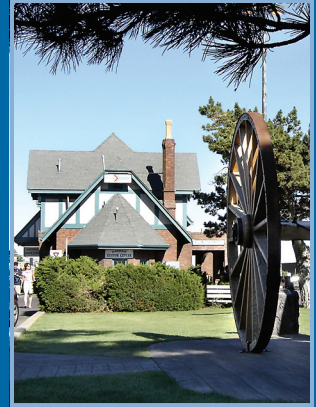




FLAGSTAFF, ARIZONA



City of Flagstaff
Annual Budget &
Financial Plan

2005-2006

ANNUAL BUDGET AND FINANCIAL PLAN OF THE CITY OF FLAGSTAFF, ARIZONA FISCAL YEAR 2005-2006



CITY COUNCIL

JOSEPH C. DONALDSON, MAYOR
AL WHITE, VICE-MAYOR
ART BABBOTT
KAREN K. COOPER
JOSEPH P. HAUGHEY
KARA M. KELTY
LIBBY SILVA

BUDGET TEAM

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JERI DUSTIR, DEPUTY CITY MANAGER
JAMES S. WINE, DEPUTY CITY MANAGER
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PATTY SHORT, ADMINISTRATIVE ASSISTANT
RICK TADDER, ACCOUNTANT II



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**City of Flagstaff
Arizona**

For the Fiscal Year Beginning

July 1, 2004

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Flagstaff, Arizona for its annual budget for the fiscal year beginning July 1, 2004. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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USERS GUIDE

The budget document serves a myriad of purposes. Most important is its use as a communications device. The budget presents the public an opportunity to review the types of services and level of service provided within the financial constraints of the community. The allocation of financial resources translates into what services will be provided to the community. As community needs and demands for service change, the allocation of resources should respond accordingly. Therefore, this document attempts to communicate financial information to allow for informed citizenry.

Transmittal - The City Manager's message and Budget Summary provides readers with a synopsis of the resource allocation priorities established by the City Council for fiscal year 2006.

Budget Overview - The overview provides an overview of the key policy issues, priorities and strategies which shaped the fiscal year 2006 budget, the budget process fiscal policies, revenue assumptions, and expenditure highlights.

Policies and Procedures – This section provides information on fiscal and budget policies as it related to certain funds, debt performance, fund balances, expenditure limitation control, revenues, operating budget impact, and capital investments.

Issues and Updates - Excerpts from the Council Review and Discussion Book used during the two weeks of study sessions discuss specific Council decision/directions impacting the prior and current fiscal year budgets.

Financial Summaries - The schedules consolidate the major financial information and operating data elements. Several schedules also serve to meet state statutory reporting requirements. The expenditure summaries are used primarily for operational purposes, e.g., monitoring expenditures at a fund level and at a category level, and maintaining accountability at a department level, with managers accountable at the cost center level.

Department Detail - Each operating Division Summary provides a description, goals and objectives, major accomplishments of fiscal year 2005, performance indicators, expenditure history and budget, commentary on significant changes, and sources of funding. When available, the Performance Measurements through ICMA-CPM are provided within the applicable division.

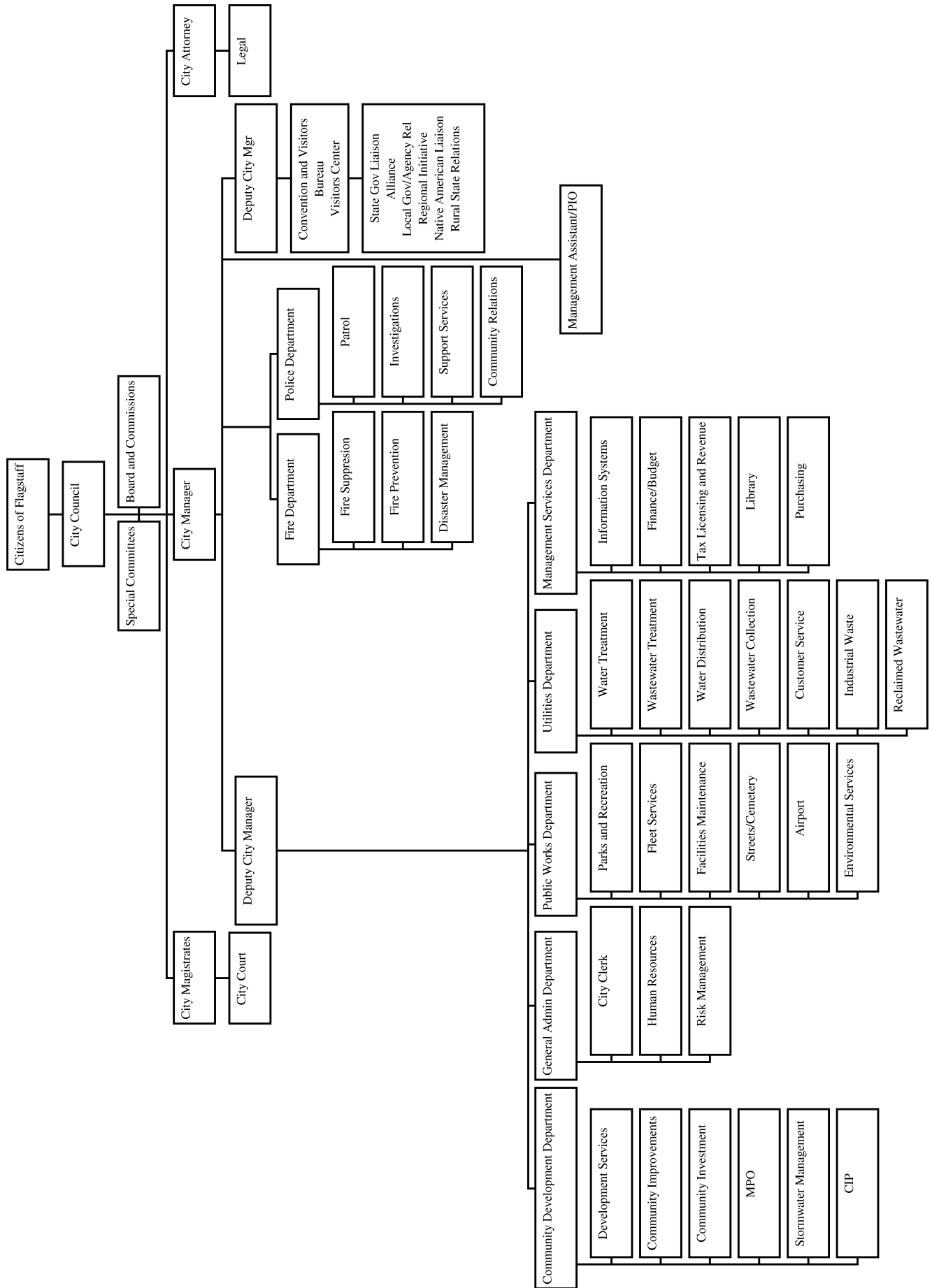
Capital Improvements - The current year portion of the five-year capital improvement program is listed, along with location maps and funding source. A more detailed project-planning sheet is available in the separately published five-year Capital Budget and Capital Improvement Plan.

Community Profile - The profile provides background information so that the budget can be viewed in the context of the factors that shape and affect budget decisions, priorities, and financial parameters within which the community operates. Also provided are select statistical tables providing historical trend information on tax rates, expenditures, and assessed valuations of property.

Appendix - In the appendices the user will find a glossary of budget terminology, ordinances/resolutions adopting the levies and budget, a summary of authorized personnel/positions by department, the city pay plan, and a summary of the cost allocation basis.

For additional information, please call the Finance and Budget Office directly at (928) 774-5281 extension 7323. This budget document may also be viewed on the City of Flagstaff website, www.flagstaff.az.gov, in Adobe Acrobat format.

City of Flagstaff



City Council

CITY COUNCIL GOALS

ECONOMIC DEVELOPMENT

GOAL: Maintain and strengthen Flagstaff as a regional center for retail, employment and hospitality, while enhancing the quality of life for our residents through technology and innovation and the attraction of employers who pay livable wages.

FISCAL HEALTH

GOAL: Maintain written policies to provide for a balanced budget that meets a vast array of community needs, to ensure that resources are available to meet future needs and allow for community infrastructure to be maintained at adequate levels and other sound financial practices that maintain the fiscal health of the organization.

PUBLIC SAFETY

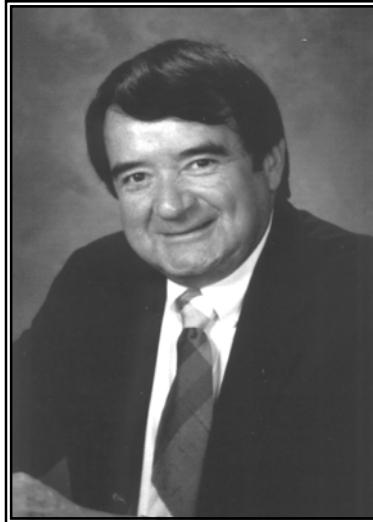
GOAL: To promote and maintain a safe community through integrated public safety systems that addresses the underlying issues affecting public safety, health and quality of life.

AFFORDABLE HOUSING

GOAL: To insure that a variety of housing opportunities are available to a diverse population, especially those requiring entry level housing.

PLANNING FOR GROWTH

GOAL: To shape growth, with the involvement of the community, in a manner that protects and preserves our region's natural environment, livability and sense of community.



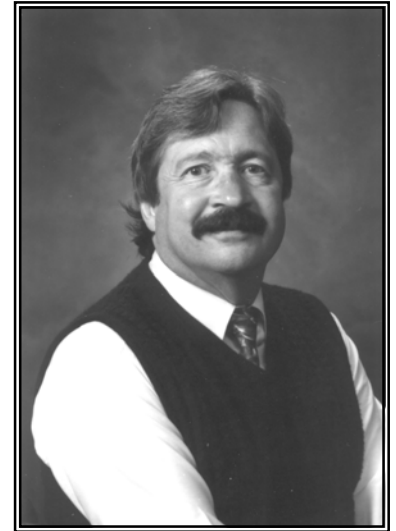
Mayor Joseph Donaldson

Mayor Joseph Donaldson was first elected as Mayor of Flagstaff in May of 2000 and was successfully re-elected in 2002 and 2004. Mayor Donaldson holds leadership positions, or is a member, of 20 local, state, and national organizations including: Vice-Chairman of the National League of Cities, Transportation Infrastructure Services Steering Committee; Chairman of the Subcommittee on Zoning and Implementation of the Arizona Forest Health Oversight Council; and the Northern Arizona Municipal Water Users Association. Prior to becoming elected as mayor, Donaldson was a Safeway Store manager for 38 years where he excelled in his commitment to customer service. He has brought that same commitment to City

government. Mayor Donaldson is a 54-year resident of Flagstaff and was recognized as Flagstaff's Citizen of the Year in 1997 and has been voted Best Elected Local Official in 2002, 2003 and 2004.

Vice-Mayor Al White

Vice-Mayor Al White was first elected to the Flagstaff City Council in May 2000 and re-elected in 2004. He moved to Flagstaff in 1989 from the Grand Canyon where he worked in hotel management for 13 years. His career in the hospitality industry provided Vice-Mayor White a key understanding of tourism issues in Flagstaff. His work in the recycling industry (owner/operator of New World Recycling) also afforded him an opportunity to observe the operation and actions of City government. Before running for City Council, Vice-Mayor White furthered his involvement in his community by becoming the Chairperson of the City's Disability Awareness Commission, holding a special interest in disability issues since he became a paraplegic in 1996. Vice-Mayor White was awarded a Bachelor of Science Degree in Communication Studies from the University of Massachusetts in Amherst, Massachusetts. He currently serves as the Council representative to the Disability Awareness Commission, the Clean & Green Commission, the Tourism Commission, and on the Board for the northern Arizona Business and Technology Incubator. He remains convinced that economic growth does not have to be at the expense of conservation and environmental protection. Finding that blend is his primary concern.



City Council

CITY COUNCIL GOALS

CAPITAL IMPROVEMENT

GOAL: Plan, program, design and construct public works and facilities capital improvements through a structured, efficient and transparent process ensuring scarce public resource expenditure for the greatest benefit to the community; creating a built environment shaped through citizen involvement, reflecting community pride.

QUALITY OF LIFE

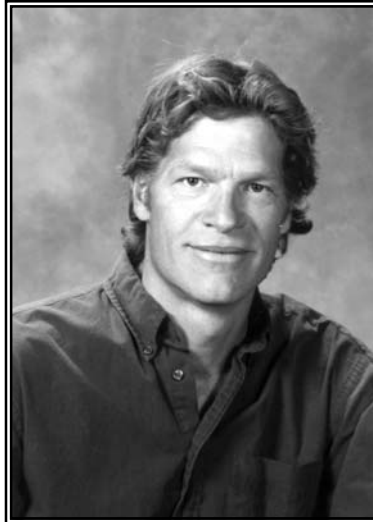
GOAL: To enhance the quality of life of our community, we will assure comprehensive programs that allow for a balance between economic development, resource protection and neighborhood concerns, that include cultural components that cross generational boundaries and strive to create cost effective and pro-active approaches to meet the social, physical and economic needs of our citizenry as we celebrate Flagstaff's heritage, diversity, and vast aesthetic appeal.

PLANNING FOR GROWTH

GOAL: To shape growth, with the involvement of the community, in a manner that protects and preserves our region's natural environment, livability and sense of community.

CUSTOMER SERVICE

GOAL: Instill a positive customer service culture throughout the organization and with each employee of the City in the delivery of service both externally and internally.



Councilmember Art Babbott

Councilmember Art Babbott was elected to the Flagstaff City Council in May 2002. Councilmember Babbott is self-employed and has a passion for protecting Flagstaff's environment through planning, sustainability and policy development. He represents the Council on the Coconino Plateau Water Advisory Council, the Flagstaff Housing Authority and helped initiate with Councilmember Kelty, the Community Housing Task Force. Councilmember Babbott has a special interest in alternative energy and is involved with the Flagstaff Community Market in Flagstaff's Southside neighborhood and business district. Born in Burlington, Vermont, Councilmember Babbott has lived in Flagstaff for the past 10

years. He received his Bachelor of Arts degree in Political Science from Amherst College in Amherst, Massachusetts and his Master of Arts Degree in Urban Affairs and Public Policy from the University of Delaware.

Councilmember Karen Cooper

Councilmember Karen Cooper was first elected to the Flagstaff City Council in May 2000, served as Vice-Mayor through June 2002, and was re-elected in May 2004. Prior to coming to Flagstaff ten years ago, Councilmember Cooper had significant involvement in local governments in Michigan and Colorado. In Flagstaff she served on the Flagstaff Planning & Zoning Commission and served as its Chairman and Vice-Chairman. She was also a member of the Regional Planning Task Force. As a Councilmember, Cooper serves as the liaison to the P & Z Commission, the Historic Preservation Commission, Library Board, Public Art Advisory Committee, Flagstaff Metropolitan Planning Organization, and the Cocopai Resource and Development Agency.

Councilmember Cooper is a retired administrator, community volunteer and currently serves on the Board of the Flagstaff Leadership Program. She attended Duke University and received her degree in Political Science from Aquinas College in Michigan.

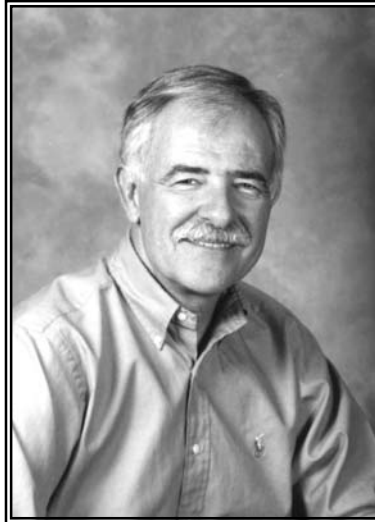


City Council

CITY COUNCIL GOALS

COLLABORATION

GOAL: Strengthen the community by strengthening partnerships with sovereign nations, public, non-profit and private agencies. Develop collaborative goals, through all levels of the organization, based upon common interests with these agencies to optimize the use of community resources and the delivery of services to the citizens of Flagstaff.



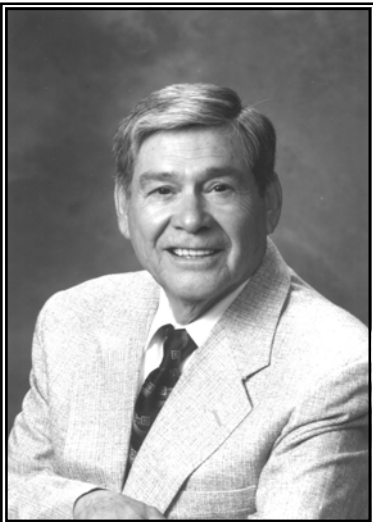
Councilmember Joe Haughey

Councilmember Joe Haughey was elected to the Flagstaff City Council in May 2002. He and his daughter Valerie are realtors with Common Goal Realty. In his 27 years in Flagstaff, Councilmember Haughey has been involved in many volunteer organizations. He is a graduate of the Flagstaff Leadership Program, is a Board Member for the Greater Flagstaff Economic Council and with the Flagstaff Metropolitan Planning Organization, is a past Board member of Flagstaff Cultural Partners, and is a certificate holder with the Flagstaff Medical Center. As a Councilmember he serves on the City Traffic and Water Commission. Born in Los Angeles, Councilmember Haughey spent the majority of his youth in Saudi Arabia, Jordan, and Lebanon.

He returned to California to finish high school and receive his Bachelor of Science degree from Cal State Los Angeles. A private pilot and an avid outdoorsman, Councilmember Haughey served as a Seabee in the U. S. Navy. He and his wife Liz raised their four children in Flagstaff and they now have 10 grandchildren living in the community.

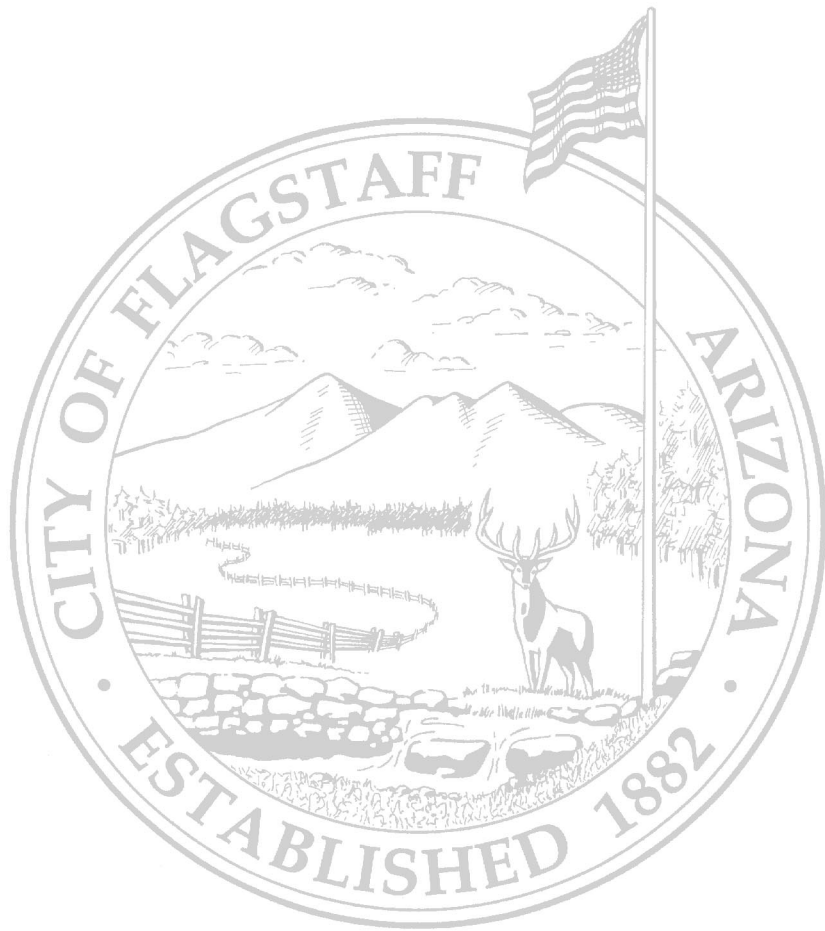
Councilmember Kara Kelty

Councilmember Kara Kelty was appointed to office in July 2002 and elected to a full term in May 2004. She represents the Council on the Community Housing Policy Task Force, and the Open Spaces Commission. She is currently the Director of "Success by 6" for the United Way of Northern Arizona. Councilmember Kelty has been involved in a variety of civic, youth and professional organizations since moving to Flagstaff ten years ago. A graduate of the Flagstaff Leadership Program, she is also currently a member of the National League of Cities Equity and Opportunity Panel. From 1989 to 1995 Councilmember Kelty held Program Coordinator and Technical Training positions with the Peace Corps in the Philippines and Guatemala. Councilmember Kelty holds a Bachelor of Arts degree in Political Science from the College of the Holy Cross in Worcester, Massachusetts and was awarded her Masters in Education in Counseling: Human Relations from Northern Arizona University. She is married and has two children.



Councilmember Libby Silva

Councilmember Libby Silva was first elected to the Flagstaff City Council in May 1998, was re-elected in 2002 and served as Vice-Mayor until May 2004. Councilmember Silva serves on the Board of Directors for the National League of Cities, is currently President of the National Organization of Hispanic Elected Local Officials, and works with the Coordinating Council on Mexican American Affairs. He is also Chairman of the Workforce Investment Act in Coconino County and is leading a group of Hispanic individuals as mentors to Hispanic high school drop outs in an effort to get them back in school. Councilmember Silva is a Korean War Veteran having served in the Air Force. He attended New Mexico Western College and has retired as the Labor Relations Manager and Affirmative Action Coordinator for Mountain Bell. Councilmember Silva is an Arizona native, born and raised in Glendale and has lived the past 17 years in Flagstaff. He is also a licensed commercial pilot.



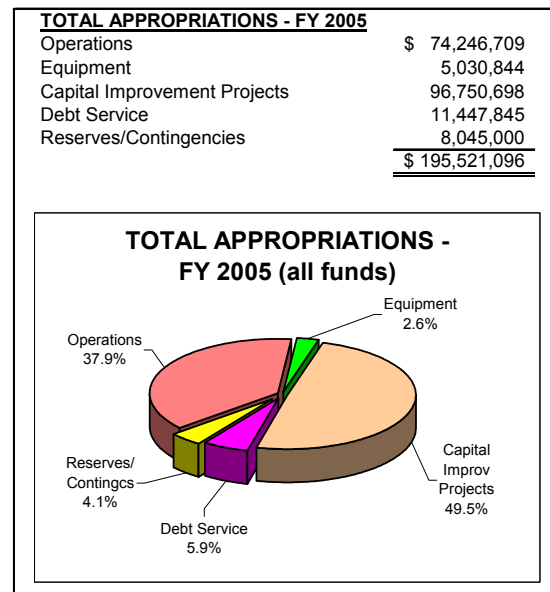
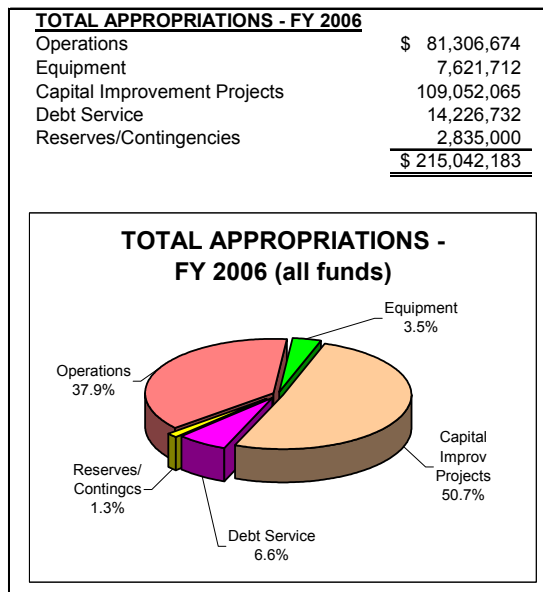


City of Flagstaff

Honorable Mayor, City Council, and Citizens of Flagstaff:

The Fiscal Year (FY) 2006 proposed budget is indicative of the City's improving financial condition. Controlled expenditures in recent years, combined with increasing revenues, place the city in a fiscal position many cities would envy. I am pleased to provide the following information to you.

This proposed budget allocates financial resources to the City Council priorities as discussed by the Council during budget retreats, which are held twice each year. Within available resources the proposed budget directs revenue toward sustaining existing services, maintaining the Council's capital initiatives, and supporting the organization and its human resources. A summary comparison of FY 2006 and FY 2005 appropriations are shown below.



HUMAN RESOURCES

The City is able to respond to growing human resource costs pushed by increasing retirement contributions, health care costs, and overall compensation needs. The Council has repeatedly stated that among its highest expenditure priorities is the necessity to adjust compensation to keep pace with the salaries in the marketplace and the increasing cost of living. Overall this budget increases expenditures for personnel services by \$4.0 million, which includes increases in the following categories: compensation - \$2.1 million, retirement contributions - \$785,000, health insurance - \$109,000, and for additional positions - \$760,000.

While the Council has directed resource allocation toward compensation for current City employees, it has also determined the necessity of keeping pace with service demands by adding new personnel as resources allow. This proposed budget responds to, but does not fully achieve, the Council's direction. Without new revenues it is simply not possible to adequately fund both compensation adjustments for current City employees and include the new positions necessary to accomplish Council goals. The opportunity to add revenues to fund some additional positions is discussed below.

During the retreat in March 2005, the City Council discussed priorities for appropriations toward new positions. The two general areas with the highest Council priority were in agreement with the priorities suggested by department heads and the Employee Advisory Committee. Everyone agreed with the restoration of previously eliminated positions while adding needed personnel for organization-wide support services. Those positions that meet this criterion include:

- ❖ Assistant Fire Chief
- ❖ Maintenance Worker
- ❖ Recreation Assistant
- ❖ Library Clerk
- ❖ Recreation Temps
- ❖ Zoning Code Administrator
- ❖ IT Network Analyst
- ❖ Attorney's Office Paralegal

In addition, new services or programs and a growing demand for service also require new staff. It is broadly recognized that current staff already faces workload demands too great to allow absorption of additional responsibilities. Therefore, new positions meet limited program and workload needs. Additional positions include:

- ❖ Three Emergency Service Dispatchers
- ❖ Land Trust Administrator
- ❖ Plans Examiner
- ❖ Six Police Officers
- ❖ Forest Health-Fire
- ❖ Floodplain Inspector
- ❖ Two Water Service Technicians
- ❖ Equipment Operators
- ❖ Bin Maintenance Technicians
- ❖ Administrative Support

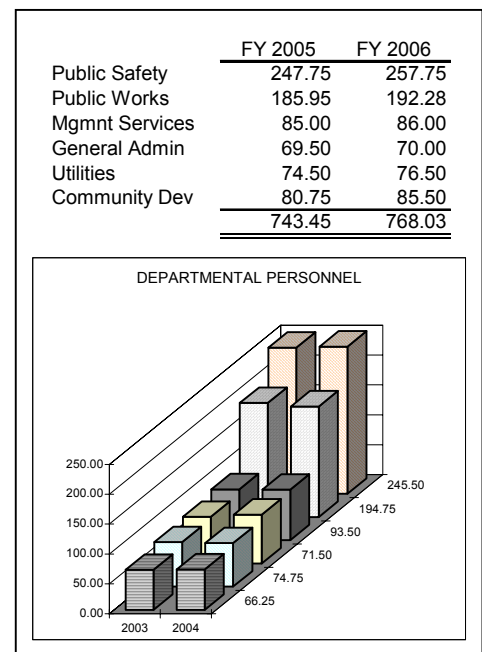
Assignment pay requests are also fully funded and new positions are added in areas funded by other revenues earmarked for the specific service.

Several high priority positions are not included in the proposed budget. An Assistant City Attorney is not included along with the addition of a part-time position in the Risk Management Division. These additions would allow the City to internalize legal and adjusting costs for claims against the City. At the time of budget review and the writing of this message it could not be concluded that this would result in substantive cost savings. Further study is needed, which will be conducted during FY 2006.

Citywide a total of 54.93 new FTE (full and part-time) positions were requested by department heads. A net total of 24.58 FTE's were added. The chart on this page illustrates the staffing changes by department. See pages 33 – 35 for actual position additions and deletions.

CAPITAL

Community investment is recognized as a City government responsibility. Investment in the public's infrastructure is a necessity in order to adequately serve growing service demands. As the community and region grow in population, infrastructure systems become overextended and worn. For example, streets must be repaired and reconstructed and new streets built because of increasing traffic. Moreover, demand grows for new infrastructure to both maintain and



enhance the quality of life expected by urban residents. Parks, ball fields, urban trails, recreation and life centers are built. It takes more than emergency service personnel to deliver public health, safety and welfare. Other projects assure safe passage to schools, provide safe multi-modal transportation alternatives, and reduce the threat of flooding.

During the last five years, the City's capital budget has greatly increased in response to community needs, recognizing that some concerns and essential services had been neglected and providing infrastructure for the vitality of the community's economy. The FY 2006 capital budget of \$109 million responds to recognized needs and voter authorization of capital projects.

SUSTAINING SERVICES

City services are essential to a quality community environment in which to live and work. We often generally take for granted that water and wastewater service will be available, trash will be hauled away, and firefighters and police officers will come when called. These services don't automatically happen without consideration of a wide array of factors. The necessary level of service delivery requires adequate staffing levels, as well as necessary operating and capital expenditures. Allocations to the various services must be based on an evaluation of service gaps and greatest need. Additionally, current year expenditures must be sustainable through future years. Sustainability (as with sustainable community growth) necessitates not over expending current resources or anticipating more future resources than will be realized. City of Flagstaff Council and staff have carefully considered resource allocations to support sustainable services and to invest in the creation of a tax base to fund the certainty of increasing costs.

This budget is, as always, carefully considered and sustainable. As adopted, current service levels are maintained. Yet, the budget does not fully fund all City Council priorities. The most apparent area where allocations are short is public safety. During budget review the City Council considered increasing revenues to support public safety positions. In reference to the March 2005 City Council retreat, ways to increase operating revenues were recalled. A property tax increase of five cents would raise approximately \$260,000. Development review, plan review, and zoning are only collecting from 2% to 20% of the cost of service. Fees could be increased so that applicants would pay a greater proportion of these service costs to approximate the same revenues generated by a property tax increase. This budget includes a five-cent increase in primary property tax to fund the addition of five police officers. In order to hold the overall tax rate steady, secondary taxes are reduced by five cents.

PUBLIC SAFETY

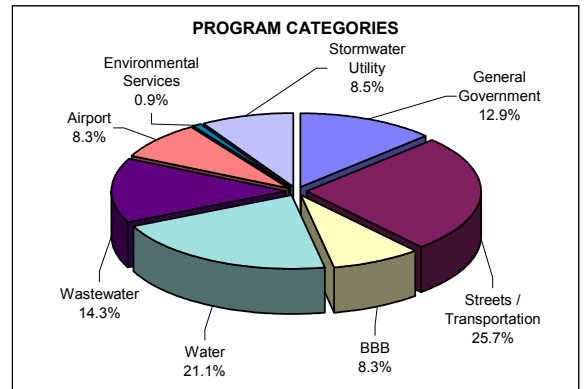
Public safety is always a City Council priority. In the area of public safety, the Council heard from both chiefs the need for additional staff for a variety of assignments. Public safety is discussed in some depth because it is one of the Council goals which is not funded to the level Council would like. It is appropriate to establish a record of the concerns considered in reaching a decision to fund five police officers.

Police: The City has attempted to maintain a ratio of 1.6 sworn officers to 1,000 citizens. This ratio was determined by looking at national practices utilizing a similar ratio adjusted downward from approximately 1.8/1000 nationally in recognition of budget constraints and the fact that the NAU student enrollment is included in the City population but the NAU police force is not included within the officer to population ratio. The City has maintained approximately the target ratio for the last twelve years (currently at 99 officers based on 61,270 citizens).

As with most police departments, it has been difficult to maintain a full staff. There is inevitable turnover; and Flagstaff's turnover is exacerbated by abundant career opportunities in the Phoenix metropolitan area as well as with other State and

Funded projects fall into eight broad categories:

General Government	12.9%	\$ 14,026,716
Streets / Transportation	25.7%	28,008,699
BBB	8.3%	9,103,161
Water	21.1%	23,046,978
Wastewater	14.3%	15,621,594
Airport	8.3%	9,053,038
Environmental Services	0.9%	930,664
Stormwater Utility	8.5%	9,261,215
	<u>100.0%</u>	<u>\$ 109,052,065</u>



Federal law enforcement agencies, which offer higher pay and lower living costs. Nevertheless, the Flagstaff turnover rate among sworn officers was 15% in the last twelve months and 9% average in the last five years.

