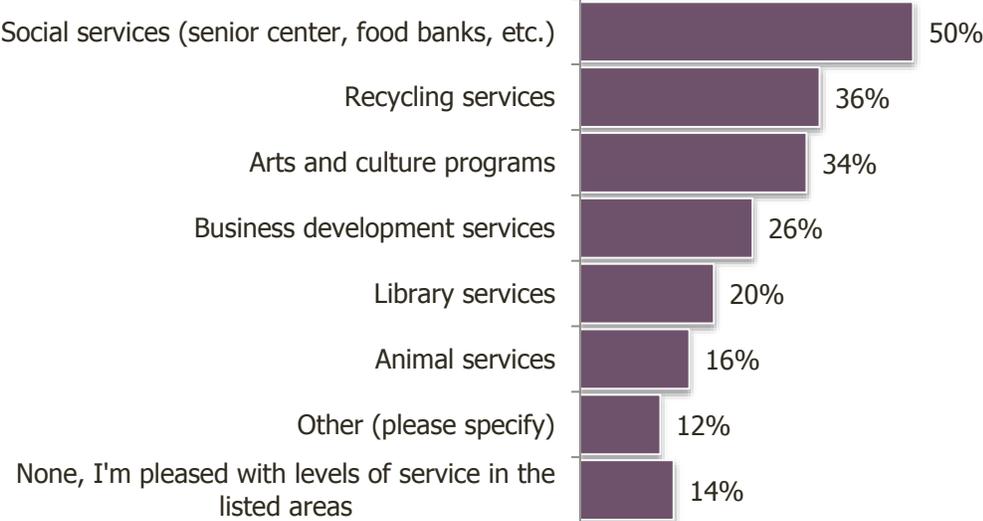
*Cities are faced with difficult choices with limited budgets. While the City is currently working on solutions to reduce traffic, please select up to two (2) additional priorities you would want the City to invest in over the next few years:*



Total may exceed 100% as respondents could select more than one option.

Survey participants were also asked to choose three service areas to receive additional funding to expand existing services offered by the City of Sedona. The most frequently chosen area was related to social services (50% selected as one of their top three service areas), while about one-third of respondents selected recycling services or arts and culture programs.

Figure 6: Additional Funding for Services  
*Please select up to three (3) service areas for the City to contribute additional funding in order to expand existing services over the next few years:*

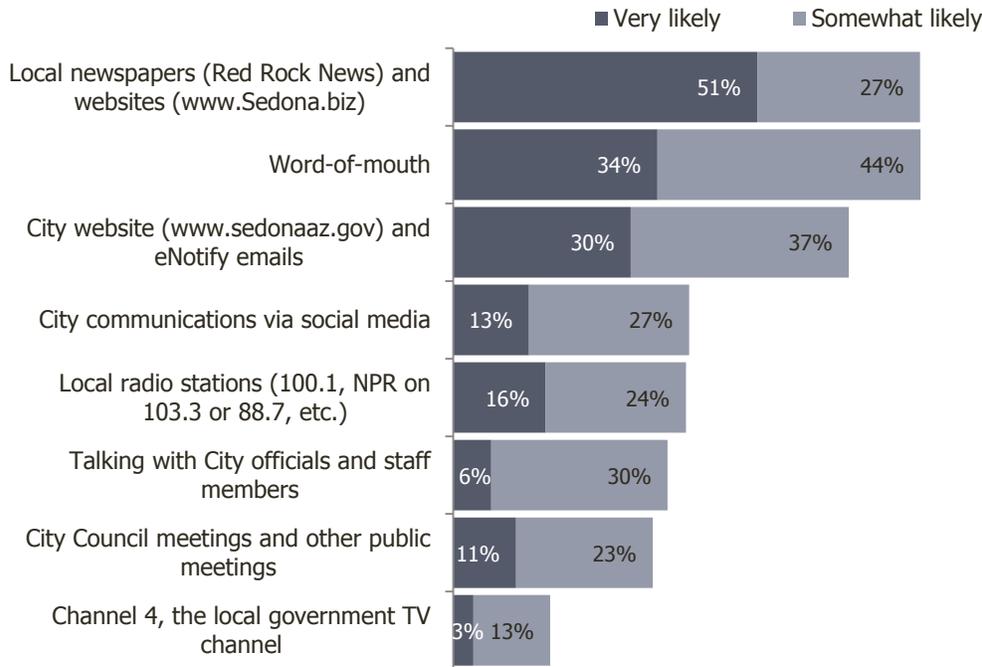


Total may exceed 100% as respondents could select more than one option.

Sedona residents indicated how likely they would be to use several sources of information about the City. Nearly 8 in 10 respondents reported they were likely to use local newspapers and word-of-mouth as sources of City information. About two-thirds utilized the City website and eNotify emails. The local government channel (Channel 4) was less likely to be used to find City information.

Figure 7: Sources of Information

Please indicate how likely or unlikely you are to use each of the following sources to learn about City issues, activities, events and services:

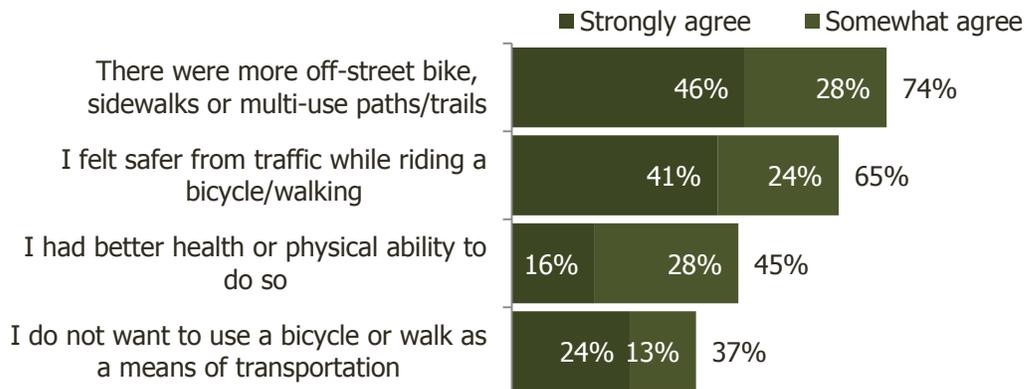


About three-quarters of survey respondents reported they would ride a bicycle or walk more often if there were more off-street bike, sidewalks or multi-use paths and roughly two-thirds would use alternative transportation if they felt safer from traffic. Four in five residents agreed that they would bike or walk more if they were in better health or physically able. About one-third of participants indicated they did not want to ride a bike or walk as a means of transportation.

Figure 8: Improving Alternative Transportation Use

To what extent do you agree or disagree that each of the following would increase your use of a bicycle or walking as a means of alternative transportation:

