

Action Minutes
Special City Council Meeting – Budget Work Session
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, May 18, 2022, 8:00 a.m. &
Thursday, May 19, 2022, 8:00 a.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 8:00 a.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor Scott Jablow, Councilor Kinsella, Councilor Tom Lamkin, Councilor Holli Ploog, Councilor Jon Thompson, Councilor Jessica Williamson.

Staff Present: City Manager Karen Osburn, Deputy City Manager Joanne Keene, Assistant City Manager/Public Works Director Andy Dickey, City Attorney Kurt Christianson, Finance Director Cherie Wright, Sustainability Manager Alicia Peck, Arts Coordinator Nancy Lattanzi, Communications Manager Lauren Browne, Housing Manager Shannon Boone, Economic Development Director Molly Spangler, Parks and Recreation Administrative Assistant Aaron Day, Finance Intern Dylan Banks, Administrative Assistant Katie Dutro, Police Chief Charles Husted, Community Development Director Jess McNeely, Wastewater Director Roxanne Holland, Human Resources Manager Brenda Tammarine, Information Technology Director Chuck Hardy, City Clerk JoAnne Cook.

3. Special Business

Work Session regarding City of Sedona budget for Fiscal Year 2022/2023. The Council may take action to give direction regarding amendments or changes to the proposed City budget or Capital Improvements Plan.

- a. Public Comment: Public comment on all budget items will be taken at the outset of the meeting. Each person commenting will have a maximum of two minutes. The entire period for the public comment will not exceed thirty minutes**

Opened to the public at 8:02 a.m.

Steve Schliebs, Sedona, thanked Council for their work and urged them to support the Sustainability Department budget requests.

Brought back to Council at 8:04 a.m.

- b. An introduction to and overview of the 2022/2023 Fiscal Year Budget process will be presented and discussed.**

Presentation by Cherie Wright and Karen Osburn.

Introduction – Cherie gave an overview of the budget calendar and how the budget is organized. The goals of the budget work session are to: ensure Council understands what is included in the budget, determine the amount of the budget cap, and discuss the City’s financial capacity for addressing priorities. Cherie thanked Cari Meyer, Molly Spangler, and Candace Strauss for their input on the Revenue Forecast, and thanked the community for their input and participation in the Community Survey.

c. An overview of departmental budgets will be presented and reviewed with any departments requested by the City Council.

Presentation by Cherie Wright and individuals listed under departments.

Questions and comments from Council throughout the departmental presentations.

City Manager’s Office (CMO) – presentation by Cherie Wright, Karen Osburn, Lauren Browne, Alicia Peck, Shannon Boone, and Nancy Lattanzi. The CMO budget reflects a 34 % decrease from FY22 due the transfer of the Sustainable Tourism contract to General Services. CMO Decision Packages as a whole total approx. \$795,000 with City Manager (CM) recommendation. The cost for continuance of legislative advocate is not yet included and total \$75,000. City Manager’s Department Programs are separated as follows:

Communications Decision packages total \$190,280. Decision packages are as follows: \$75,000 for professional services to assist with the creation of ongoing communications products including but not limited to videos, graphic design, and public relations programming with CM recommended approval; \$121,280 for a new full-time Webmaster position to manage the City’s website with CM recommended approval.

Sustainability changes reflect an increase of 21% from FY22 with a Decision Package total of \$182,000. Decision packages are as follows: \$75,000 for an Environmental Impact Assessment-OHVs with CM recommended approval; \$85,000 for Energy Efficiency Upgrades & Monitoring Technology with CM recommended approval; \$12,000 for Home Hazardous Waste Expansion to Partner Cities with CM recommended approval; and, \$10,000 for Green Procurement Audit and Surveying with CM recommended approval. Results of the Community Budget Survey showed 62% of community want to continue to prioritize funding in this area and ranked #2 out of 5 for priority.

Arts & Culture changes reflect a 24% increase for FY22 with \$360,650 in carryover project for Art in the Roundabouts.

Short-Term Rental (STR) Monitoring Decision package total \$103,460. Decision package is as follows: \$103,460 for full-time STR Specialist position, with one-time costs of \$3,600 for computer hardware and ongoing costs of \$400 for software with CM recommended approval.