A major complicating factor in maintaining staffing levels when turnover occurs is the time it takes to replace departing police officers with a fully trained and independent new officer on the street. Recruiting, Police Academy, and field training takes approximately 8 months at a cost to the City of \$36,000 per officer.

The roles of the Police Department and police officers have changed over the years. The Police Department provides services intended to prevent crime and build community relationships, rather than just respond to crime. In essence, these services target issues instead of taking the geographic approach of decades ago, represented by foot patrols. Examples include Block Watch, DARE, GREAT, and citizen support, all of which require significant officer time commitment. When resources allow, the department still provides selected area foot patrol and bike patrol, both limited in recent years due to staff shortages.

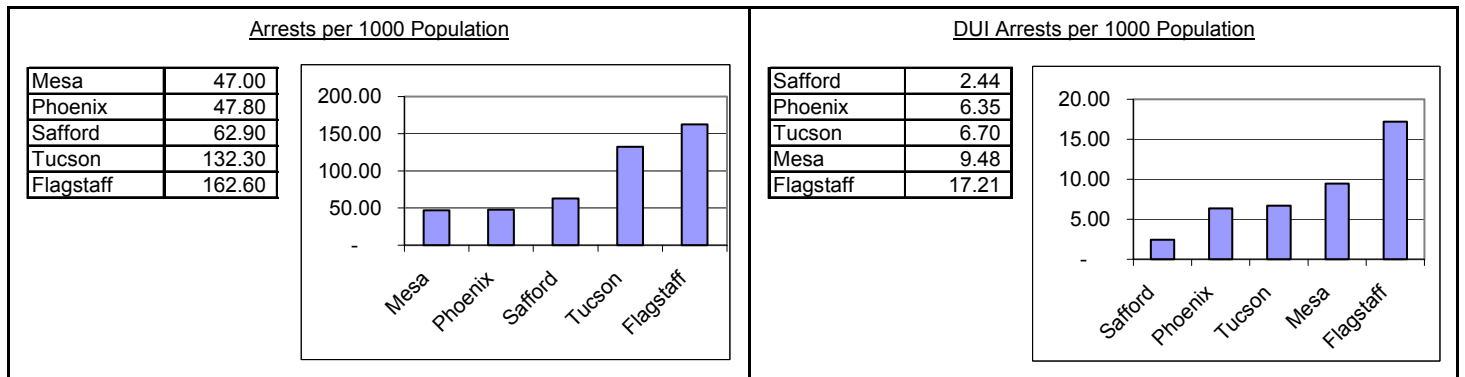
It is appropriate to mention recent trends in Flagstaff. Articles in the Arizona Daily Sun have effectively informed us all that Flagstaff has an unusually high incidence of property crime. The high property crime rate is in part due to increasing numbers of public intoxicants, compounded by activity of a similar nature by younger offenders. While violent crimes have declined slightly, lesser crimes (Part II UCR) have increased by 11%. Contacts with public intoxicants have risen by 34%; and due to the nature of many contacts, officers are taken off the street for a significant period of time. The only time there is a statistically significant reduction in calls for service is the period between 2:00 a.m. and 8:00 a.m. The Police Department is witnessing growing problems with gang activity. In fact, the nature of some of this activity is far more serious than the property crimes seen from intoxicants. A recent impact on police shift schedules is the adjustment necessitated by the State change of bar closing time from 1:00 a.m. to 2:00 a.m. This change occurred a year ago and no staff additions were made to compensate for the shift changes required. The result is an overextended midday (peak call period) shift. Moreover, traffic accidents have increased by 17%. Finally, the City is growing in population and geographic area creating additional areas to patrol without additional officers on the street.

Police Statistics. Flagstaff participates in the International City Management Association's (ICMA's) Performance Measurement Program. Although only a few cities participate, these are considered leading edge parameters in an attempt to understand comparative service demands, service levels, and effectiveness. A few of the statistical indicators follow from the ICMA report for FY 2003:

- Of 70 cities reporting, Flagstaff ranks 4th in the number of the Uniform Crime Report (UCR) Part 1 crimes reported per 1,000 population;
- Of 57 cities, Flagstaff ranks 16th in total arrests for UCR Part 1 crimes per 1,000 population;
- Of total arrests per 1,000 population, Flagstaff ranks 1st of 61 cities reporting;
- Of crimes cleared, Flagstaff ranks 12th out of 57 cities reporting;
- Of 43 cities reporting, Flagstaff ranks dead last in the amount of operation and maintenance expenses per UCR Part 1 crimes cleared;
- Flagstaff is 2nd out of 55 cities reporting for UCR Part II drug offenses per 1,000 population;
- Flagstaff is 13th out of 49 cities reporting for juvenile arrests for part II drug abuse offenses as a percent of total arrests for UCR Part II drug offenses;
- Flagstaff ranks 1st of 69 cities reporting for DUI arrests per 1,000 population;
- 28.8 (288 total): average number of injuries/year for the last 10 years, most (193 or 67%) happening while apprehending offenders; two worst injuries – 2 officers shot; one died in the line of duty.

Flagstaff's position in comparing national statistics alone may indicate that a 1.6/1000 officer to population ratio is not adequate to meet public safety needs. Combined with what we know to be a high level of property crime, growing drug abuse among youth, and increasing gang activity, the need for more officers seems apparent. Furthermore, police officers are a first line of contact with citizens for identifying problematic social trends that lead to more criminal activity. More officers can establish greater familiarity and trust enabling a stronger police/citizen partnership for prevention.

The following graphs compare Flagstaff to other Arizona localities for both total arrests and DUI arrests per thousand population:



Fire: The Fire Department has stated for several years that the number one fire threat to the community is forest fire. The understanding of this by our Fire Department, and the recognition of this fact by citizens, led to the establishment of a fuel management program housed within the Fire Department in 1996. While the program was to be largely grant funded, grants had been paying for only 50% of the program. In the FY 06 proposed budget the general fund will provide 88% of funding.

The community has embraced the concept of fuel reduction. In fact, there is great interest in seeing significant fuel reduction, particularly within suspected fire corridors approaching the community. The Fire Department cooperates and partners with other jurisdictions in this effort, including County, State Land Department, U.S. Forest Service, NAU, and numerous other agencies and interest groups, which participate in the Greater Flagstaff Forest Partnership. The City Council approved a requested fuel management position, which had been eliminated in FY 2003. The position is needed to coordinate multiple aspects of the fuel management program.

The Fire Department also expressed a priority to add firefighters to achieve a response capability of four firefighters per apparatus. The Fire Chief has explained that this is not intended to be minimum staffing initially. In other words, if due to absences, engine companies fall below four firefighters, backfilling is not proposed. Rather, overall staffing would be adequate to fulfill a goal of four firefighters per company most of the time. This would require the addition of 12 firefighters upon the completion of fire station relocation and redeployment of equipment and staff. The City Council has endorsed this goal and directed phasing in firefighters as resources allow. The Fire Chief also proposes to establish a rescue truck staff with two firefighters per shift and deployed at the new Station 2 in the center of the community. To staff this proposal requires another six firefighters.

A minimum staffing level per fire truck is recommended by NFPA 1500 and 1710, national standards adopted by the National Fire Protection Association. It may be instructive to have an idea of the status of these standards as utilized by cities nationwide. ICMA conducted a survey of cities over 10,000 in population within the last year to determine some comparative information for Police and Fire Departments. Of 3,247 cities surveyed 48% responded. Of the 1,559 cities responding 64.5% said they do not utilize the NFPA standard. The average minimum crew for a fire pumper is reported to be 3.1. In Arizona, four cities in addition to Flagstaff maintain a class 2 ISO rating (Tempe, Mesa, Tucson and Phoenix). Except for Flagstaff, all these cities staff fire pumpers with a minimum of four personnel. Yet, Flagstaff was recently rated by ISO and the ISO 2 rating will be maintained without staffing at a level of four firefighters per pumper.

Overall, staffing of a fire department is highly dependant on the geographic size of the community. This is because fire stations need to be located to serve the developed area - - the more dispersed, the more fire stations. So, while the following figures are useful, they may not demonstrate an "apples to apples" comparison. The City of Flagstaff has 89 sworn firefighters. Thus the FTE ratio of firefighters to population is 1.45/1,000. Of jurisdictions reporting to the ICMA Performance Measurement Program, the mean is 1.15/1,000 and the mean for cities with a population under 100,000 is .63/1,000.

Fire Statistics. The Fire Department did not have statistical information for some of the comparisons in the last available ICMA Benchmark Report. Therefore, some of the following comparisons may utilize the benchmark report as well as locally available data.

- Of 78 reporting cities, the following breakdown for minimum staffing per pumper: 4 - 18 cities, 3 - 34 cities, 2 or fewer - 16 cities;
- At .54 fires per 1,000 population, Flagstaff ranks 42nd of 55 cities reporting. (No. 1 rank = most fires);
- Two residential arson incidents per 10,000 residents puts Flagstaff 30th of 36 cities reporting (2002 data);
- 4.4 non-structure fire incidents per 1,000 population places Flagstaff 18th of 60 cities reporting;
- 3.7 total fire incidents per 1,000 population ranks Flagstaff 28th of 48 cities reporting;
- 46 EMS responses per 1,000 population places Flagstaff 35th of 49 cities reporting (No. 1 rank = most calls);
- 1.9 arson incidents ranks Flagstaff 41st of 57 cities reporting (Rank #1 = highest; 2002 data);
- 20 hazmat incidents per 10,000 population placed Flagstaff 11th of 54 cities reporting.
- 15.5 average number of injuries per year for the last 10 years (155 total). Number of injuries working a fire totaled 13.5% (21).
- In 2004, total responses increased 36% (from 6,254 to 8,507);

The foregoing information about the police and fire departments assisted the City Council in making decisions about these vital public safety services. Decisions regarding police and fire expenditures may have the greatest impact both on the general fund budget and the quality of life in our community. The Council examined the relative need for additional staff to keep pace with service demands and the ability to respond to significant community issues and the ability to sustain additional staffing citywide. The Council concluded that the most pressing public safety need for FY 2006 is the addition of police officers.

COUNCIL PRIORITIES

The basis of this budget are the ten general goals previously adopted by the Council, and subsequently reaffirmed and restated by the Council most recently during Council retreats in November 2004 and March 2005.

City Council Goals – FY 2006

Affordable Housing

GOAL: To insure that a variety of housing opportunities are available to a diverse population, especially those requiring entry level housing.

- A staffing increase is budgeted for a Housing Land Trust Manager.
- Work with the Workforce Housing Policy Task Force to determine regulatory changes, which may facilitate workforce housing development.
- The City will continue to facilitate a comprehensive discussion among agencies involved in providing housing and employers with a goal of determining needs, funding and program opportunities.
- Staff will complete the feasibility and best practice study for establishing a community land trust and will implement findings.
- Develop an alternative to CDBG funding in preparation for possible federal decisions to cut the CDBG program.
- Completion of a new consolidated plan that must be submitted to HUD every five years.

Economic Development

GOAL: Maintain and strengthen Flagstaff as a regional center for retail, employment and hospitality, while enhancing the quality of life for our residents through technology and innovation and the attraction of employers who pay livable wages.

- Inasmuch as advanced technology is critical for the attraction and retention of desired employers, the City will continue to work closely with partners to implement findings and recommendations of the Telecommunications Study completed by GFEC.

- Economic development initiatives require public support; this, as stated for FY 05 and not completed, staff is to develop an approach for project development, which engages public discussion and the City Council early in any process leading to a specific project.
- A core value and goal of the Regional Plan is redevelopment; in another program carry-forward from FY 05, staff is asked to develop a multi-year plan for Council discussion, which outlines what areas of the community will gain the focus of redevelopment strategies, including the 4th Street area and the implementation of the Urban Mobility Study.
- Continued implementation of several economic initiatives, which have been underway for one or more years:
 - The City continues to budget for its share of the local/federal Rio de Flag project, appropriating \$7,107,239 in FY 2005. The City will spend a total of \$24 million for the project. Design will continue and the first phase of construction will commence in this calendar year.
 - The likely investment in the Southside, following completion of the Rio de Flag Project, necessitates completion of a neighborhood plan in that area. The Southside planning process will be completed, and staff will develop implementation strategies working with southside residents and business owners.
 - The East Flagstaff Gateway Project will move ahead with infrastructure construction having commenced in spring 2005.
 - Airport Expansion Projects will continue with adoption of a new ten-year plan and design of the first project therein – the runway extension.
 - USGS Campus Development Plans will move forward in cooperation with the USGS new building plans and the RFP for the adjoining research park.
 - The Convention and Visitors' Bureau work program will include efforts to strengthen the tourism sector of the economy, including: enhanced marketing and public relations and coordination with event plans in the community.
 - West Side Annexation will be thoroughly explored this fiscal year and a strategy for annexation developed.
 - Staff will continue to work with appropriate partners to urge more effective work force development programs, including joint efforts for auto mechanics and the building and construction trades.
 - Staff will commence work on determining the appropriate scope for a Route 66 redevelopment plan and seek Council adoption.

Fiscal Health

GOAL: Maintain written policies to provide for a balanced budget and sound stewardship of City funds to meet a vast array of community needs, to ensure that resources are available to meet future needs and allow for community infrastructure to be maintained at adequate levels and other sound financial practices that maintain the fiscal health of the organization

- Fiscal health must be of paramount interest when public/private partnerships for economic development are considered; and thus, fiscal impact and financial feasibility information must be clearly and openly discussed.
- Continue to study impact fees and provide opportunities for public and Council discussion of options and variations. Consider including water resource fees as part of the discussion.
- Develop Tax Exemption information for future Council discussion.
- Implement liquor license fees to recover issuance costs.
- Determine if policies may be adopted that are aimed at second homes contributing to revenue.
- Continue an active grants program with a target of continuous improvement in the number and level of grants received.
- Work with NAU, Alliance members, and other partners to initiate the Rural Policy Institute.
- Complete negotiations of the Cable Franchise Agreement.
- Ensure the viability of enterprise funds through rate analysis and appropriate fee increases.

Public Safety

GOAL: To promote and maintain a safe community through an integrated public safety system that addresses the underlying issues affecting public safety, health and quality of life.

- Determine an appropriate increase in handicapped parking fines for Council consideration and develop a fair signage and enforcement policy.

- The Police and Fire Departments will continue to work closely to improve emergency dispatch services, and to maintain response preparedness in the event of homeland security threats or actual incidents.
- An active fuel management program to reduce both fuel densities and bark beetle infested trees will be continued.
- Engage active discussions within the Criminal Justice Council to determine the most cost effective approach for responding to the “revolving door” substance abuse population.
- Participate actively in the Criminal Justice Council and evaluate recommendations in a timely manner for future budgetary consideration by the City Council.

Capital Improvement

GOAL: Plan, program, design and construct public works and facilities capital improvements through a structured, efficient and transparent process ensuring scarce public resource expenditure for the greatest benefit to the community; creating a built environment shaped through citizen involvement, reflecting community pride.

- The Capital Division will maintain the parks, utilities, transportation and multi-modal construction program, including Fourth Street, Rio de Flag Flood Control, Sunnyside III and IV, Butler Avenue Waterlines, Thorpe Park, Sixth Avenue Detention Basin/BMX, Safe to School, and FUTS projects.

Planning for Growth

GOAL: To shape growth, with the involvement of the community, in a manner that protects and preserves our region’s natural environment, livability and sense of community.

- The Community Development reorganization process will be largely complete and institutionalized.
- Continue planning with neighborhoods and specific geographic areas to support neighborhood resident and business efforts of appropriate preservation, new investment and quality urban design.
- Continue exploration of reinvestment opportunities along Route 66, along with consideration of appropriate national or local thematic designations.
- Work with the Southside Community Association to begin implementation of the adopted Southside 2005 Master Plan.
- Initiate an effort with stakeholders and the FMPO to determine steps toward implementation of the Urban Mobility Study.
- Define a proactive approach for annexation by analyzing the best approach and determine beneficial annexation initiatives.
- Determine best practices to encourage reinvestment and infill development to promote a mix of land uses.
- Work with the downtown business community to determine the best approach to manage parking and develop new parking.
- Complete the East Flag Gateway project.
- Provide adequate staff attention to advance several area investment opportunities -- USGS, Downtown Gateway East, Fourth Street, and Route 66.

Collaboration

GOAL: Strengthen the community by strengthening partnerships with sovereign nations, public, non-profit and private agencies. Develop collaborative goals, through all levels of the organization, based upon common interests with these agencies to optimize the use of community resources and the delivery of services to the citizens of Flagstaff.

- Facilitate the establishment of a Rural Policy Institute at NAU and the development of outside funding sources.
- A process will be conducted with Alliance partners to identify primary issues for the continued follow up on the Alliance highest priority – education.
- State and federal agencies and elected representatives will be engaged proactively in pursuit of City interests, including, but not limited to, organizing a greater Council presence in the determination of local and statewide local governmental interests.
- Opportunities for service consolidation will be selectively analyzed and implementation methodologies determined in cooperation with Alliance partners.

- Community and regional policy statements and strategies will be discussed with partners to identify best practices for implementation of programs including: transportation, sustainable water resources, economic development, and state/federal funding.
- Determine strategies for the successful involvement in the next redistricting process to follow the 2010 census.

Customer Service

GOAL: Instill a positive customer service culture throughout the organization and with each employee of the City in the delivery of service both externally and internally.

- The use of technology to enhance customer service should be pursued including, but not limited to, credit cards and information dissemination.
- Through organizational development, create better methods to measure performance.
- Reinforce with staff that timely access to information is a component of customer service and that customer service extends to the City Council and Council meetings.
- Wearing name badges and other means of helping customers identify City staff will be a City policy.
- Review staffing levels to determine where staffing is most critically needed to maintain services in the long term.
- Utilize the results of the climate survey to improve the overall performance of city government delivery of service to citizens.

Quality of Life

GOAL: To enhance the quality of life in our community, we will assure comprehensive programs that allow for a balance between economic development, resource protection and neighborhood concerns, that include cultural components that cross generational boundaries and strive to create cost effective and pro-active approaches to meet the social, physical and economic needs of our citizenry as we celebrate Flagstaff's heritage, diversity and vast aesthetic appeal.

- Staff will assist the Open Space Commission in determining Open Space acquisition priorities and negotiating appropriate transactions, including Bond Program initiatives, if approved by voters.
- Added focus will be given to water capacity development, including developing local underground resources and the acquisition of water rights for which conveyance to Flagstaff may be developed.
- Establishment of a water resource fee, preferable graduated in some equitable manner and to allow for affordable housing exemption.
- Staff will continue a public involvement process to determine location and design activities as appropriate for implementation of Bond Program initiatives as approved by voters.

Organizational Support

GOAL: To insure the City of Flagstaff has the necessary organizational structure and staff who are trained to achieve the goals of the City, now and in the future. To develop and maintain compensation and benefits systems that allows the City as an employer to hire and retain a workforce that is recognized by the Council and public as committed public employees.

- Continue organization development efforts by implementing a Leadership Talent Development Program that uses a competency-based process to develop and enhance leadership competencies in the City organization.
- A five percent market adjustment to employees is included in the budget along with increased allocations to pay for health insurance cost increases and retirement contributions.
- Employer obligations towards employees will continue to be addressed. As discussed under fiscal health, adequate revenues are needed to support City services and the employees who provide them. It continues to be a City goal to position the City fiscally for FY 2006 and beyond to meet the needs of employees and the community.

SUMMARY

It is professionally satisfying to present a budget that demonstrates Flagstaff's relative sound financial condition. This sound condition is directly attributable to proactive management of potential fiscal problems and a conservative approach both to revenue forecasting and operating expenditure initiatives. The City Council has given sound direction in this regard and employees have generally supported short-term impacts.

Five-year projections presented in this budget do not include anticipated revenue from new commercial development. Consequently, the future financial outlook may be even brighter.

Yet, there are reasons to exercise caution. The City's long term financial stability depends on forces over which the City has little to no control -- the local economy and tax base growth as inevitably influenced by national and state trends and state shared revenues which will most certainly decline in the long run as Flagstaff's population growth is greatly exceeded by growth of other parts of the state. State population trends underscore the need for sound local planning decisions as they affect both economic and tax base growth and the costs of providing services.

As always, this budget is the culmination of thoughtful and hard work on the part of many people. City Council direction is invaluable. Department heads and departmental employees work diligently and creatively in submitting cost effective and conservative budgets. EAC offers an excellent sounding board and valuable input. Finally, the budget staff does yeomen work assisting departments and the Budget Committee, balancing all funds, and completing the proposed budget. Thanks to you all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Wilcox', with a stylized flourish at the end.

DAVID W. WILCOX
City Manager

City of Flagstaff ***Mission Statement***

The mission of the City of Flagstaff is to enhance the quality of life to its citizens while supporting the values of its community.

Our Values Are:

ACCOUNTABILITY

We are accountable to the community and each other

RESPONSIVENESS

We value addressing our customer's concerns

QUALITY

We provide high-quality customer service

PROFESSIONALISM

We are honest, responsible, fair, highly-trained, and cost conscious

TEAMWORK

We are a team in partnership with citizens, other agencies, and each other for a better Flagstaff

PROBLEM SOLVING

We solve problems creatively, open-mindedly, and professionally

"Service at a Higher Elevation"



Budget Highlights 2005 – 2006

Accountability

The City will aggressively enforce the traffic codes that are identified as those that are the leading causes of vehicle collisions.

Responsiveness

The City will work toward refining the “complaint resolution” process and work with the public to answer questions in a timely manner.

Quality

The City will provide a Homebuyers Education Program in conjunction with loans for down payments and closing costs for low and middle-income first time homebuyers.

Professionalism

The City will apply risk management techniques to minimize the adverse effects of losses and long-term costs of city activities by identification, prevention, and control of risk.

Teamwork

The City looks to develop new partnerships with the National Park Service and the Forest Service by hosting educational forums and programs that can benefit the community as well as visitors.

Problem Solving

Enhanced by state and federal funding, the City will support a brownfield program to encourage infill development, revitalization of existing areas, and the creative recycling of vacant or underutilized lands.

Accomplishments 2004 - 2005

Accountability

The City completed the development and implementation of a formal procurement code, incorporating alternative methods of procurement for construction services and addressing the use of recycled products and green building concepts.

Responsiveness

The City conducted eleven public meetings for major capital projects, published numerous Cityscape articles, and contributed weekly to the City Managers newsletters to ensure a well informed public regarding the status of all active capital projects.

Quality

The City completed maintenance upgrades in parks for improved safety and ADA accessibility to meet state and federal regulations.

Professionalism

Government Finance Officers Association presented the City the Distinguished Budget Presentation (twelve consecutive) and Excellence in Financial Reporting (fourteenth consecutive) Awards.

Teamwork

The ADOT Transportation Planning Division and Flagstaff District, NACOG, City and County planning, and Capital Programs were able to co-fund the Phase II Freight Study that is now complete.

Problem Solving

City divisions collectively pooled resources to combat and control flood waters during the second wettest year in Flagstaff history.

BUDGET OVERVIEW

The City of Flagstaff FY 2006 Financial Plan presents a fiscally sound and balanced budget that maintains the integrity of the City's financial condition while still meeting the service level demands of a community that expects quality services. The Financial Plan is balanced not only financially, but also equally as important, balances the allocation of resources among operating

requirements, capital needs, debt burden, and strong reserves for future needs and contingencies.

This section briefly describes the document *Format and Presentation*; the *Assumptions and Strategies* which formed the working parameters of the budget development; *Highlights of Appropriations, Revenues, and Capital Improvements Plan (CIP)* for FY 2006; *Debt Structure*; and the *Fund Balances*, which are the operating framework of the Financial Plan.

FINANCIAL RESOURCES AVAILABLE

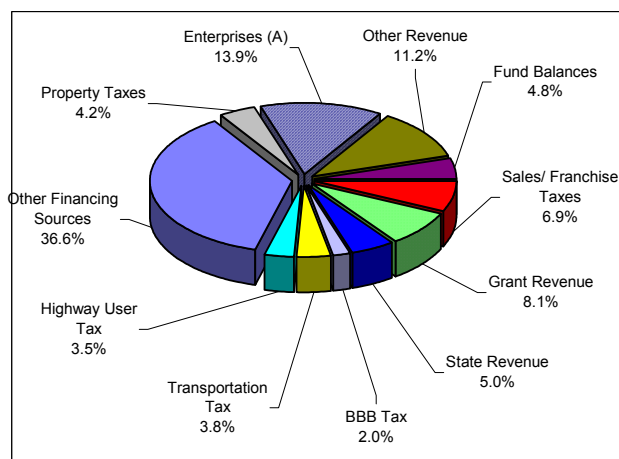
Sales/Franchise Taxes	\$	14,922,172	6.9%
Grant Revenue		17,385,636	8.1%
State Revenue		10,717,086	5.0%
BBB Tax		4,316,892	2.0%
Transportation Tax		8,123,048	3.8%
Highway User Tax		7,436,000	3.5%
Other Financing Sources		78,805,477	36.6%
Property Taxes		8,949,459	4.2%
Enterprises (A)		29,927,557	13.9%
Other Revenue (B)		24,082,819	11.2%
Fund Balances		10,376,037	4.8%
	\$	<u>215,042,183</u>	<u>100.0%</u>

(A) Enterprises:

Water	\$	11,150,500
Wastewater		7,853,000
Airport		1,213,404
Environmental Services		8,760,817
Stormwater Utility		949,836
	\$	<u>29,927,557</u>

(B) Other Revenue:

Licenses and Permits	\$	2,135,239
County Vehicle Tax		2,550,000
Charges for Services		1,584,262
Fines and Forfeits		993,119
County Contribution		2,993,396
Interest on Investments		1,678,664
LTA/Misc Revenue		12,148,139
	\$	<u>24,082,819</u>



"WHERE THE MONEY COMES FROM"

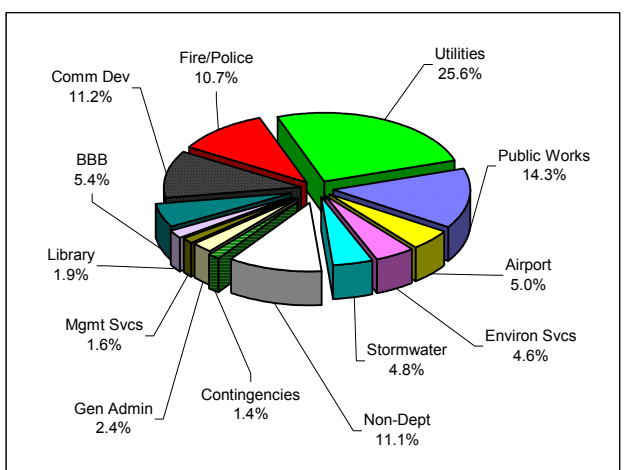
\$215,042,183

TOTAL APPROPRIATIONS

General Administration	\$	5,200,940	2.4%
Management Services		3,503,470	1.6%
Library		4,173,591	1.9%
BBB (A)		11,525,397	5.4%
Community Development		24,163,472	11.2%
Fire/Police		22,953,218	10.7%
Utilities		55,095,650	25.6%
Public Works		30,756,222	14.3%
Airport		10,729,602	5.0%
Environmental Services		9,939,291	4.6%
Stormwater		10,217,944	4.8%
Non Departmental		23,948,386	11.1%
Reserves/Contingencies		2,835,000	1.4%
	\$	<u>215,042,183</u>	<u>100.0%</u>

(A) BBB Tax Funds:

Beautification	\$	5,544,432
Tourism		1,687,622
Economic Development		474,400
Arts and Science		403,391
Recreation-BBB		3,415,552
	\$	<u>11,525,397</u>



"WHERE THE MONEY GOES TO"

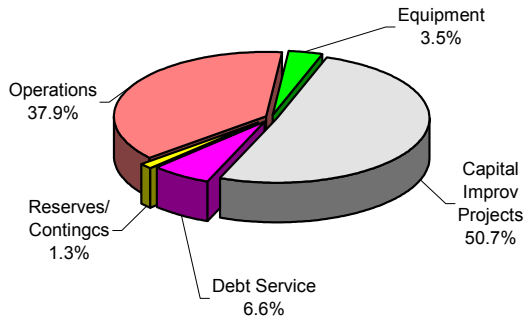
\$215,042,183

The following graphs depict the major classifications of appropriation for the total 2005-2006 budget and expenditures by major types.

TOTAL APPROPRIATIONS

Operations	\$	81,306,674
Equipment		7,621,712
Capital Improvement Projects		109,052,065
Debt Service		14,226,732
Reserves/Contingencies		2,835,000
	\$	215,042,183

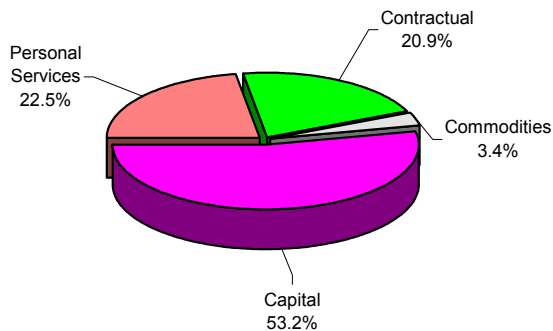
TOTAL APPROPRIATIONS (all funds)



EXPENDITURES BY TYPE

Personal Services	\$	48,191,286
Contractual		45,045,703
Commodities		7,359,441
Capital		114,445,753
	\$	215,042,183

EXPENDITURES BY TYPE (all funds)



OPERATING EXPENDITURES BY DEPARTMENT

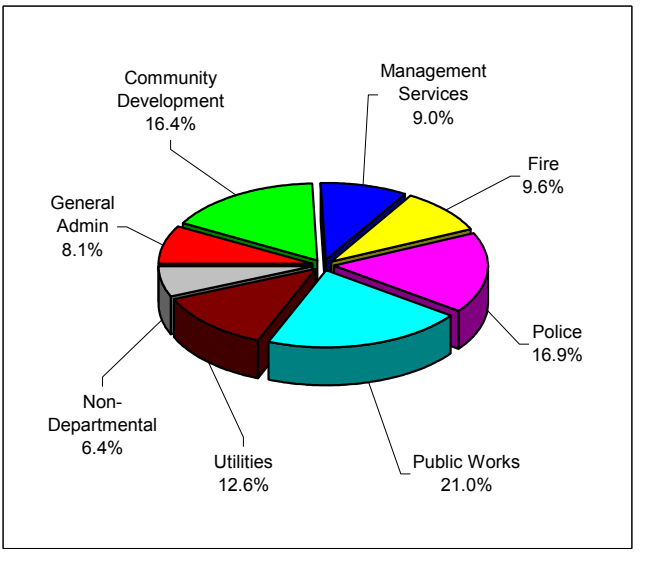
City operations include the traditional municipal services citizens expect their local government to provide. Operating expenditures exclude capital improvements, capital equipment, debt service and reserves. The department budgets are presented to include division budgets and Departmental (organizational structure) responsibilities as defined by the City Code.

OPERATING BUDGET *

General Administration	\$	6,612,081
Community Development		13,364,878
Management Services		7,352,061
Fire		7,841,381
Police		13,761,970
Public Works		17,048,556
Utilities		10,219,333
Non-Departmental		5,106,414
	\$	81,306,674

* Exclusive of Debt Service

\$ 14,226,732



General Administration activities comprise 8.1% of the budget (\$6.6 million). The divisions within this Department provide for the overall management and administration of the City, as well as enforcement of municipal laws through legal support and the courts. This department consists of City Manager, City Clerk, Law, City Court, Human Resources, Risk Management, Tourism and Visitor Services.

Community Development comprises 16.4% of the operating budget (\$13.4 million), excluding the debt service requirements for Fourth Street (\$2.0 million). The services in this Department include Development Services, Community Improvement, Community Investment, Capital Improvements, Transportation, Stormwater, MPO, Housing and Community Services, Urban Design, Arts & Sciences, and CD Administration. The services provided by these divisions meet the current needs of the community and plan for the future.

Management Services comprises 9.0% of the operating budget (\$7.4 million). The department encompasses those activities that provide administrative support and services including financial services, purchasing, information systems, sales tax, and real estate. The City/County public library system is also included within the department.

Fire Department services comprise 9.6% of the operating budget (\$7.8 million). The Department's public safety programs provide both personal safety in the

community with proactive attention to preventable disasters and sense of well being through timely emergency response.