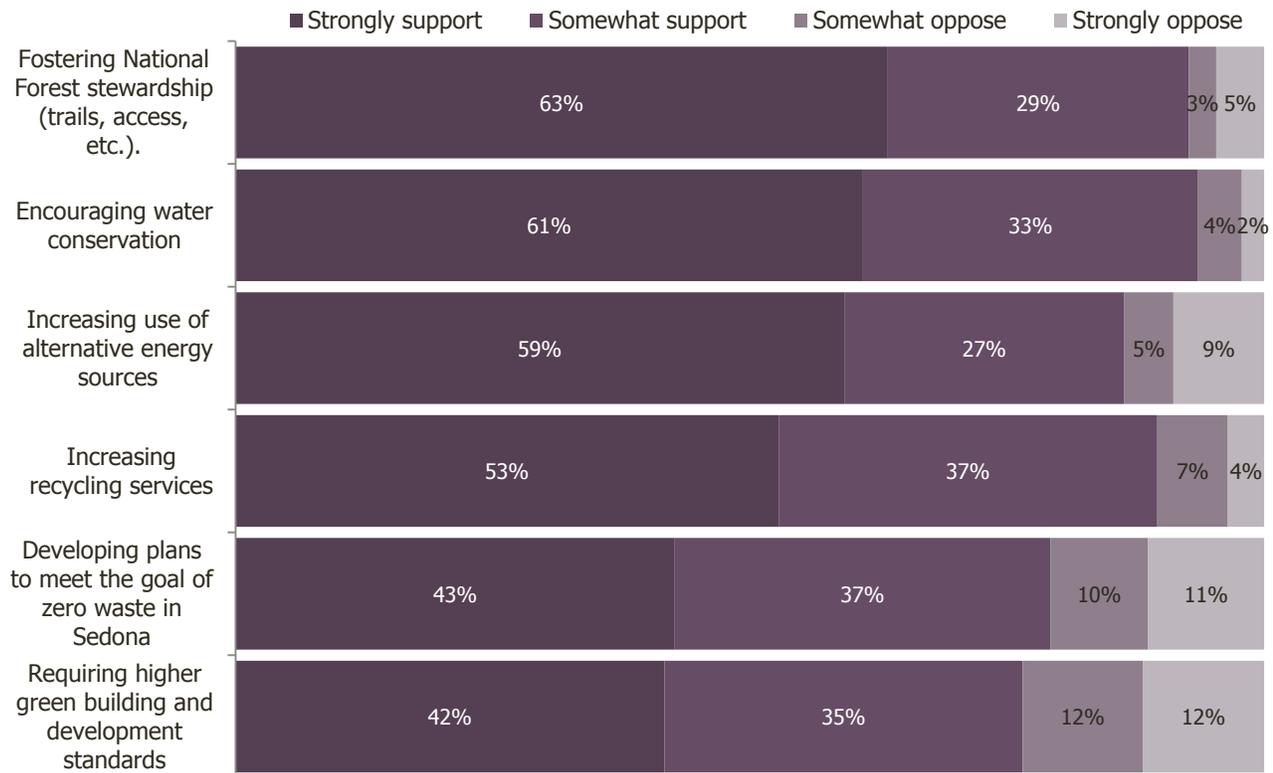
***I would ride a bicycle or walk more often if...***



The City also asked residents about their support for investing in sustainability policies and programs. Overall, a majority of respondents supported each measure, with about 4 in 10 strongly supporting each. Around 6 in 10 respondents strongly supported fostering National Forest stewardship, encouraging water conservation and increasing the use of alternative energy sources, while less than 1 in 10 strongly opposed these measures.

Figure 9: Support for Sustainability Policies and Programs

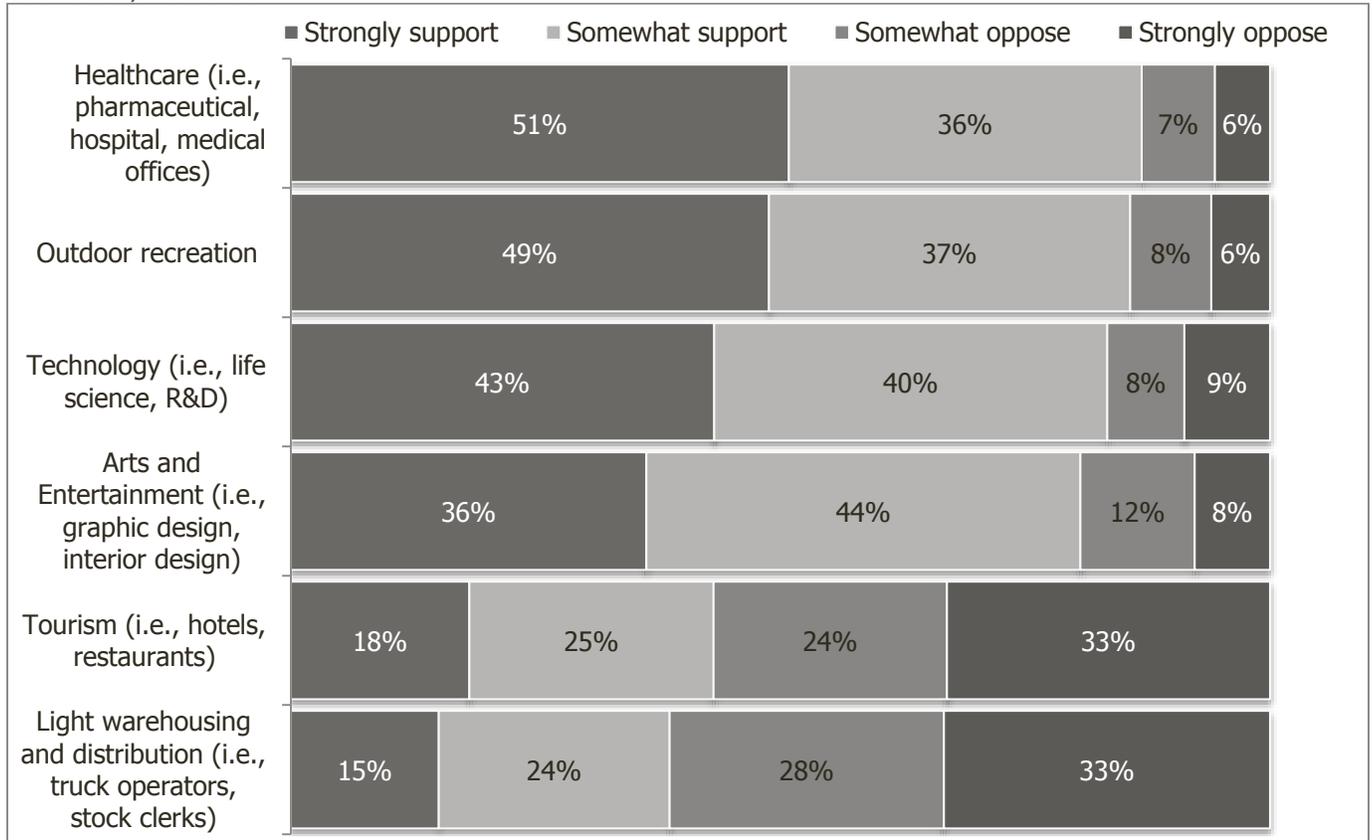
To what extent do you support or oppose the City investing in creating sustainability policies and programs in the following areas:



Finally, the City sought to understand residents' levels of support for Sedona encouraging economic growth in six possible industries. At least 8 in 10 respondents supported growth in the healthcare, outdoor recreation, technology and arts and entertainment industries. Survey participants were less supportive of increasing tourism or warehouse and distribution businesses, with about 4 in 10 supporting growth in each of these areas.

Figure 10: Support for Growth Industries

*To what extent would you support or oppose the City of Sedona encouraging growth in the following types of businesses/industries?*



# Conclusions

## **The Natural Environment is a key part of Sedona's identity residents want to protect.**

Survey participants not only prioritized Natural Environment as a key focus area for Sedona in the coming years, but also rated aspects of this facet positively and generally higher than or similar to the national averages. Within Community Characteristics, about 9 in 10 respondents felt positively about the City's overall natural environment, cleanliness and air quality. Garbage collection and recycling received strong ratings within Governance and at least three-quarters of residents reported recycling at home, conserving water and making efforts to make their homes more energy efficient. Additionally, respondents' scores for recycling services as well as participation in this area increased from 2007 to 2017. Further, when asked to select up to three service areas for the City to contribute additional funding to expand services, one-third of respondents selected recycling services.

The survey also sought input from residents on different types of businesses or industries the City should encourage in Sedona. A majority of survey participants (86%) supported encouraging growth in the outdoor recreation industry. Finally, when asked about investing in sustainability policies and programs in Sedona, around 6 in 10 respondents strongly supported fostering National Forest stewardship, encouraging water conservation and increasing the use of alternative energy sources, while less than 1 in 10 strongly opposed these measures.

## **Residents are engaged in their community but have concerns about local government performance.**

Sedona residents reported higher rates of volunteering, participating in a club, attending local public meetings, voting in local elections, campaigning and contacting local elected officials than other residents around the country. Respondents were also particularly pleased with opportunities to volunteer compared to the national average and many gave high marks to the opportunity to participate in community matters (similar to the nation). Around 4 in 10 felt that the City government did an excellent or good job welcoming citizen involvement and that the value of services they received for the taxes paid was excellent or good, but both of these aspects decreased since the last survey administration. While residents engaged in community activities, they gave lower evaluations than those seen elsewhere to the overall direction of Sedona, confidence in government, the City acting in the best interest of the community, confidence in the City, being honest and treating all residents fairly. The City might consider additional efforts to communicate its willingness to involve residents in local government to build trust. Since respondents indicated they were likely to use local newspapers, word-of-mouth and the City website for information about the City of Sedona, communicating about the decision-making process via these avenues could help bolster residents' feelings about the civic process and government actions.