Housing changes reflect a 3% decrease from FY22. Down payment assistance loans reclassified as a balance sheet item. Decision packages total \$572,580 and total of \$332,980 with CM recommended approval. Decision packages are as follows: \$92,980 for a new full-time Housing Coordinator with CM recommended approval; Housing programs – STR>LTR Rental Incentives for \$480,000 with CM recommended approval

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of \$240,000. Results of the Community Budget Survey showed 71% of community want to continue to prioritize funding in this area and ranked #1 out of 5 for priority.

CM Capital Improvement Projects (CIP) for FY 2023 were reviewed: \$120,000 for Posse Ground Park Solar Lighting for Sustainability and carry over CIP project for Arts and Culture Art in the Roundabouts \$360,650 for a total of \$480,650.

Break at 10:10 a.m. Reconvened at 10:18 a.m.

General Services – presentation by Cherie Wright, Karen Osburn, and Joanne Keene. Budget reflects a 17% increase from FY22. Service Contract Renewals total just under \$1.1 million for the Human Society, Sedona Community Center, Sedona Public Library, Sedona Recycles, and Verde Valley Care Givers. The Small Grants Program budget projected \$183,500. FY23 one-time costs total \$8.1 million. Outstanding Bonds as of July 1, 2022 \$37,573,000. Pledged revenue coverage for FY23 estimated at 6.8 times. The Contingencies budgeted for FY22 totaled \$2,795,000.

Historical Society Board President Janeen Trevillyan informed Council that a job posting for an Executive Director position will be published within 60-90 days, and one-time costs associate with new position are funded. She said their annual budget (includes four part-time people) is \$118,000-\$120,000.

Decision packages total \$185,000 with \$165,000 CM recommended approval. Decision packages are as follows: \$75,000 for Grant Writing Professional Services with recommended CM approval; \$75,000 for a Sedona Historical Society Provider Agreement with recommended CM approval; \$10,000 for Translation/Interpretation services with \$5,000 recommended CM approval; \$25,000 for Community Engagement with \$10,000 CM recommended approval.

Break at 12:29 p.m. Reconvened at 1:10 p.m.

Police – presentation by Cherie Wright, Chief Husted, Karen Osburn, and Joanne Keene. The budget reflects an increase of 11% over FY22. One-time costs total \$335,920. Decision package requests for the General Fund total \$483,130 with \$98,950 CM recommended approval. The decision packages are \$98,950 for addition of one full-time Communications Specialist with recommended CM approval; \$473,580 for Capacity Building & Succession Planning Phase-2 was not recommended for approval by the CM at this time. Operating Grants Fund Decision Packages are as follows; \$24,000 for VMS Speed and Message Center and \$2,500 for DUI Enforcement both with CM recommended approval if grand funding received. CIP projects for FY23 were reviewed and total just over \$1.1 million for continued projects for radio infrastructure and the Police Station remodel.

Public Transit – presentation by Cherie Wright, Robert Weber, and Andy Dickey. The budget reflects 151% increase from FY22. One-time costs total \$224,870. Decision package requests for the Public Transit total \$111,490 (0.5 FTE – to be split with Public Works) with recommended CM approval. Decision packages are as follows: \$111,490 for a full-time Grants Coordinator with recommended CM approval. CIP Carry Over Projects for FY 23 were reviewed and total just over \$1.0 million for continued projects for Transit

Maintenance/Operations Center, Transit Hub, Transit Bus Acquisition. New and future projects include Bus Stop Improvements at \$75,000 for FY23 and West Sedona Intercept Lot. Applications are in process for additional funding with Coconino County ARPA and Congressional Funding. The future CIP West Sedona intercept Lot project was discussed.

Parks & Recreation – presentation by Cherie Wright, Andy Dickey, and Karen Osburn. Budget reflects an increase of 3% from FY22. CIP Projects for FY 2023 were reviewed and total \$930,640. CIP projects are as follows: \$25,000 for continued projects for the Restructure of Posse Grounds Park; \$587,220 for continued projects for Improvements at Ranger Station/Interior Restoration of House and Barn; \$102,990 in continued projects for Shade Structures and Playground Equipment Replacement at Posse Grounds Park; \$75,430 for new for Build-Out of Ranger Station Park; and, \$140,000 for Posse Grounds Park Pickleball Courts.

Break at 3:16 p.m. Reconvened at 3:25 p.m.

Municipal Court – presentation by Cherie Wright and Karen Osburn. Budget reflects an increase of 10% over FY22. FY23 one-time costs total \$59,700 for the lease of the school district administration site. CIP projects for FY23 total \$102,420 for Court Relocation/Remodel. Approximately \$20,000 FY22 project costs for Information Technology (IT) will not be spent in FY22 rather FY23 due to chain supply issues.