Police Department activities comprise 16.9% of the operating budget (\$13.8 million). Public safety programs provide personal safety in the community by promoting a community free of crime and assured response in emergency situations.

Public Works comprises are provided by nine divisions that account for 21.0% of the operating budget (\$17.0 million), excluding the debt service requirements for streets (\$2.4 million), Airport (\$0.6 million), and USGS facility (\$0.5 million). The services provided include environmental service operations, cemetery operations, maintenance of all public facilities and public infrastructure including streets and parks, airport operations, fleet services, and recreation programming.

Utilities Department comprises 12.6% of the operating budget (\$10.2 million), excluding \$4.7 million debt service requirements. Five divisions within water operations and four divisions within wastewater operations provide services that promote a clean and healthy community by providing a safe water supply and proper waste disposal.

Non-Departmental operations comprise 6.4% of the budget (\$5.1 million) exclusive of \$3.5 million debt service. Some divisions are contractual in nature and include Contributions to Other Agencies, Economic Development, and the Pension Trust Fund. The Council and Commission and Non-departmental budgets account for expenditures that benefit City operations as a whole.

BUDGET FORMAT AND PROCESS

The budget and financial plan for the City of Flagstaff (City) is the policy document that reflects the goals and objectives of the City Council. These goals and objectives are implemented through the policies and priorities established by the Council as well as the various Boards and Commissions appointed by Council. The Office of the City Manager is then responsible for implementing these policies and priorities utilizing the allocation of financial resources. The annual review process provides the community an opportunity to evaluate the services provided to the citizens of the community. Programs are identified, evaluated, and the scope of service provided is defined. The staffing level needed to provide the service level deemed appropriate by Council is determined. Additionally, funding requirements and level of effort to be provided are established.

FORMAT

The Department Detail presents each operating activity at the division level with a *division mission, description of programs, specific goals and objectives* for FY 2006,

major accomplishments in FY 2005, and *performance indicators* that measure the efficiency and/or effectiveness at the program level.

To assist the City Manager in the management of the resources expended by the municipality, the budget also serves as an operational guide. The operating budget presentation includes, for comparative purposes, the *Actual Expenditures for FY 2004*, the *Adopted Budget for FY 2005*, the *Estimated Actual for FY 2005*, and the *Adopted Budget for FY 2006*. Expenditures are shown by category as well as cost center (program/activity). The comparatives in the Financial Summaries Section are presented at the fund level and the department level to aid division and program managers in budget tracking and accountability.

Categories presented are:

- Personal Services (salaries, fringe benefits, internal labor, et al)
- Contractual (professional services, utilities, maintenance, rents, debt service, et al)
- Commodities (small equipment, parts, office supplies, operating supplies, et al)
- Capital Outlay (professional services, land, buildings, street, water and sewer construction, equipment, et al)

Fund, Department, and Division Structure:

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, liabilities, fund equity, revenues and expenditures/expenses.

Within each Fund there may be several Departments. Departments also may encompass several Funds. The Department level is the legal level of budget authority.

Departments are groups of Divisions that serve a similar function with the City. In addition, within each Division are Programs, which capture all expenditures related to an activity, cost center, or location of operation within a division.

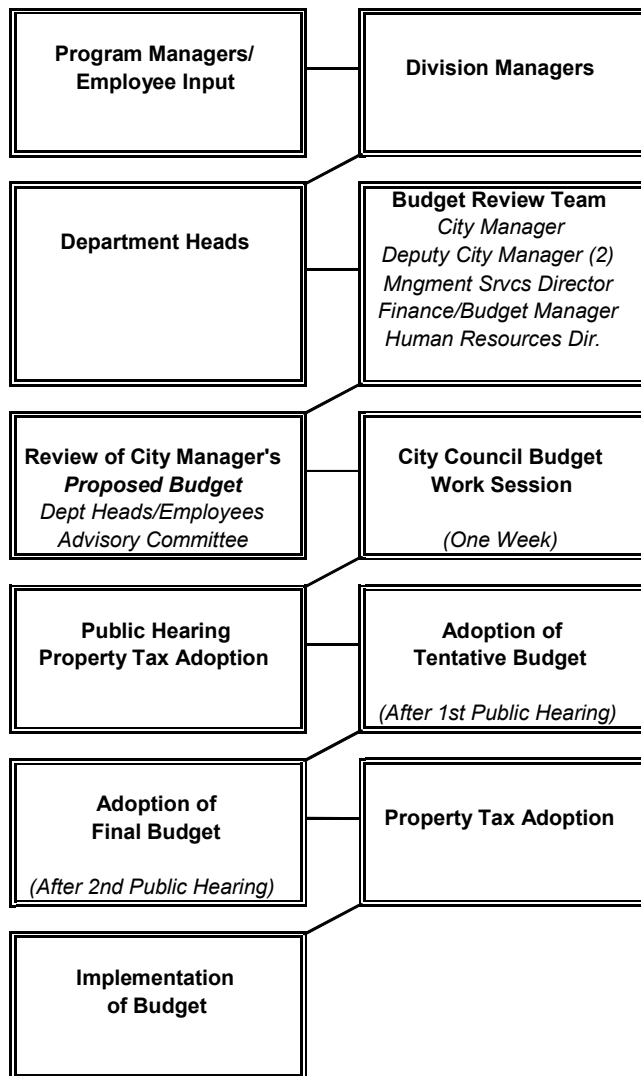
The following table represents the structure for the City.

Illustration of Relationship between Funds, Departments, and Divisions

DEPARTMENTS	General Administration	Management Services	Community Development	Fire	Police	Public Works	Utilities	Non-departmental
FUNDS								
General Fund	City Manager City Clerk Human Resources Risk Management City Attorney Municipal Court	Information Systems Management Services Administration Tax, Licensing & Revenue Finance & Budget	Administration Capital Improvements Development Services Community Improvements Community Investment	Fire	Police	Administration Parks Fleet Cemetery Facilities Maintenance Recreation		Council and Commission Contributions Non-departmental
Library		Library						
Highway User Revenue						Street Maintenance & Repairs		
Transportation			4th Street Overpass Safe to School Safety Improvements					Transit
Economic Development								Economic Development
Beautification			Beautification					
Tourism	Convention & Visitors Bureau Visitor Services							
Recreation						Recreation		
Arts & Science			Arts & Science					
Real Estate Proceeds								Real Estate Proceeds
Housing and Community Services			Housing and Community Services					
Metropolitan Planning Organization			Metropolitan Planning Organization					
G.O. Bond Fund								G.O. Bond Fund
Secondary Property Tax								Secondary Property Tax
Special Assessment								Special Assessment
Perpetual Care								Perpetual Care
Capital Projects Bond								Capital Projects Bond
Water & Wastewater							Administration Lake Mary Water Treatment Plant Customer Service Water Distribution Services Booster Stations Wastewater Treatment Plants Wastewater Collection Wastewater Monitoring	
Airport						Airport		
Environmental Services						Environmental Services		
Stormwater			Stormwater					
Expendable Trust								Firemen's Pension

PROCESS

Budget Process Flowchart:



Presentation:

- The *Transmittal* provides a summary of the key policy issues, priorities, and strategies that shaped the budget as framed by the City Manager.
- The *Budget Overview* summarizes financial resources and expenditures along with fund summaries and an overview of selected revenues.
- *Policies and Procedures* provide an overview of both fiscal and budgetary practice.
- Budget Issues were prepared for Council review and discussion during their Fall and Spring retreat and the budget study sessions. Highlights of the issues reviewed are included in the *Issues and Updates* section.
- The *Financial Summaries* section includes various schedules utilizing revenue and expenditure classifications and tax levy information in accordance with state reporting requirements as mandated by statute. Expenditures are reported at

both the fund level and the department level for operational control purposes.

- The *Department Detail* section provides both narrative and financial data. The budget commentary provides an explanation of significant budget changes for FY 2006.
- The *Capital Improvement Plan* (CIP) for FY 2006 lists projects, costs, and funding sources in the Capital Improvement (CIP) Section.
- The *Community Profile* section outlines key factors that contribute to the uniqueness of our community.
- A detailed listing of personnel and changes over the last five years is provided in the *Appendix* Section.

BUDGET CALENDAR

December	Budget Module available to all Divisions
February 7	Capital equipment requests reviewed by Capital Improvements and Purchasing
March 14 - April 1	Review with Department Heads and City Manager
March	Personnel review of reclassification requests completed
May 16-17	Council Study Sessions Proposed Budget available to public
June 21	Public Hearing/Tentative Adoption of Proposed Budget Public Hearing on Tax Adoption
June 28	Publish first notice of Public Hearing for Final Adoption
July 1	Publish second notice of Public Hearing for Final Adoption
July 5	Public Hearing on Budget and Final Adoption of Budget
July 9	Notify Property Tax Oversight Commission of Compliance with Truth in Taxation
July 19	Adopt Property Tax Levy

Review and Approval: Issues presented during the review and approval period include discussion topics of the Council Fall and Spring retreats. The Fall and Spring retreats were held in October and March respectively, to give city staff the opportunity to present major discussion points to Council and the public. The goal is for Council to make policy decisions and direct staff in preparing the budget. This provides adequate time for the Council to gather input on major budget issues prior to preparation of the budget. The City Council holds Study Sessions in May. The Council reviews and discusses the issue papers included in the Budget Review Book as well as all personnel

recommendations, capital equipment recommendations, and the capital improvement plan. The Council arrives at a consensus for all decisions needed. The Study Sessions provide the opportunity for City management, departments and the public to offer information and recommendations to the City Council.

The Proposed Budget is presented to Council for tentative adoption on or before the third Monday in July. Two public hearings are held on the content of the budget. Final adoption occurred on July 5, 2005. State law requires the operating budget to be all-inclusive. Therefore, the budget includes provisions for contingent revenues, e.g., Passengers Facility Charges, and expenditures that cannot be accurately determined when the budget is adopted, e.g., grants. The Resolution adopting the annual budget requires Council authorization for any expenditure from contingencies, as well as transfer of budget authority between departments.

Adoption: The City operates under the State Expenditure Limitation with a one-time adjustment to the base. The adjustment provided for an increase to the base limit to allow for the expenditure of funds resulting from the addition of a 2% Bed, Board, & Booze Tax. Flagstaff is not a Home Rule city. Alternative [Home Rule] Expenditure Control municipalities require voter approval every four years.

The Adopted Budget reflects the total funds appropriated (\$215,042,183). Certain exclusions are allowed by the state [e.g., bond proceeds, debt service, grants] in computing the Expenditure Limitation (\$77,110,498), and this total cannot be exceeded.

Budget authority can be transferred between line items within a Division. At year-end, Department budgets are reviewed and budget authority is transferred from contingencies by Resolution as necessary. Additionally, any inter-fund transfer of appropriations requires Council approval. Council can also amend total appropriations for a fund during the year by Resolution as long as there is a corresponding increase/decrease in another fund so that the expenditure limitation is not exceeded.

ASSUMPTIONS AND STRATEGIES

ECONOMIC OVERVIEW

In FY 2006, City sales tax revenue is budgeted to exceed the FY 2005 estimated actual by 2.5%. The trends reflect an overall increase in the economy with a slight dip in the auto service and home furnishing markets. Construction revenues are expected to remain steady, as this category has shown increases in nine of the past ten years. A cyclical slow down could occur but based on the number of building permits issued, it is not anticipated over the next year. The BBB category shows a 2.5% (\$105,290) budget to estimated actual increase.

The City initiated a census review with the Census Bureau due to a perceived undercount in the Flagstaff area. The 2000 census reflected a population of 52,894, an increase of only 193 citizens over the 1995 Special Census. The City had identified approximately 3,000 additional citizens that should be added to the census base and submitted a request for review. These requests will not be reviewed and no change in the base census will be provided.

For 2005, the City and most of the rest of the State of Arizona municipalities will use DES population estimates. These estimates reflect a more accurate count of our City's population and reflect a slight increase in Flagstaff's proportionate share of population in comparison to the rest of the State. In addition, the State of Arizona continues to rebound after almost three years of negative or no growth.

REVENUE FORECAST

State-shared revenues for sales and income tax are experiencing significant increases (7.3% and 13.7%, respectively) due to the recovering economy and the revised census estimates. State shared income tax receipts are based on actual collections from two years prior. State sales tax receipts are distributed based on actual collections of the state.

Highway user tax and local transportation assistance are projected to end the year over budget and HURF revenue is budgeted to grow 3.3% (\$236,000). This is the first time in three years due to a revised distribution formula by ADOT of HURF revenue.

County revenues for auto in lieu tax (license tags) are expected to increase by approximately 2.0% in FY 2006 and have grown by 41.4% since FY 2002. The increase is based on continued local strength in auto sales. These increases were spurred by the lengthy car incentives offered over the last four years.

The Utility Fund may have a rate increase in January 2006, dependent on the timing of project development and bond sales as related to those projects approved in the May 2004 bond election.

The Environmental Services Fund is anticipating fee increases for commercial refuse and recycling accounts in October 2005. Residential rates continue to be under review, with a tentative time frame of a rate increase in October 2006.

The Stormwater Fund is requesting a rate increase to be effective January 2006 to fund additional requirements under the NPDES permitting process and to fund a spot improvement program as an initial effort to address flooding issues throughout the City.

The City of Flagstaff will be reviewing all current city sales tax exemptions to determine if there are any areas that should no longer be exempted. In addition, the City

will pursue at a future general election to make the sales tax, the BBB tax, and the transit portion of the transportation tax permanent.

A portion of recreation revenue, approximately \$100,000, will not be collected in FY2006 due to the improvements at Thorpe Field. There will not be a local softball season or the ability to rent the field for other events the entire spring/summer season of 2006. This is a one-time reduction and funds will be restored for FY2007.

EXPENDITURES

The adopted budget is based on fiscal restraint consistent with conservative and sustainable revenue estimates. The base budget approach has required operational cost reviews and redistributions of all Departments.

Efforts to Control Expenditures – The Fleet Management Committee reviews all equipment replacement requests and prioritizes those needs. A long-range planning approach is utilized to level cash flow requirements from one year to the next. The Fleet Committee has developed a five-year plan and continues the process of reviewing the plan to identify cash flow needs and develop alternatives to better allocate future resources. Due to varying demands, the Fleet budget is flexible, allowing monies to shift within the five-year planning period.

Fund Balance – The carryforward of fund balances remain at a level that protects the financial integrity of the City. Moody's bond rating for the City is Aa3. The projected fund balance at the end of FY 2006 is estimated at \$8,235,242 in the General Fund. A general fund balance equal to 15% of general fund revenues is anticipated to maintain a sound financial position. The General Fund balance is currently budgeted at 20.2%.

The FY 2006 budget continues to use excess fund balances for one-time capital expenditures, facilities and redevelopment. In addition, a portion of the current fund balance represents carryforward of expenditures in equipment and capital projects.

The City of Flagstaff held a bond election in May 2004. A total of 13 projects were offered individually for \$172.5 million. Ten projects totaling \$155.2 million passed. These projects are funded through lease agreements, secondary property taxes, and user fees. The FY 2006 budget includes some revenues and expense for certain projects. The citizens may realize a future increase in water/sewer rates, however the projects funded through the secondary property taxes will be timed so that no increase would be necessary.

Council Guidelines – The budget guidelines set forth by the City Manager were formulated based on Council concerns and goals. The Council developed ten goals that encompass the areas of Affordable Housing,

Economic Development and Redevelopment, Capital Improvement, Public Safety, Customer Service, Quality of Life, Fiscal Health, Organizational Support, Collaboration, and Planning for Growth.

- *Estimated Actual Expenditures FY 2005.* Divisions were asked to estimate expected expenditures by line item for FY 2005. Overages and underages (and reasons, theretofore) were used to adjust the recommended budget for various line items in FY 2006. This resulted in a reduction of a substantial number of line items, thereby allowing resources to be reallocated without inflating the total appropriations required.
- *Staffing Requests/Increases in Level of Service.* Departments were required to provide narratives for increases in service levels and addition of staff. New staff additions were encouraged to have an independent funding source, were needed to maintain current service levels, or reinstated previous position eliminations as identified through the work force reduction plan.
- *Fleet Management.* All fleet equipment replacement requests were reviewed and prioritized by the Fleet Management Committee within financial parameters.
- *Information Systems.* Management Information Systems Staff reviewed hardware and software needs. Funding was established to maintain funding at a level dollar amount to meet existing and future needs for current service levels including upgraded equipment and software.
- *Capital Improvements.* The Capital Improvement staff reviewed all requests of capital projects or public improvements that require time charge outs from that division.
- *Operational Impacts.* All funds are continually evaluated relative to five-year financial projections. Increased service levels due to new programs or capital construction were projected to determine operating impacts in future years.

FUND SUMMARIES

GENERAL FUND

The General Fund includes all City operations, except enterprise activities (operations which are to be self-sustaining), e.g., Utilities, Environmental Services, the Airport, and Stormwater; activities funded from a special revenue source dedicated to that activity, e.g., the BBB Tax funds, the Transportation tax funds, Streets; Library; Housing and Community Services; and Transportation Planning (MPO).

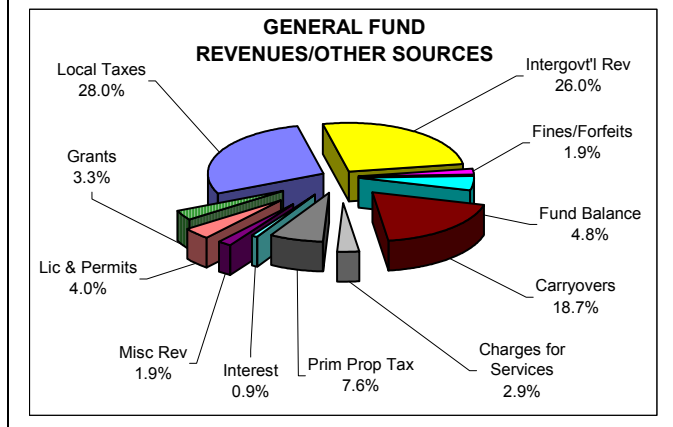
Total resources available for General Fund expenditures for FY 2006 are \$53.3 million including the beginning fund balance of \$12.5 million. A substantial portion of General Fund resources comes from two revenue categories: 1) local sales and franchise taxes and 2) intergovernmental revenues (specific detail including comparative data, is shown in Schedule 3 of Financial

Summaries Section). A more detailed review of major revenue categories, including historical trend information, is provided following the fund summaries.

Property tax estimates are based on the assessed valuation of property as determined by the Coconino County Assessor. The primary tax rate will increase from 0.7326 in FY 2005 to 0.7861 in FY 2006 and will generate an estimated \$4,069,597. This amount represents approximately 44.3% of the maximum allowable levy under Arizona statute. The secondary tax rate, which can only be used to repay general obligation debt, will decrease from 0.9801 in FY 2005 to 0.8766 in FY 2006. The increase in assessed valuation and corresponding increase in revenue is associated with \$22.4 million new construction placed on the tax rolls in the last year, and increased assessed values on existing properties (\$22.9 million).

General Fund revenue/other sources compared to prior year's budget have decreased by 15% primarily due to the transfer of the Rio de Flag project to the Stormwater Utility. The general fund is transferring \$7.8 million for this project, which is netted out of fund balance.

REVENUES/OTHER SOURCES	EST ACTUAL FY2005	BUDGET FY 2006
Licenses and permits	\$ 1,986,608	\$ 2,135,239
Grants	1,176,994	1,741,827
Local taxes	14,600,664	14,922,172
Intergovernmental	12,740,673	13,837,661
Fines and forfeits	972,987	993,119
Fund Balance, net of Transfers	20,045,455	2,531,873
Fund Balance for Carryovers	239,245	9,956,491
Charges for services	1,332,906	1,518,942
Primary Property Tax	3,531,271	4,069,597
Interest	499,314	500,000
Miscellaneous	980,643	1,060,878
	<u>\$ 58,106,760</u>	<u>\$ 53,267,799</u>

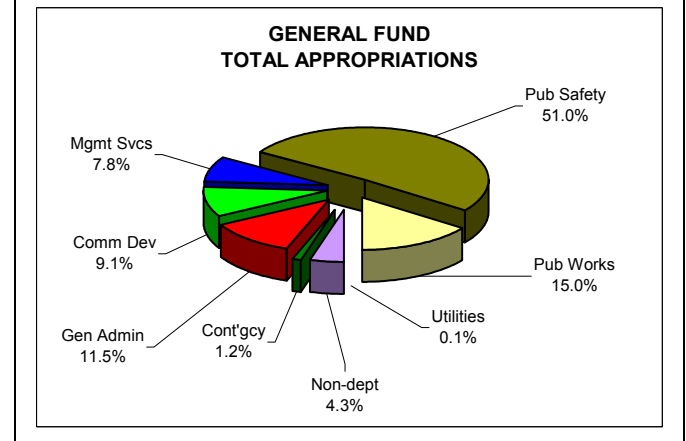


General Fund total appropriations compared to prior year's budget have increased 10.4% in FY 2006. The increase is due to increases in salaries, benefits, insurance, and capital projects. Overall, City staff received a 5% market increase and 80% (those not at the top of their range) received an average 3.2% merit. Also, a number of capital items were carried over including Redevelopment, an air compressor, a transport van, and a Type 1 fire engine. The contingency budget

is maintained at a higher level due to the ongoing potential for an extreme fire season.

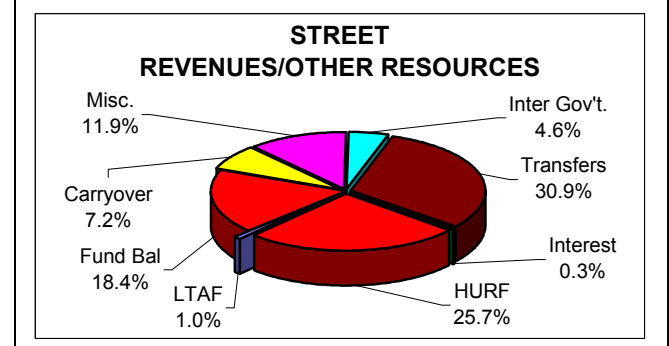
The financial position of the General Fund (after cost allocation distribution) remains strong. Accumulated funds will continue to be spent in Flagstaff for development opportunities.

APPROPRIATIONS	EST ACTUAL FY2005	BUDGET FY 2006
General Administration	\$ 4,417,000	\$ 5,200,940
Community Development	3,406,169	4,105,404
Management Services	3,342,110	3,503,470
Public Safety	19,511,223	22,953,218
Public Works	6,197,603	6,775,498
Utilities	37,878	28,757
Non-departmental	(1,356,665)	1,935,270
Contingencies	25,070	530,000
	<u>\$ 35,580,388</u>	<u>\$ 45,032,557</u>



HIGHWAY USER REVENUE FUND

REVENUES/OTHER RESOURCES	
HURF	\$ 7,436,000
LTAF (lottery)	300,245
Fund Balance	5,334,911
Fund Balance for Carryovers	2,096,180
Miscellaneous	3,451,348
Intergovernmental	1,336,240
Transfers (net)	8,962,435
Interest	41,000
	<u>\$ 28,958,359</u>



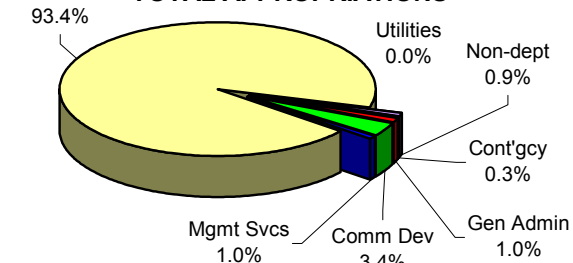
The Highway User Revenue Fund (HURF) is mainly supported by transportation related taxes distributed to

the Cities and Counties by the State. Appropriations total \$25.9 million in FY 2006. Projects budgeted includes East Flag Gateway, Huntington Drive Improvements and Beulah Blvd. Improvements, the annual pavement maintenance program, and East Flagstaff Gateway.

APPROPRIATIONS

General Administration	\$ 247,091
Community Development	890,966
Management Services	246,583
Public Works	24,134,851
Utilities	3,289
Non-departmental	228,892
Contingency	100,000
	<u>\$ 25,851,672</u>

STREET TOTAL APPROPRIATIONS



TRANSPORTATION FUND

The Transportation Fund was formed in FY 2001 as a result of voter authorization on May 16, 2000 to increase sales taxes to support four transportation issues. The tax increase is valid for twenty years. The Sales Tax revenue collected for transportation is recorded in this fund. The expenditures related to Transit and 4th Street Overpass are appropriated in this fund. Expenditures related to Safety Improvements and Street Improvements are accounted for in the HURF and Beautification funds. Appropriate transfers are made to fund the various projects that this tax supports.

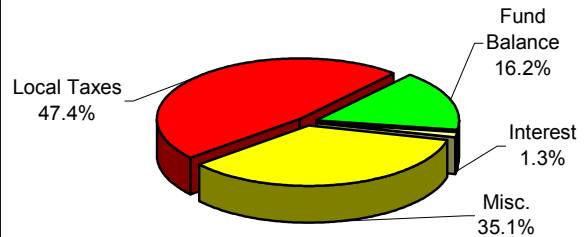
Projects	Budget FY 2006 Revenues
4th Street Overpass	\$ 2,209,191
Safe-to-School, Pedestrian and Bike	1,104,596
Traffic Flow and Safety Improvements	2,568,185
Transit Service Enhancements	2,241,076
Totals	<u>\$ 8,123,048</u>

Appropriations total \$14.7 million in FY 2006. Appropriations are comprised of \$2.6 million for transit operations, \$10.1 million for the 4th Street overpass. Transfers include \$5.8 million to the HURF Fund for Safety and Street Improvements and \$550,000 to fund FUTS projects in Beautification from Safety and Street Improvements. The combined transportation tax rate for FY 2006 is 0.601%.

REVENUES/OTHER RESOURCES

Local Taxes	\$ 8,123,048
Fund Bal, net of Transfers	2,776,535
Interest	231,000
Miscellaneous	6,000,000
	<u>\$ 17,130,583</u>

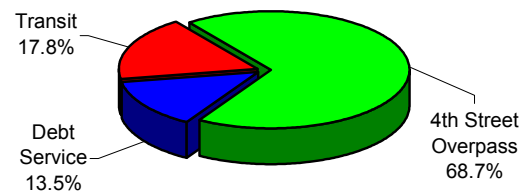
TRANSPORTATION REVENUES/OTHER RESOURCES



APPROPRIATIONS/TRANSFERS

Transit	\$ 2,630,156
4th Street Overpass	10,121,685
Debt Service	1,991,600
	<u>\$ 14,743,441</u>

TRANSPORTATION TOTAL APPROPRIATIONS/ TRANSFERS

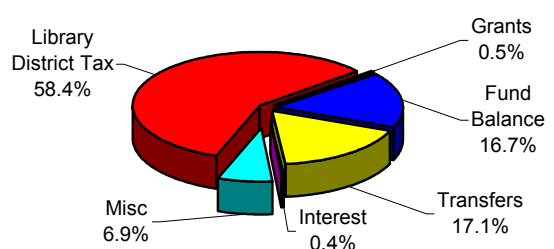


LIBRARY FUND

REVENUES/OTHER RESOURCES

Library District Tax	\$ 2,993,396
Grants	25,000
Fund Balance	853,588
Transfers (net)	875,919
Interest	21,000
Miscellaneous	354,000
	<u>\$ 5,122,903</u>

LIBRARY REVENUES/OTHER RESOURCES



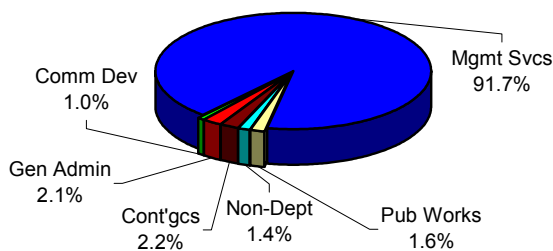
The City operates a joint City-County Public Library with auxiliary programs in outlying county locations and bookmobile services. \$3.0 million of the funding for library operations comes from the library district tax.

During 1997, the County, in concert with the affected entities throughout, developed a new funding formula for the distribution of the tax. The formula provides a base amount for all entities and the distribution of any additional monies as directed by the Library Council with affirmation by the County Board of Supervisors.

APPROPRIATIONS

General Admin	\$ 98,387
Community Development	48,518
Management Services	4,276,495
Public Works	73,733
Utilities	884
Non-Departmental	66,322
Contingencies	100,000
	<u>\$ 4,664,339</u>

LIBRARY TOTAL APPROPRIATIONS



BBB FUNDS

A dedicated 2% Bed, Board and Booze sales tax collected on the services provided by lodging, restaurants and bars, was approved by voters in 1988 with a sunset clause in 10 years and extended by the voters for 15 years in the 1996 general election. The BBB tax approved by voters will expire in 2013. The funds were allocated into the following percentages:

Economic Development	9.5%
Beautification	20.0%
Tourism	30.0%
Recreation	33.0%
Arts & Science	7.5%

Since inception, the City has experienced a continual growth in BBB revenues. Revenue for fiscal year 2006 is anticipated to have a growth of 2.5%. Activities funded with the revenues have made operating adjustments necessary and these changes will be reflected within each five-year plan.

Beautification Fund: Total resources available for Beautification Fund activities amount to \$6.0 million

including carryovers and approved grants. Expenditures from this fund are primarily for capital improvements. (See the CIP Section for project list.)

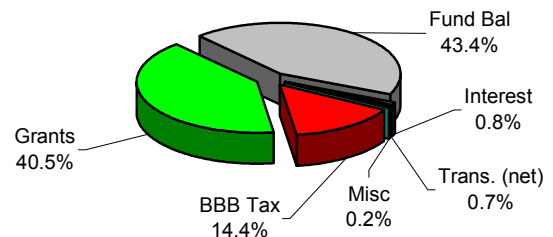
REVENUES/OTHER RESOURCES

BBB Tax	\$ 863,378
Grants	2,423,512
Fund Balance	2,592,954
Interest	48,097
Transfers (net)	43,449
Miscellaneous	13,100
	<u>\$ 5,984,490</u>

APPROPRIATIONS

Community Development	\$ 5,544,432
Reserve	10,000
	<u>\$ 5,554,432</u>

BEAUTIFICATION REVENUES/OTHER RESOURCES



Tourism Fund: Total resources available in FY 2006 are \$2.0 million. The total appropriations are \$1.7 million, which includes a \$50,000 reserve for contingencies.

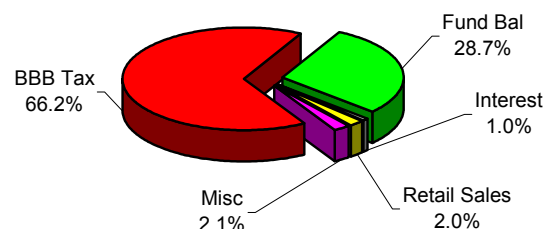
REVENUES/OTHER RESOURCES

BBB Tax	\$ 1,295,068
Fund Bal, net of Transfers	562,049
Interest	20,500
Visitor Center Retail Sales	40,000
Miscellaneous	40,895
	<u>\$ 1,958,512</u>

APPROPRIATIONS

General Administration	\$ 1,687,622
Reserve	50,000
	<u>\$ 1,737,622</u>

TOURISM REVENUES/OTHER RESOURCES



Expenditures include ongoing marketing programs and one-time expenditures for capital. Included in the budget for Tourism is a strategic plan intended to provide guidance in determining markets, promotion directed at these markets, and measurement tools.

Arts & Science Fund: Total resources available for Arts & Science activities are \$609,676. Expenditures include contributions to local organizations and Art in Public Places. Contributions to Other Agencies are \$280,000 and Art in Public Places has \$75,943 that is derived from a 1% allocation from citywide eligible capital project expenditures. Contributions of \$45,000 are administered through the Flagstaff Cultural Partners. Revenues received from the BBB tax are estimated to be \$323,767.

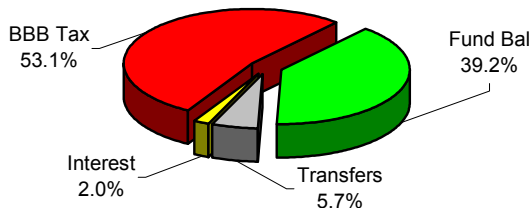
REVENUES/OTHER RESOURCES

BBB Tax	\$	323,767
Fund Balance		238,961
Transfers		35,000
Interest		11,948
	\$	609,676

APPROPRIATIONS

Community Development	\$	403,391
Reserve		10,000
	\$	413,391

ARTS & SCIENCE REVENUES/OTHER RESOURCES



Recreation Fund: Total appropriations in FY 2006 for Recreation Fund activities are \$3.4 million. FY 2006 includes the completion of Thorpe Park and construction of a BMX park. Per discussion with City Council in the Spring 1996 retreat, Council concluded this funding should support the expansion of existing facilities and the associated maintenance. Because of this decision, a significant increase in Parks maintenance will be funded from these revenues due to the completion of various projects. The Council elected to maintain the property rate at an amount sufficient to maintain the debt service structure of the programmed capital and related maintenance.