## **Housing and affordability are areas of opportunity for the City.**

Residents were pleased with the overall built environment of Sedona and their neighborhoods as places to live; however, respondents' evaluations of new development, the availability of affordable quality housing and variety of housing options lagged behind national comparisons. While the City as a place to visit and resident optimism about the economy received above-average ratings, Sedona participants were less pleased with the cost of living, the city as a place to work and employment or shopping opportunities compared to other communities. Residents also reported higher levels of housing cost stress than elsewhere. When asked about city investment priorities, about half of respondents would like to ensure housing for those who work in Sedona, which may be particularly important in Sedona since more residents reported working in the city compared to communities nationwide.

## **Mobility still presents opportunities for improvement.**

Sedona residents also indicated that Mobility is an important focus area for the City in the future. Survey respondents felt more positively about the availability of paths and walking trails than residents from comparison communities, but evaluations for overall ease of travel, travel by public transit and car, public parking, traffic flow and bus or transit services were lower than those seen across the nation. Sedona residents were also less likely to have taken public transportation instead of driving than residents elsewhere. However, ratings increased from 2007 to 2017 for ease of travel by bicycle and walking, street cleaning and lighting and sidewalk maintenance. When asked about investment priorities, about one-third of respondents would like the City to increase the walkability and bikeability of the community. About three-quarters indicated they would use alternative transportation modes more often if there were more off-street bike, sidewalks or multi-use paths or trails.



## Sedona, AZ

Trends over Time

2017

# Summary

The National Citizen Survey™ (The NCS™) is a collaborative effort between National Research Center, Inc. (NRC) and the International City/County Management Association (ICMA). The survey and its administration are standardized to assure high quality research methods and directly comparable results across The NCS communities. The NCS captures residents' opinions within the three pillars of a community (Community Characteristics, Governance and Participation) across eight central facets of community (Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment and Community Engagement). This report discusses trends over time, comparing the 2017 ratings for the City of Sedona to its previous survey results in 2002, 2004 and 2007. Additional reports and technical appendices are available under separate cover.

Trend data for Sedona represent important comparison data and should be examined for improvements or declines. Deviations from stable trends over time, especially, represent opportunities for understanding how local policies, programs or public information may have affected residents' opinions.

Meaningful differences between survey years have been noted within the following tables as being “higher” or “lower” if the differences are greater than six percentage points between the 2007 and 2017 surveys, otherwise the comparisons between 2007 and 2017 are noted as being “similar.” Additionally, benchmark comparisons for all survey years are presented for reference. Changes in the benchmark comparison over time can be impacted by various trends, including varying survey cycles for the individual communities that comprise the benchmarks, regional and national economic or other events, as well as emerging survey methodologies.

Overall, ratings in Sedona for 2017 generally remained stable. Of the 54 items for which comparisons were available, 32 items were rated similarly in 2007 and 2017, eight items showed a decrease in ratings and 14 showed an increase in ratings. Notable trends over time included the following:

- Within the pillar of Community Characteristics, five aspects increased and one decreased since 2007. While survey participants gave less positive scores to ease of travel by car over time, evaluations of ease of travel by bicycle and walking were higher in 2017. Additionally, residents were awarded higher marks to recreational opportunities, availability of affordable quality child care/preschool and the overall appearance of the community since the last iteration of the survey.
- Residents' ratings for Government services and amenities provided by Sedona largely remained stable over time with six increases and four decreases in 2017. Residents were more pleased in 2017 than in 2007 with services and amenities related to Mobility (street cleaning and lighting, sidewalk maintenance), as well as recycling; land use, planning and zoning; and City parks. Alternatively, four aspects of Community Engagement decreased since 2007, including the overall direction of the community, value of services for taxes paid, the City government welcoming citizen involvement and attendance of local public meetings.
- In 2017, more residents reported recycling at home and voting in local elections and were more likely to have a positive economic outlook than in 2007. Conversely, Sedona respondents indicated they had used public libraries and contacted City employees at lower rates than in 2007.

Table 1: Community Characteristics General

	Percent rating positively (e.g., excellent/good)				2017 rating compared to 2007	Comparison to benchmark			
	2002	2004	2007	2017		2002	2004	2007	2017
Overall quality of life	81%	83%	84%	85%	Similar	Similar	Similar	Higher	Similar
Overall image	NA	NA	NA	82%	NA	NA	NA	NA	Higher
Place to live	83%	88%	91%	90%	Similar	Higher	Higher	Much higher	Similar
Neighborhood	87%	88%	89%	92%	Similar	Much higher	Higher	Much higher	Similar
Place to raise children	65%	56%	54%	50%	Similar	Lower	Much lower	Much lower	Much lower
Place to retire	80%	81%	79%	79%	Similar	Much higher	Much higher	Much higher	Higher
Overall appearance	75%	85%	81%	90%	Higher	Higher	Much higher	Much higher	Higher

Table 2: Community Characteristics by Facet

		Percent rating positively (e.g., excellent/good, very/somewhat safe)				2017 rating compared to 2007	Comparison to benchmark			
		2002	2004	2007	2017		2002	2004	2007	2017
Safety	Overall feeling of safety	NA	NA	NA	97%	NA	NA	NA	NA	Higher
	Safe in neighborhood	97%	97%	97%	98%	Similar	Higher	Higher	Much higher	Similar
	Safe downtown/commercial area	90%	93%	95%	96%	Similar	Much higher	Higher	Much higher	Similar
	Overall ease of travel	NA	NA	NA	52%	NA	NA	NA	NA	Lower
	Paths and walking trails	NA	NA	NA	83%	NA	NA	NA	NA	Higher
	Ease of walking	NA	NA	47%	62%	Higher	NA	NA	Much lower	Similar
	Travel by bicycle	NA	NA	21%	46%	Higher	NA	NA	Much lower	Similar
	Travel by public transportation	NA	NA	NA	13%	NA	NA	NA	NA	Much lower
Mobility	Travel by car	39%	46%	44%	38%	Lower	Lower	Similar	Lower	Lower
	Public parking	NA	NA	NA	32%	NA	NA	NA	NA	Lower
	Traffic flow	25%	22%	23%	24%	Similar	NA	NA	NA	Lower
	Overall natural environment	NA	NA	NA	96%	NA	NA	NA	NA	Higher
Natural Environment	Cleanliness	NA	NA	NA	95%	NA	NA	NA	NA	Higher
	Air quality	NA	NA	NA	90%	NA	NA	NA	NA	Higher
Built Environment	Overall built environment	NA	NA	NA	55%	NA	NA	NA	NA	Similar
	New development in Sedona	NA	NA	NA	39%	NA	NA	NA	NA	Lower
	Affordable quality housing	10%	11%	11%	15%	Similar	Much lower	Much lower	Much lower	Much lower
	Housing options	NA	NA	NA	24%	NA	NA	NA	NA	Much lower
Economy	Public places	NA	NA	NA	67%	NA	NA	NA	NA	Similar
	Overall economic health	NA	NA	NA	57%	NA	NA	NA	NA	Similar
	Vibrant downtown/commercial area	NA	NA	NA	47%	NA	NA	NA	NA	Similar