Public Works – presentation by Cherie Wright and Andy Dickey. The budget reflects an increase of 12% increase over FY22. FY23 one-time costs total \$451,420. Decision packages totaled \$135,580. Decision packages are as follows: \$64,050 for Custodial Maintenance Worker with CM recommended approval; \$51,530 for half-split of Public Transit Grants Coordinator with CM recommended approval. CIP projects Facilities Study \$50K; Sign Shop \$140,600; Real Estate/Land Acquisition \$20 million using \$10 million debt financing funds. Community Budget Survey 78% supported property acquisition and ranked #5 of 5 for priority. FY23 Public Works CIP projects total just over \$20.2 million. FY23 Sedona In Motion (SIM) CIP projects total over \$29.7 million. FY23 Storm Drainage CIP projects total just over \$1 million. FY23 Streets & Transportation CIP projects total \$454,500.

Break at 5:10 p.m. on May 18, 2022. Meeting will resume Thursday, May 19, 2022 at 8:00 a.m. at 102 Roadrunner Drive, Sedona, AZ, 86336.

Reconvened on Thursday, May 19, 2022 at 8:00 a.m. Special Budget Work Session Meeting.

Wastewater – presentation by Cherie Wright, Roxanne Holland, and Karen Osburn. Direct costs reflect an increase of 12% over FY22. FY23 one-time cost total \$321,580. Decision packages total \$195,410. Decision packages are as follows: \$112,290 for full-time Wastewater Inspector; \$83,120 for fulltime Preventative Maintenance Technician. FY23 CIP projects total \$7.3 million.

Information Technology – presentation by Cherie Wright and Chuck Hardy. Direct costs reflect a 19% increase over FY22. FY23 one-time costs total \$153,400. Decision packages total \$186,100. Decision packages are as follows: \$155,300 for IT

Helpdesk/Systems Engineering Position with CM recommended approval; \$30,800 for Hardware/software for new positions in other departments with CM recommended approval. FY23 IT CIP project totaled \$1 million for citywide business software.

Financial Services – presentation by Cherie Wright. Direct costs reflect a 18% increase over FY22. FY23 one-time cost total \$74,200. Decision packages total \$259,570 with \$123,570 CM recommended approval. Decision packages are as follows: \$123,570 for Budget & Finance Analyst Position with CM recommended approval; \$50,000 for Internal Control Audit not recommended by CM at this time; \$90,000 Investment Advisory & Consulting Services not recommended by CM at this time. There are no FY23 CIP projects.

Community Development – presentation by Cherie Wright, Jess McNeely, and Karen Osburn. Direct Costs expenditures decreased by <1% from FY22. FY23 one-time costs total \$271,010 with \$207,140 of expenditure allocated for additional staff to assist with the Community Plan Update. There is no decision package or FY23 CIP projects.

Break at 10:00 a.m. Reconvened at 10:07 a.m.

Economic Development – presentation by Cherie Wright and Molly Spangler. Total budget reflects a 147% increase over FY22 largely related to broadband and regional workforce grant matches. FY23 one-time costs total \$494,000 for Broadband Final Mile – ARPA. Community Budget Survey ranked broadband #3 of 5 for priority. There is no decision package.

Human Resources – presentation by Cherie Wright, Brenda Tammarine, and Karen Osburn. The budget reflects a 3% decrease from FY22. There was a decrease in the one-time cost for the salary study. Geotab tracking will be transferred from Sustainability to Human Resources (HR). There is no decision package.

City Attorney's Office – presentation by Cherie Wright and Kurt Christianson. The budget reflects a 4% increase from FY22. There is no decision package.

City Council – presentation by Cherie Wright. The budget reflects an 8% increase from FY22 largely related to annual retreat facilitator costs.

City Clerk's Office - presentation by Cherie Wright. The budget reflects a 19% increase from FY22 largely related to the election costs and temporary employee costs.

d. An overview of the overall City budget and strategic budget issues for FY 2022/2023 will be presented and discussed.

Presentation by Cherie Wright, Karen Osburn, and Kurt Christianson.

Questions and comments from Council throughout presentation.