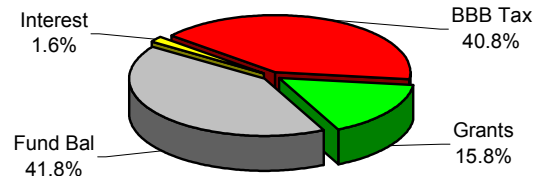
REVENUES/OTHER RESOURCES

BBB Tax	\$	1,424,574
Grants		550,000
Fund Bal, net of Transfers		1,457,108
Interest		55,900
	\$	3,487,582

APPROPRIATIONS

Public Works	\$	3,415,552
	\$	3,415,552

RECREATION REVENUES/OTHER RESOURCES



Economic Development Fund: Economic Development is conducted primarily by the Greater Flagstaff Economic Council (GFEC). The City allocates \$398,000 to GFEC, \$50,000 for telecom, \$22,000 for partnership training funds, and \$4,400 for contributions. Business recruitment efforts target industries that conform to both community and environmental values (low water users, low and non-toxic sewer dischargers, good wage/benefit structure, good corporate citizens, home offices).

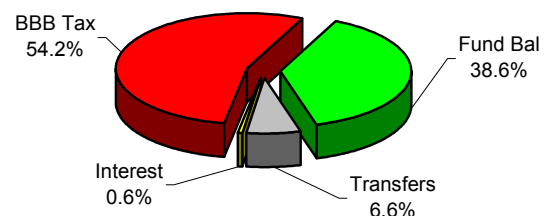
REVENUES/OTHER RESOURCES

BBB Tax	\$	410,105
Fund Balance		292,117
Transfers		50,000
Interest		3,915
	\$	756,137

APPROPRIATIONS

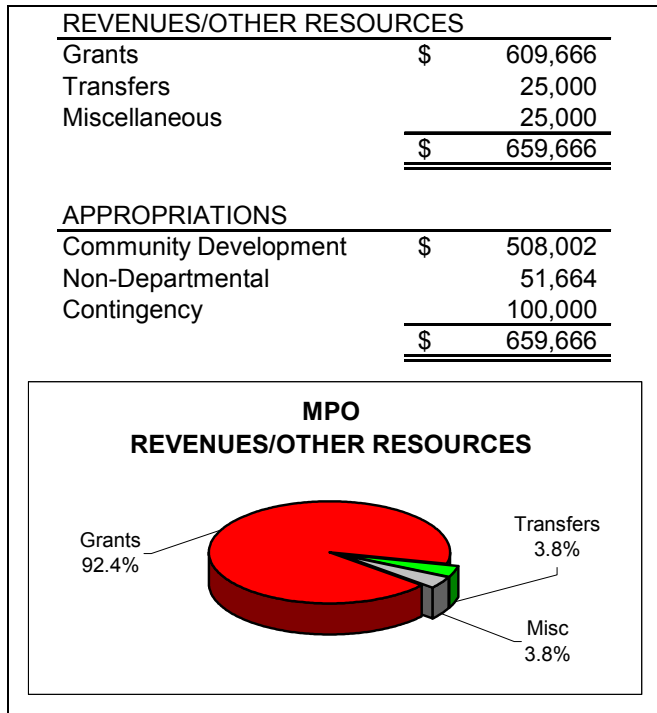
Non Departmental	\$	474,400
Reserve		25,000
	\$	499,400

ECONOMIC DEVELOPMENT REVENUES/OTHER RESOURCES



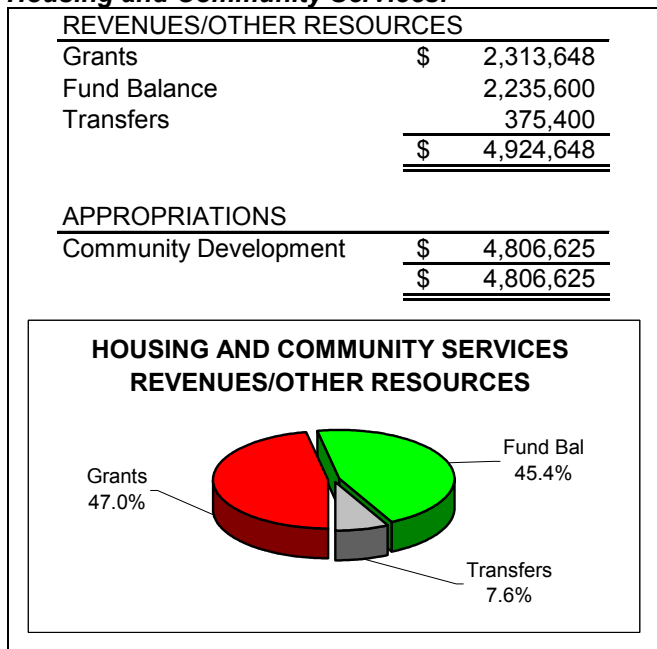
OTHER FUNDS

Metropolitan Planning Organization: This fund was established to account for funding derived from the area's status as a designated Metropolitan Planning Organization (MPO). The MPO receives Federal funding administered through the Arizona Department of Transportation (ADOT).



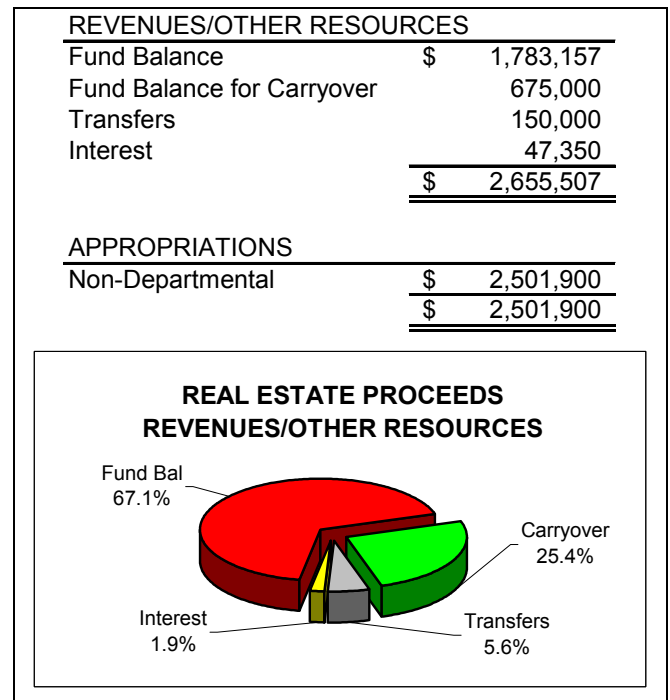
The MPO has appropriated \$659,666 for this program for FY 2006. This includes operating funds for transportation and transit planning. Transit operating funds are not included in this budget since that service is contracted through Coconino County.

Housing and Community Services:



This fund finances activities in conjunction with the CDBG program and affordable housing activities. There is \$4.8 million appropriated to this activity for FY 2006. Expenditures in this fund include \$1.7 million for land acquisition, \$1.6 million in CDBG related activities, and \$728,880 in state grants activities.

Real Estate Proceeds: The Real Estate Proceeds fund is currently restricted to the purchase of real estate. The appropriations total \$2.5 million. Expenditures in this fund are for acquisition of open spaces.



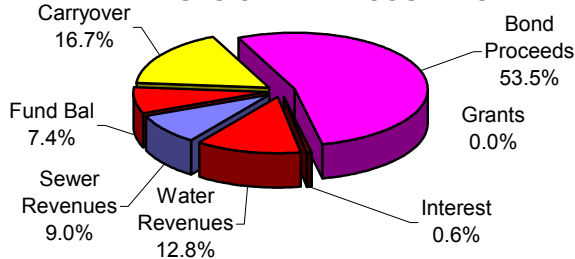
ENTERPRISE FUNDS

UTILITIES FUND: The City's water and wastewater operations are operated as an Enterprise Fund activity, i.e., self-sustaining operations with user fees and charges based on a "cost-of-service" methodology. The rate model determines the minimum revenue requirements needed to support operations including: all operating and maintenance costs; capital improvements considered routine in nature; principal and interest payments on bonded debt related to utility construction; and maintaining a year-end fund balance sufficient to ensure adequate working capital. Total appropriations for the Utilities Fund are \$58.2 million. Resources include \$19 million in utility user fees and \$14.5 million in fund balance carryforward.

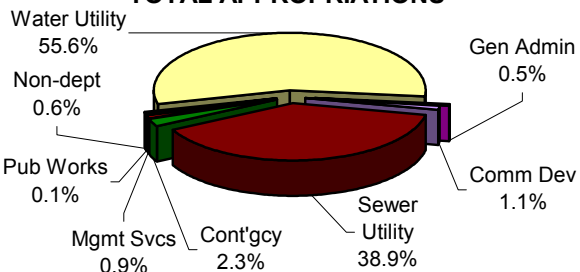
Water Operations: Total appropriations relating to direct costs for the water operations are \$32.3 million. Water fees are the major source of revenue supporting water operations. Bond funds support well development and land acquisition. Revenue estimates total \$11.2 million for water sales. A rate increase will be considered in FY 2006 to help repay debt service for bond projects.

REVENUES/OTHER RESOURCES

Water Revenues	\$ 11,150,500
Sewer Revenues	7,853,000
Fund Bal, net of Transfers	6,468,626
Fund Balance for Carryovers	14,513,186
Bond Proceeds	46,600,000
Grant Revenue	19,200
Interest	528,000
	<u>\$ 87,132,512</u>

UTILITIES**REVENUES/OTHER RESOURCES****APPROPRIATIONS**

General Administration	\$ 273,877
Community Development	649,464
Management Services	512,516
Public Works	43,796
Non-departmental	339,648
Water Utility	32,337,433
Sewer Utility	22,596,322
Contingency	1,400,000
	<u>\$ 58,153,056</u>

UTILITIES**TOTAL APPROPRIATIONS**

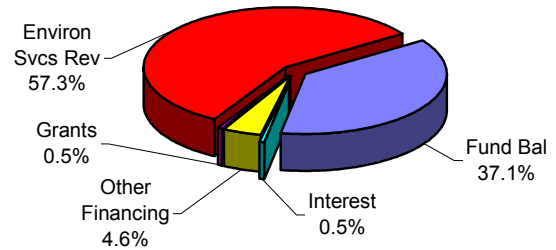
Wastewater Operations: Total appropriations relating to the direct costs for the wastewater operations are \$22.6 million. Wastewater (sewer) fees are the major source of revenue supporting wastewater operations. Bonds will fund major improvements to the Wildcat Wastewater Treatment facility. Revenue estimates total \$7.9 million in wastewater service charges. A rate increase of 7% is expected to begin January 2006 to help repay debt service for bond projects.

ENVIRONMENTAL SERVICES FUND: Total financial resources are \$15.3 million. User fees are the major revenue source of solid waste disposal operations. The user fees are comprised of eight major customer services areas (residential sanitation, curbside recycling, commercial sanitation, hoist and haul, landfill dumping,

inert materials pit, environmental, and commercial recycling) with different rates for each category based on cost of service.

REVENUES/OTHER RESOURCES

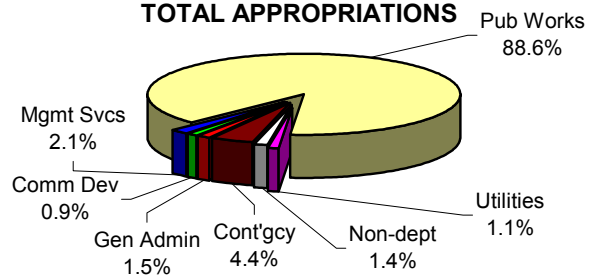
Environmental Svcs Revenue	\$ 8,760,817
Fund Bal, net of Transfers	5,665,615
Other Financing	700,000
Interest	82,000
Grants	75,000
	<u>\$ 15,283,432</u>

ENVIRONMENTAL SERVICES
REVENUES/OTHER RESOURCES

Currently, the existing landfill rate structure provides cost recovery for ongoing operations as well as provisions for funding replacement equipment; closure and regulatory compliance costs related to mitigation of environmental contamination and/or degradation; as well as for future site requirements. Based on current estimates for closure and post-closure landfill costs, the City is setting aside legally restricted funds to insure sufficient funds will be available to meet these requirements.

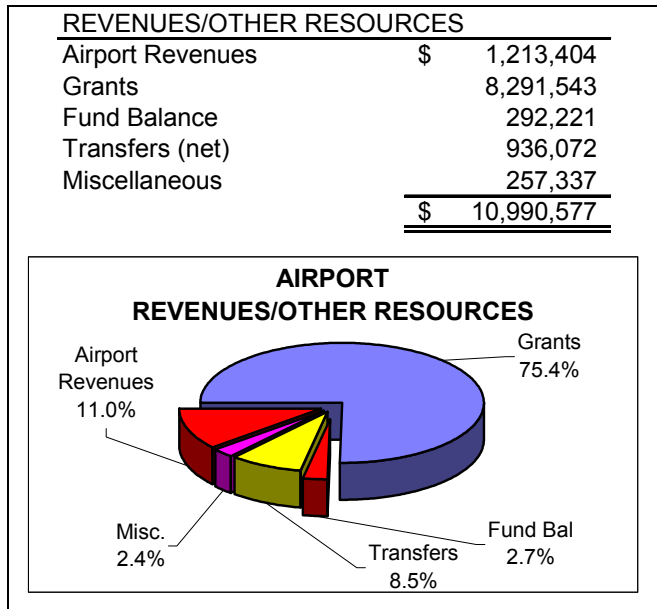
APPROPRIATIONS

General Administration	\$ 171,465
Community Development	106,151
Management Services	237,227
Public Works	10,103,926
Utilities	120,501
Non-departmental	165,072
Contingency	500,000
	<u>\$ 11,404,342</u>

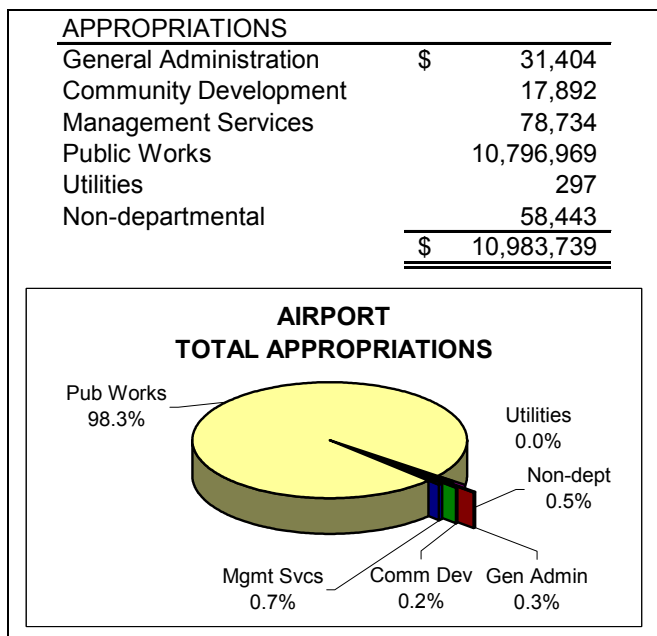
ENVIRONMENTAL SERVICES
TOTAL APPROPRIATIONS

AIRPORT FUND: Pulliam Airport is located four miles south of downtown Flagstaff and is staffed seventeen hours per day, seven days each week and provides airline service to Phoenix. Total appropriations are \$11.0 million: \$1.2 million for operations, \$648,824 for

debt and \$9.1 million in capital outlay. Primarily FAA and ADOT grants will fund the capital improvements.

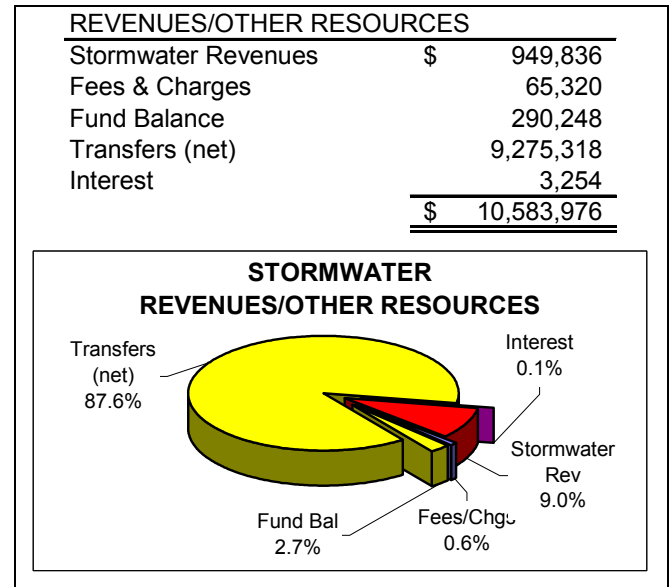


The general fund will continue to subsidize operations at \$171,000 this year with an additional \$168,500 for capital improvements including matching funds for grants. This year, of the \$9.1 million in capital improvements, FAA and ADOT are funding \$8.3 million and Airpark proceeds will fund \$368,000. The secondary property tax fund will transfer \$262,139 to cover debt service not paid with passenger facility charges.

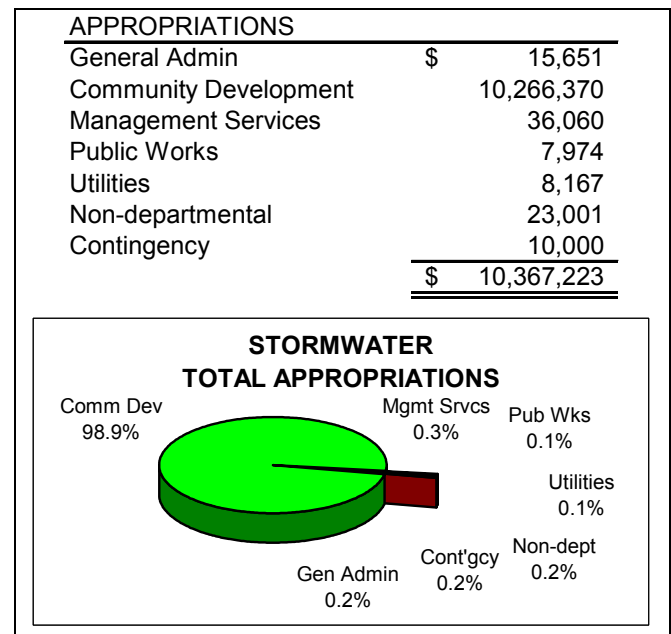


STORMWATER FUND: The Stormwater fund was initiated as a response to enhanced NPDES stormwater requirements affecting all communities with populations greater than 50,000 as of March 2003. The City of Flagstaff worked with consultants to design a program that met current minimum NPDES standards. Stormwater fees to both residential and commercial customers are stepped based on every 1,500 square

feet of impervious area with the average monthly billing estimated at \$1.06. A rate increase has been proposed for FY 2006.



Total revenues/other resources include carry forward transfers of \$7.5 million from the general fund. The Rio de Flag project has been transferred in its entirety from the General Fund to Stormwater. Total appropriations of \$10.4 million include the operational components of NPDES implementation, general drainage maintenance, and the Rio de Flag including related parking.



FIVE-YEAR PROJECTIONS BY FUND

The City updates five-year plans annually during the budget process. These plans are an important tool to continue our emphasis on strategic planning and to identify the capacity of the City to fund projected expenditures. Revenue and resource estimates are

based on the latest available economic and demographic trend information. All significant expenditure issues have been incorporated into the projections including the following: employee compensation, City growth, and additional operational costs associated with completion of capital projects. The projections are not intended to be an exact prediction of what each department will spend in the next five years.

The policy of the City is to match ongoing expenditures with ongoing revenues. This policy is to assure that the funds have adequate revenues to support the continued operations. Several funds will use one-time revenues and fund balance to pay for capital equipment, capital improvements, and other types of one-time expenditures. Generally when you see major fluctuation in fund balance from beginning to ending, the change is related to carryover and/or budgeting of such items. Funds such as the General, Highway User, Transportation, Beautification, BBB-Recreation, Real Estate Proceeds, Housing and Community Services, Capital Projects Bond Funds rely heavily on these one-time expenditure commitments.

The preparation of the five-year plan is a cooperative effort between department heads, division heads, and budget staff to assure projections are based in current program needs and revenue estimates are achievable.

The five-year projections are located in the Financial Summary section, Schedule 13. The following narratives present the highlight of the forecasts by funds:

GENERAL

The primary purpose of the General Fund five-year projections is to assure that ongoing revenues are meeting or exceeding ongoing expenditures. Ongoing expenditures include debt service, fleet replacements, information system replacement and upgrades, an allocation for capital, and projected changes in personnel. As financial conditions change in the City, the five-year projections are continually updated to balance the ongoing sources and uses of funds.

The City is currently funding several projects with Fund Balance and non-recurring revenues. Such projects include redevelopment, the Flagstaff Mall expansion, and Rio de Flag flood control.

LIBRARY

The five-year plan for Library shows the ability to fund ongoing operations costs with funding from the City, through revenue transfers, and the County, through Library District Taxes.

HIGHWAY USER

This fund is devoted to the maintenance, improvements, and construction of street related items. The fund first matches ongoing revenues with ongoing maintenance and then plans out the capital equipment and improvements. Several capital improvements include portions that are funded through revenue transfers from

other funds. The five-year plan shows the ability to balance ongoing and one-time expenditures while maintaining and adequate fund balance.

TRANSPORTATION

The Transportation Fund is used to track revenues and expenditures related to a dedicated sales tax approved by voters. The five-year plan shows the completion of a 4th Street Overpass in FY 2006 and the ongoing funding of the transit system, which is operated by the County. Other projects are funded through revenue transfers to the fund where the projects are budgeted.

BEAUTIFICATION

The primary sources for this fund are Grants, BBB Tax, and Revenue Transfers. This fund primarily accounts for capital projects related to FUTS and Streetscapes. It is an ongoing effort to balance the amount of projects within the availability of revenues. This five-year plan shows how it is accomplished.

ECONOMIC DEVELOPMENT

This fund is balanced with ongoing revenues from BBB taxes, General Fund transfers, and ongoing expenditures related to contributions to agencies for economic development in our community. Based on revenue growth, contributions will be maintained or slightly increased over the next five years.

TOURISM

This fund is balanced with ongoing revenues from BBB taxes and ongoing expenditures related to tourism promotion and visitor center services. Based on revenue growth, this fund can maintain existing operations levels.

ARTS AND SCIENCE

This fund is balanced with ongoing revenues from BBB taxes and ongoing expenditures related to contributions to agencies for projects related to awareness of arts and science in our community. Based on revenue growth, contributions will be maintained or slightly increased over the next five years.

RECREATION-BBB

This fund is used for the improvements to city and school recreational parks and fields. In addition, maintenance cost related to the improved parks and fields, maintenance of FUTS trails, debt service of bonds issued for improvements, and a transfer for construction of new FUTS trails are funded with ongoing revenues. Based on current projections, maintenance and construction needs will be met during the next five years.

REAL ESTATE PROCEEDS

This fund is used for one-time revenues and expenditures related to sale and acquisition of property. The City plans to sell property in Koch Field in the future. The fund balance is currently restricted for acquisition of open spaces. As the City sells additional properties, those funds will be restricted for a similar purchase of

land as intended with the original land acquisition. Current projections allow open space acquisitions through fiscal year 2009.

HOUSING AND COMMUNITY SERVICES

This fund is primarily used to track revenues and expenditures related to Community Development Block Grants and other housing grants. The block grants are an entitlement to the City and are expected to stay level over the next 5 years. The City currently expects to receive State housing grants every other year. The City General Fund makes contributions annually to fund a revolving loan program, land acquisition, and affordable housing assistance.

METROPOLITAN PLANNING ORGANIZATION

This fund is used for transportation planning grants. The fund maintains a zero fund balance due to current grant eligible expenditures are offset with grant revenue. It is currently estimated that grant revenues will remain consistent throughout the next five years.

GENERAL OBLIGATION BOND

This fund is used to track the debt service payments on General Obligation Bonds. This five-year plan shows the City is meeting the requirements for future debt service payments.

SECONDARY PROPERTY TAX

This fund is used for tracking of secondary property tax revenue and the subsequent transfer to other funds to make debt service requirements. The five-year projection uses the current assessed valuation figures from the county to estimate property taxes that will be available for debt service expenditures. The projection assumes additional voter authorization to be issued in the future and maintaining the existing tax rate. This allows the City to look at the long-term property tax rates to smooth the highs and lows and maintains a more level tax rate from year to year.

SPECIAL ASSESSMENT BOND

This fund is set up for repayment of bonds issued for special assessment district. The City currently has one such district. The five-year projections show there are adequate assessments and fund balance to pay future debt service requirements.

CAPITAL PROJECTS BOND

This fund will be used to track the revenues and expenditures of the voter approved bond eligible projects. In May of 2004, the voters of Flagstaff approved ten projects. The exception will be for the Water and Wastewater projects that will be in that five-year plan. Projects/bond sales are currently scheduled to coincide with the retirement of other debt so the overall secondary property tax rate does not increase.

PERPETUAL CARE

This fund is currently used for the tracking of contributions related to long-term maintenance at the

City owned cemetery. Expenditures will not be budgeted until fund balance is adequate enough to pay for ongoing expenditures.

WATER AND WASTEWATER

As a City enterprise fund, this fund is managed on the basis that it will be self-sustaining. The five-year projections show that ongoing expenditures, capital improvements, and debt service requirements are being met with user fees, fund balance, and interest earnings. In addition to the five-year projections, the City uses a rate model to balance future operations and capital requirements with anticipated revenues over a ten-year period. Based on this model that was updated in 2005, a rate increase is anticipated in January 2006 to fund bond projects. The City maintains a separate five-year plan for the tracking of bond eligible expenditures.

AIRPORT

This fund is responsible for the operations at Flagstaff Pulliam Airport. The majority of future revenues are grants related to continued expansion and capital improvements at the airport. Currently the airport is not self-sustaining for ongoing expenditures. It is the goal of the Airport Fund to become self-sustaining through additional Airpark developments and the expansion of the runway to allow regional jet service. Until then, the General Fund will make contributions to cover the differences. The capital improvement plan is based on annual updates to ADOT and FAA. The City General Fund also makes a transfer to the Airport Fund to cover the match portion of capital grants awarded.

ENVIRONMENTAL SERVICES

This enterprise fund is self-sustaining through user fees. The five-year projection balances anticipated revenues at current rates with a proposed increase for FY2007, which coincide with on-going operations; capital needs, and revised service levels for all operations. Included in the five-year projection is the anticipated funding to cover the landfill closure and post-closure costs at the end of the useful life of the landfill.

STORMWATER

This fund is an enterprise fund to oversee City issues related to drainage and the associated federal requirements. Ongoing operating expenditures are paid for with stormwater revenues and user fees. Capital projects are currently funded with transfers from other divisions. A rate increase is proposed in FY 2006 to self-fund capital improvements and increase inspection efforts as required by NPDES.

FIREMEN'S PENSION

This fund is maintained to pay eligible volunteer firemen monthly benefits. There are currently three beneficiaries. The five-year projection show adequate fund balance to pay these benefits.

REVENUES

Historical Trend Information for Select Revenues

GENERAL FUND

PROPERTY TAX RECEIPTS CURRENT, PRIMARY

Legal Authority: Arizona Revised Statutes Section 42-45 (B) based on the State Constitution Article 9, Section 18

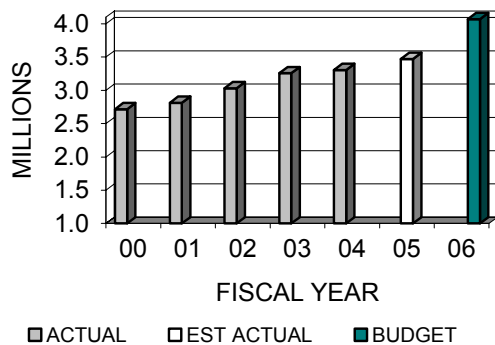
Description: The property tax is levied each year on or before the third Monday in August based on full cash value of the assessed property as determined by the Coconino County Assessors' Office.

Receipts from primary property taxes levied by the City are deposited in the General Fund. No restrictions on usage apply to the primary property tax. State statute limits the annual increase to 2% plus the amount generated by construction. However, this legal restriction has no impact on the City, as the City has only levied 44.3% of its maximum allowable levy.

PRIMARY PROPERTY TAX

FY:	AMOUNT	% CHANGE
99-00	\$ 2,715,788	7.0%
00-01	2,814,219	3.6%
01-02	3,033,114	7.8%
02-03	3,258,732	7.4%
03-04	3,307,485	1.5%
04-05	3,470,630	4.9%
05-06	4,069,597	17.3%

PRIMARY PROPERTY TAX



Primary property taxes generally change on an annual basis for two reasons: new construction that is added to the tax rolls and the reassessment of existing property. The City has budgeted for both of these anticipated collections increases with new construction accounting for 4.9% of the change and increased assessed valuation accounting for 4.7%. In addition, the City has increased the primary property tax rate by 5.35 cents. This accounts for the remaining 7.7% increase in primary property tax revenue. The City budgets the collections net of a 3% delinquency factor.

The City was able to offset the primary property tax rate increase with a decrease in the secondary property tax rate. The overall combined primary and secondary property tax rates for the City have decreased from 1.7127 in FY2005 to 1.6627 in FY2006. This resulted in an overall 5-cent decrease in the property tax rate. The City was able to decrease the secondary property rate due to the accelerated property tax revenues due to large construction projects being added to the rolls, lower debt service requirements, and a refined assessment of when additional bonds will be issued for current elector approved projects.

Receipts from secondary property taxes are deposited in the Secondary Property Tax Fund and can only be used to repay general obligation debt. No annual limitations apply, as this rate is determined by the requirements of the debt repayment schedule.

CITY SALES TAX (TRANSACTION PRIVILEGE TAX)

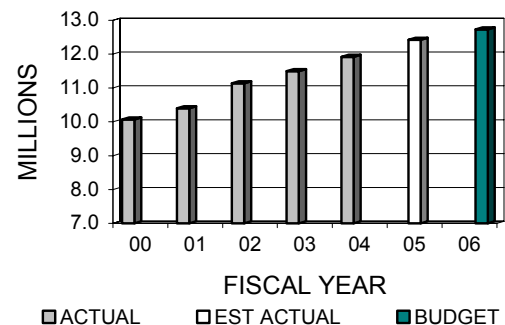
Legal Authority: City Code, Title 3, Chapter 5, (Ordinance 1491)

Description: The single largest revenue source for the City is obtained from a 1% tax on the sales of goods. The sale of food for home consumption is exempted from the tax. Additionally, there is a 2% tax on hotels, restaurants and bars (BBB Tax) and a 0.601% transportation tax.

CITY SALES TAX

FY:	AMOUNT	% CHANGE
99-00	\$ 10,071,110	10.7%
00-01	10,402,910	3.3%
01-02	11,135,228	7.0%
02-03	11,500,467	3.3%
03-04	11,917,786	3.6%
04-05	12,420,000	4.2%
05-06	12,730,500	2.5%

CITY SALES TAX REVENUES



The 1% portion is designated as General Fund revenue to support activities and services provided by the City government. The City has additional sales tax related to

Bed, Board and Booze (BBB) and Transportation which are presented separately in this section.