		Percent rating positively (e.g., excellent/good, very/somewhat safe)				2017 rating compared to 2007	Comparison to benchmark			
		2002	2004	2007	2017		2002	2004	2007	2017
	Business and services	NA	NA	NA	51%	NA	NA	NA	NA	Similar
	Cost of living	NA	NA	NA	21%	NA	NA	NA	NA	Lower
	Shopping opportunities	NA	NA	NA	35%	NA	NA	NA	NA	Lower
	Employment opportunities	NA	NA	NA	18%	NA	NA	NA	NA	Lower
	Place to visit	NA	NA	NA	94%	NA	NA	NA	NA	Much higher
	Place to work	NA	NA	37%	35%	Similar	NA	NA	Much lower	Lower
Recreation and Wellness	Health and wellness	NA	NA	NA	59%	NA	NA	NA	NA	Similar
	Mental health care	NA	NA	NA	27%	NA	NA	NA	NA	Lower
	Preventive health services	NA	NA	NA	42%	NA	NA	NA	NA	Lower
	Health care	33%	37%	34%	36%	Similar	Lower	Much lower	Much lower	Lower
	Food	NA	NA	NA	55%	NA	NA	NA	NA	Similar
	Recreational opportunities	59%	NA	70%	82%	Higher	Similar	NA	Much higher	Higher
	Fitness opportunities	NA	NA	NA	80%	NA	NA	NA	NA	Similar
Education and Enrichment	Religious or spiritual events and activities	NA	NA	NA	86%	NA	NA	NA	NA	Similar
	Cultural/arts/music activities	NA	67%	63%	66%	Similar	NA	Higher	Much higher	Similar
	Adult education	NA	NA	NA	39%	NA	NA	NA	NA	Lower
	K-12 education	NA	NA	NA	37%	NA	NA	NA	NA	Much lower
	Child care/preschool	10%	9%	12%	25%	Higher	Much lower	Much lower	Much lower	Much lower
Community Engagement	Social events and activities	NA	NA	NA	61%	NA	NA	NA	NA	Similar
	Neighborliness	NA	NA	NA	63%	NA	NA	NA	NA	Similar
	Openness and acceptance	NA	NA	NA	62%	NA	NA	NA	NA	Similar
	Opportunities to participate in community matters	NA	NA	NA	69%	NA	NA	NA	NA	Similar
	Opportunities to volunteer	NA	NA	NA	84%	NA	NA	NA	NA	Higher

Table 3: Governance General

	Percent rating positively (e.g., excellent/good)				2017 rating compared to 2007	Comparison to benchmark			
	2002	2004	2007	2017		2002	2004	2007	2017
Services provided by Sedona	72%	68%	66%	68%	Similar	Similar	Lower	Similar	Similar
Customer service	79%	81%	78%	75%	Similar	Similar	Similar	Much higher	Similar
Value of services for taxes paid	NA	NA	55%	43%	Lower	NA	NA	Similar	Similar
Overall direction	39%	38%	38%	31%	Lower	Much lower	Much lower	Much lower	Lower
Welcoming citizen involvement	57%	65%	61%	48%	Lower	Similar	Higher	Similar	Similar
Confidence in City government	NA	NA	NA	35%	NA	NA	NA	NA	Lower
Acting in the best interest of Sedona	NA	NA	NA	34%	NA	NA	NA	NA	Lower
Being honest	NA	NA	NA	40%	NA	NA	NA	NA	Lower
Treating all residents fairly	NA	NA	NA	42%	NA	NA	NA	NA	Lower
Services provided by the Federal Government	40%	40%	32%	38%	Similar	Similar	Similar	Much lower	Similar

Table 4: Governance by Facet

	Percent rating positively (e.g., excellent/good)				2017 rating compared to 2007	Comparison to benchmark				
	2002	2004	2007	2017		2002	2004	2007	2017	
Safety	Police	89%	80%	84%	83%	Similar	Higher	Similar	Much higher	Similar
	Fire	NA	NA	NA	94%	NA	NA	NA	NA	Similar
	Ambulance/EMS	NA	NA	NA	90%	NA	NA	NA	NA	Similar
	Crime prevention	82%	73%	81%	85%	Similar	Higher	Similar	Much higher	Higher
	Fire prevention	NA	NA	NA	81%	NA	NA	NA	NA	Similar
	Animal control	79%	71%	75%	70%	Similar	Higher	Similar	Much higher	Similar
	Emergency preparedness	NA	NA	NA	47%	NA	NA	NA	NA	Lower
	Traffic enforcement	65%	59%	65%	60%	Similar	Similar	Similar	Similar	Similar
	Street repair	NA	50%	44%	48%	Similar	NA	Similar	Similar	Similar
	Street cleaning	72%	63%	52%	60%	Higher	Similar	Similar	Lower	Similar
Mobility	Street lighting	49%	46%	47%	70%	Higher	Much lower	Much lower	Much lower	Similar
	Snow removal	NA	NA	NA	57%	NA	NA	NA	NA	Similar
	Sidewalk maintenance	67%	55%	56%	72%	Higher	Higher	Similar	Similar	Similar
	Traffic signal timing	NA	NA	NA	45%	NA	NA	NA	NA	Similar
	Bus or transit services	NA	NA	32%	33%	Similar	NA	NA	Much lower	Lower
	Garbage collection	NA	NA	NA	88%	NA	NA	NA	NA	Similar
	Recycling	NA	NA	70%	80%	Higher	NA	NA	Similar	Similar
	Yard waste pick-up	NA	NA	NA	44%	NA	NA	NA	NA	Much lower
	Drinking water	NA	NA	NA	63%	NA	NA	NA	NA	Similar
	Natural areas preservation	NA	NA	NA	63%	NA	NA	NA	NA	Similar
Natural Environment	Open space	NA	NA	NA	59%	NA	NA	NA	NA	Similar

		Percent rating positively (e.g., excellent/good)				2017 rating compared to 2007	Comparison to benchmark			
		2002	2004	2007	2017		2002	2004	2007	2017
Built Environment	Storm drainage	39%	44%	49%	51%	Similar	Much lower	Lower	Lower	Similar
	Sewer services	49%	59%	63%	68%	Similar	Much lower	Lower	Much lower	Similar
	Power utility	NA	NA	NA	68%	NA	NA	NA	NA	Similar
	Utility billing	NA	NA	NA	63%	NA	NA	NA	NA	Similar
	Land use, planning and zoning	27%	33%	27%	34%	Higher	Much lower	Lower	Much lower	Similar
	Code enforcement	53%	55%	49%	46%	Similar	Similar	Similar	Similar	Similar
Economy	Economic development	NA	42%	NA	42%	Similar	NA	Lower	NA	Similar
Recreation and Wellness	City parks	63%	74%	71%	77%	Higher	Much lower	Similar	Lower	Similar
	Recreation programs	61%	63%	66%	54%	Lower	Much lower	Similar	Lower	Lower
	Recreation facilities	NA	NA	NA	62%	NA	NA	NA	NA	Similar
	Health services	NA	47%	51%	46%	Similar	NA	Much lower	Much lower	Lower
Education and Enrichment	Special events	NA	NA	NA	54%	NA	NA	NA	NA	Similar
	Public libraries	90%	92%	93%	89%	Similar	Higher	Higher	Much higher	Similar
Community Engagement	Public information	NA	NA	68%	63%	Similar	NA	NA	Higher	Similar

Table 5: Participation General

	Percent rating positively (e.g., always/sometimes, more than once a month, yes)				2017 rating compared to 2007	Comparison to benchmark			
	2002	2004	2007	2017		2002	2004	2007	2017
Sense of community	48%	56%	54%	49%	Similar	Lower	Similar	Lower	Similar
Recommend Sedona	NA	NA	NA	80%	NA	NA	NA	NA	Similar
Remain in Sedona	NA	NA	NA	85%	NA	NA	NA	NA	Similar
Contacted Sedona employees	66%	59%	71%	52%	Lower	NA	NA	NA	Similar

Table 6: Participation by Facet

		Percent rating positively (e.g., always/sometimes, more than once a month, yes)				2017 rating compared to 2007	Comparison to benchmark			
		2002	2004	2007	2017		2002	2004	2007	2017
Safety	Stocked supplies for an emergency	NA	NA	NA	33%	NA	NA	NA	NA	Similar
	Did NOT report a crime	NA	NA	NA	84%	NA	NA	NA	NA	Similar
	Was NOT the victim of a crime	94%	88%	90%	93%	Similar	NA	NA	NA	Similar
Mobility	Used public transportation instead of driving	NA	NA	NA	7%	NA	NA	NA	NA	Much lower
	Carpooled instead of driving alone	NA	NA	NA	51%	NA	NA	NA	NA	Similar
	Walked or biked instead of driving	NA	NA	NA	61%	NA	NA	NA	NA	Similar