Budget Overview – Cherie stated that the estimated July 1 fund balances total \$102.9 million. Proposed revenues total \$70 million, with total of \$10 million from debt finance sources for property acquisition. Cherie stated that it may be likely the starting balance is increased due to conservative estimates of revenues and expenditures for the remainder of the year.

Estimated resources available total approximately \$145.2 million. Excess resources available total \$34.8 million. Estimated ending fund balances total approximately \$72.5 million.

Salary & Benefit Changes – FY22 \$15.9 million to \$18.2 million for FY23. Decision packages impact total \$975,000 (10 new positions); Wage adjustments total approximately \$1.1 million; Health benefit rates increase average of 6% from FY22; Arizona State Retirement benefit rate is 2% decrease; Increase for Prop 207 contributions toward PSPRS unfunded liability at \$49,000; PSPRS Unfunded Liability (Tiers 1 & 2) changes include: As of 2021, unfunded liability previously at \$5.1 million and brought down to total of \$4.6 million, with a funded status of 70%.

Changes to operations include: FY22 \$16.4 million to \$18.6 million FY23. Decision packages impact total \$780,000. Increase for Transit implementation of \$1.4 million.

Capital Improvement Project (CIP) changes include: FY22 \$19.8 million to \$62.1 million FY23. Public Works increase of \$18 million related to property acquisition. Sedona in Motion (SIM) increase of \$20 million and increase of \$4.3 million for wastewater.

Debt Service changes include: FY22 \$5.8 million to \$7.8 million FY23. Decrease of \$151,000 for refunding of Series 2021 bonds (new issue Series 2021 bonds); Decrease of \$102,000 for elimination of one-time issuance cost for Series 2021 bonds; Increase \$1.2 million for new Series 2022 bonds; and a placeholder of \$1 million for potential bonds for property acquisition.

Contingencies changes include: FY22 \$4.6 million to \$2.8 million FY23. Reinstate general operating contingency for portion used for Legislative advocate costs of \$75,000; Decrease Housing \$1.3 million. Decrease of ARPA contingency of \$682,000. Reinstate Grants contingency for portion used of \$61,000 and increase of \$200,000.

Council Priorities funded in the budget include Traffic Improvement \$29.7 million; Transit System implementation \$3.2 million; Affordable Housing \$1.4 million plus \$3.8 million in balance sheet loans; Environmental /Sustainability \$11 million; Review of Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) Contract no cost related. Trailhead Congestion Impact to Neighborhood, costs included in traffic improvements in addition to staff time. Improve City Communication/Relations \$544,000, Short Term Rental Management \$201,000; Economic Development \$882,000; Emergency Preparedness \$28,000; Community Plan Update \$207,000; Property Acquisitions \$20 million; Accelerate Brewer Road Park Build-Out \$662,000 for interior house and barn and design start for build out; Homelessness costs related to staff time; Environmental OHV Impact \$75,000.

Revenues changes include City sales tax \$8.6 million 31% increase, Bed tax \$3.2 million 46% increase, state shared revenues \$955,000 23% increase, other intergovernmental \$2.6 million 51% decrease, wastewater charges services \$201,000 3% increase, other misc. \$1.6 million 22% increase, contingent revenues \$261,000 \$209% increase. FY22 \$57.8 million increase to \$70 million for increase 21%. Sales & Bed Tax Revenues as of March 31, 2022 actual variance 23% increase sales tax revenues, bed tax revenues actual variance 32% YTD.

Transfers between funds are budgeted as follows: \$6.9 million from General Fund to Streets Fund, Affordable Housing Fund, Capital Improvements Fund, Public Transit Enterprise Fund, Wastewater Enterprise Fund, and Information Technology Internal Service Fund; \$1.9 million from Grants, Donations & Restricted Funds to Wastewater Enterprise Fund; \$10.4 million from Transportation Sales Tax Fund to Capital Improvements Fund and Public Transit Enterprise Fund; and \$35,320 from Capital Improvements Fund to Art in Public Places Fund.

Questions and comments from Council throughout presentation.

Break at 12:31 p.m. Reconvened at 1:10 p.m.

e. An overview of the Fund Summaries will be presented and discussed.

Presentation by Cherie Wright and Karen Osburn.

General Fund - Revenues are budgeted at \$49 million for ongoing, with \$10 one-time. Ongoing expenditures are budgeted at \$22.5 million, with \$2.8 million for debt service and \$1.6 million for one-time costs.