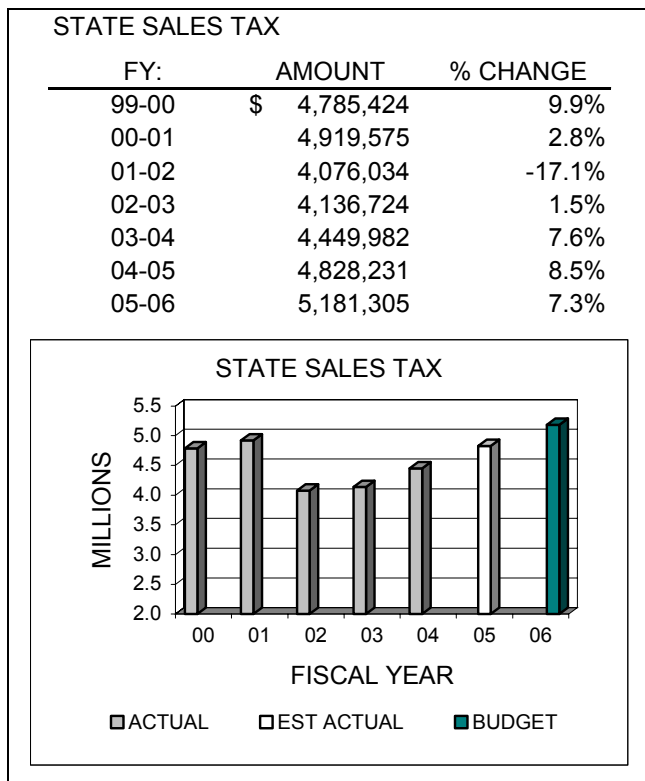
These numbers are sales tax revenues only; audit assessments and penalty and interest revenues are combined with these numbers on schedule 3. The increase in revenues for FY 2005 was driven by increases in construction, and auto sales retail sales have flattened. Construction has enjoyed a strong year with increases residential projects. The revenue projection for FY 2006 anticipates a flattening of auto sales and a general increase of 2% to 3% in the other sectors of the local economy.

STATE SALES TAX

Legal Authority: Arizona Revised Statutes Section 42 - 1341 (D)

Description: A half-cent (.5%) portion of the five-cent (5%) State Sales Tax collected is divided among the State's cities and towns based on population. These revenues can be used for any municipal purpose and, therefore, are deposited in the General Fund to support activities and services provided by the general government.

The sales tax revenue projected for FY 2005 reflects the continued economic rebound at the state level.



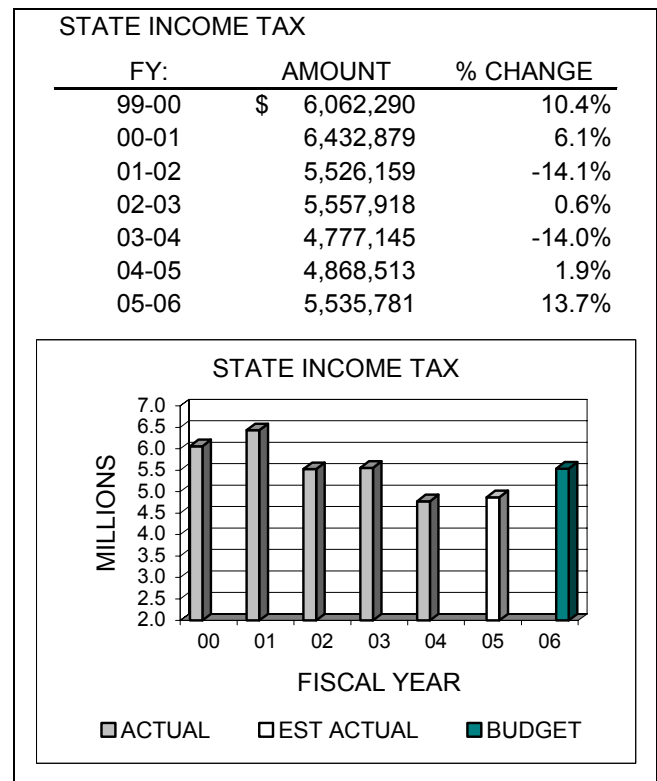
STATE INCOME TAX (REVENUE SHARING)

Legal Authority: Arizona Revised Statutes Section 43 - 244 (B)

Description: The City shares in 15.8% of the State income tax collected based on the population of the cities and towns as reported in the 2000 Census and adjusted by the annual DES POPTAC estimates. A two-year lag exists between the year of distribution and collection and the reporting year for which the income tax returns are filed. Therefore, little variance is expected between amounts estimated in the budget and actual receipts. Because revenues can be used for any municipal purpose, funds received are deposited in the General Fund to support the services and activities of the general government.

The FY 2002 reduction is a direct result of the 2000 Census count, which was 10,000 less than previously projected.

The large decrease in FY 04 is due to the State receiving less revenue from income tax than previously estimated. All cities have received a proportionate decrease. The League of Arizona Cities and Towns provides the revenue estimates for FY 2006. The increase in FY 2006 is a subsequent increase in Flagstaff's relative population in comparison to the rest of the state.



FRANCHISE TAX

Legal Authority: Flagstaff Charter and City Code Article XII

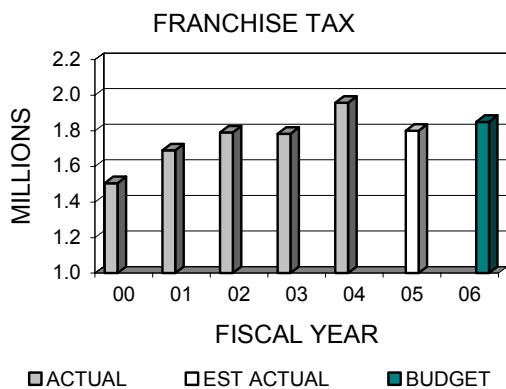
Arizona Public Service: Ordinance 360 (expires 8-21-2011), UniSource Energy Services: Ordinance 1879 (expires 10-3-2020), US West, MCI, US Sprint, Central Corp, and A T & T: Ordinance 585. The City has an agreement with Flagstaff Cablevision that expired 12-30-2000.

Description: A 2% tax from utility companies--Arizona Public Service and UniSource--is credited to this account. The City also receives a franchise tax from Qwest Telephone Co., A T & T, Flagstaff Cablevision, MCI, US Sprint, and Central Corp; these entities are currently taxed at 2% except Flagstaff Cablevision that is taxed at 3%.

The growth rate for Franchise Tax revenue for FY 2004 was due to a spike in natural gas prices. The reduction in FY 2005 and stabilization in FY 2006 reflects normalized reporting from UniSource.

FRANCHISE

FY:	AMOUNT	% CHANGE
99-00	\$ 1,505,710	-3.5%
00-01	1,690,043	12.2%
01-02	1,790,846	6.0%
02-03	1,783,098	-0.4%
03-04	1,957,830	9.8%
04-05	1,800,000	-8.1%
05-06	1,850,000	2.8%



FINES & FORFEITURES

Legal Authority: Arizona Revised Statutes, Rules of Criminal Procedure
City Code, Title 1, Chapter 15, Section 8

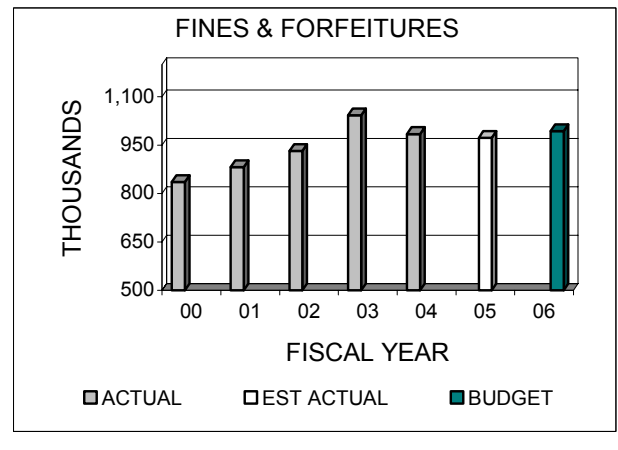
Description: Revenues are derived from a multitude of fines and forfeitures that relate to fines ordered by the court magistrates and administrative charges for Traffic

School. Other miscellaneous fees allowed include court reimbursements and court collection fees.

The increase in FY 2003 is due to the one time recognition of suspension fees. Fiscal years 2004 and 2005 reflect normalized collections. Some collections had been diverted to the state level in FY 2004, however that directive has been set-aside for FY 2005 and future years.

FINES & FORFEITURES

FY:	AMOUNT	% CHANGE
99-00	\$ 835,868	-3.0%
00-01	882,019	5.5%
01-02	931,950	5.7%
02-03	1,042,133	11.8%
03-04	984,492	-5.5%
04-05	972,987	-1.2%
05-06	993,119	2.1%



AUTO IN LIEU TAX

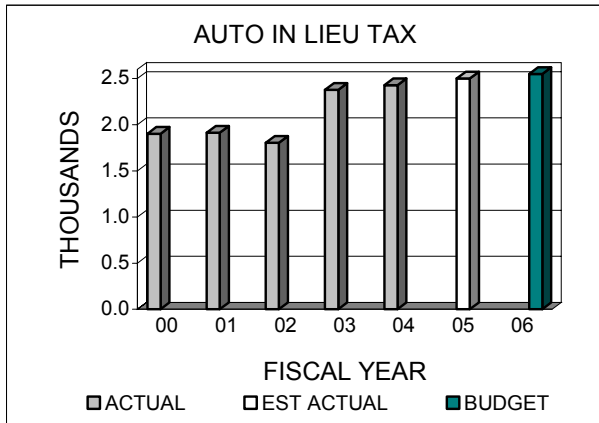
Legal Authority: Arizona Revised Statutes Section 28 - 1591 (c)

Description: Twenty-five (25) percent of the net receipts from vehicle licensing collected by the State is returned to the cities and towns of licensing origin. The distribution is based on population in proportion to total population in incorporated areas. This revenue source can be used for any municipal purpose; therefore, revenues are deposited in the General Fund to support services and activities of the general government.

Revenues decreased in FY 2002 due to the State of Arizona reapportioning revenue to Yavapai County for citizens in Sedona previously counted in Coconino County. A three-year retroactive repayment plan was initiated. The two-year sales boost in auto sales as a result of 0% financing has boosted receipts for FY 2003 through the current reporting period.

AUTO IN LIEU TAX

FY:	AMOUNT	% CHANGE
99-00	\$ 1,902,188	3.0%
00-01	1,913,662	0.6%
01-02	1,803,900	-5.7%
02-03	2,378,467	31.9%
03-04	2,427,367	2.1%
04-05	2,500,000	3.0%
05-06	2,550,000	2.0%



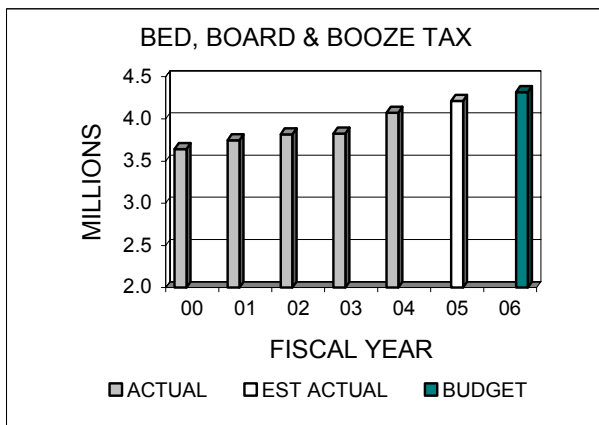
BBB FUNDS

BED, BOARD & BOOZE TAX

Legal Authority: Ordinance 1902, Approved by voters March 1996, extended by vote to March 31, 2013.

BBB

FY:	AMOUNT	% CHANGE
99-00	\$ 3,644,822	3.1%
00-01	3,747,822	2.8%
01-02	3,817,028	1.8%
02-03	3,826,975	0.3%
03-04	4,072,344	6.4%
04-05	4,211,602	3.4%
05-06	4,316,892	2.5%



Description: An additional city sales tax of 2% is charged on the services of hotels, restaurants and bars. The City has designated all of these revenues for the purposes of enhancing beautification, tourism, economic development, recreation, and arts & sciences.

The steady growth reflects that the Flagstaff area remains a highly desirable tourism destination that is not as susceptible to economic downturns as realized by other Arizona locales. The BBB Revenue projection for FY 2006 reflects a moderate increase of 2.5%.

HIGHWAY USER REVENUE FUND

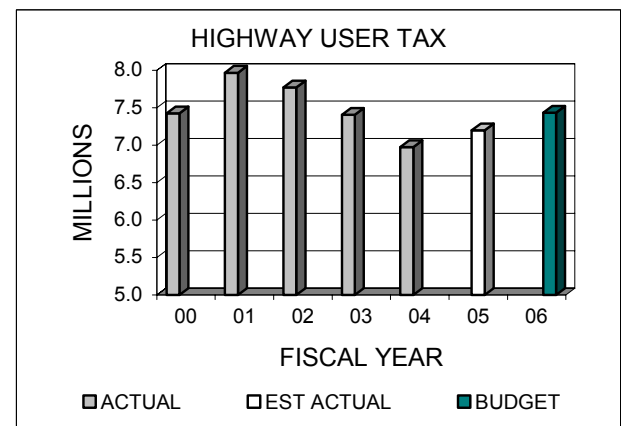
HIGHWAY USER TAX

Legal Authority: Arizona Revised Statutes Section 28 - 1598 (B.4), (For method of distribution see ARS 28-1598 (D.3))

Description: The proceeds from the State-shared motor vehicle fuel tax (currently 16 cents per gallon, of which cities and towns share in 13 cents per gallon) are distributed by the State to cities and towns by a compromise formula. Fifty percent of the distribution is based on point of origin for the sale of gasoline. The remaining fifty percent is based on population in proportion to total population for incorporated towns and cities.

HURF

FY:	AMOUNT	% CHANGE
99-00	\$ 7,427,210	3.1%
00-01	7,969,703	7.3%
01-02	7,771,416	-2.5%
02-03	7,408,116	-4.7%
03-04	6,975,351	-5.8%
04-05	7,200,000	3.2%
05-06	7,436,000	3.3%



Due to a new reporting mechanism that the state is utilizing to distribute the state shared motor vehicle fuel tax, the City has experienced a decrease in the share of this revenue. The City recognized a decrease in

approximately \$1 million in FY 2004. However that trend is changing with anticipated revenues of \$7,436,000.

LOCAL TRANSPORTATION ASSISTANCE

Legal Authority: Arizona Revised Statutes Sections 5 - 522, 40 - 1101, and 40 - 1102

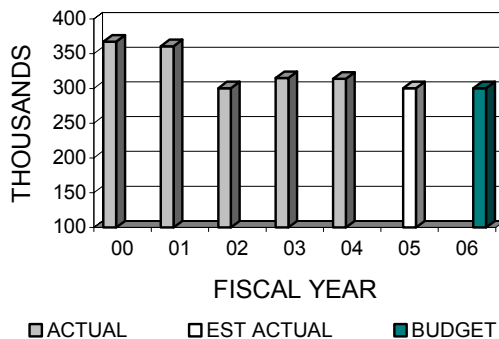
Description: A portion of the lottery monies is distributed to cities and towns. Distribution is based on the population of a city as compared to the total populations of all the cities and towns. These funds must be used for transportation systems including street and highway projects and transit programs.

The City is eligible for monies from the Powerball Lottery game; however, this program has only reached the revenue thresholds that resulted in distribution to the Cities in FY 1998. The State lottery dollars are capped. Decreases reflect population changes due to census.

LTAF

FY:	AMOUNT	% CHANGE
99-00	\$ 367,461	-0.1%
00-01	360,806	-1.8%
01-02	300,246	-16.8%
02-03	315,026	4.9%
03-04	313,868	-0.4%
04-05	300,246	-4.3%
05-06	300,246	0.0%

LTAF (LOTTERY)



TRANSPORTATION TAX

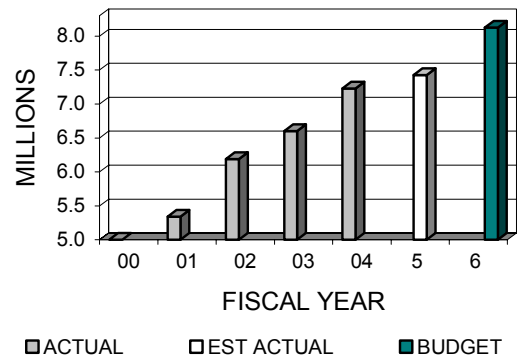
Legal Authority: Resolution 2004-48, approved by voters May 2000.

Description: The Transportation tax was approved by voters to address four transportation issues. This tax was approved for a period of twenty years. The tax helps pay for a 4th Street overpass, safety improvements, street improvements, and transit services. The transportation tax is assessed on the same goods and services as the City's general sales tax. The tax rate is currently at 0.601%.

TRANSPORTATION TAX

FY:	AMOUNT	% CHANGE
99-00	\$ -	0.0%
00-01	5,343,240	100.0%
01-02	6,190,449	15.9%
02-03	6,602,604	6.7%
03-04	7,228,565	9.5%
04-05	7,426,666	2.7%
05-06	8,123,048	9.4%

TRANSPORTATION TAX



ENTERPRISE FUNDS

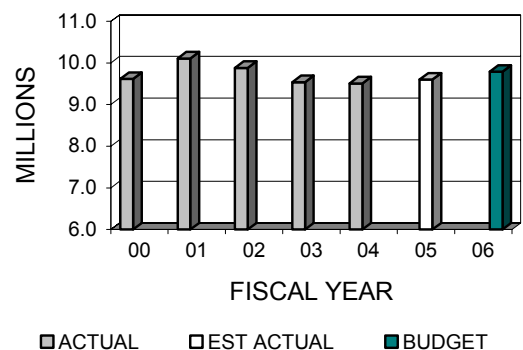
WATER SALES

Legal Authority: City Code, Title 7, Chapter 3, Section 11

WATER

FY:	AMOUNT	% CHANGE
99-00	\$ 9,615,169	6.5%
00-01	10,109,691	5.1%
01-02	9,880,753	-2.3%
02-03	9,537,409	-3.5%
03-04	9,511,860	-0.3%
04-05	9,600,000	0.9%
05-06	9,792,000	2.0%

WATER SALES



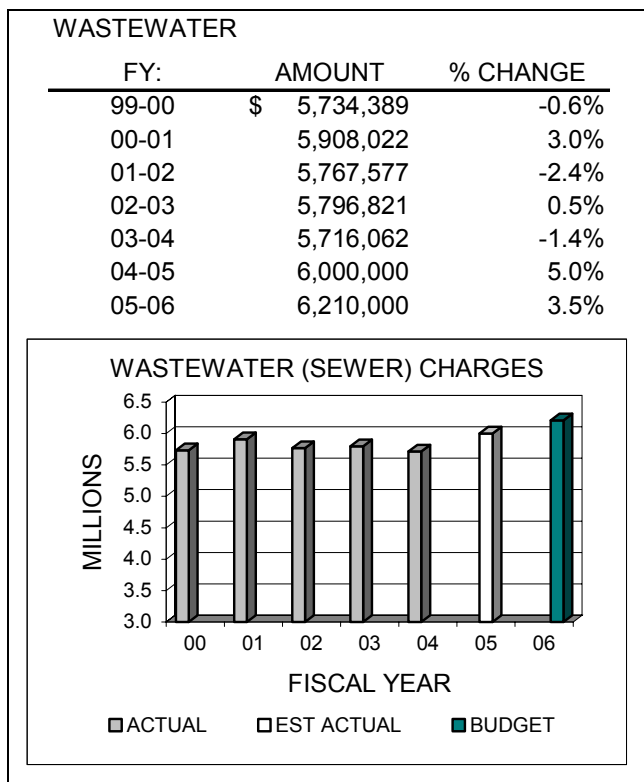
Description: The principal revenue for operating and managing the City's water system is derived from rates and charges for water services. Monthly water bills consist of a base charge for the amount of water consumed with an inverted rate structure for consumption levels above the base amount so as to encourage water conservation practices. The rates for each customer class are reviewed annually to assure adequate user charges; proposed rate changes effectuate in January.

The decrease in FY 2002 through FY 2004 is because of water restrictions due to a drought year. A rate increase will be considered in FY 2006 based on the Utilities Rate Model.

WASTEWATER SERVICE CHARGES

Legal Authority: City Code, Title 7, Chapter 2, Section 39

Description: The principal revenue for operating and managing the City's wastewater system is derived from revenues generated from wastewater (sewer) rates and user charges. Both residential and commercial customers are charged on the basis of water consumption. Residential customer charges are based on average water consumption for the proceeding winter months (Dec-Mar). All other customers are billed based on actual monthly water usage unless they can measurably separate which quantity of water does not reach the wastewater system.



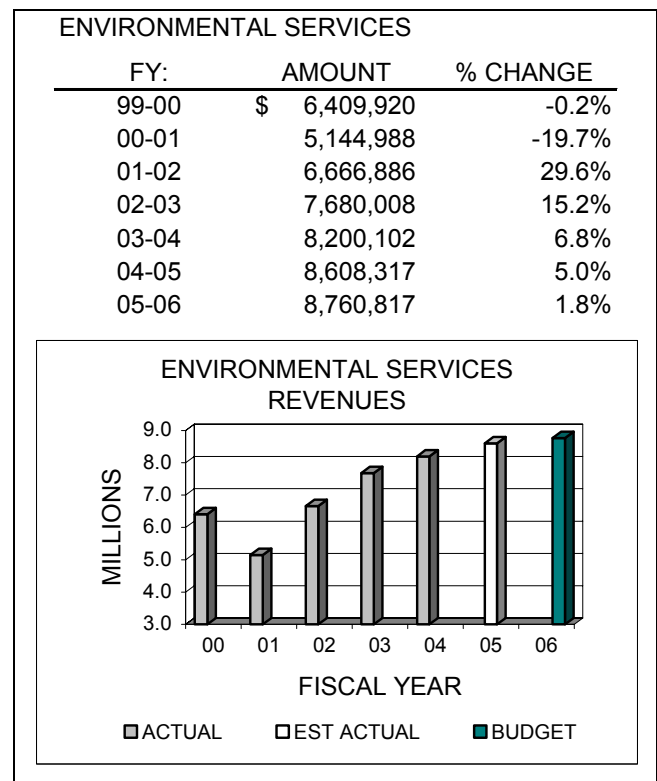
The revenue projections include a 2.0% factor due to population and consumption changes. A rate increase of 7% is projected based on the Utility Rate Model to be

implemented January 2006. This is a result of issuing voter approved debt for the Wildcat Plant upgrade.

ENVIRONMENTAL SERVICES

Legal Authority: City Code, Title 7, Chapter 4, Sections 8-9

Description: Environmental Services disposal service revenue is comprised of solid waste collection charges, hoist and haul fees, landfill dumping charges, inert materials landfill fees, environmental service fees, and residential and commercial recycling. Service charges for residential and commercial customers are based on size of container and frequency of pickup. Hoist and haul is based on a cost per pull plus tonnage. Receipts from fees charged for dumping at the City Landfill are based on tonnage. The environmental service fee is a fixed monthly charge.



The increase in revenues for FY 2006 represents expected increases related to residential and commercial collection.

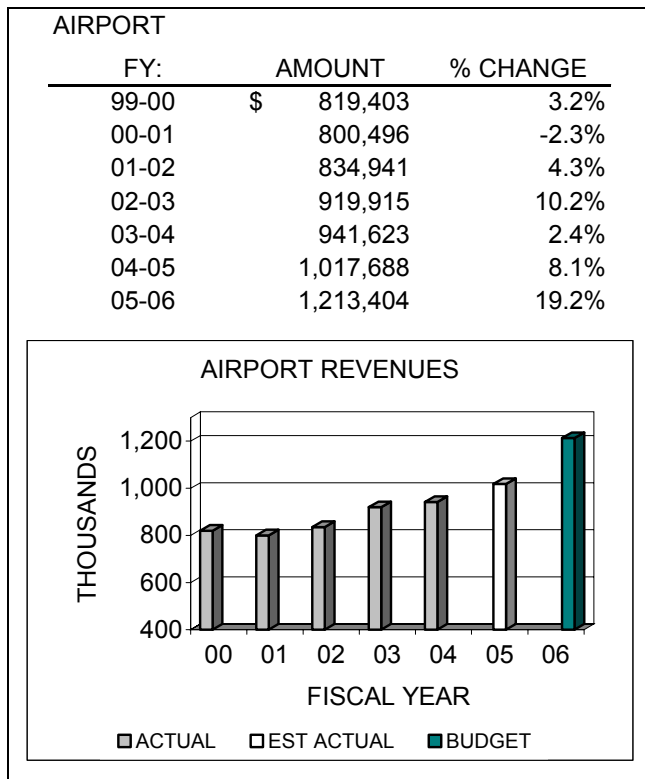
AIRPORT

Legal Authority: City Code, Title 8, Chapter 6, Sections 1-8

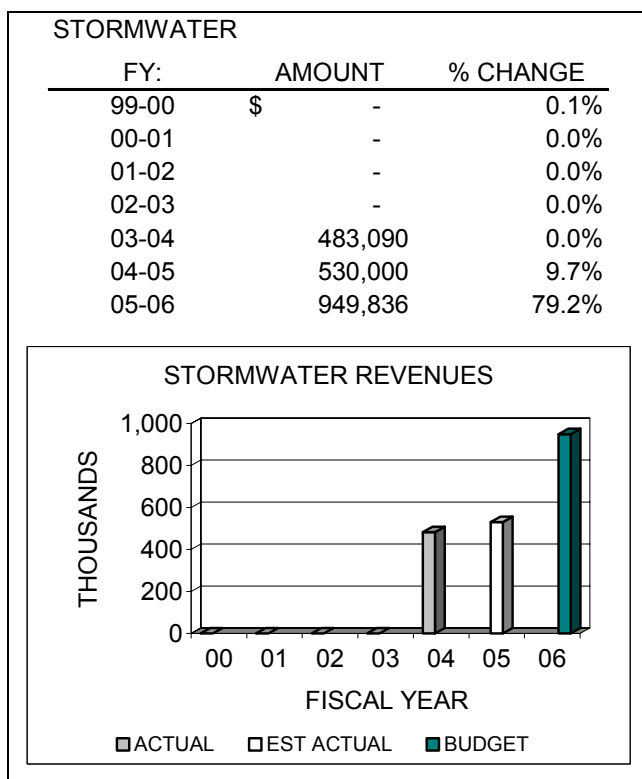
Description: Airport revenue is derived from the rental of airplane hangars, tiedowns, tiedowns with electricity, and shades rented to various individuals and vendors. Landing fees are charged at a rate of \$1.05/1,000 pounds based on gross certificate landing weight of aircraft. Rental revenue from terminal rent consists of space, concession and advertising fees. Revenues are collected from the sale and storage of aviation fuel. A \$3

PFC charge is collected from the ticket sales of passengers embarking from Pulliam.

The increases from FY 2002 through FY 2006 are mainly due to a new terminal lease, growth in ground leases, auto rental revenues, and revenue from new hangars that were constructed in FY 2005.



STORMWATER



Legal Authority: City Code, Title 12, Chapter 2, Section 3

Description: Stormwater revenue is determined by the number of Equivalent Runoff Units (ERU)s on a property. An ERU is defined as 1500 square feet of impervious matter. Charges are the same for both commercial and residential customers. The first year of implementation was FY 2004 with a rate of \$.53 per ERU. The FY 2006 revenue increase of 79.2% is due to the Stormwater program proposing a new rate of \$1.30 per ERU to cover additional staff, additional costs related to the mandated NPDES permit activities, and a proposed Drainage Spot Improvement Program.

CAPITAL BUDGET

RELATIONSHIP BETWEEN OPERATING AND CAPITAL BUDGET

The Five-Year Capital Improvement Plan (multi-year, long-range study of construction and/or acquisition of high cost items with an extended useful life) is prepared separately from the Annual Budget and Financial Plan (focus on municipal service delivery programs which generally are of an on-going nature), however, the two processes are interrelated.

The operations and maintenance of major capital facilities and infrastructure can significantly impact the operating budget and, must be considered prior to approval and commencement of acquisition of a particular capital asset. In the capital improvement plan for the City, various components have greater impact on the operating budget than other elements and, may even override operating budget constraints, e.g., mandatory environmental regulatory compliance.

The Water and Wastewater Enterprise Fund's revenue structure is sufficient to meet existing and future impacts of capital, operating requirements including environmental sanctions and debt. Proposed, as well as existing, debt service is included because the changes in debt service requirements must be built into the rate models in determining what, if any, rate increases are required each year. The rate model is in the process of being updated and this update will be completed in FY 2005. Increases in user fees are anticipated in FY 2006 based on information and system demands known today.

The Highway User Revenue Fund designates a portion of State distributions to the pavement maintenance program. The program is important in order to keep roadways in good condition and not allow significant deterioration. An additional component of the maintenance program is funding for ADA compliance for curb cuts, curb returns, and deteriorating sidewalks. The major impact on street maintenance is the addition of roads from private development. The Streets division has maintained level staffing through the investment in new, more efficient equipment.

BBB projects will have a significant impact on operating budget requirements. Streetscape and FUTS trail maintenance will require an ongoing level of effort to maintain landscaping. Greater consideration is being given to design and maintenance requirements for future streetscape projects to keep maintenance costs as low as possible. The completion of several parks projects constructed in conjunction with the Parks and Recreation bond program require a major increase in the Parks maintenance budget. City Council has determined that any increased maintenance costs associated with the bond projects will be paid for from BBB funds. Staff has balanced construction maintenance responsibilities and funding sources in the Parks and Recreation Bond program.

CAPITAL IMPROVEMENT PLAN

What is a Capital Improvement Plan?

A Capital Improvement Plan is a multi year, long-range study of the construction and/or the acquisition of high cost assets that have an extended useful life usually greater than five years. A long-range plan is needed because of the lead times required to adequately finance, design and/or plan, budget, and implement construction or acquisition of the capital project needs of a community.

Planning in one or two-year increments has proven to be inadequate because of the complexity of projects and the public input process, as well as the design time needed for engineering plans, specifications, and right-of-way acquisition.

After Council has identified priorities and input has been received from all City departments, the development of the actual Capital Improvement Plan is completed. This requires coordination between the budget function and engineering because of the impact of constructed capital projects on the operating budget. For example, bond funds might be used to construct a branch library. However, once construction is completed, the library must be staffed, utility bills must be paid, and the facility must be cleaned and maintained. Therefore, an effective capital improvement plan should always be viewed in context of its impact on the operating budget.

What does a CIP provide?

- **Cash management capabilities.** The dollars expended on Capital Improvement Plans in jurisdictions experiencing substantial growth or revitalization will often comprise 40% or more of the total budget. By reviewing the sources and uses of funds on a project basis and within the context of the entire CIP, as well as the related cash flows, a jurisdiction can maximize its investment earnings.
- **Debt management.** A CIP allows a jurisdiction to plan the financing requirements and the debt repayment schedule to allow for current and future needs relative to debt service capacity.
- **Expenditure controls.** Funds are expended as they were intended to be spent. The appropriations

figure becomes the project management budgets. It is typical for most jurisdictions in their process to budget a 15% to 20% overhead factor to cover engineering and design costs as well as to provide for contingencies.

- **Budgetary controls.** Operating cash flow projections on a project basis serves as a check and balance on a project's progress both in terms of the time schedule and expenditures to date compared with percentage completion.
- **Minimize disruption to citizens.** By looking at the overall impact of the proposed CIP in any given year, the disruption of services or inconvenience imposed by construction activity in a locale can be kept to a minimum. For example, citizen complaints can be minimized by not scheduling the chip sealing of a major arterial street concurrently with ongoing construction on immediately adjacent streets. Additionally, a comprehensive review of multiple projects to ensure adequate coordination can minimize multiple disruptions in a given area.

FY 2006 CAPITAL IMPROVEMENT PLAN

The City budget for FY 2006 includes capital improvement projects totaling \$109 million. This amount includes \$46.3 million in carryover items that have been budgeted. Project funding is comprised of the following: \$10.1 million in grants primarily for airport improvements, affordable housing, street construction and, beautification projects; \$45.4million in general obligation (G.O.) bonds for the Fourth Street Overpass project and water and wastewater projects. \$44.5 million in operating funds that include street maintenance and improvements, flood control, land acquisition, FUTS and Streetscapes. In May 2004 General Election; the citizens of Flagstaff authorized the City to proceed with ten new projects totaling \$155.2 million. These projects will be phased in over a ten-year period with debt being issued in conjunction with the timing of each project. Each proposed project will be discussed below in its appropriate fund. Project listings are located in the Capital Improvement section of this book.

A separate Capital Budget and Capital Improvement Plan (Five-Year) will be prepared from the Annual Budget biannually. Detail project descriptions including location, justification, planning document references, operating impact, and funding and expenditure data are provided for all funded projects.

General Government – Ten projects are scheduled for FY 2006 for a total of \$14 million. Projects included in this category are several of the projects authorized by voters in the May 2004 election. These include, USGS Campus Construction/Renovation; Fire Fighting Facilities and acquisition of emergency response vehicles and equipment; a multi-generational recreation center; an aquatic center; Parks land acquisition; open space acquisition; and both regional and neighborhood acquisition. Also included in this category is redevelopment land acquisition.