		Percent rating positively (e.g., always/sometimes, more than once a month, yes)				2017 rating compared to 2007	Comparison to benchmark			
		2002	2004	2007	2017		2002	2004	2007	2017
Natural Environment	Conserved water	NA	NA	NA	87%	NA	NA	NA	Similar	
	Made home more energy efficient	NA	NA	NA	77%	NA	NA	NA	Similar	
	Recycled at home	NA	82%	88%	94%	Higher	NA	NA	Similar	
Built Environment	Did NOT observe a code violation	NA	NA	NA	59%	NA	NA	NA	Similar	
	NOT under housing cost stress	NA	NA	NA	58%	NA	NA	NA	Lower	
Economy	Purchased goods or services in Sedona	NA	NA	NA	97%	NA	NA	NA	Similar	
	Economy will have positive impact on income	13%	36%	23%	40%	Higher	NA	NA	Higher	
	Work in Sedona	NA	NA	NA	54%	NA	NA	NA	Higher	
Recreation and Wellness	Visited a City park	83%	83%	79%	83%	Similar	NA	NA	Similar	
	Ate 5 portions of fruits and vegetables	NA	NA	NA	88%	NA	NA	NA	Similar	
	Participated in moderate or vigorous physical activity	NA	NA	NA	88%	NA	NA	NA	Similar	
	In very good to excellent health	NA	NA	NA	74%	NA	NA	NA	Similar	
	Used Sedona public libraries	89%	84%	88%	74%	Lower	NA	NA	Higher	
Education and Enrichment	Participated in religious or spiritual activities	NA	NA	NA	50%	NA	NA	NA	Similar	
	Attended a City-sponsored event	NA	NA	NA	58%	NA	NA	NA	Similar	
	Campaigned for an issue, cause or candidate	NA	NA	NA	41%	NA	NA	NA	Higher	
Community Engagement	Contacted Sedona elected officials	NA	NA	NA	30%	NA	NA	NA	Higher	
	Volunteered	63%	66%	67%	61%	Similar	NA	NA	Much higher	
	Participated in a club	NA	NA	NA	48%	NA	NA	NA	Much higher	
	Talked to or visited with neighbors	NA	NA	NA	92%	NA	NA	NA	Similar	
	Done a favor for a neighbor	NA	NA	NA	84%	NA	NA	NA	Similar	
	Attended a local public meeting	49%	50%	56%	38%	Lower	NA	NA	Higher	
	Watched a local public meeting	NA	NA	NA	18%	NA	NA	NA	Similar	
	Read or watched local news	NA	NA	NA	84%	NA	NA	NA	Similar	
	Voted in local elections	78%	65%	79%	92%	Higher	NA	NA	Higher	

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## 2017/2018/2019 City Council Priorities

Priority Item	Estimated Timeframe	Status/Process
<p style="text-align: center;">Traffic Improvements <i>Priority: High</i></p>	<p style="text-align: center;">July 2018- June 2019</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Consider any follow up studies that may be necessary</li> <li>• Prioritize 1-3 year projects in the Capital Improvements Plan (CIP)</li> <li>• Design projects as needed</li> <li>• Construct projects or implement new operational plans as needed</li> </ul> <p><u>Public Involvement:</u> Extensive—community outreach, possible work groups, stakeholder participation, public hearings—need a communications and citizen engagement strategy</p> <p><u>Council Meetings:</u> meetings throughout the year as needed</p> <p><u>Staff Workload:</u> CMO-extensive; Eng-extensive; Comm Dev-moderate; PD-minimal</p>
<p style="text-align: center;">Land Development Code Update <i>Priority: High</i> <i>Complete</i></p>	<p style="text-align: center;">Nov 2016- Nov 2018</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Nov. 14 is date for public hearing and adoption.</li> <li>• Limited update completed</li> <li>• Other select articles will be considered sequentially over 18 months</li> </ul> <p><u>Public Involvement:</u> Extensive—possible work groups, public outreach, stakeholder input, public hearings—need a communication strategy for key controversial components</p> <p><u>P&amp;Z Meetings:</u> 8-12 mtgs, Nov 2016 –June 2018</p> <p><u>Council Meetings:</u> 5 mtgs, July – Nov 2018</p> <p><u>Staff Workload:</u> Comm Dev—extensive; CMO—moderate; Legal—moderate</p>
<p style="text-align: center;">Revise City Sign Code <i>Priority: High</i> <i>Complete</i></p>	<p style="text-align: center;">Oct 2015- Sep 2017</p>	<p><b>Status:</b></p> <p><u>Public Involvement:</u> Extensive—possible work group, stakeholder participation, public hearings</p> <p><u>P&amp;Z Meetings:</u> 2-3 from Jan 2017 – Feb 2017</p> <p><u>Council Meetings:</u> 4-5 meetings March 2017 – May 2017</p> <p><u>Staff Workload:</u> Comm Dev—extensive; CMO—minimal</p>
<p style="text-align: center;">Sustainable Tourism <i>Priority: High</i></p>	<p style="text-align: center;">Oct 2017- Feb 2019</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Coordinate major tourism related efforts including marketing, traffic, OHVs, helicopter noise, parking, trails, and other related topics.</li> <li>• Goal: 2nd work session in Nov 2018 for basics presentation to Council. December &amp; January work sessions planned.</li> </ul> <p><u>Public Involvement:</u> Extensive—numerous work groups, public outreach, stakeholder</p>

		<p>input, public hearings—need to develop a communications strategy and consider citizen engagement</p> <p><u>Council Meetings:</u> Numerous for status updates and various topic specific decisions—resident survey complete by planning in Dec/Jan</p> <p><u>Staff Workload:</u> CMO—extensive; Comm Dev—extensive; PD—moderate</p>
<p>Explore Financial Sustainability/Long Term Revenue Options</p> <p><i>Completed</i> <i>Next step may be PBA for 2020</i></p>	<p>Nov 2016- June 2018</p>	<p><b>Status:</b></p> <p><u>Public Involvement:</u> Extensive—(if new revenue pursued) work group, stakeholder participation, public input</p> <p><u>Council Meetings:</u> 1-2 during FY18 budget, additional meetings if new revenue pursued</p> <p><u>Staff Workload:</u> Finance—extensive; CMO—extensive; All departments—moderate</p>
<p>Update the Building Code</p> <p><i>Priority: High</i></p>	<p>Jan 2018- Apr 2019</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• City is operating with an outdated 2006 code</li> </ul> <p><u>Public Involvement:</u> Extensive—stakeholder input, focus groups started Jan 2018</p> <p><u>Council Meetings:</u> 1 work session and 1 meeting</p> <p><u>Staff Workload:</u> Comm Dev—extensive</p>
<p>Soldiers Pass CFA Development</p> <p><i>Priority: Medium</i></p>	<p>Fall 2017-?</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Pre-application has been completed</li> <li>• Applicant has submitted conceptual application</li> </ul> <p><u>Public Involvement:</u> Extensive—public notices, public hearings, stakeholder input</p> <p><u>P&amp;Z Meetings:</u> numerous meetings for 4-10 months</p> <p><u>Council Meetings:</u> numerous meetings for 4-10 months</p> <p><u>Staff Workload:</u> Comm Dev—extensive; CMO—moderate</p>
<p>Western Gateway CFA Development</p> <p><i>Priority: Medium</i></p>	<p>Spring/ Summer 2017-?</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Applicant has indicated interest in pre-application meetings.</li> <li>• Council: 2nd work session in Oct</li> </ul> <p><u>Public Involvement:</u> Extensive: public notices, public hearings, stakeholder input</p> <p><u>P&amp;Z Meetings:</u> numerous meetings for 4-10 months</p> <p><u>Council Meetings:</u> numerous meetings for 4-10 months</p> <p><u>Staff Workload:</u> Comm Dev—extensive, CMO—moderate</p>
<p>Schnebly Hill CFA Development</p>	<p>Summer/Fall 2017-?</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>• Historic District needs to be created</li> <li>• Applicants interested in pursuing development after CFA approval</li> </ul>