Reserves are as follows: Operating Reserve of \$7.2 million; Equipment Replacement Reserve of \$1.5 million; Paid Parking Reserves \$280,000; and Loan to Arts Fund \$66,000. Total Fund Balance at \$51.5 million with balance available after reserves would be \$42.5 million.

Streets Fund - Revenues are budgeted at \$1.3 million for ongoing, with \$0 one-time & contingent revenues. Ongoing expenditures are budgeted at \$2.2 million with \$134,860 in one-time & contingent expenditures. The Fund Balance Reserve is \$300,000, and Equipment Replacement Reserve at \$61,000. General Fund Transfer of \$455,000. Balance available after reserves would be \$360,929.

Affordable Housing Fund - Revenues are budgeted at \$86,500 for ongoing, with \$0 one-time & contingent revenues. Ongoing expenditures are budgeted at \$352,960 with one-time & contingent expenditures of \$1.1 million, with \$3.45 million reserved for Sunset Lofts loan and \$400,000 reserved for Down Payment Assistance loans. There are no reserve requirements for this fund, and the balance available after reserves is \$0.

Grants, Donations & Restricted Funds - ongoing revenues are budgeted at \$116,000 and one-time & contingent revenues are budgeted at \$2.28 million, including \$1.7 million for the second half of ARPA Funds. Ongoing expenditures are budgeted at \$352,960 and one-time, CIP & contingent expenditures are budgeted at \$2.2 million The Fund Balance is \$343,628.

Transportation Sales Tax Fund - revenues are budgeted at \$5.3 million and expenditures are budgeted at \$528,580. The ending fund balance is budgeted at \$0 while the policy requirement for Capital Reserves would need to be \$2.8 million in order to be fully funded.

Capital Improvements Fund - ongoing revenues are budgeted at \$430,800 and one-time & contingent revenues are budgeted at \$0 and CIP expenditures budgeted at \$48.2 million, transfers and other financing sources total \$20 million. Beginning fund balance

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totalled \$29 million, with ending fund balances totaling \$1.6 million and capital reserves for cash funded projects deficient by \$11.5 million to reach the \$13.2 million fully funded amount. Surplus funds for 2021 may be necessary to cover FY24 costs.

Development Impact Fees Funds - ongoing revenues are budgeted at \$465,780 and one-time revenues budgeted at \$147,960 due to delays of significant commercial projects. One-time, debt service & CIP expenditures are budgeted at \$5.3 million. Beginning fund balance totaled \$5.4 million. Capital Reserves are \$627,000. Funds insufficient by \$2.6 million to cover FY 2024 cost of \$3.2 million, other funding source loan/transfer may be necessary.

Art in Public Places Fund – ongoing revenues are budgeted at \$1,900 and one-time & contingent revenues budgeted at \$64,000 (donation). There are no ongoing expenditures projected and CIP expenditures of \$360,650. No one-time & contingent expenditures are budgeted. Other source funding loan/transfer of approximately \$66,000 necessary to balance fund.

Public Transit Enterprise Fund – ongoing and one-time revenues are budgeted at \$445,490. Ongoing expenditures are budgeted at \$2.17 million and one-time & CIP expenditures are budgeted at \$1.3 million. The Fund Ending Balance is \$0. An Equipment Replacement Reserve fund policy is recommended in future.

Wastewater Enterprise Fund - ongoing revenues are budgeted at \$8.2 million and one-time & contingent revenues are budgeted at \$306,000. Ongoing expenditures are budgeted at \$5.8 million. Operating Reserves are \$1.6 million, and Capital Reserves are \$1.5 million; Equipment Replacement Reserves \$1 million; and Major Maintenance Reserves are budgeted at \$468,000. The balance available after reserves is \$8.3 million.

Information Technology Internal Service Fund - ongoing revenues are budgeted at \$2.2 million and one-time & contingent revenues are budgeted at \$109,600. Ongoing expenditures are budgeted at \$2.2 million and one-time & contingent expenditures are budgeted at \$118,600. The Equipment Replacement Reserve is \$959,000 and the balance available after reserves is \$451,990.

An overview of the Capital Improvements Plan will be presented and discussed.

Presentation by Cherie Wright and Karen Osburn.