Streets/Transportation – The City currently has 575 miles of paved streets, as well as an additional 10 miles of alleys and 14 miles of unpaved streets. Three major programs are funded in the CIP for the City's streets and related infrastructure. These include an annual maintenance program of chip seal and overlay to extend the useful life of the existing street system; a streets/arterial improvement program to bring streets into current standards or widen to meet existing and anticipated traffic flow patterns; and capital projects including the Fourth Street Rail Crossing and the East Flagstaff Gateway project. There are a total of 32 Streets Transportation projects scheduled at a budgeted cost of \$28 million. HURF revenues fund \$4.7 million of these projects with Transportation Tax funding \$8.2 million and \$322,700 in Grant Revenues, \$10.1 million in Bonds and \$4.7 million in contributions.

BBB Funds – Projects include Beautification, Tourism and Recreation funding. These projects include Thorpe Park Improvements, A BMX Park on Sixth Avenue, Multi-Use Path along Highway 180 and continuing our connectivity of FUTS Trails. This year Federal and State grants will provide funding of \$2.4 million. Eighteen projects are scheduled at a budgeted cost of \$9.1 million for FY 2006.

Utilities Fund – Major projects for Water production and distribution include \$2 million for water wells. Major projects for Wastewater plants and collection include \$12.7 million for WC upgrade/reclaim extensions and \$725,883 for WC digester pipe replacement. 18 water projects and 13 wastewater projects are scheduled at a combined budget of \$38.7 million for FY 2006.

Airport Fund – Five projects are scheduled at a budgeted cost of \$9 million for FY 2006. The major project this year is the design for the Runway Extension and land acquisition.

Environmental Services Fund - This year's CIP includes a landfill infrastructure project, a residential drop off center and remodel of the collections building for a total cost of \$930,664.

Stormwater Fund – The Stormwater fund completed its second year of operations as a new utility fund for the City of Flagstaff. Six projects are budgeted in this fund with a cost of \$9.3 million in FY 2006. These projects include; the completion of the Sixth Avenue Detention at a cost of \$378,974; the Walnut Meadow drainage project of \$150,000; the Rio parking replacement project earmarked at a cost of \$1.2 million and the Rio De Flag Hydrology project with a budget in FY 2006 of \$7.7 million.

CAPITAL PLAN IMPLICATIONS

For a community to continue to grow and prosper, capital improvement needs must be balanced with the burden placed on its citizens to fund them. Therefore, the capital improvement program is evaluated in terms of

its impact on a variety of factors such as property taxes, utility rates, and entering into other long-term commitments, i.e., affordability factors.

Property Tax: Servicing general obligation debt over the previous five years is shown in the community profile section. The table shows that debt as a percentage of assessed valuation has not fluctuated significantly and per capita debt has actually declined. In May 2004, voters authorized sale of bonds to implement 10 new projects totaling \$155.2M. These projects will be phase in over the next 10 years.

Utility Rate Structure: The Utility Rate Analysis is in the process of being updated. This rate model provides for major capital improvements, additional bond funding, and increased operating costs. A 7% rate increase in sewer in FY 2006 is anticipated to be recommended to meet these demands. In May 2004 the voters authorized the sale of bonds to support 3 new Utility projects. These projects are reclaimed water system and related wastewater improvements; water wells; and water rights acquisition.

BBB Sales Taxes: The voters approved a 2% BBB tax in 1988 with a ten-year sunset provision and renewed the tax an additional fifteen years in March 1996. Capital projects currently underway include streetscape along corridors, and the FUTS (Flagstaff Urban Trail System) connectivity and various recreation projects.

Transportation Taxes: On May 16, 2000, the voters also approved a 0.51% transportation tax for twenty years that supports four major transportation issues. The four major areas undertaken are the 4th Street Overpass; Safety to School/Pedestrian/Bike; traffic Flow and Safety Improvements; and Transit Service Enhancements. Through scheduled increases approved at the time of the election, the transportation tax is at 0.601% as of July 1, 2003.

DEBT

DEBT CAPACITY

Flagstaff has experienced significant increases in assessed valuations in 2006. Additional staff in the assessor's office has assisted in getting properties updated and filed on the tax roles. Previously the county was roughly two years behind in getting their information updated. The City's legal debt margin shown below, demonstrates adequate capacity to complete the capital projects proposed with the May 2004 bond election. Projects will be initiated over time through issuing new debt within capacity as old debt retires.

CURRENT DEBT POSITION

The City's underlying bond rating for general obligation bonds is presently "A+" by Standard & Poor's Corporation and "Aa3" by Moody's Investor Services representing an upgrade from A1. In assigning a rating

to bond issuance, the rating agencies analyze several factors to determine an entity's ability to repay its debt. Some of these factors are described in the following text.

General Obligation Debt	
July 1, 2005	
20% Limitation (Water, Sewer, Lighting, Open Spaces, and Recreation Purpose Bonds)	
Assessed Valuation	\$ 556,680,587
Allowable 20% Debt	\$ 111,336,117
20% Debt Outstanding	(21,548,064)
Allowable Debt Margin	\$ 89,788,053
6% Limitation (All Other General Obligation Bonds)	
Assessed Valuation	\$ 556,680,587
Allowable 6% Debt	\$ 33,400,835
6% Debt Outstanding	(1,215,000)
Allowable Debt Margin	\$ 32,185,835

Economic factors reviewed include measures of growth such as: population and housing demographics; employment base; unemployment rate; competitiveness of services provided by the governmental entity with surrounding jurisdictions; and vulnerability to revenue streams dependent on economy, e.g., sales taxes and delinquency rates on property tax collections. The City is well positioned because of its location and the diversity of its economic base.

Financial performance factors focus on the entity's ability to maintain a balanced budget regardless of economic circumstances. Recurring revenue streams without reliance on one-time revenue sources, e.g., asset seizure funds or fund balance should support ongoing expenditures. Maintaining a fund balance of 10% of budgeted appropriations is indicative of sound financial management practices.

Debt factors analyzed include indebtedness trends, debt history, current debt burden, and debt repayment schedules. The economic feasibility and need for projects financed with debt are also evaluated, as there is a correlation between perceived benefit received and ability or willingness to repay debt. The history of past voter approved bond authorizations is evaluated as an indicator of taxpayer willingness to repay debt, as well as the amount of overlapping debt imposed on the taxpayer. Development of a long range capital improvement plan is a primary method of planning for future debt needs and is a meaningful way of demonstrating budgetary and fiscal controls.

Administrative factors reviewed include the professionalism of the administration relative to budgetary policies and practices, financial reporting and

results of independent audit, and effective management practices. Debt limitations, tax rate and levy limitations and unused debt margins are also assessed. Focus on management capabilities includes personnel turnover, labor relations, and legal and political constraints evident in the organizational structure. Finally, assessment procedures are reviewed and property valuations are trended and analyzed.

Quality of Life factors include the physical, environmental, and social/cultural amenities of a community, which enhance the desirability as a place to live and thereby add to the valuation of the tax base.

DEBT SERVICE

At July 1, 2005, the total actual indebtedness is \$73 million. FY 2006 annual debt payments are projected to be \$13.4 million. Under current state statutes, the City's General Obligation bonded debt issuances are subject to a legal limitation based on 6% of assessed valuation of real property for general purposes, e.g., buildings, land acquisition, street and highway construction and a limitation of 20% on assessed valuation of real property for public works projects, e.g., water, sewer, sanitation, parks, and open space. At the start of the fiscal year, July 1, 2005, the City's 20% general obligation debt of \$21,548,064 is well below the legal limit of \$111,336,117. The City's 6% general obligation debt of \$1,215,000 is also well below the legal limit of \$33,400,835. The following table illustrates the total actual indebtedness through the life for all currently outstanding debt.

Schedule of Bonded Indebtedness-Current Debt Only			
FY	Principal	Interest	Total
2006	\$ 9,473,109	3,111,715	12,584,824
2007	7,171,507	3,054,512	10,226,019
2008	6,869,813	2,470,620	9,340,433
2009	7,042,924	2,153,609	9,196,533
2010	6,226,802	1,852,065	8,078,867
2011	6,421,474	1,599,018	8,020,492
2012	6,740,967	1,328,584	8,069,551
2013	4,632,877	1,047,176	5,680,053
2014	2,874,863	850,888	3,725,751
2015	2,467,275	730,689	3,197,964
2016	2,570,127	630,487	3,200,614
2017	2,228,434	508,529	2,736,963
2018	2,342,214	398,150	2,740,364
2019	2,456,482	282,031	2,738,513
2020	2,576,257	160,156	2,736,413
2021	446,556	32,245	478,801
2022	462,398	16,403	478,801
	<u>\$ 73,004,079</u>	<u>\$ 20,226,878</u>	<u>\$ 93,230,956</u>

POLICIES AND PROCEDURES

FISCAL POLICIES

The City balances current revenues against current expenditures (balanced budget approach) in all funds on an annual basis. Additionally, all City funds must balance these funds on an on-going basis for a minimum of five years. Both operational and capital efforts must be sustainable to assure continuity of service to citizens.

A five-year Capital Improvement Plan is updated annually and includes anticipated funding sources. The City's accounting records for General Government operations (General, Special Revenue, Debt Service and Capital Projects Funds) are maintained on a basis consistent with Generally Accepted Accounting Principles (GAAP) with measurable revenues recorded when they become available to finance expenditures in the current fiscal year. "Available" is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on debt, are recognized in the accounting period in which the liability arises. State statute allows for encumbrances to be recognized for a 60-day period following the end of the prior fiscal year as uses of prior year appropriations. To ensure that appropriations do not lapse, departments are directed to re-budget for all items that are expected to be delivered after June 30.

For the Enterprise Funds, the annual budget is prepared on a basis that differs from GAAP because state law requires capital purchases and debt service payments to be budgeted as expenses, and bond proceeds and grants that are to be utilized are to be budgeted as revenues.

As a matter of general policy, the City of Flagstaff attempts to realize the following goals and objectives:

GENERAL

The City maintains a moderate property tax rate. The secondary property tax rate relates directly to voter-approved debt. General Obligation (G.O.) debt, supported by property tax revenues, may change based on one or both of the following factors: 1) assessed valuation; or 2) property tax rate changes commensurate with community consensus. Additionally, debt service requirements are repaid through a specified revenue stream whenever possible, e.g., water and sewer G.O. bond debt service requirements are built into utility rate structure.

The City's sales tax is used to meet the general operating needs of the City. An additional two cents (\$.02) BBB tax has been levied on lodging, restaurant, and bar services. This latter tax has been designated for enhancing the quality of life through Beautification

projects, Economic Development, Tourism efforts, Arts & Science contributions, and Recreation projects.

The City has dedicated (\$.00601) sales tax for transportation purposes, which will expire in 2020.

The City's goal is to maintain a minimum general fund balance of 15%. The budgeted fund balance for FY 2006 is 20.2%.

Current revenues will be sufficient to support current operations. Grant funds are considered to leverage City funds. Inconsistent and/or fluctuating grants are not used to fund ongoing programs.

ENTERPRISE FUNDS

The City has a policy of utilizing a systematic methodology to determine the rate increase in water and wastewater charges and fees based on the philosophy of "cost of service." All Utilities Fund and Environmental Services Fund operations are managed on the basis that they must be self-sustaining operations. The rate models include all capital costs and routine maintenance items. Analyses of the water and sewer rate model, sanitation requirements, and the stormwater rate model were prepared this year. The water and sewer model currently indicates a rate increase due to the initiation of voter approved bond projects. The five-year Environmental Services analysis indicated the rate increases are needed in the commercial sector in FY 2006 and increases in the residential sector in FY 2007. Uncertainty with regards to the transfer of the tonnage to other landfills continues to place a significant impact on all costs in the Environmental Service Fund. Rates will continue to be examined annually for possible increase over the next five years. As a matter of policy, the City will raise the landfill fee to an amount higher than the tipping fee at the Material Recovery Facility (MRF) to encourage recycling.

The stormwater rate model indicates a rate increase is needed to fund NPDES requirements and for a beginning capital improvement program.

An Environmental Services reserve will be determined and evaluated annually to provide funding for costs of landfill closure.

The City's goal is to maintain enterprise fund balances in excess of 5% due to the fluctuations of usage not in the control of the departments.

REAL ESTATE PROCEEDS FUND

The disposition of funds from real estate proceeds is governed by ordinance. Proceeds from the sale of real property assets will only be used for costs of acquisition or sale of real property. Proceeds shall be reinvested in like kind assets upon use, i.e., affordable housing property reinvested in affordable housing ventures.

DEBT PERFORMANCE

To ensure that the City's debt position and bond ratings remain favorable, the City's borrowing program strives to meet the following general debt performance goals:

- The City will limit long-term debt to only those capital improvements that cannot be financed from current revenues.
- The terms of repayment for any debt will not exceed the estimated useful life of the project or asset acquired nor will debt be used for recurring expenditures normally considered operational and maintenance expenditures.
- Minimize the impact of debt obligation on the general taxpayer, by:
 - ◆ Using Special Improvement Districts (SID), revenue bonds (street projects), or user charges (water and sewer bonds) whenever possible.
 - ◆ Determining if BBB funds (Beautification, Economic Development, Tourism, Recreation, and Arts & Science) should underwrite all or part of a proposed project.
 - ◆ Creating sinking funds when possible to provide for expansion or replacement of capital items.
 - ◆ Seeking out grant support to the maximum extent possible as well as other lower interest debt options such as state revolving loan funds or redevelopment district designation.
 - ◆ Collaborating with the City's financial advisors to structure debt in such a way the debt load is explicitly related to the operating budget and the ability to handle debt will not impair operating needs. General obligation debt load will not exceed 15% to 20% of the operating budget and debt expenditures to allow sufficient resources to meet ongoing needs without placing an undue burden on the taxpayer.
 - ◆ Preparing an Official Statement on all bond offerings and notes, including Certificates of Participation.
 - ◆ Maintaining good relations with its financial advisor, bond rating agencies and insurance carriers, and providing full and open disclosure on all financial reports and prospectuses.

DEBT MANAGEMENT

The City will not pledge General Fund taxing authority to secure long-term debt except when marketability can be significantly enhanced.

At least 25% of capital outlay (including capital equipment acquisition) will be funded on a pay-as-you-go basis. The City will fund on a pay-as-you-go basis as much as possible rather than using debt financing.

A feasibility analysis will be undertaken in-house for proposed long-term financing to determine current and future budgetary impact and reliability of revenue stream to support both debt service requirements and

operations. Council will review the financing program annually.

Financing will not exceed the useful life of the infrastructure improvement.

Debt financing will be on a competitive basis. Private placements (negotiated financing) may be used when the market is highly volatile or the debt structure is highly unusual and complex as to financing structure or security structure.

Debt schedules will be prepared and included in the Annual Budget and Financial Plan (budget document) as well as the Five-Year Capital Improvement Plan with an annual update.

The City will diligently monitor compliance with all bond covenants as well as strict adherence to federal arbitrage regulations.

FUND BALANCES AND RESERVES

The City will strive to maintain fund balances of at least fifteen percent (15%) in the General Fund and ten percent (10%) in the Utilities Fund. Five percent (5%) is considered the minimum level necessary to maintain the City's credit worthiness (bond rating). However, a more stringent level is recommended so as to provide for:

- Economic uncertainties
- Assurance against vagaries and uncertainties in the bond market
- Cash flow requirements (60 days operating revenues)
- Adequate contingencies

A Landfill Sinking Fund has been established to provide for future closure and environmental regulation requirements and equipment needs. For closure costs, amounts are legally designated for future construction needs in order to insure financial compliance. Current estimates are more than \$13 million. The landfill rates include an allocation to the sinking fund.

EXPENDITURE LIMITATION CONTROL

The State of Arizona provides for several options regarding expenditure control limitations. State statute determines the allowable expenditure limits for each municipality. There can be a one-time adjustment, a permanent adjustment, or charter cities have a home rule option. The City operates under the state expenditure limitation rather than the home rule option allowed to Arizona municipalities, which requires voter approval every four years. The City has a one-time permanent adjustment to the base as a result of the BBB tax approved by voters in FY 1988, which allows the City to increase the expenditure level base by the amount of the additional revenues generated by the tax.

Expenditure Limitation is presented as the basis of accounting presented by the uniform expenditure reporting system, which excludes expenditures of certain revenues specified in the Arizona Constitution.

BUDGET POLICIES

Budget Basis of Accounting – The accounting and budgeting systems for the City are in accordance with Generally Accepted Accounting Principles (GAAP) format, with minimal variances between the two systems. Budget basis for enterprise funds differ primarily due to state laws. The major differences are as follows:

- Encumbrances (contractual commitments) are considered the equivalent of expenditures. Encumbrances at year-end for goods or services, which are not received prior to the end of the fiscal year, are cancelled.
- Fund balances reserved to inventory and bonded debts are not included in the budget.
- Certain expenditures, such as depreciation and landfill closure and post closure accrual, are not included in the budget.
- All funds except the Internal Service Fund are budgeted.
- Enterprise funds budget capital expenditures and debt service payments as expenses.
- Enterprise funds budget bond proceeds and grants as revenues.

The City will utilize a number of different fund types to segregate the financial activity within the City either due to regulatory reasons or as designated internally. The fund classifications are Governmental funds, Proprietary funds and Fiduciary funds.

Governmental funds are typically those that account for the tax supported activity within the City. Within governmental funds, the sub-classifications utilized by the City are:

- General Fund - The chief operating fund that accounts for all activity not accounted for somewhere else. The General Fund currently encompasses the activities of General Administration, Management Services, Community Development, Public Safety, and Non-Departmental expenditures.
- Special Revenue Funds – Accounts for certain revenue sources that are set-aside for a specific purpose. Special Revenue Funds currently in existence are the Library, Highway User Revenue, Transportation, Beautification, Economic Development, Tourism, Art's and Sciences, BBB Recreation, Real Estate Proceeds, Housing and Community Services, and Metropolitan Planning Organization.
- Debt Service Funds – Established to set aside the resources needed to meet current and future debt service requirements on general long-term debt.

The City has established the General Obligation Bond Fund, the Secondary Property Tax Fund, and the Special Assessment Fund in this category.

- Capital Projects Fund – Established to separately reflect major capital acquisitions and/or construction from other ongoing operating activity. The City of Flagstaff has established a Capital Project Fund.

Proprietary funds are used to account for those activities that are expected to be self-supporting through user fees in whole or in part. Proprietary funds encompass Enterprise funds.

- Enterprise Funds – May be utilized for any activity in which a fee is charged. An Enterprise Fund is required to be utilized if the debt is backed solely by fees or charges, if there is a legal requirement to recover cost through fees and charges, or there is a policy decision to recover cost. The City has four Enterprise Funds in the form of Utilities (Waste and Wastewater), Airport, Environmental Services, and Stormwater.

Fiduciary funds are used when the City holds resources while acting as an agent for a party outside the government. The sole fiduciary fund the City holds is the Firemen's Pension Trust Fund

Budgetary control accounts are maintained in the general ledger system at a line item level to track estimated revenues, appropriations, and encumbrances.

The Comprehensive Annual Financial Report (CAFR) Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual reflects how well the City met its budget plan. In addition, while individually budgeted, the City combines the BBB funds for CAFR presentation. These include Beautification, Economic Development, Tourism, Arts & Science, and Recreation. Conversely, the City presents the Internal Service fund and a component unit fund in the CAFR that are unbudgeted.

REVENUE DISTRIBUTION

Highway Users Revenue Funds (HURF) will be used to fund a portion of the Annual Streets Maintenance Program (overlay, chip seal, reconstruction) at a level of effort that will strive to maintain the streets system based on availability of funding. A portion of HURF funds will also be appropriated each year for street and sidewalk improvements, streetlights, and Americans Disability Act (ADA) compliance.

Local Transportation Assistance Funds (LTAF) will be used to fund a portion of the annual streets maintenance program.

Debt service requirements for G. O. Water and Sewer bonds will be built into the respective rate models so that sufficient revenues are generated from user charges to cover annual debt service.

BBB Funds are restricted to Beautification, Economic Development, Tourism, Arts & Science, and Recreation projects. The Beautification Fund will finance major beautification projects including an urban trail system, bikeways, pocket parks, streetscape, rehabilitation, area redevelopment enhancements, and related maintenance expenditures. As determined at the April 1996 Council retreat, funds for recreation will serve to improve, maintain, and enhance park facilities.

Annual funding for Economic Development opportunities, \$125,000 and Open Space \$150,000 shall be allocated on a priority basis from excess revenues over expenditures.

Transportation funds benefit four major categories: Fourth Street overpass, Street Improvements, Safety Improvements, and Transit. The Street and Safety projects include Safe-To-School Projects, urban links, streets widening, and gateway development.

CONTRIBUTIONS TO ART IN PUBLIC PLACES

Art in Public Places has been funded through a general fund contribution. In addition, an art component may be incorporated in capital improvement designs. The Arts & Science Commission also appropriates an annual amount towards this effort.

OPERATING BUDGET IMPACT

The impact of capital improvements on the respective fund operating budgets is required for all capital projects. Costs are developed for first-year start-up costs as well as an annual operating cost estimate. For Enterprise Fund capital projects, debt service requirements are included in the rate projections.

Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb

operating costs due to possible changes in the economy, service demands and capital improvements. The forecast will encompass five years and will be updated annually.

An analysis of impact on cost-of-service will also be undertaken by the City staff to determine if any changes to fees and charges should be recommended to Council.

MINIMUM LEVELS OF CAPITAL INVESTMENT

The Street Improvement Program will commit \$1.5 million for annual capital maintenance of the street system. In addition, approximately \$125,000 will be allocated for ADA compliance in the street system.

The Water and Sewer system will undertake sufficient capital improvements considered routine operations and maintenance to prevent system degradation. Additionally, the inner basin waterline will be charged out over a 20-year period.

Sinking funds have been established for future landfill closure costs. Currently, it is estimated that \$13 million will be needed over 30 years starting in the year of closure to finance the closure and environmental regulatory compliance costs for the landfill. Landfill requirements are built into the Environmental Services rate structure.

NON-RECURRING REVENUES

The City will balance operating revenues against operating expenditures. Any non-recurring revenues are budgeted for other one-time and/or non-recurring expenditures. Should any non-recurring revenue source have ongoing operating implications, those considerations will be evaluated before the acceptance of such funding.

ISSUES AND UPDATES

PERSONAL SERVICE COSTS

PAY PLAN

The FY 2006 budget includes a market adjustment of 5% to the City's pay plan for classified employees. The cost of the market adjustment is approximately \$1.2 million to all funds. This adjustment is based on a complete overall compensation analysis that included revising the process and conducting an analysis of actual salaries, pay structures and midpoints. This process and recommendation has been presented to EAC.

The pay plan for the Administrative/Technical/Professional (ATP) employees has not changed; it is still open range, which means ATP employees, do not receive an automatic market adjustment; and any pay increase is based on performance. All ATP employees will be eligible to receive on average an 8.2% merit increase, which is equivalent to the market and merit increase for classified employees. The total salary cost for merit increases for ATP employees is estimated to be \$647,931 to all funds.

In addition, the average merit that classified staff will be eligible for is 3.2% costing approximately \$240,000 to all funds.

The steps in the Broad Band pay plan was reduced from 18 steps to 15 steps so that the average merit is now 3.2% (from 2.7%) and the same as in the regular pay plan.

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

The Wildcat and Rio Plants, and Collections and Distribution in the Utilities Department are under skill base pay. This coming fiscal year Lake Mary will start the process to implement skill base pay in their area. Skill base pay is a means to increase productivity and efficiency through use of technology and a multiple-skilled workforce and compensate employees for the increased value they bring to the job due to their knowledge and skills that are currently outside their specialty.

HEALTH INSURANCE

Fiscal year 2006 begins the thirteenth year the City has participated in the joint purchasing of health insurance through Northern Arizona Public Employees Benefit Trust (NAPEBT). NAPEBT members are Coconino County, Flagstaff Unified School District, Coconino Community College, and the City of Flagstaff.

The premium increase for health insurance this year came in at 12.5%, which is within 10% to 15% of the national trend for plans similar to the City's. However, the Trust used surplus monies to pre-fund the plan to bring the premium increase to 4.87%.

Each year the Board of Trustees for NAPEBT reviews the plan design with its consultant, the Segal Company, to ensure appropriate levels of coverage and cost are being considered. Given our utilization and effective administration and satisfaction with the plan the Board did not recommend going out to bid for another insurance provider at this time. Discussions continue regarding future trends in health care and the Board will be reviewing various options next year.

FY 2006's budget reflects the continuation of the City of Flagstaff paying the full premium for the employee and keeping the subsidy for dependent health insurance at its current rate of \$244.00 per month. For FY 2006 the total budget for employee only health insurance is \$3,273,334, which is an increase of 3% to all funds. The total cost of the dependent subsidy to the City is \$1,114,280, which is approximately the same as FY 2005. The increased cost to employees for dependent health insurance will be approximately \$26.87 per month.

Dental insurance premiums, both employee only and dependent, resulted in a rate increase of approximately 7%. The City pays 100% of employee coverage and employees pay 100% for dependent coverage. No plan design changes were made for FY 2006.

RECLASSES, RERANGES, RETITLES, REZONES

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

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

1. RECLASS - An individual(s) within a classification is evaluated in regard to moving that person(s) from others in the same classification to a higher (or lower) classification. Some instances may include a title change.
2. RERANGE - A classification in a given pay range is evaluated in regard to moving that position classification to a higher (or lower) pay range. This

effects all employees in the classification, including single incumbent classifications. Some instances may include a title change.

3. RETITLE - A job title is evaluated in regard to changing the job title only. This does not effect pay.
4. REZONE – An individual within a broadband may be move to a higher-level zone within the broadband based on the employee's performance.

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

All requests from departments were submitted to Human Resources for review, and only those recommended for approval were forwarded to the Budget Review Committee for inclusion in the FY 2006 budget. Human Resources have notified all department heads of the status of their requests, whether approved or disapproved. All approved changes will be effective as of July 1, 2005.

Human Resources received a total of 26 requests for reclassification and 6 requests for rezones. The following shows those positions that were approved:

RERANGES				
Old Position Classification	Old Range	New Title	New Range	No. of Employees Effected
Human Resources Manager	16	Human Resources Director	17	1
Asst. City Attorney, Prosecutor	12	No Change	13	4
Chief Prosecutor	15	Senior Assistant City Attorney	16	1
Asst. City Attorney	15	Senior Assistant City Attorney	16	2
Assistant City Attorney - Civil II	17	Deputy City Attorney	18	1
Traffic Projects & ROW Mgr	12	Traffic Eng. Project Manager	13	1
Plant Supervisor	13	Utilities Senior Project Manager	14	1
Plant Supervisor	13	Water Production Manager	14	1
Utilities Service Supervisor	13	Field Service Manager	14	1
Plant Supervisor	13	Wastewater Treatment Manager	14	1
Storekeeper	1	Warehouse Technician	7	1
Account Clerk II	6	Accounts Receivable Specialist	7	1
Safety/Training Coordinator	9	Env. Services Collection Sup.	10	1
Transportation Planner	13	Metropolitan Planning Org. Mgr.	15	1

RECLASSES				
Old Position Classification	Old Range	New Title	New Range	No. of Employees Effected
Project Manager I	12	No Change	13	1
Mail/Duplication Aide	2	Administrative Assistant	BB1	1
Engineering Project Manager II	13	Senior Project Manager	14	1
Landfill Equipment Operator III	8	Landfill EOIII	9	1

RETITLES				
Old Position Classification	Old Range	New Title	New Range	No. of Employees Effected
NA				

REZONES				
Current Job Title	Old Zone	New Job Title	New Zone	No. of Employees Effected
Administrative Specialist	2	No Change	3	2
Administrative Specialist	1	No Change	2	3
Plant Specialist	1	No Change	2	1

REORGANIZATIONS

The City facilitated two major reorganizations during FY 2005. The first was related to the approval of the Brownfields program in Environmental Services. The Conservation Coordinator became a Conservation Manager, responsible for both the conservation and brownfields programs.

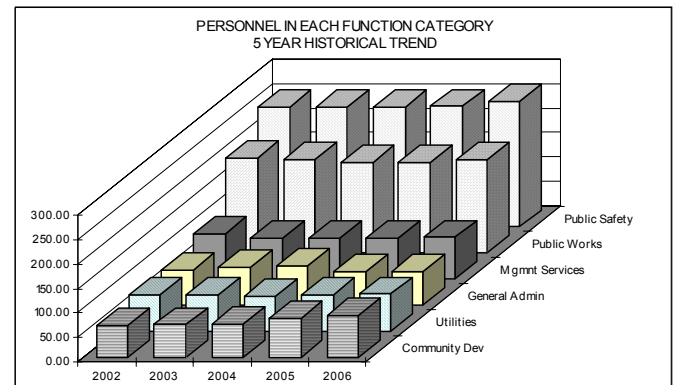
Second, a major reorganization of the Community Development structure will be implemented on July 1, 2005. The four divisions of Community Development (Engineering, Planning, Building, and Capital Improvements) have been restructured into three new divisions to better serve the Community Development customer. The Community Investments Division consists of Housing, Long Range Planning, Redevelopment, Zoning Administration, and Urban Design. The Community Improvements Division has Capital Improvements, Stormwater Management, Traffic Engineering, and the FMPO. The Development Services Division includes Project Management, Project Review, and Project Inspection.

POSITION ADDITIONS/DELETIONS

In preparing budget requests for FY 2006, new position requests would be considered for:

1. Those that could identify a funding source;
2. Those that are an inappropriate use of temporary positions.
3. Those that reinstated a previously cut position.

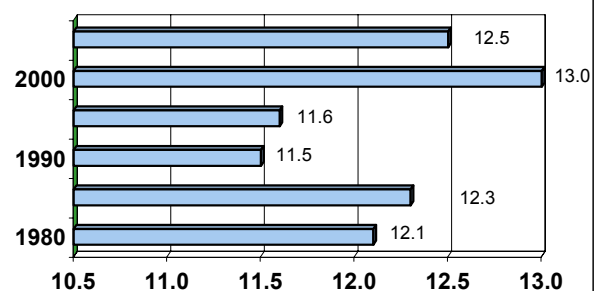
A review of the Authorized Personnel/Positions Summary for the organization (see Appendix Section) provides complete detail, including staffing request changes that are reclassification requests and transfers of personnel between divisions to accommodate changing program needs.



Employees per 1000 Population

	Population	Employees	Emp/Pop
1980	34,743	422	12.1
1985	38,247	470	12.3
1990	45,857	527	11.5
1995	52,701	612	11.6
2000	52,894	685	13.0
2004	61,270	768	12.5

City Employees per 1,000 Population



* Estimated census per
Arizona Department of Economic Security

As part of the budget reduction efforts, a Vacancy Review Committee (VRC) was established in FY 2003 to review open positions. The goal was to reduce 20 to 30 positions via the elimination or reduction of City programs. A total of 7.50 FTE's were reduced in FY 2003 through the VRC process. A total of 22 positions were identified for elimination, sixteen in June 30, 2004 and four more by June 30, 2005. For FY 2006 five regular positions that were originally eliminated were reinstated as well as 2.43 FTE temporary positions. To date, the City has not had to effect lay offs; all employment reductions were achieved through retirement, reassignment, or resignation.

Increased Service Levels - New Programs:

Community Investment (1.0) The City Council directed the Housing section to establish a Community Land Trust for Affordable Housing and this new program needs a dedicated staff member, a Land Trust Manager.

Stormwater (1.0) The City is currently not able to meet compliance standards in the NPDES program due to lack of staff time to perform grading inspections and enforcement. A rate increase is being pursued to fund a Floodplain Inspector position for this activity to begin.

Maintaining Service Levels:

City Attorney (1.0) An executive assistant/ paralegal position is being added to assist the Attorney's office with expanded workload issues as well as to be able to assist with legal research.

Information Systems (1.0) Due to ongoing growth in the number of users and the complexity of information technology maintenance, one Network Analyst is being added to provide needed expertise and backup to existing staff.

Development Services (1.0) The request for a Senior Plans examiner is being funded through a related increase in plan review fees. The position will have dual responsibility to perform plan review and coordinate the activities of the other plan examiners.

Community Improvements and FMPO (0.5) A transportation intern will be shared by community improvements and the FMPO to assist with labor intensive, semi-technical tasks relieving higher level employees of these time consuming activities.

Community Investment (1.0) One position scheduled for reduction at the end of FY2005 was a planner position that performed the duties of a Zoning Code Administrator. This position has been restored, and as part of the Community Development reorganization has been title a Code Administrator.