<p><i>Priority: Medium</i></p>		<ul style="list-style-type: none"> <li>Included in land development code update</li> </ul> <p><u>Public Involvement:</u> Extensive—Public notices, public hearings, stakeholder participation,</p> <p><u>P&amp;Z Meetings:</u> numerous for 4-10 months</p> <p><u>Council Meetings:</u> numerous for 4-10 months</p> <p><u>Staff Workload:</u> Comm Dev—extensive; CMO—moderate</p>
<p>Environmental Sustainability <i>Priority: Medium</i></p>	<p>August 2017- June 2019</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Strategize ways to advance sustainability including possible energy efficiency, alternative energy, recycling services, water use, community education.</li> <li>Coordination with sustainable tourism, existing sustainability groups, land development code and building code updates.</li> <li>Coordinator hired in Sept 2018.</li> <li>Coordinator developing sustainability plan for City.</li> </ul> <p><u>Public Involvement:</u> Moderate—possible work group, stakeholder input</p> <p><u>Council Meetings:</u> Numerous depending on specific proposed actions/ initiatives</p> <p><u>Staff Workload:</u> CMO —extensive Comm Dev—moderate;</p>
<p>Affordable Housing <i>Priority: Medium</i></p>	<p>April 2017-?</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Certain actions recommended in the Community Plan, updated LDC</li> <li>Impacts from 1350 uncertain</li> <li>Numerous reports of escalating costs and workforce shortfalls</li> </ul> <p><u>Public Involvement:</u> Extensive—possible work group, stakeholder input, public hearings</p> <p><u>Council Meetings:</u> 1-2 to determine what action council wants to take to address needs</p> <p><u>Staff Workload:</u> Comm Dev—extensive; CMO extensive</p>
<p>Manage Impacts from Short Term Rentals <i>Priority: Low</i></p>	<p>ONGOING</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Requests to inspect substandard housing are on the rise</li> <li>Impacts may require additional policy considerations</li> <li>Housing affordability may become a pressing issue</li> <li>Plan to report to council on data that's been gathered</li> </ul> <p><u>Public Involvement:</u> Extensive—stake holder input</p> <p><u>Council Meetings:</u> TBD 1-2 meetings for monitoring and/or emerging issues</p> <p><u>Staff Workload:</u> Comm Dev—extensive; Legal—moderate ; CMO—moderate</p>
<p>Parks Land Acquisition</p>	<p>ONGOING</p>	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Oak Creek access property to be considered as part of Schnebly Hill CFA</li> </ul>

Priority: Low		<ul style="list-style-type: none"> <li>Look for other possible parks sites (focused on south Sedona)</li> <li>Look for special event/ festival space</li> </ul> <p><u>Public Involvement:</u> Extensive—especially depending on proposed use</p> <p><u>Council Meetings:</u> TBD</p> <p><u>Staff Workload:</u> CMO—minimal; Comm Dev—minimal; Parks—moderate</p>
Construct Beautification of 89A <i>Completed</i>	Fall 2015	<p><b>Status:</b></p> <p><u>Public Involvement:</u> Minimal</p> <p><u>Council Meetings:</u> 1 to review scope by May 2016</p> <p><u>Staff Workload:</u> Engineering—moderate; Comm Dev—minimal;</p>
Alternative Expenditure Limitation <i>Completed</i>	Nov 2018	<p><b>Status:</b></p> <p><u>Public Involvement:</u> Moderate for planning; Extensive for outreach</p> <p><u>Council Meetings:</u> 2-4 meetings to between March 2018-May 2018 to solidify ballot language</p> <p><u>Staff Workload:</u> Finance—extensive; CMO—extensive; Legal—moderate; City Clerk—moderate</p>
Complete Dells Land Use Planning <i>Priority: Low</i>	Jan 2018 -	<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Report from citizen work group completed in Sep 2015</li> <li>Conduct review by Economic Development Director</li> <li>Discuss with Council by February 2017</li> <li>Initiate public outreach by Feb 2018</li> </ul> <p><u>Public Involvement:</u> Extensive once introduced</p> <p><u>Council Meetings:</u> 1 to review report and consider next steps</p> <p><u>Staff Workload:</u> Extensive once introduced</p>

Other Projects/ Initiatives		
Major Plan Amendments		<p><b>Status:</b></p> <ul style="list-style-type: none"> <li>Pre-applications due in April</li> <li>Formal applications due in June</li> </ul>

		<ul style="list-style-type: none"> <li>• P&amp;Z review between Sep and Oct</li> <li>• Council Oct-Nov</li> <li>• 2 plan amendments</li> </ul>
Other Major Development Projects		<b>Status:</b> <ul style="list-style-type: none"> <li>• Residence Inn</li> <li>• Potentially other commercial projects</li> </ul>
Performance Management		<b>Status:</b> <ul style="list-style-type: none"> <li>• Enhance year 2 program/ performance budgeting</li> <li>• Extensive work needed to collect, analyze and report new data</li> </ul>
TCA program		<b>Status:</b> <ul style="list-style-type: none"> <li>• Program needs extensive review and revision to achieve program goals</li> <li>• Decision package likely</li> <li>• Possible need to expand program beyond Uptown</li> </ul>
AAA CFA	March 2017-February 2019	<b>Status</b> <ul style="list-style-type: none"> <li>• Moving forward</li> <li>• Council 2<sup>nd</sup> Jan work session</li> </ul>
Uptown CFA	January 2018-December 2019	<b>Status:</b> <ul style="list-style-type: none"> <li>• 3 CFAs consolidated in 1 planning effort</li> <li>•</li> </ul>
Brewer Road Park		<b>Status:</b> <ul style="list-style-type: none"> <li>• Design complete</li> <li>• Phases and construction schedule TBD</li> </ul>
Small Grant Revisions		<b>Status:</b> <ul style="list-style-type: none"> <li>• Council may want wholesale change</li> <li>• Oct – Early Nov follow up</li> </ul>
Update of DIF fees		<b>Status:</b> <ul style="list-style-type: none"> <li>• Need to reevaluate projects, which may increase fees</li> <li>• Waiting on consultant opinion</li> <li>• Could roll out to council in Jan/Feb</li> </ul>
Yavapai College		<b>Status:</b> <ul style="list-style-type: none"> <li>• Concerns about the Sedona campus persist</li> </ul>

Wireless		<b>Status:</b> <ul style="list-style-type: none"> <li>• Council Jan 19</li> </ul>
Development Fee Review		<b>Status:</b> <ul style="list-style-type: none"> <li>• Winter 18-Spring 19</li> </ul>

**Potential future priorities**

- CFAs
- Bike/Ped Master Plan
- Housing (approval for ADUs and duplexes, multi family, higher density)
- Evaluate Lodging
- Cost efficiency – shift some focus from external to internal priorities for organizational growth and continuous improvement
- Public opinion/approval, public communication improvements, community relations and credibility improvement efforts
- Climate change action
- Stormwater Master Plan Update



Respect breeds trust.  
And trust builds community.



**Quality of  
Economy**



**Quality  
of Life**



**Quality of  
the Visitor  
Experience**



**Stewardship  
of the Natural  
Environment**



How we got here...

- March, 1989 City instituted a 3% bed tax
- January, 1990 State Legislature said that any discriminatory tax needs to be spent 100% on that industry
- City began funding marketing in 2005
- FY14 City allocates \$500,000 to the SCC&TB for management and marketing (prior funding for Visitor Services for many years)
- FY14 lodging industry advocates for increased bed tax to 3.5%
  - Lodging industry also levies sales tax
  - With agreement that 55% of bed taxes collected would go to the DMO

- FY17
  - Public council discussion on RFP
  - Public renegotiation of contract
  - Seven-year contract signed with focus on:
    - Visitor management, Sedona Re-investment
    - Priority-setting, GSTC, Sustainable Tourism Plan
    - Exercised \$268,000 “hold-back” for transportation solutions
- Tourism growth has been strong, outperforms many destinations
- Sales taxes and bed taxes increase significantly
  - Funding to DMO increased substantially
  - However, advertising outside of the area has remained relatively flat

What we KNOW

## What we know...

- Tourism is Important = tourism has great value for Sedona
- Residents and businesses benefit from tourism in many ways
- Non-profit organizations rely on tourism businesses
- Visitors primarily pay bed tax to fund the DMO, not residents
- Residents – businesses – visitors are inextricably connected
- Our economic indicators...