Capital Improvement Projects (CIP) have been prioritized in the following categories: Imperative (must do), Essential (should do), Important (could do), and Desirable (other year). There is a total \$62.4 million in budgeted expenditures with \$14.1 million covered by Unrestricted Capital Reserves. CIP projects, including carryovers, and new appropriation are budgeted at \$62.1 million excluding 1% arts transfers and Community Facilities Districts funding as follows: Sedona in Motion \$29.7 million; Wastewater \$7.3 million; Public Transit \$1.029 million; Streets & Transportation \$450,000; Police \$1.1 million; Parks & Recreation \$625,000; Storm Drainage \$1.04 million; Arts & Culture \$361,000; Sustainability \$120,000; Municipal Court \$102,000; and Public Works \$20.2 million.

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Carryover expenditures total \$24.3 million and New Appropriation expenditures total \$37.7 million for total of \$62.1 million.

CIP Budget Changes are as follows: Project Budget total as of FY23 \$83 million, original project budget total \$55.4 million, increase over original \$27.8 million, increase over FY22 total \$23.1 million.

Questions and comments from Council throughout presentation.

f. Recap and review of overall budget, decision packages, capital improvement projects, and financial impacts will be presented and discussed.

Presentation by Cherie Wright, Karen Osburn, Andy Dickey, and Kurt Christianson.

Available Surplus Balances in the General Fund FY21 \$12.2 million; FY22 \$15.6 million; FY23 \$14.6 million for total estimated surpluses of \$42.5 million.

Questions and comments from Council throughout presentation.

Break at 3:17 Reconvened at 3:29 p.m.

Unanimously, Council supported all decision packages as presented and recommended by CM.

Description	Council Direction	One-Time	Ongoing	Total
General Fund				
CM-Public Relations Professional Services	Recommended	-	75,000	75,000
CM-New Webmaster Position	Recommended	\$5,600	\$115,680	\$121,280
CM-Environmental Impact Assessment - OHVs	Recommended	\$75,000	-	\$75,000
CM-Energy Efficiency Upgrades & Monitoring Technology	Recommended	\$85,000	-	\$85,000
CM-Home Hazardous Waste Expansion to Partner Cities	Recommended	-	\$12,000	\$12,000
CM-Green Procurement Audit & Surveying	Recommended	\$10,000	-	\$10,000
CM-Short Term Rental Specialists	Recommended	\$12,500	\$90,960	\$103,460
FS-Budget and Financial Analyst Position	Recommended	\$16,100	\$107,470	\$123,570
FS-Internal Control Audit	Not Recommended	-	-	-
FS-Investment Advisory & Consulting Services	Not Recommended	-	-	-
Gen-Grant Writing Professional Services	Recommended	-	\$75,000	\$75,000
Gen-Sedona Historical Society Provider Agreement	Recommended	-	\$75,000	\$75,000
Gen-Translation/Interpretation Services	Recommended	-	\$5,000	\$5,000
Gen-Community Engagement	Recommended	-	\$10,000	\$10,000
PD-Communications Specialist	Recommended	\$500	\$98,450	\$98,950

Description	Council Direction	One-Time	Ongoing	Total
PD-Capacity Building and Succession Planning Phase-2	Not Recommended	-	-	-
PW-Custodial Maintenance Worker	Recommended	-	\$64,050	\$64,050
General Fund Total		\$204,700	\$728,610	\$933,310
Affordable Housing Fund				
New Housing Position	Recommended	\$8,600	\$84,380	\$92,980
Housing Programs – STR>LTR Rental Incentives	Recommended at 1/2	\$240,000	-	\$240,000
Affordable Housing Fund Total		\$248,600	\$84,380	\$332,980
Grants & Donations Fund				
VMS Speed and Message Trailer	Recommended	\$24,000	-	\$24,000
Trailer & DUI Enforcement	Recommended	\$2,500	-	\$2,500
Grants & Donations Fund Total		\$26,500	-	\$26,500
Info Tech Internal Service Fund				
IT Helpdesk/Systems Engineering Position	Recommended	\$10,600	\$144,700	\$155,000
Info Tech Internal Service Fund Total		\$10,600	\$144,700	\$155,000
Public Transit Fund				
Grants Coordinator	Recommended	\$3,900	\$107,590	\$111,490
Public Transit Fund Total		\$3,900	\$107,590	\$111,490
Wastewater Enterprise Fund				
Wastewater Inspector	Recommended	\$12,600	\$99,690	\$112,290
Preventative Maintenance Technician	Recommended	\$3,600	\$79,520	\$83,120
Wastewater Enterprise Fund Total		\$16,200	\$179,210	\$195,410
Grand Total		\$510,500	\$1,244,490	\$1,754,990