Fire (2.0) One Assistant Fire Chief position had been scheduled as a work force reduction upon his retirement during FY2006. This position has been restored in

conjunction with Council priorities to continue the existing organizational structure. One firefighter position is added to provide firewise duties.

Police (9.0) Three Emergency Communication Specialist positions have been added to better serve dispatch customers and to achieve a minimum of 6 dispatchers on duty to meet ISO requirements. Six police officers were also added. Five will be funded through general funds and one is funded through grant dollars available through Metro.

Parks (1.74) One permanent position, a Maintenance Worker II has been added to take care of added parks inventory. Temporary time (0.74 FTE) has been added to handle the responsibilities associated with the maintenance of the downtown banner program.

Facilities (1.0) A Maintenance Worker I position had reduced through the VRC process in FY 2004. This position has been restored to perform general maintenance duties, and meets the current Council priority of restoring positions previously eliminated.

Recreation (3.43) During the VRC process a 0.75 FTE administrative assistant position had been eliminated. This position is being restored and increased to a 1.0 FTE level to assist with all front office tasks at the Flagstaff City Hall office. 2.43 FTE in temp time has been added to restore the Summer Day Camp program, restore programming at the Cogdill Center, the Adult Center, the Flagstaff Recreation Center, the Jay Lively Ice Rink, and the Aquatics program.

Library (1.0) This is a reinstatement of a Library Clerk position that had previously been eliminated through the City vacancy reduction process. The Library Clerk position will perform a number of routine duties include shelving of material and other customer service duties.

Stormwater (0.5) This request is for a temporary intern position to assist with plans checks and GIS/mapping needs.

Water/Wastewater (2.0) Two Water Service Technician positions enhance the City's ability to regularly maintain the wastewater collection pipes, which is hoped will reduce the City's need to address blockage issues that have resulted in damage claims.

Environmental Services (2.75) One FTE is for a Bin Maintenance/Equipment Operator that will assist in the growing inventory of the City's refuse and recycling containers. An Equipment Operator III position is added due to the growth in collection accounts to bring the volume per driver within an acceptable standard. As programs have grown in the past few years in Environmental Services, Administrative Support has not kept up. A 0.5 FTE is added to address this shortfall. Also, the Commercial Sales position has increased to a full time position from a 0.75 level to allow adequate time for follow up with existing customers.

Decreased Service Levels:

Human Resources (0.5) As meet and confer was not approved by Council, the Human Resource division did not add this FTE to manage that work program.

Environmental Services (1.0) Part of the work program for FY 2005 included fostering a partnership with Coconino County to initiate a waste tire program at the City landfill. The County will not be pursuing this option and so the City will not fill the position previously approved.

COST ALLOCATION

The cost allocation plan has been developed utilizing a methodology that is in accordance with generally accepted accounting principles (GAAP). Incorporated within GAAP are three basic principles related to the allocation of central service support costs to operating departments that have been adhered to in the preparation of the cost allocation plan. First, costs should be necessary and reasonable for proper performance of a program. Second, costs should be charged or allocated to programs in accordance with relative benefits received. A program should only be charged for services it utilizes or benefits from, and should only be charged in relation to benefits derived from the service. Third, costs should be accorded consistent treatment as either direct or indirect. A cost should not be charged to a program as a direct cost if any other cost incurred for the same purpose in like circumstances have been allocated to the program as indirect costs. The methodology accommodates detailed analysis of all service areas through the provisions of a structure that identifies total costs (both direct and indirect) by activity and allocates/assigns costs to benefiting services utilizing a base that appropriately represents the level of benefit provided or derived from each activity by each service. The cost allocation is based on actual expenditures for the fiscal year ending June 30, 2004. The City utilized the services of a consultant to prepare this year's plan. The cost allocation plan also provides information for user fees and the ability to charge indirect cost to grants.

The City also utilizes the cost allocation plan to calculate an indirect cost rate that is allowable in accordance with OMB A-87. The City will annually update the indirect cost rate based on actual expenditures, as required by OMB A-87.

METHODOLOGY

A multiple allocation base methodology has been utilized to prepare the Plan. This methodology acknowledges that the utilization of central administration and support (indirect) services by users varies by type of service. The cost of each indirect service or activity of a service is allocated to users based on an appropriate allocation base related to the service performed. For example,

general accounting has been allocated to users based on total budgeted expenditures; accounts payable activities have been allocated on the number of accounts payable transactions processed during FY 2004; and human resources activities have been allocated on the number of budgeted full-time equivalent positions served.

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

FLEET MANAGEMENT

The goal of Fleet Management is to maximize vehicle and equipment usage, retain units as long as possible, and replace units that are predicted to experience high cost expenditures in the near future. The Fleet Manager uses numerous criteria in analyzing the fleet replacement needs. Initially, the age and utilization of all equipment is reviewed to determine candidates for replacement. In conjunction with the end user, the equipment is then scheduled for evaluation.

The Fleet Manager, along with his staff, evaluates each piece of equipment submitted for review. The Fleet Manager evaluates fiscal year-to-date as well as life-to-date costs to determine if the vehicle or equipment has had recent major component overhaul or replacement. If engines or transmissions have been replaced or overhauled recently, retention is a strong consideration in the overall evaluation. If the units are mechanically sound and the body is in fairly good condition, the unit is usually recommended for retention for another year.

If a unit has incurred a significant number of expenditures and is likely to experience major component failures, this unit will be recommended for replacement by the Fleet Manager and forwarded to the City Fleet Management Committee, which is comprised of line workers throughout the City. Within strict budget constraints, the committee must make difficult decisions as to allocation of assets due to the thorough review by the Fleet Manager and limited financial funds.

This past fiscal year the Fleet Committee had a very busy year. Listed below are some of the major accomplishments that occurred:

- Fleet Services performed 57 physical evaluation requests this year, 46 of them were forwarded to the Fleet Committee with the request for 6 additional units. The unusually high number of requests is due to the culmination of the last three successful years of rotating older, lower mileage vehicles, thus deferring purchases during tight budget years.

City of Flagstaff
Cost Allocation
For Fiscal Year 2006
(Based on Fiscal Year 2004 Actuals)

CENTRAL SERVICE	GENERAL AND OTHERS 001	LIBRARY 030	HURF 040-044	UTILITIES 201	STORMWATER 210	AIRPORT 270	ENVIRON. SERVICES 280	TOTAL	TOTAL CHARGED OUT - GF
General Fund Services									
Non-Departmental	\$ 2,209,137	44,958	138,908	230,611	18,987	46,545	114,932	2,804,078	594,941
Council & Commissions	139,015	11,824	49,268	45,171	2,001	4,461	25,954	277,694	138,679
City Manager	410,982	45,622	113,995	128,066	7,295	14,805	79,697	800,462	389,480
City Clerk	97,456	3,926	15,893	15,730	661	1,448	8,589	143,703	46,247
City Attorney	365,744	20,361	82,439	76,647	3,429	7,508	44,548	600,676	234,932
Human Resources	245,032	21,293	19,193	35,832	3,155	5,549	27,358	357,412	112,380
Risk Management	75,486	7,185	15,571	17,602	1,111	2,094	11,273	130,322	54,836
Management Services	303,663	23,169	141,358	160,206	2,540	15,173	52,460	698,569	394,906
Information Systems	432,648	15,464	59,260	198,980	23,681	4,986	100,209	835,228	402,580
Finance and Budget	389,959	47,891	44,935	130,306	9,839	31,929	45,253	700,112	310,153
Sales Tax & Licensing	526,844	16,380	1,030	23,024	-	26,646	39,305	633,229	106,385
Public Works Admin.	54,071	-	63,632	-	-	54,625	47,635	219,963	165,892
Public Facilities Maintenance	422,162	73,011	36,023	21,741	7,910	10,507	23,066	594,420	172,258
Mechanical Shop	90,671	722	54,472	22,055	64	2,235	93,934	264,153	173,482
Development Services	542,835	-	694,525	466,824	40,255	-	-	1,744,439	1,201,604
Community Investment	597,772	48,518	196,441	182,640	8,171	17,892	106,151	1,157,585	559,813
Contributions	184,312	9,540	40,716	63,866	2,013	7,437	24,186	332,070	147,758
Total General Fund	\$ 7,087,789	389,864	1,767,659	1,819,301	131,112	253,840	844,550	12,294,115	5,206,326
General Administration	\$ 1,194,700	98,387	247,091	273,877	15,651	31,404	171,465	2,032,575	837,875
Community Development	1,140,607	48,518	890,966	649,464	48,426	17,892	106,151	2,902,024	1,761,417
Management Services	1,653,114	102,904	246,583	512,516	36,060	78,734	237,227	2,867,138	1,214,024
Public Works	566,904	73,733	154,127	43,796	7,974	67,367	164,635	1,078,536	511,632
Non-Departmental	2,532,464	66,322	228,892	339,648	23,001	58,443	165,072	3,413,842	881,378
	\$ 7,087,789	389,864	1,767,659	1,819,301	131,112	253,840	844,550	12,294,115	5,206,326
Utility Fund Services									
Customer Services	\$ 28,757	884	3,289	(161,895)	8,167	297	120,501	-	-

- Two replacement units requested from Environmental Services will be fuel-efficient electric hybrid vehicles.
- Vehicle rotation was a high priority again this year. Fleet Services has two units that exceed replacement criteria; new replacements will be rotated to Building Inspection for two of their higher miles good condition, which will go in the Fleet Service's pool.
- The reorganization of Community Development necessitated the need for additional permanently assigned vehicles for Materials Testing. These units will be offset with two eligible replacements in the Fleet Services' pool vehicles.
- The Police Department requested two grant funded ATV's for off-road and remote travel, and two full-sized SUV's for off-road and inclement weather response in lieu of two eligible sedans.
- Courts was approved a new sedan to assist in prisoner transport.

- The Fire Department requested a replacement for a 4x4 crew van for Fuel Management. The estimate for one "Hot Shot" replacement truck was the same price as three 4x4 crew cab trucks that would allow for more versatility for multiple sites. The Fleet Management Committee approved the additional unit with the Fire Department turning in F2010 increasing fleet by one.
- The Fire Department have budgeted the purchase of a Quint Aerial Fire Apparatus, which will be funded with Bond Proceeds.
- The Fleet Committee approved two new replacement sedans for the Fire Marshall's. Refurbished patrol cars are no longer cost effective since patrol cars are now kept in service 100,000 miles or more.
- In the Library Fund, there is a carryover of a step van Bookmobile and a replacement of the County Bookmobile, which is to be funded with donations.

FLEET FISCAL YEAR 2006			
DIVISION	AMOUNT	DIVISION	AMOUNT
16 ENGINEERING		24 GENERAL GOVT CAPITAL PROJECTS	
PICKUP, 4X4 EXT CAB (2)	\$ 35,000	QUINT AERIAL FIRE TRUCK	900,000 <i>b</i>
PICKUP, 1/2 TON 4X4 EXT CAB (3)	60,000	TOTAL GENERAL GOVT CAPITAL PROJECTS FLEET	900,000
21 FIRE			
PICKUP, 3/4 TON 4X4 CREW CAB (2)	49,000	47 LAKE MARY WATER TREATMENT PLANT	
UTILITY TRUCK, 3/4 TON 4X4 CREW	24,500 <i>b</i>	PICKUP, 1 TON 4X4	22,500
SEDAN (2)	32,400	PICKUP, 3/4 TON 4X4	23,250
SUV, FULL SIZE	29,000	49 WATER DISTRIBUTION	
TYPE 1 ENGINE	404,500 <i>a</i>	PICKUP, 1-1/2 TON	45,800 <i>a</i>
22 POLICE		SERVICE TRUCK, 1/2 TON 4X4	48,350
PATROL SEDANS (4)	94,000	PICKUP, 3/4 TON 2X4	18,000
PATROL SEDANS (2)	50,000 <i>b</i>	54 WASTEWATER COLLECTION	
PATROL UTILITY VEH, 4X4 (2)	58,000	HYDRO/VACUUM CLEANING UNIT	190,000
PICKUP, 3/4 TON 4X4	23,250	HYDRO/VACUUM CLEANING UNIT	200,000 <i>b</i>
PICKUP, 4X4 EXT CAB/ANIMAL CTRL	18,000	TOTAL UTILITIES FLEET	547,900
SEDANS (2)	32,400		
PRISONER TRANSPORT VAN	37,500 <i>a</i>	98 STORMWATER	
23 POLICE GRANTS		PICKUP, 4X4 EXT CAB	30,000 <i>b</i>
ALL-TERRAIN VEHICLE (2)	17,546 <i>b</i>	TOTAL STORMWATER FLEET	30,000
26 PARKS			
PICKUP, 3/4 TON	16,000	41 ENVIRONMENTAL SERVIC	
27 FLEET SERVICES		TOPLOADER-COMMERCIAL (2)	390,000
FORKLIFT	30,000	SIDELoader-RESIDENTIAL	185,400 <i>a</i>
LIFT SYSTEM	30,000	SIDELoader-RESIDENTIAL	195,000
PICKUP, 3/4 TON 4X4	20,250	SUV, AWD HYBRID (2)	61,000
28 CEMETERY		SUV, AWD HYBRID (1)	30,500 <i>a</i>
RIDING LAWN MOWER	18,000	PICKUP, 1/2 TON, 4X4	21,000
29 FACILITIES MAINTENANCE		TOPLOADER-COMMERCIAL	195,000 <i>b</i>
UTILITY TRUCK, 1 TON	28,025	TUB GRINDER	522,720 <i>a</i>
66 CITY COURT		TOTAL ENVIRONMENTAL SERVICES FLEET	1,600,620
PATROL SEDAN	23,500		
TOTAL GENERAL FUND FLEET	1,130,871	TOTAL FLEET	5,021,391
11 LIBRARY			
BOOKMOBILE	125,000 <i>a</i>		
BOOKMOBILE	200,000		
TOTAL LIBRARY FLEET	325,000		
32 STREET MAINT. & REPA			
PICKUP, 1/2 TON 4X4 (3)	60,000		
LOADER (2)	292,000		
10WHEEL DUMP TRUCK	135,000 <i>a</i>		
TOTAL HURF FLEET	487,000		

a-Indicates carryover funding.
b-Indicates additional fleet vehicles.

Proposed Objectives for FY 2006:

- Perform another annual utilization review.
- Review replacement criteria.
- Annual replacement review: look at streamlining process and placing information in a centralized database.
- Update five-year replacement program.
- Monitor hybrid vehicle cost as a comparison to conventional gas vehicles.
- Provide Fleet Committee members training on the use of the Fleet System to help user better manage their resources.

FIVE-YEAR INFORMATION SYSTEMS

With the desired infrastructure in place, the City of Flagstaff must focus on maintaining existing hardware/software. We must also continue to purchase hardware/software in a logical and controlled manner. The City of Flagstaff is now faced with making decisions that will affect the future of the IT environment within Flagstaff and Northern Arizona. These decisions and others will impact our ability to entice clean industry to the Flagstaff area, our ability to increase revenues, and our ability to serve the citizens of Flagstaff and Northern Arizona.

Items to consider

- Creation of a citywide fiber optic infrastructure.
- Creation of a long range IT plan.
- Enhancement of communications among sites that is fast and reliable
- Aerial imagery of the City and surrounding area (MPO), thus creating snap shots in time
- E-Government – Utility Billing review and payment, on-line permitting – Business and Building, Recreation registration, employee access to personal data, vacation and sick leave balances, ect.
- Acceptance of Credit/Debit cards as a form of payment at all locations
- Data sharing with other public and private agencies
- Establishment of enhanced digital data standards for submittals to the City of Flagstaff.
- Disaster Recovery planning.
- Plan for citywide imaging solutions.
- Plan for citywide complaint and tracking system.

FY2006 Acquisitions

The majority of the MIS acquisition funds for fiscal year 2006 will be expended on replacing and upgrading existing equipment. Replacements will encompass all aspects of the City's computer network infrastructure.

Replacements \$325,000

- Personal computers \$70,000 – This will allow for the continued replacement of the City's older PC's. Replacement could occur for two reasons – PC failure or need for increase processing speed.

- Network equipment \$65,000 – Allocation for replacement of network equipment to include switches, servers, back up systems, and storage solutions. Basically all the backroom equipment that powers the network. Currently the City has 25 servers in operation for the various applications.
- Wide Area Network \$180,000 – The City is exploring through an RFP a fix for the wireless system that maintains the communications at all the outlying sites.
- CAD PC Replacements \$10,000 – Allocation for replacement of existing PC's located within CID and Engineering.

GIS \$10,000

- GPS laptop \$3,000 – For the collection of GIS related data
- Hardware /Software upgrades / new licenses of various ESRI products

E-Gov \$65,000 – to be determined by the government committee

The committee prioritizes the needs of the city and citizens for egov related activities. Examples of other areas that will be eventually considered are, employee web access to their payroll information, a citywide complaint and response tracking system, online vendor registration, and web permitting and tracking.

Software Upgrades \$200,000

Exchange upgrade – Staff has been preparing for the conversion to Microsoft outlook from GroupWise. Based on the current information, and RFP for services is being prepared to assist staff in the conversion.

New Hardware/Software \$77,000

- Work Order Management application \$25,000 – Acquisition of work order application which interfaces with existing H T E Payroll, GMBA, and Fleet applications
- Miscellaneous software/hardware \$52,000– i.e. – Additional servers, Personnel module, AutoCAD LT, Microsoft Project Management, Microsoft Visio, Pavement Mgmt, etc

Public Safety \$372,000

- Field reporting LAN \$20,000 – carry over
- Cad Upgrade \$40,000
- RMS upgrade \$20,000 - carryover
- Document imaging \$30,000
- E citation \$118,000 – grant funded
- Laser printers replacement \$5,000
- Software License. \$5,000
- Incident based reporting \$14,200
- Phone Upgrade \$55,500
- Evidence barcode \$3,500
- Laptops \$36,000
- CJIS server replacement \$6,000
- Automated data base search \$4,400
- Hardware/software replacements \$14,400

MIS Five Year Projections	Budget FY2006	FY2007	FY2008	FY2009	FY2010
Replacement Programs					
Replacement PC's and Printers	\$ 70,000	70,000	70,000	70,000	70,000
GIS Workstations	-	15,000	-	15,000	-
Network equip	65,000	175,000	140,000	235,000	50,000
Wide Area Network	180,000	-	-	-	-
Upgrade of servers	-	-	-	-	180,000
CAD PC Replacements	10,000	10,000	10,000	10,000	10,000
Total - Replacement Programs	325,000	270,000	220,000	330,000	310,000
Local & Wide Area Network					
City Hall - LAN - Cabling & Equip	30,000	50,000	60,000	30,000	120,000
Total - Local & Wide Area Network	30,000	50,000	60,000	30,000	120,000
GIS					
Hardware upgrades/replacement	5,000	5,000	10,000	5,000	30,000
Software upgrades	5,000	5,000	10,000	5,000	10,000
Total GIS	10,000	10,000	20,000	10,000	40,000
E-Gov	65,000	40,000	40,000	20,000	30,000
Software Upgrades					
Office (Word,Excel,Access,Power Point)	-	110,000	-	-	-
Exchange upgrade	200,000	-	-	-	-
Software upgrades	-	-	139,000	112,000	80,000
Total Software Upgrades	200,000	110,000	139,000	112,000	80,000
New Hardware & Software Purchases					
Work Order Management	25,000	-	-	-	-
Hardware & Software Purchases	52,000	105,000	85,174	104,000	70,734
Total New Hardware & Software	77,000	105,000	85,174	104,000	70,734
Public Safety					
Police Upgrades	218,000	109,000	149,000	149,000	149,000
Police Laptops	36,000	105,000	125,000	125,000	125,000
E citation	118,000	-	-	-	-
Total Public Safety	372,000	214,000	274,000	274,000	274,000
Total Expenditures	\$ 1,079,000	799,000	838,174	880,000	924,734
Funding					
General Fund MIS allocation	\$ 760,574	798,603	838,533	880,460	924,483
Carryover	200,000	-	-	-	-
Grants	118,000	-	-	-	-
Total Funding	1,078,574	798,603	838,533	880,460	924,483
Excess/(deficit) Funding over Expenditures	(426)	(397)	359	460	(251)

2005 UPDATES

Rural Policy Institute

The concerns that initiated discussion for the need for a Rural Policy Institute (RPI) continue to be valid. These concerns are related to high poverty, low-income levels, poor access to quality health care, inadequate transportation infrastructure, and limited high-technology communication capability. The Alliance Management and Policy Groups continue to support development of and funding for the Rural Policy Institute (RPI). Options for institutional hosting of the RPI, including Northern Arizona University are being researched and analyzed for recommendations to Alliance members and member agencies.

E-Government and Credit Cards

FY 2004-05 brought a number of customer service improvements to the City website. These include:

- Fully accessible and linked City Council Agendas
- GIS available for the first time online
- Engineering Design Standards available
- City projects and programs with a high level of citizen interest were placed prominently on the website homepage including the Mall development, Conference Center, Policies, Election information, Water Conservation Measures, Fuel Management, Multi-Hazard Mitigation Plan, and Employee Excellence Awards.

The City website continues to grow providing 24/7 access to City information and services. In 2004 there were 538,004 visits to the website and nearly 8 million hits. On average, 1,469 people visit our site per day while the average hits per day is well over 21,500. The pages most frequented in 2004 included: Jobs, CVB, Community Profile, Events Calendar, Recreation, Airport, Bids links to other resources, and staff directory information.

For FY 2005-06 the City's E-Government Team will be working with the new IS Director to provide a number of new online services. This will include HTE's "Click 2 Gov" allowing customers on the City's website to complete online forms, register for programs, provide customer access to billing information, and online payments. There is a budget of \$30,000 in Public Information and \$65,000 in non-departmental to facilitate maintenance and new E-gov activities.

The trial period for credit card acceptance has been going very smoothly. Next steps include rolling out credit cards to more divisions including recreation, building, and sales tax. The team will work in conjunction with the E-Gov team in the implementation of online credit card acceptance through the installation of the Click 2 Gov software. There is \$55,000 in Customer Service to purchase the Click 2 Gov module

and \$12,600 in recreation to facilitate software purchases that will enable enhanced credit card processing.

Human Resources Reorganization

Human Resources reorganized with the addition of an additional .50 FTE. Council approved an additional 1.00 FTE for FY 04-05 to address succession planning and meet and confer with the understanding that if meet and confer did not pass then only .50 FTE would be approved.

On September 7, 2004, the Council voted down meet and confer. Based on that decision the Human Resources Division was restructured in the following manner:

1. The new half time position was classified as a Human Resources Analyst that is responsible for classification and compensation, and assists with the citywide succession planning. The current Human Resources Analyst who chose to work part-time filled this position.
2. With the transfer of the current Human Resources Analyst to the half time, this created a vacancy and the opportunity to reclassify the position to a Human Resources Supervisor. This position is responsible for the supervision of the support staff and the day-to-day operations of the Division.

This reorganization has allowed the Human Resources Director to become responsible for the leadership of the workforce planning process to include initiating succession planning, reorganizing and developing transition plans in an effort to capitalize on the talents and skills of current employee who are not leaving, retaining the institutional history of employees that are planning to retire, and determining when new employees need to be hired.

The Human Resources Director continues to provide leadership to the Human Resources Division as well as serving as the Affirmative Action Officer (EEO/AA), chair of the Customer Service Committee, and liaison to the EAC and Diversity Awareness Commission.

Succession Planning - Competencies for the Future

Given that approximately 20% of Department Heads, Division Heads, and supervisors are eligible for retirement within the next five years, the City is in the process of implementing a citywide plan for leadership development and succession planning based on competencies.

All Department Heads met in December and in March for the purpose of defining succession planning and

determining leadership competencies for the future. The following is a summary of what has occurred and the next steps:

1. The City has chosen to use a competency-based model for succession planning because clearly defined competencies promote and communicate an organization's strategy and assists employees in understanding and fulfilling that strategy.
2. it was decided that the title "Succession Planning" be changed to "Leadership Talent Development Program," since we want to develop and enhance leadership competencies in the City for today and in the future.
3. The Leadership Talent Development Program will consist of the following:
 - Goal – Establish a systematic transfer of knowledge and development of talent from current leaders to potential leaders.
 - Purpose – Evaluate potential leaders, provide training and development, and career opportunities.
 - Expected Results – Provide a consistent basis for employee evaluation, recruitment, development, and retention of top performers, improve entry level skills and compete with other industries and municipalities for talent.
4. The leadership competencies for talent development are tied to the City's mission and values statement as described below:
 - Accountability
 - Responsiveness
 - Quality
 - Professionalism
 - Teamwork
 - Problem Solving
 - Leadership
 - Change Management Skill
5. The next step is "setting a climate for development." Management Services will be the pilot program and will be the first to go through this process. The second department will be Public Works. Once these two departments go through the process, it will be taken out to the rest of the departments.

East Flagstaff Community Library and Americans with Disabilities Act Compliance

As of Fall 2004, the East Flagstaff Library is open seven days a week. Branch Manager Bill Landau and staff have made this a very popular library and are enjoying great community support. Approximately 15,000 people are using the library every month.

Coconino County Library District

Staff from the Flagstaff City – Coconino County Public Library continues to provide support and assistance to

the public libraries throughout Coconino County. New computers and software have been distributed, and numerous site visits have been made. Sedona Public Library and Tuba City Public Library have completed the State Library's "Planning for Results" program, and Grand Canyon Community Library has begun the process. Using funds from the Coconino County Library District, Fredonia Public Library has made dramatic improvements to the building and grounds. Also, the Page Public Library was named one of the five best small libraries in the nation by Library Journal.

Community Investment Division

Mission

The Community Investment Division prepares plans and implements programs and projects for the City's future growth and development in a manner that preserves our region's livability, sense of community and the natural environment. The Division works to ensure that Flagstaff has a compact land use pattern that provides for: Open Space; Land Use and Growth Management; Housing and Neighborhoods; Historic Preservation; Commercial Development; Industry and Employment; and Infill and Reinvestment.

The Community Investment Division's work program for the coming year will focus on projects and programs that directly address the underlying principles of the Regional Plan. The Division will collaborate with a number of other divisions and departments to accomplish this work program including: Development Services; Community Improvements; FMPO; and Environmental Services.

Compact Land Use Pattern

Community Investment staff will be reviewing the Land Development Code to ensure that it is in synch with the adopted Regional Plan. Staff will be recommending to Council the proposed changes during the coming year along with reevaluating the current Land Development Code in its entirety to ensure that this 1991 Code is compatible with the current community goals. This will include the examination of Smart Code options to replace the current Land Development Code with a comprehensive Smart Code.

Greater Opportunities for Affordable Housing

Workforce housing is an ongoing issue for the community. The community has seen double digit increases in housing values, pricing the average family out of the home buying market. Work force housing and the affordability of the community can have a tremendous impact on the community's ability to sustain an economy. Employees without access to affordable housing will leave the market, jeopardizing the community's economic viability.

The Housing Section, once a staff of one, will now be staffed with four housing professionals early in the next fiscal year. This expanded program will allow the City to address affordability and community services including:

Community Development Block Grants

The City will be distributing almost \$1 million in funding this year. Programs to be funded include:

- Owner Occupied Housing Rehabilitation
- Construction of New Homes for Sale to Low Income Households
- Acquisition and Rehabilitation
- Home Buyer Assistance Loans for Down Payment and Closing Costs
- Community Homebuyer Assistance Program
- Sharon Manor Transitional Housing
- Eviction and Mortgage foreclosure program
- Youth Crisis Intervention and Stabilization
- Community Land Trust Program

Other Housing activities to be undertaken during the fiscal year include:

- Creation of a new Consolidated Plan. This plan is submitted to HUD once every five years and describes the housing, economic, social and human development needs of low-income persons in Flagstaff and prescribes a five-year strategy to address them.
- An analysis of the impediments to fair housing.
- Completion of the Annual Action Plan, which is submitted to HUD in the spring and is essentially the "grant application" for the City. It details the decision of the City Council on how CDBG funds for the next fiscal year will be spent.
- The Consolidated Annual Performance Evaluation Report (CAPER) submitted to HUD in the fall details how the funding from the previous fiscal year was spent and what the funded programs accomplished.

Other Housing Planning Efforts

Staff will continue with their participation in the Community Planning with the Northern Arizona Homeless Network and the Resource Action Network of Northern Arizona. Housing staff will also be working on neighborhood planning and opportunities for the use of various programs in targeted neighborhoods.

Community Land Trust Program

The Flagstaff City Council, in an effort to provide a new option in homeownership for the residents of Flagstaff, has taken the lead in the creation of a Community Land Trust Program for affordable housing in our community.

In many communities today, including Flagstaff, population growth and economic investment are driving up real estate prices so that fewer and fewer working people can afford to live in the communities where they work. Fewer still can afford to buy homes in those communities. To address this problem, community land trusts have been developed in a growing number of communities - in expanding metropolitan areas from Cleveland, Ohio to Portland, Oregon; in university communities from State College, Pennsylvania, to Boulder, Colorado; in resort communities from the

Florida Keys to the San Juan Islands of Washington State. Community Land Trusts control housing costs by permanently limiting land costs and "locking in" subsidies that enables the creation of long term affordability for one homeowner after another.

The Land Trust Program Manager, in cooperation with an outside consultant, has been working with a number of community-supported committees to deal with many concerns including legal issues, outreach, and program structure. It is anticipated that the Land Trust Program will be operational by the end of 2005.

Workforce Housing Initiatives

Under the leadership of the new Housing Manager, and in cooperation with the Housing Planner, the Division will be working with local employers to address ways to create additional workforce housing opportunities. Programs to be explored include Employer Downtown Payment Assistance in cooperation with other agencies like Fannie Mae. This would allow an employer to provide a second mortgage to retain existing employees and to attract new recruits. The employee would repay the down payment assistance upon termination or refinancing.

Neighborhood and District Planning

Good ideas, planned and built in the optimum locations of the region, and at the right time, can occur on a regular basis only if the city continues to take a leadership role and supports neighborhood, district planning and urban design efforts to foster and accommodate those good ideas throughout various areas of the city. Because of proactive planning, we will be able to develop an inventory of reinvestment sites, corridors and neighborhoods, all of which can offer viable choices for quality public and private reinvestment, and respond to the individual market forces and opportunities of those areas.

The purpose of ongoing planning is to develop and publicly discuss some very specific concepts and strategies that are grounded in economics, marketing, and quality urban design while achieving support from the neighborhood or district, the City Council, and all levels of potential private investors and developers.

Plaza Vieja

This neighborhood is one of Flagstaff's oldest and has been pressured on many sides by encroachment of new development and is literally surrounded by transportation corridors: Milton/Route 66, Clay Avenue and the BNSF Railway.

The neighborhood association has requested a similar effort to the one that the City recently completed on the Southside. The effort would be executed by City staff and include a neighborhood plan, educational outreach, promotion of available housing programs, transportation, and capital infrastructure analysis.

The final product will include a comprehensive neighborhood plan that could include the adoption of a citywide Property Maintenance Ordinance, an examination of our current enforcement efforts and changes to the Land Development Code.

Route 66

After a preliminary visioning process as part of the Flagstaff Image Program, a more thorough analysis of the Route 66 inventory will be completed along with identification of reinvestment sites and strategies. This could include partial National Register of Historic Places Listing of certain properties as part of a National Register Thematic District, rehabilitation, demolition, and infill. Treatment of the streetscape along Route 66 will also be examined in concert with the Historic Preservation Commission.

Since Route 66 is a national icon, this area could potentially become a major asset to the community. The majority of the corridor was identified for redevelopment and infill in the Regional Plan. The corridor, if not addressed, could develop into a major liability for the community as existing motels and businesses continue to decline and inappropriate infill occurs. Proper planning will also allow for a more logical redevelopment rather than the haphazard demolitions and abandonment that have been seen to date. The Route 66 Corridor has been nominated as part of a national Route 66 corridor, which may also make the area available for some federal funding for renovation.

Milton Road

Milton Road is one of the major gateways into the community and is also the first impression of our community when arriving from the south. Today, it is a conglomeration of signs, architecture, access points, driveways, and is filled with congestion and potentially dangerous areas for vehicles, pedestrians and bicyclists. Growth in the community will only make these matters worse. Also, this is an area of tremendous increase in property values since it is perceived as one of Flagstaff's main commercial corridors. The current conditions have identified this corridor as an area that needs to be addressed from many angles including first impressions, safety, and ultimate redevelopment.

Staff will be working with the Flagstaff Metropolitan Planning Organization on the implementation of portions of the recommendations from the Urban Mobility Study for Milton Road. This includes working with stakeholders and users on a median plan, access management control, landscaping, and design and signage standards. The final work product may include prototypical sections, preservation of view corridors, overall character, and the creation of gateways into the community. The project will address immediate opportunities along with a longer-term implementation strategy.