**Tourism is a**  
**\$600**  
**MILLION**   
Industry in Sedona\*

---

**Visitors Add**  
**\$14.5**  
**MILLION**   
in Local Tax Dollars\*

**Sedona Visitors Generate Over**  
**66%** of the City's  
Sales Tax  
Revenues\* 

---

**Tourism Supports Over**  
 **10,000**  
Jobs in Sedona\*

---

**Sedona Tourism Generates Nearly**  
**\$200** MILLION  
in Wages\* 

**Bed Tax Collections**

**\$801,393**

▲ 27% vs FY17

**Lodging Sales**

**\$22,896,943**

More spent on lodging  
in FY18 vs FY17

**Sales Tax Collections**

**\$1,288,931**

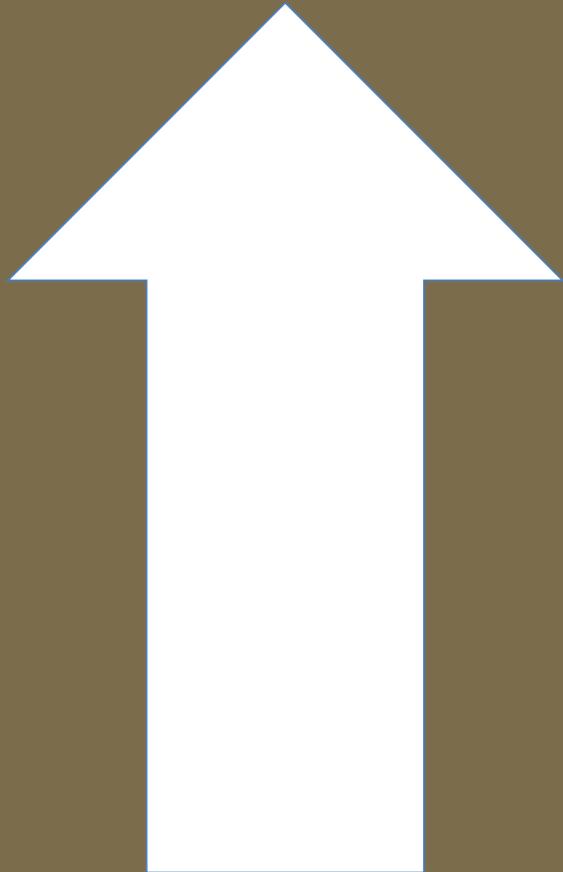
▲ 9% vs FY17

**Occupancy**

▲ .2%  
YTD

**Average  
Daily Rate**

▲ 10%  
YTD



**FY18**

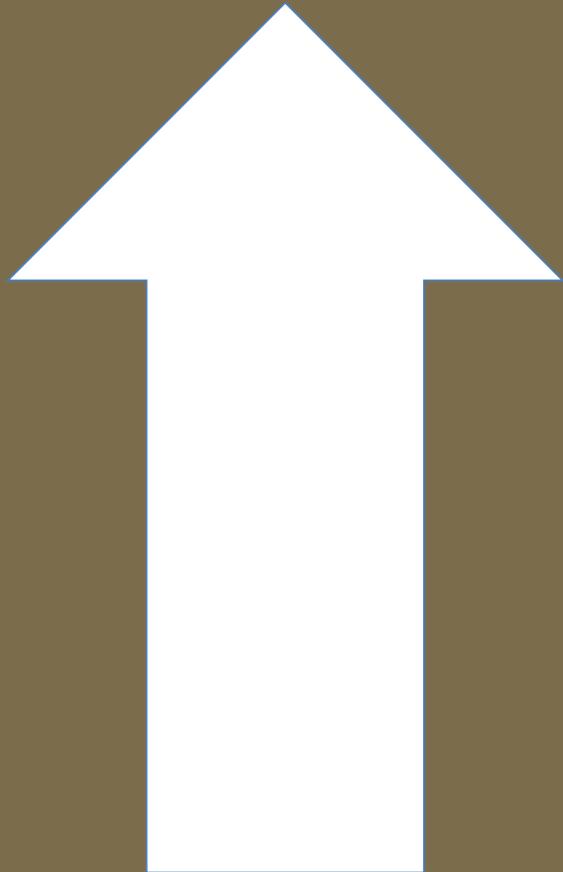
**Retail ~ 10%**

**Restaurants ~ 18%**

**Hotels ~ 25%**

**Amusement ~ 15%**

City of Sedona Financial Report, through June 2018.



**July – October 2018**

**Retail ~ 25%**

**Restaurants ~ 20%**

**Hotels ~ 28%**

**Amusement ~ 24%**

City of Sedona Financial Report, through October 2018.

# Incremental Bed Taxes to City

## BED TAX REVENUES

	Total	To City	To SCC&TB	Incremental \$ to City
FY13	\$1,857,455	\$ 1,200,000	\$ 500,000	
FY14*	\$2,097,290	\$ 1,597,290	\$ 500,000	\$ -
FY15	\$2,659,290	\$ 1,196,681	\$ 1,462,610	\$ -
FY16	\$3,010,333	\$ 1,354,650	\$ 1,655,683	\$ 154,650
FY17	\$3,811,727	\$ 1,715,277	\$ 2,096,450	\$ 515,277
FY18	\$3,977,200	\$ 1,789,740	\$ 2,137,460	\$ 589,740
FY19	\$4,446,000	\$ 2,000,700	\$ 2,177,300	\$ 800,700
		\$ 10,854,337	\$ 10,529,503	
Incremental \$ to City before holdbacks				\$ 2,060,367
Total Incremental \$ to City				\$ 2,379,267

<b>Fiscal Year</b>	<b>Total Sales &amp; Bed Tax<sup>1</sup></b>	<b>Increase over FY2014</b>	<b>Chamber Contract</b>	<b>Increase over FY2014</b>
FY2014	\$14,690,315		\$ 500,000	
FY2015	16,362,345	\$1,672,030	1,462,609	\$ 962,609
FY2016	18,009,946	3,319,631	1,656,234	1,156,234
FY2017	20,080,186	5,389,871	2,096,450	1,596,450
FY2018	21,773,478	7,083,163	2,126,400	1,626,400
	Total Increase	\$17,464,694		\$5,341,693
	Net additional revenue to City		\$12,123,001	

# Lack of advertising in PHX Summer 2018...

- Businesses say they were down, hurting – BUT TAXES are UP
- Occupancy starting to level off...
  - In the last 11 months, Sedona underperformed 9 months against state averages (exception Jan/Feb)

Region	% Change June	% Change July	% Change Aug	% Change Sept
Sedona	-2.7	-1.4	.8	1.0
Arizona	-.01	3.7	1.6	2.8

# What we know...

- Tourism impacts Sedona in POSITIVE and NEGATIVE ways
- QOL and QOE are inextricably linked
- Generally, residents are most concerned about:
  - Traffic and over crowding
  - Noise (OHV and Heli)
  - Trail degradation and maintenance
  - Litter and recycling



## Cooks Hill – Airport Road to the “Y” (2.2 min free flow)

2017				2018			
Days of 10+ min	Total hours	Days of 20+ Min	Total hours	Days of 10+ min	Total hours	Days of 20+ min	Total hours
<b>26</b>	<b>23</b>	<b>5</b>	<b>1</b>	<b>59</b>	<b>92</b>	<b>12</b>	<b>16</b>

- Frequency of congestion is increasing significantly
- Duration of congestion is increasing significantly
- Total time at these levels of congestion still a relatively rare occurrence:
- 92.28 hours of delay of 10 min or greater represents 1.84% of the total daytime travel hours (7am to 10pm)

## Oak Creek Canyon – Rainbow Trout Farm to the “Y” (6.5 min free flow)

		2017		2018			
Days of 15+ min	Total hours	Days of 30+ Min	Total hours	Days of 15+ min	Total hours	Days of 30+ min	Total hours
<b>105</b>	<b>301</b>	<b>44</b>	<b>83</b>	<b>111</b>	<b>212</b>	<b>30</b>	<b>44</b>

- Congestion events with these thresholds reduced between 2017 and 2018
- Congestion events for this route at the most frequent of the three studied, occurring 30% of all calendar days
- Total hours for these levels of congestion are still relatively rare: 212 hours of delay of 15 min or greater represents 3.87% of the total daytime travel hours (7am to 10pm)

## VOC – Bell Rock Blvd to the “Y” (11.3 min free flow)

2017				2018			
Days of 20+ min	Total hours	Days of 30+ Min	Total hours	Days of 20+ min	Total hours	Days of 30+ min	Total hours
<b>81</b>	<b>172</b>	<b>26</b>	<b>23</b>	<b>87</b>	<b>218</b>	<b>39</b>	<b>62</b>

- Congestion events at 20+ min increased only slightly between 2017 and 2018
- Congestion events at 30+ min increased significantly more in both frequency and duration
- Total hours for these levels of congestion are still relatively rare: 218 hours of delay of 20 min or greater represents 3.98% of the total daytime travel hours (7am to 10pm)

## *Residents say...*

**87%** Sedona's Quality of Life is GOOD or EXCELLENT

**90%** Sedona is an "excellent" or "good" place to live

*Residents ranked their quality of life higher in 2017  
compared to 2007*

*2017 National Citizen Survey*



**98%**  
**OF VISITORS**



BELIEVE THAT SEDONA IS AN  
**EXCELLENT** (68%) OR **GOOD** (30%)  
PLACE TO VISIT COMPARED  
TO OTHER OPTIONS

What we are trying to get our heads  
around...

