

City Talk for Feb. 22, 2023
City Manager's Office
Karen Osburn, city manager

A recap of city council's annual retreat

Each January the city council and executive staff start the new year with a multi-day retreat where we set aside time to review prior year accomplishments, discuss where we are on current projects and policy initiatives, and develop a work plan for how best to move forward with our efforts to address local issues, serve the community, provide infrastructure and amenities and ultimately achieve results.

The review of 2022 highlighted some unprecedented challenges that as an organization, we must continue to navigate thoughtfully and deliberately. That's not to say that those challenges are exclusive to the city. I suspect many organizations are having similar conversations in their board rooms and on their front lines. The continuing effects of the COVID-19 pandemic and its resulting supply chain issues, the outbreak of war in Ukraine and ensuing rising fuel and other commodity prices, rates of overall inflation that haven't been seen in decades, seven interest rate hikes in less than a year's time, fear of an impending recession, and lack of employees, are creating the perfect storm of seemingly insurmountable difficulties that we are not at all insulated from despite all the things we have going for us. These conditions have made the delivery of day-to-day services, the development of new or improved infrastructure, and tackling some of our most pressing local issues, that much more challenging. However, despite the obstacles, there were also numerous achievements in 2022 that we can be proud of, including breaking ground on the Forest Road extension project, launching the trailhead shuttle service and logging more than 200,000 passenger boardings in only nine months, initiating a city-wide evacuation planning effort, constructing a new inclusive playground at Posse Grounds Park and improving 20+ homes through the city's Home Energy Retrofit Program. Additional accomplishments have been highlighted in a new video which can be found at www.youtube.com/cityofsedonaaz.

City council also decided on what they would like to see pursued in the coming weeks, months and in many cases years, to continue to advance and expand upon the existing policy priorities and associated goals. Many of these are broad issues which include more specific projects, programs and initiatives in support of the larger scope and goals. You can find additional detail at www.sedonaaz.gov/councilpriorities but the higher-level priority areas include:

- Traffic improvements, or Sedona in Motion (SIM)
- Implementation of Transit
- Workforce housing and homelessness
- Environmental sustainability and climate action
- Citizen communication and engagement
- Impacts from and additional regulatory authority over short-term rentals
- Economic diversification to reduce reliance on tourism
- Emergency preparedness and evacuation planning
- Trailhead congestion and reduction of impacts to neighborhoods
- Community Plan update (every ten years)
- Accelerate the buildout of the Ranger Station Park
- Construct dedicated pickleball courts at Posse Grounds Park

- Sustainable tourism and destination management contract review
- Completion of an environmental impact assessment of off-highway vehicle use

The council also incorporated several new priority projects and initiatives for the coming year, including:

- Evaluation of airport acquisition
- Update Land Development Code
- Implementation of a new enterprise resource planning (ERP) system
- Acquisition of Creekside property for preservation and passive recreation

Look for an upcoming second video that will further elaborate on the established city council priorities for 2023 and 2024.

Of course, decisions about the work cannot be made without a full understanding of the city's financial condition and long-range financial forecasts and plans. The city council also takes time during this annual retreat to thoroughly review the city's financial status and contemplate various budget forecast scenarios. Fortunately, the city's financial position continues to remain strong and has provided the ability to invest in projects, services and initiatives that better the community. To be cautious, recessionary conditions have been incorporated into projections for the coming years and spending is anticipated to be adjusted accordingly. While even the most astute economists can't seem to agree on whether we will see a recession in 2023 or 2024 and if so, how severe it may be, when managing the city's financial condition and making budgetary decisions, staff and the city council have historically taken a cautious approach. When the great recession hit, now more than a decade ago, the city navigated that period without spending a dime of its reserves and actually added to savings/grew fund balances throughout the entire recession. We continue to be poised to remain financially strong and resilient and will respond accordingly to fiscal changes whenever that is necessary. For a comprehensive picture of the city's financial condition, including the results of the Fiscal Year (FY) 2022 financial audit, go to: www.sedonaaz.gov/finance.