By unanimous consensus, Council concurred with the Capital Improvements Projects; the Fund Balance Policy Changes; loans to certain funds to cover deficits; the Smart & Safe Arizona Funding; the General Fund Surpluses; transfer of costs from department budgets to General Services; and the ARPA Funding as presented and proposed. Council also concurred with the following adjustments

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that were made to the expenditures during the work sessions: Add continuation of legislative advocate at \$75,000; Eliminate Home Rule mailer since will be sent out prior to June 30; Eliminate remodel costs in DPs for new IT, Housing and Finance positions since other solutions found; Add temp employee for Community Plan Update at \$62,430; Add 2.1% or \$21,700 for service contracts for total of 7.1% increase; Add \$15,960 for small grants to bring to total of \$200k; Add \$25,000 to bring Historical Society contract to \$100,000; Add additional payment of \$1 million for PSPRS unfunded liability; Reduce contingency in Housing Fund by approx. \$40k to reflect balance available in the fund; Add IT hardware carryovers for Court \$20,000 and Transit \$29,500; PR-03C – add \$75k for SUP in-house construction; PW-04 – move \$50k to future years; MC-02 – carryover \$137,580 from FY22 estimate to FY23 budget; SIM-11e – carryover \$500,000 from FY22 estimate to FY23 budget; SIM-11j – carryover \$115,000 from FY22 estimate to FY23 budget; PT-03 – if it appears we will get the Coconino County ARPA grant, add \$298,000 for additional trailhead shuttles; Also, if it appears we will get the Coconino County ARPA grant, add \$250k for additional operating costs for trailhead shuttles.

By majority consensus, Council directed staff to: Remove the cap from service contracts for one year; Consult with Sedona Recycles regarding electronic waste options/needs and to bring forward to Council at a future date; Accelerate the design and construction for the Ranger Station Park; Accelerate the construction of a shared use path in the Brewer Road neighborhood; and prioritize the construction of parking at lot on the City's property at Upper Red Rock Loop Road; Use \$1 million of surplus allocation to PSPRS; Set-aside \$750,000 for Sunset Lofts loan; Transfer of \$11.555 million to fully fund the Capital Improvements Fund capital reserves; Set-aside of \$2.595 million for loan to Development Impact Funds; and Set-aside of \$5 Million for future transit costs.

Motion: Councilor Williamson moved to keep the Navoti SUP project in the FY22/23 budget. Seconded by Councilor Thompson. Councilor Lamkin amended the motion to include "that potentially a split rail fence may be put in if/where possible", Councilor Williamson accepted the amendment. Councilor Kinsella added "that it would entertain time limitations", Councilor Lamkin accepted upon staff's recommendation. Both Councilor Williamson and Thompson accepted the motion as amended. Councilor Vote: 5-2 motion passes. (Moriarty, Jablow, Lamkin, Thompson, Williamson) five (5) in favor two (2) opposed (Kinsella, Ploog).

Presentation from Cherie Wright and Karen Osburn.

Comments and questions from Council.

Motion: Councilor Kinsella moved that parking take priority; and stated that if the SUPs become competing projects, for any reason, that priority be given to the development of the parking over by the high school. Seconded by Councilor Ploog. Motion passes. Four (4) in favor (Jablow, Kinsella, Ploog, Thompson) three

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(3) opposed (Lamkin, Williamson, Moriarty). For the record, the opposed voted against because they do not want to have staff micromanaged and they have faith in staff to make the right decisions. For the record, Councilor Kinsella voted for because she would like to see policy established regarding what Council's priorities are.

Presentation from Cherie Wright.

Comments and questions from Council.

g. Items not completed at this meeting will be carried over to Thursday, May 19, 2022 at 8:00 a.m. Special Budget Work Session Meeting.

Meeting was carried over from 8:00 a.m. to 4:57 p.m. on Thursday, May 19, 2022, and actions are reflected above.

4. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

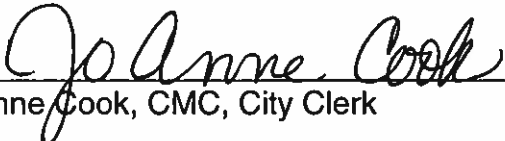
- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.


5. Adjournment.

Mayor Moriarty adjourned the meeting at 4:57 p.m. on Thursday, May 19, 2022.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 18 & 19, 2022.



JoAnne Cook, CMC, City Clerk



Date