# Impact and data on short-term rentals and their impacts

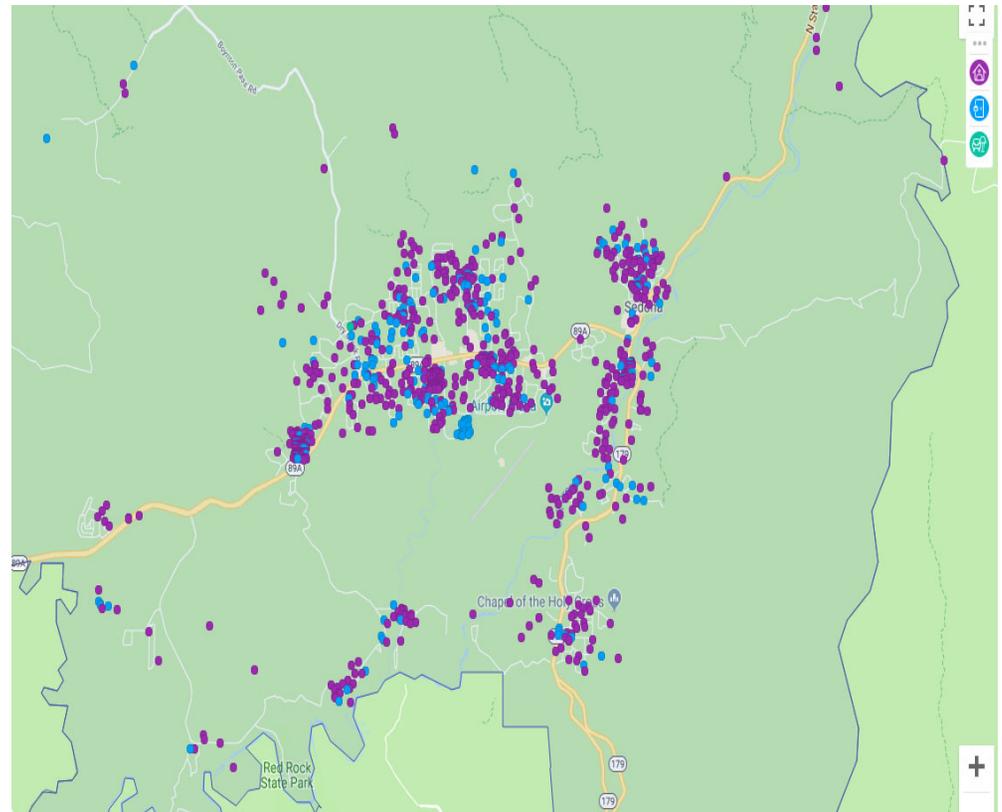


## Short-Term Rentals

840 in Sedona

190 in VOC

1,000 total in the  
area



## Market Overview

# Sedona



Postal code: 86336



Insights on **1,052** active rentals  
**36** months of market trends

Subscribed

### Market Grade

# B+

77 of 100



### Average Daily Rate



\$200

Dec: \$217

Aug: \$186



[View Pricing Details](#) →

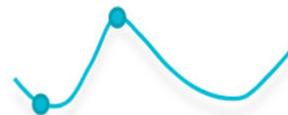
### Occupancy Rate



76%

Mar: 90%

Dec: 48%



[View Occupancy Details](#) →

### Revenue



\$3,573

Mar: \$4,679

Aug: \$2,072

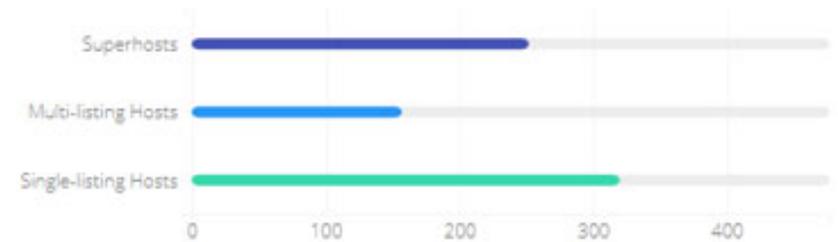


[View Revenue Details](#) →

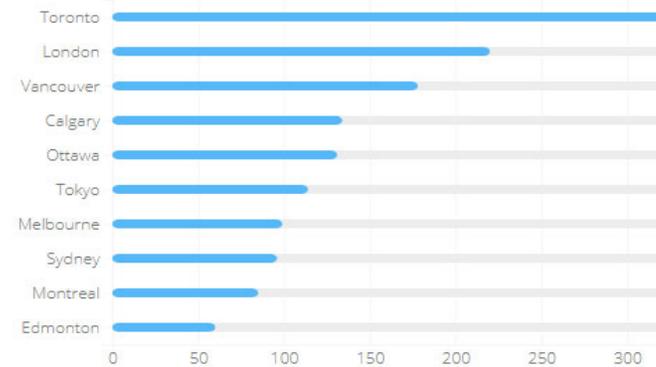
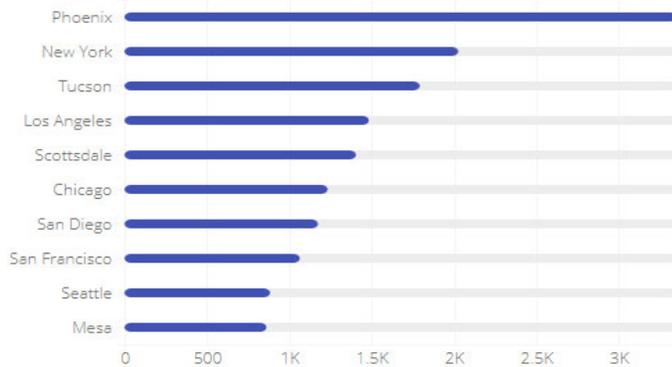
77%  
Entire  
Home  
Rentals

477 Active Hosts

Hosts



### Top Domestic and International Cities ⓘ



Sedona



Postal code: 86336



Guest Arrivals

6,818

67% Monthly ▲

% International

6%

26% Monthly ▼

Top Guest City

Phoenix

What we think...

## What we think...

- We have a good partnership to balance effective marketing and management
- We don't know the impact of stopping all advertising, or the time required to re-establish
- We have the ability to be nimble and respond quickly to changing community and economic trends
- Not advertising in PHX hurt some businesses, especially retailers in Uptown, but sales tax collections don't show it



# What are the TOP PRIORITIES for Sedona?

(as it relates to SCC&TB & Tourism)

## What are our TOP THREE priorities for Sedona in the coming five years? Ideas...

- Water conservation
- Recycling and waste management
- Climate change
- Renewable energy
- Energy efficiency
- Workforce development
- Quality standards
- Sustainability standards
- Cultural heritage preservation
- Support for local entrepreneurs
- Crime reduction
- More carefully targeting and managing tourism
- Protecting wildlife and sensitive environments
- Strengthening local supply/demand linkages
- Public awareness and training regarding tourism
- Economic impact monitoring
- Quality of life monitoring
- Environmental impacts / monitoring
- Public-private partnerships
- Improving resident satisfaction with tourism
- Others?



**What are the  
TOP  
INDICATORS  
that we are  
doing something  
right?**



## Questions & Answers