Southside

Staff will also continue working with the Southside Community Association on the implementation of the Southside 2005 Master Plan.

Implementation of the Regional Plan requires the City to be proactive and prepare neighborhoods such as the Southside for stabilization and to be attractive for quality reinvestment. The Southside 2005 Plan has a complex strategy for implementation of the revitalization and stabilization of the neighborhood. We will begin implementing the following strategies during the year:

- Streetscape and traffic improvements on Beaver and San Francisco streets including traffic calming measures.
- Pedestrian and bike connections along Humphreys Street in cooperation with NAU.
- Examination of an Urban Conservation Zone, Historic Overlay or other methods to preserve the critical character of the neighborhood.
- Exploring other options including use of a Property Maintenance Ordinance.

Annexation Policy

The City will take a proactive role in annexation policy development. This will include the retention of a consultant to look at ways to better measure the community impact of annexations as well as developing a streamlined process where the City believes annexations will have a positive community impact by consolidating County islands within the City limits or where City services could logically be extended. This analysis is designed to determine the best approach to proceed with a petition and discuss alternatives with property owners, other stakeholders and the City Council. The Regional Plan will serve as a guide to where annexations may occur.

Redevelopment and Reinvestment

The Flagstaff City Council adopted its first Redevelopment Ordinance and Redevelopment Area Plan in 1992. The Regional Plan calls for extensive redevelopment and reinvestment throughout the community with more than 2890 acres designated for reinvestment and infill.

Reinvestment and Infill Programs

During the past several years, Flagstaff has become known as an area willing to explore partnerships and outstanding private developments.

The community has also come under greater scrutiny as the private investment community weighs long term investment options in Flagstaff.

In order for the community to remain attractive to outside investment, we need to continue to improve the overall image of the community. Even the Grand Canyon realizes the need to add attractions and improve its customer experience. Since the early 1900's, the Park Service and others have added to or improved the visitor

experience. El Tovar, the Hopi House, and Lookout Tower were all added to enable a visitor to stay longer at the Canyon. The recent \$4 million renovation of El Tovar was designed to improve and enhance the visitor experience.

Using the Regional Plan as a guide, the Community Investment Division proposes improving the community's character to reflect and enhance the community's unique history, culture, and natural and built environments. This includes the promotion of Districts and Neighborhoods that contain a mix of land uses, both vertically and horizontally.

Infill Incentive Districts

Arizona Statute §9-499.10 allows governing bodies of a city or town to designate infill incentive districts in an area in the city that meets at least three of the following requirements:

1. There is a large number of vacant older or dilapidated buildings or structures
2. There is a large number of vacant or underused parcels of property, obsolete or inappropriate lot or parcel sizes or environmentally contaminated sites
3. There is a large number of buildings or other places where nuisances exist or occur
4. There is an absence of development and investment activity compared to other areas in the city or town
5. There is a high occurrence of crime
6. There is a continuing decline in population.

If the governing body establishes an infill incentive district, it shall adopt an infill incentive plan to encourage redevelopment in the district. The plan may include:

1. Expedited zoning or rezoning procedures
2. Expedited processing of plans and proposals
3. Waivers of municipal fees for development activities as long as the waivers are not funded by other development fees
4. Relief from development standards.

Incentive Policy

Staff will be reviewing the current infrastructure incentive policy and will be completing a policy white paper for Council on incentive use for redevelopment and business attraction and retention.

Downtown Gateway East

This area, previously slated for a proposed Conference Center and Hotel, will have new proposals solicited for housing, retail and office space. Current office space demands from certain parties may drive the office component. This is a critical site within the Downtown area that could serve as both the termination of the Aspen Corridor and as the gateway into Downtown. Since a large portion also impacts Route 66, there are additional opportunities to impact the character and feel of Route 66. The project would also incorporate the existing Downtown Post Office. City participation in the project could include City contributions towards a public

parking garage that was identified through the Conference Center process as a major need in Downtown. The City may also financially assist in the relocation of the Post Office to allow for a greater density in Downtown. The goal is to create a development that complements the scale and character of the existing historic Downtown that will bring new users to support the existing businesses and also provide additional community amenities such as parking.

Downtown Parking District

Public parking has been identified as a major problem in the Downtown area for almost ten years. Staff will work with the Downtown businesses and property owners to update the Main Street Parking Plan. New technologies may allow for an aesthetic parking control system that is also highly reliable, energy efficient and user friendly. Without a management district, it is unlikely that new public parking will be successful.

East Flagstaff Gateway

Staff will continue to work with the Lease Transfer Company, the Auto Park and with Westcor on tenancing issues. The goal is to have an Auto Park and Marketplace that are seamless in design theme. Staff will also be working the proposed mixed-use parcel adjacent to the Mall to ensure that there is continuity between the two projects. Staff will also be working on the disposition of property adjacent to the new Empire Extension to promote redevelopment in the area.

USGS

The USGS Campus Master Plan has been completed. The General Services Administration (GSA) is working with the Survey to begin the Campus redevelopment sometime in 2006.

A Request for Proposals has been issued for the USGS Science and Technology Park. It is anticipated that a developer will be recommended to Council by the end of 2005. Development teams will include an architect, contractor, developer, lender and potential tenants. The City will be seeking a team with substantial science and technology park experience.

GSA

The City has developed a relationship with the General Services Administration staff through the USGS and FBI process. The GSA's goal is to relocate/expand existing and new federal programs to Flagstaff. The City's goal is to relocate non-security related programs and agencies into the Central Business District.

Fourth Street/Route 66

Staff will be marketing these properties for redevelopment. They are residual parcels from the Fourth Street Overpass. Redevelopment proposers will be required to complete the connection of the FUTS trail through the area.

Urban Design Studio

Staff is recommending that surplus City space, either in the Hunter House or at APS, be used as a studio space where consultants and staff can meet with the public to discuss the large number of design projects that will be underway this next fiscal year. Also, NAU's Planning students and professors have expressed interest in working with consultants and City staff on a number of design and planning projects. A recent NAU class completed an use inventory of the Southside. The Studio would provide better public access to project information and allow additional opportunity for student interaction.

Historic Preservation

Staff will be working on the necessary changes to the Historic Preservation Ordinance to include signage in the program. Changes would require a Certificate of Appropriateness from the Commission to accompany any sign permit application within the Historic Design Review District.

- The Historic Facade and Sign program will continue with the available remaining funding. Projects completed in the last year include:
- Western Hills Motel sign restoration
- Frisco Street Grille sign
- Starlite Lanes dark skies compliance and retro sign
- Single-family house restoration in Southside
- Monte Vista window sill and masonry repairs
- Hong Kong Diner/Margarita Cafe tile replacement

Public Art

Staff will be working with the Public Art Committee for the integration of new public art into the community.

Staff will coordinate the start of the installation of the proposed neon art corridor along East Route 66. It is anticipated that at least three pieces will be installed this year.

Economic Development Opportunities

Staff has been working with the proposed Flagstaff Auto Park dealers on a proposed mechanic training facility. The Coconino Community College has expressed interest in operating such a facility. Staff is working with the dealers on the feasibility of possible funding from manufacturers for a new building and the necessary equipment. The City will work on a possible facility location. This program could be a model training facility that would attract students, not only from Flagstaff, but also the entire region. The facility would address a critical shortage of trained mechanics. It could also serve as an additional training facility for automotive manufacturers for new products.

Staff is also working on addressing several other areas for professional training that have been identified by users in the community.

Marketing

Staff began a national marketing campaign two years ago promoting Flagstaff as a business and retail destination for companies seeking a regional retail economic base and for those businesses seeking a higher quality of life for their employees. Typically, it takes two to three years to begin to influence decision-makers regarding a market's viability. Currently, we are seeing activity from a number of retailers that would not have considered Flagstaff, even a year ago. Staff proposes to continue this program and also include marketing our Requests for Proposals to a wider audience. Staff will be attending the Urban Land Institute Fall National Conference, ICSC Western Regional Conference and ICSC International Conference.

Development Fees

The City of Flagstaff commissioned a review of Development Fees in 2002 by Maximus. That study showed that the City did not recover the majority of costs associated with the review of development projects except for those fees associated with building permits. Since that time, the number and size of new development cases has increased substantially.

Based on the Maximus Study, items like Tentative Plats recovered only approximately 10 percent of their costs in 2002. Fees associated with rezoning cases recovered only about 20 percent of their costs. On some of the larger projects currently being proposed, the cost recovery would be substantially less.

Staff is recommending to Council that during the next fiscal year, fees are reviewed and that the existing fee schedule be updated to provide for a greater cost recovery on the majority of existing fees. Staff is asking that Council consider a policy where new development pays for itself.

Staff is currently updating the other cities fees that Flagstaff was compared to and will present Council with a comparable list, along with proposed stages of cost recovery for the Council to review and discuss. Staff will also be asking Council to consider adopting some fees that were not even considered during the Maximus Study. This would include fees for Home Occupation Permits, Minor Land Divisions, Lot Splits, requests for extensions by an applicant, Temporary Use Permits, revisions to site plans and comprehensive sign plans.

Staff plans to bring forward to Council proposed fees for consideration before the end of 2005.

Fuel Management Update

Recognizing that catastrophic wildfire and the degradation of the ponderosa pine ecosystem is a community quality of life issue, the City is analyzing how to best fund this ongoing effort as grant funds are drying up.

In the late 1990's, grants became available for on-the-ground fuels treatments and Flagstaff pursued these dollars resulting in approximately \$1.3 million in grant awards over the past few years to fund activities. As other communities caught up with Flagstaff's efforts, grant competition increased.

In addition, the Greater Flagstaff Forest Partnership (GFFP) has passed through more than \$1.3 million in the past seven years to fund major scientific studies to stimulate interest in private industry locating in Flagstaff. This is important, as it will take the private sector to stimulate tree removal as one aspect of economic development.

The following points illustrate the nature of this being a community issue that needs ongoing community support.

- Major landscape-level projects are underway and others are planned, but it will take a thriving small products industry to cause treatments to be expedited before the ecosystem is lost.
- Community and neighborhood actions are also necessary through engineering new subdivisions, educating the population, and enforcing action in older at-risk neighborhoods.
- The Community Wildfire Protection Plan development and oversight, the Multi-Jurisdictional Hazard Mitigation Plan development and oversight, the Governors Advisory and Oversight participation, and participation in the Greater Flagstaff Forests Partnership place increased demands on existing Fire Department capacity.
- Additional demands for service will require increased capacity.
- Funding mechanisms beyond fuels treatment grants must be explored.

The Flagstaff Fire Department recognizes the competing demands for financial resources and appreciates the support shown for Fuel Management funding to date.

Homeland Defense Update

Homeland defense efforts continue to be a high priority for the Department. Being the regional hub of Northern Arizona places additional responsibilities on our personnel having a special obligation to be prepared and vigilant. All of these efforts, which are labor intensive, have to be performed utilizing existing personnel. In addition, they must be conducted over and above providing all the other normal police services devoted to community. The following are brief descriptions of the different tasks being performed related to homeland defense:

- As part of a U.S. Department of Justice program, over a hundred volunteers from the community have been selected to participate in Citizen Emergency Response Teams (C.E.R.T.).

- One officer has been assigned full time to the F.B.I.'s Joint Terrorism Task Force (J.T.T.F.) for the Flagstaff region.
- Additional security is being provided by officers at and around the critical infrastructures in the community.
- Additional training for personnel in homeland defense related topics continues to be performed.
- Considerable effort is being spent participating in a variety of committees at the regional and state level.
- The Department is in the process of developing a Crime Free Hotel/Motel Program
- Members of the Department have been working diligently on different grants associated with homeland defense.

Intergovernmental Agreement for Technology Services at the LEAF

In late 2004, the City of Flagstaff entered into an Inter-Governmental Agreement (IGA) with Coconino County for the Sheriffs Office to provide technology services. This occurred as an outgrowth of the Flagstaff Police Department and Coconino County Sheriff's Office co-location. Shared services have been refined and adjusted as needs were identified. Each agency initially handled much of its own technology needs with all agencies being on the Coconino County computer network. It became quickly evident that a centralization of technology services would better suit the needs of each agency. Since the County was handling the management of the system, the obvious course of action was for the Sheriffs Department to assume all technology services.

The approved IGA outlines the following services to be provided:

- Managing and supporting Network Systems, Law Enforcement Software and other software for CCSO and the Jail, and Flagstaff, Williams and NAU Police Departments.
- Managing and supporting Radio Systems for CCSO, FPD, Jail and NAUPD.
- Managing and supporting Telephone Systems for CCSO, Jail and FPD.

The two City IT Technician positions were transferred to the County in January. In addition, the Sheriff's Office filled a new position of CAD Mapping Programmer that is responsible for maintaining the CAD Map. These positions report to the Sheriffs Office Network Systems at the direction of the County Network Systems Manager.

In summary, the centralization of services called for under this IGA has led to a more equal cost for all users, as well as provide services that have been sourced out or performed by staff that was not in the best interest of either department.

Brownfield Program

The City Council approved the implementation of a new Brownfield Program within the Environmental Services Division in fiscal year 2004-05. Since July, the Division has gone through a reorganization to accommodate this new program within the Conservation Program and the position was filled effective February 2005.

With the recent hiring of the Brownfield Specialist, the Brownfield Program has quickly become a productive one. The first action was to rename the program the Brownfield Land Recycling Program with the intent of providing better insight into the purpose of the program as soon as people see the name. In addition, the Specialist has spent considerable time researching brownfield issues, funding sources, and other municipal and regional brownfield efforts. The City is working to identify a pilot project that will serve as a tool for future brownfield projects.

The program is also moving toward creating a full work program that includes identifying and completing proper training for staff, meeting with other City departments and the public, and completing an inventory of potential brownfield sites. Once the Brownfield Technician position is filled, additional duties will include the application for available grant funding early in the upcoming fiscal year, to increase public outreach and community education of the program, and establish goals for funding and projects.

Waste Tire Program

The Environmental Services Division received notice from the County Highway Department that they were not interested in pursuing an Inter-governmental Agreement (IGA) for waste tire services at this time. The original concept was to use funds received by the County for waste tire disposal to purchase a waste tire/wood waste grinder and use the tire shreds for alternative daily cover at the landfill.

The County previously expressed concerns regarding the use of tire shreds as daily cover. After being notified of this decision regarding the waste tire program, Environmental Services will now focus on purchasing a new wood waste grinder to continue with our wood waste diversion program. In addition, the Waste Tire Operator position for the Landfill approved by Council last year is no longer necessary.

Water Policy Development and Conservation

The City Council has identified water resource development and water conservation as priority issues. Addressing these Council concerns has continued through FY 05 and into FY 06.

Water resource development progress includes:

- Short-term – With City Council approval the new water well drilled along Babbitt Way will be equipped during FY 06. Testing has been done for several new well locations in the immediate Flagstaff vicinity. Test holes will be drilled during CY 05 to determine the viability of the proposed sites. Funding is available to drill four additional water wells from the May 2004 Bond Program.
- Long-term – The Utilities Department evaluated the Red Gap Ranch proposal during FY 04 and recommended the City of Flagstaff not make the purchase at that time. A similar proposal was submitted to the Water Commission on March 17, 2005 and will continue to be evaluated as additional hydrologic information becomes available on the area from the Bureau of Reclamation. Discussions have taken place with the Navajo and Hopi regarding the possibility of a regional water management consortium and continue to take place. The 2004 Bond Program has made available \$15,000,000 to procure water resources for future growth.

Water conservation efforts include:

- Waterless urinals were installed in all public schools with the help of a Bureau of Reclamation water conservation grant.
- Permanent infrastructure is in the process of being installed for SCA Tissue's conversion to reclaimed water. SCA was the City of Flagstaff's second largest potable water user.
- The Department has budgeted for and is in the process of initiating a low-water use rinse-spray project for restaurants.
- Rebates are budgeted for and will be offered for low-water use washing machines in FY 06.
- With the assistance of the Building Division, requirements for gray water systems were relaxed to provide additional incentive for their installation by private residences.
- The upgrading of the Wildcat Hill Wastewater Plant to enable production of Class A+ reclaimed water continues. Construction should begin the summer of 2006.
- Reclaimed water was extended to Christensen School.

Judicial Work Load at the Flagstaff Municipal Court

During the last several years the number of cases handled by the court has continued to increase. In 1995 the caseload was at 17,856 filed, in 2004 21,795 cases filed. This increase in workload is due to increases in population, more officers on the street, and changes in law. An increase in cases means an increase in files, paperwork, events and court hearings that we must handle. We have experienced an even sharper increase in criminal case filings. In 1995 we had a DUI filings of

1,086 and in 2004 we had 2,508. This represents an increase of 131% in the past ten years. During the past ten years we have not added to our judicial staff, but have been able to handle the increases through modification of processes and other efficiencies.

It is anticipated that the trend will continue or may even due to continued changes that have an impact on court operations. Efficiencies can only go so far before the court must deal with the case load and be able to maintain the legally required process within the appropriate time lines.

Some alternatives include:

- The application of modern case management procedures
- Continued work with all parties in the criminal justice system to streamline the process.
- The implementation of Specialized Courts, including a Mental Health court, a Domestic Violence Court, and a DUI/Drug Court.
- Work with all members of the criminal justice community in key areas to connect the various aspects of the criminal process into an overall plan to improve efficiency.
- Expanding court operations through the addition of a full time magistrate and support staff and by moving to a staggered day schedule, requiring the court to have an “evening court” calendar keeping the courthouse open until 8:00 p.m. on weekdays.

For the court to continue to handle the expanding workload, the court is asking the City to be proactive before the situation reaches a crisis stage.

2006 ISSUES

Revenue Enhancements

The City of Flagstaff continues to look for ways to balance future budget through revenue enhancement both for external and internal demands.

Successful prior efforts include:

- The completion of a user fee study in 2001 that resulted in subsequent increases in fire subscription rates, parks and recreation equipment and user fees, cemetery fees, building fees, development and review fees, and facility rental fees.
- Implementation of a Stormwater utility
- Implementation of indirect cost recovery for grants

Future efforts are directed toward two goals. The first is to grow ongoing revenue through a combination of user fee increases, a reduction in sales tax exemptions, and property tax increases. The second is to bring permanence to the city sales tax, BBB tax, and transit tax revenues.

To address the revenue growth goal, the City is:

- Reviewing exemptions currently granted in the city sales tax code
- Evaluating an increase in primary property tax either through a tax increase or through a shift from secondary property tax levy
- Increase various Community Development fees to recover costs

To address the sales tax permanence goal, the City is:

- Proposing to voters to eliminate the 10-year sunset clause on the city sales tax
- Proposing to enact the BBB tax on a permanent basis. It is currently set to expire in 2013
- Separate the transit portion of the transportation tax and designate it as permanent

To accomplish any revenue increase, the City will work with our community partners as well as build in appropriate educational channels for the public.

Sustainability Programs

The City of Flagstaff proposes that the design for the USGS Campus and subsequent construction of the buildings meet basic Leadership in Energy and Environmental Design (LEED) certification.

There are several levels of LEED certification; Basic certification requires 26 points; Silver requires 33 points; Gold certification requires 39 points and Platinum certification requires 52 points, out of a total of 69 points. LEED certification is broken down into six categories with different points assigned to each: Sustainable Site (14 points), water efficiency (5 points), energy and atmosphere (17 points), materials and resources (13 points), indoor environmental quality (15 points), and innovation and design process (5 points).

The cost for basic LEED certification is expected to add between five and eight percent to the cost of construction

Additional information includes:

The U.S. Green Building Council (USGBC), Construction Specifications Institute (CSI) and the Sustainable Design principles movement in the United States and Europe back the LEED certifications.

Coconino County, Coconino Community College and NAU educators have pushed forward a resolution to recommend and support green buildings and sustainable designs within Coconino County.

The “Whole Building Design” Guide has teamed up with U.S. Green Buildings to facilitate the sharing of resources and best practices between private, public, and federal sectors.

Despite adding a small percentage to the initial cost of the facility, the savings in long term use and sustainability of the facilities should provide great

benefits. The opportunity to build structures right the first time and have them last will realize a financial benefit to the community and the users of the facilities.

ISO Rating

In August 2004, the Insurance Service Organization (ISO) conducted a review of the city's fire insurance classification. Areas of evaluation included Receiving and Handling Alarms, Fire Department, and Water Supply. This is a process that occurs every ten years.

In October 2004, the ISO issued its preliminary findings regarding its 2004 Public Fire Protection evaluation for the City of Flagstaff. The findings are generally favorable, however the proposed ISO rating would have resulted in a reduction in our municipal class rating from a Class 2/8B to a Class 3/8B. Though a reduction in our class rating will have no impact on residential insurance premiums, this rate change may impact a number of commercial properties by increasing their annual premiums up to 1.5%.

The City subsequently sent a letter to the ISO containing recommendations to maintain the City's current Class #2 rating.

The City recommendations are:

- Increase Dispatch staffing levels from an average of 4.17 to 6.00 operators.
- Add an additional aerial truck to the Fire Department fleet. (Bond)

In February 2005, the ISO responded to the City indicating that if the changes recommended are implemented, then no reclassification action will take place and the City will maintain the existing Class #2 rating. The City is implementing these changes.

Municipal Compost Program

The City's next step in sustainable planning is to develop a large-scale organic recycling or compost program which will allow the City to manage waste more responsibly and will help maintain the value of our natural resources.

Previous efforts have included workshops for the public, in-class school composting programs, tours of the New Start Compost Demonstration Site, and a backyard composting program for both city and county residents.

Moving to a large-scale compost program would enable the City to substantially affect the remaining waste stream, while creating a marketable product. The potential exists to compost up to 60% of remaining municipal solid waste (MSW) reducing what is landfilled. Other benefits of composting include the potential to compost the City's sewage sludge and manage other organic feedstock such as small diameter wood from

forest thinning projects. Municipal composting is a proven economically feasible option once avoided costs are factored in and the resulting compost product is sold.

The Cinder Lake Landfill is a viable candidate for a large scale composting operation. The existing 110 acre footprint has an estimated closure date of 2019 and the development of MSW Composting would delay the closure, create a marketable product, reduce or eliminate the need to inject biosolids, make use of the moisture in sewage sludge, and add to our existing sustainable waste management plan. In addition, the new compost facility could make use of alternative energy (wind and solar) for operation and be constructed sustainably.

Staff has identified numerous phases of a municipal compost program and a full-scale compost program would be several years away. There are potential immediate costs that would have to be incurred to move beyond the conception phase. Most notably, a marketing analysis would be needed from an outside consulting firm at a cost of approximately \$15,000 to \$25,000. This analysis is included in the FY 2006 budget.

Further development of the Municipal Compost Program is the best option in order for more sustainable MSW management to occur. Grant funds might support smaller attempts to manage the organic portion of waste, but we would have to rely on drop off of material or a change in the waste collection program.

The recommendation is to continue research into the viability of a Municipal Compost Program in order to provide further recommendations. With the opportunity to transform 60% of all MSW currently being landfilled into compost, while making beneficial use of biosolids, the program has the ability to become the most substantial waste management program in Flagstaff's history. With a goal of diverting a majority of the remaining waste, the City of Flagstaff could become an example for other municipalities.

Wind Power Projects

Abundant and renewable, wind power is one of the world's fastest growing electrical generation technology. By installing wind turbines where power is consumed on-site, municipalities can realize energy savings over a relatively short period of investment. The Environmental Services Division has been researching the possibility of energy from wind at the Cinder Lake Landfill for the past several months, and has concluded through preliminary data collection that there is a substantial resource available to warrant the installation of a wind turbine on site.

Preliminary wind data has been collected at the Landfill and supports the premise that the City should see immediate benefits from a small-scale demonstration

turbine project at Cinder Lake Landfill. A two-phased program is proposed for FY 2006 that will run concurrently.

First, a proposed on-site turbine will be installed to provide approximately half of the current power needs at both the Landfill Administration building as well as the Household Hazardous Products Collection Center (HHPCC).

The second component includes the installation of an anemometer (provided by NAU's Sustainable Energy Solutions Program) at the landfill to accurately measure the current wind resources in the area. This type of data is necessary to determine the scale of the potential future wind projects at the Landfill.

Staff has concluded that a conservative payback time for turbine expenses will be approximately 4-6 years, based on power output and actual utility history at the Landfill facilities.

The future for wind power projects at City facilities can be determined through the information gathered with a wind power pilot project at Cinder Lake Landfill. Not only will valuable wind data be collected with the loan anemometer, it will be possible to determine the true benefits of municipal wind projects as well as the communities' response to renewable projects.

Telecommunications

Flagstaff is challenged to have sufficient infrastructure within the city to meet the telecommunication needs. Redundant systems for Internet infrastructure will alleviate some risk, with fiber optic cable as the preferred alternative for a community solution. There is no map of where fiber optic cable resides in our community and future development is reliant on having a better understanding of where this infrastructure resides.

The City's current wireless system was designed several years ago and has been plagued a number of issues which has caused reliability problems for outlying locations. This lack of service in these locations hampers their ability to perform their day-to-day work. In addition the Utilities department has contracted for software that will utilize laptops with mobile wireless capability. The City is evaluating proposals that will provide a 99.9% service delivery to city facilities.

To address economic development needs, many communities have created wireless communication networks (hot spots) in key areas of their cities. There are many reasons for creating such networks including: providing tourists a convenient method to access the internet; providing citizens internet accessible areas of the community that may not be otherwise served; educational opportunities for students; and possible enhancement to businesses.

There are many models of establishing such communication systems, depending on needs, current communication infrastructure, goals, and resources of the community. One strategy includes waiting until the private sector creates a communication infrastructure that encompasses the entire community, including creating "hot spots. Another is by the City taking the lead and creating a wireless network, which is usually accomplished through an RFP. By the City taking on the task, the community does not need to wait for the private sector, and accessibility may be granted to parts of the community that may not otherwise have been served by the private sector. The greatest disadvantage is the City is assuming the responsibility for the operation and maintenance of the system, even though there may be certain cost recovery methods that cities can implement (i.e. subscription fee) to offset the costs of developing and maintaining the system.

A third model is the community partnering in any number of ways with the private sector to develop, build, and run a network, again, accessible to either a very narrow or large geographical area depending on the community. Obviously, this model shares the risk (cost) as well as the return on revenue.

Staff will continue to work on all fronts to assure the City can meet both the internal and external demands for stability and availability of a telecommunication network.

Stormwater Program and Rates

In the coming fiscal year, the Stormwater program is proposing additional staff and resources related to the mandated NPDES Permit activities, a proposed drainage spot improvement program and an increase in funding to cover the cost of the existing program. A summary of the Program requests and changes are as follows:

- The addition of a Floodplain Inspector
- The addition of a one-half time Intern
- Funding for a drainage spot improvement program
- Increase the funding level to cover the cost of the existing program.

The current utility rate of \$0.53 does not adequately fund the Stormwater program. Staff has run the rate model with the existing program elements and determined the appropriate rate to cover the existing program is \$0.75.

The rate model was also updated to include the proposed program additions previously listed, increasing the rate to \$1.30 per ERU.

Staff is recommending that the Stormwater utility fee be raised to cover the program additions as well as initiating a fee for the Construction Site BMP Program amounting to a one-time permit fee of \$400. It should be expected that the program fee should generate about \$12,000 per year.

The staff will reinstate the Stormwater Advisory committee to see if all or portions of the program expansion are to be pursued and effect a rate increase to occur in January 2006.

Rio de Flag Flood Control Project

The Rio de Flag flood control project agreement was signed by the City Council in August 2004 in conjunction with the U.S. Army Corps of Engineers. The agreement recognizes that it is necessary to abate this flooding danger and to include the following project features:

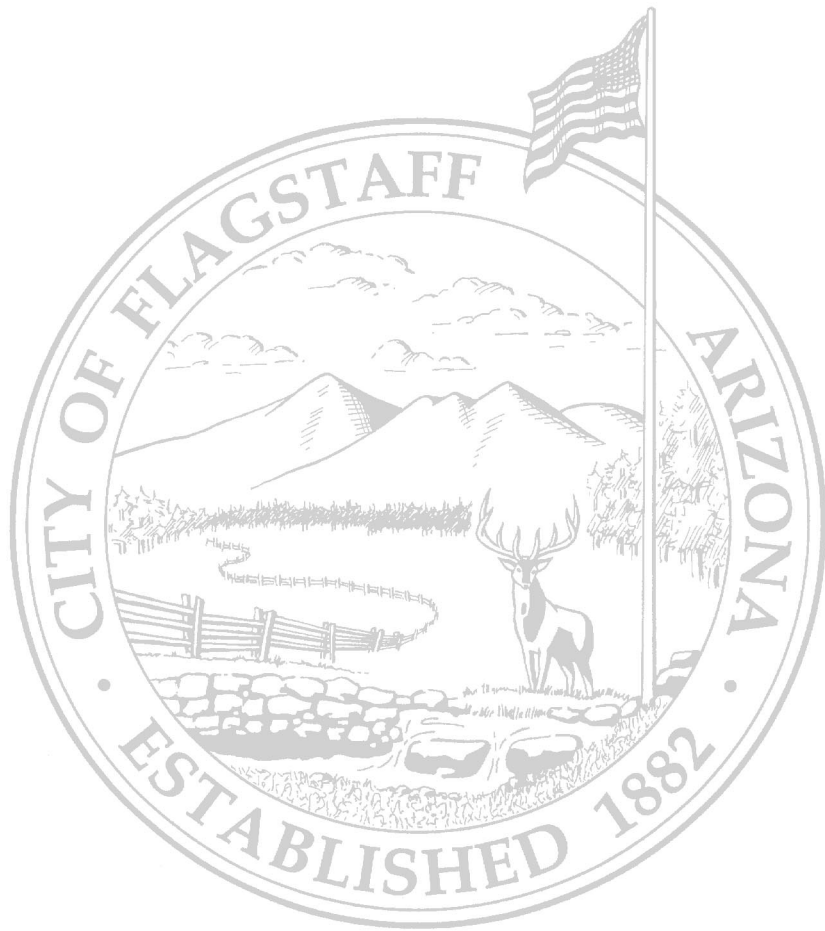
- Clay Avenue Wash Detention Basin,
- Clay Avenue Wash channel modifications,
- Bridges replacements and/or modifications from BNSF north to Beal Road,
- Rio de Flag flood control wall between Thorpe Road and Beal Road, and
- Rio de Flag channel modifications through Flagstaff's historic Downtown and Southside areas.

The Federal funding limit for this project is approximately \$33 million dollars. In addition, the City's share is \$21,000,000. As the Non-Federal Sponsor, the City of Flagstaff is responsible for all Lands, Easements, Rights-of-way, Relocations, and Disposals (LERRDs) required for the project including land and easement acquisition, utility relocations, and construction of new bridges.

The Clay Avenue Detention Basin Construction Plans are complete and the USACE is planning to start construction on the basin in the summer of 2005. Construction of the Main Stem Channel Improvements is scheduled to begin in the Spring of 2006. The USACE has developed the Main Stem Channel Improvements 30% Construction Plans. A Value Engineering Study of these plans will be conducted to determine the most cost efficient design. After the Value Engineering Study has been completed, the City and the USACE will determine a revised scope of improvements for the project. Then design of the construction plans will continue and be completed by the end of 2005. Major changes to the project may require changes to the Environmental Impact Statement.

The Flagstaff area will realize many long-term benefits in addition to the primary goal of flood damage reduction. These benefits include the elimination of mandatory flood insurance and restrictive floodplain management regulations, construction costs within areas removed from the floodplain will be decreased, and many redevelopment opportunities in Flagstaff's historic neighborhoods would then be viable.

As federal funding is appropriated annually, it is imperative that the City's interests be protected in maintaining the required Federal and Local funding streams. Funding shortfalls will result in delays in the construction schedule that will be detrimental to the project's implementation (100-year flood protection) and the City's redevelopment initiatives.



Schedule 1: Total Resources and Appropriations Summary

CITY OF FLAGSTAFF
SUMMARY SCHEDULE OF ESTIMATED REVENUES AND EXPENDITURES/EXPENSES
FISCAL YEAR 2005-2006

	UNRESERVED FUND BALANCE/ RETAINED EARNINGS AT 7/1/2005	ESTIMATED REVENUES AND OTHER FINANCING SOURCES 2005-2006	INTERFUND TRANSFERS 2005-2006		TOTAL FINANCIAL RESOURCES AVAILABLE 2005-2006	OPERATIONS	CAPITAL OUTLAY (EQUIP/CIP)	DEBT SERVICE	RESERVES/ CONTINGENCIES	TOTAL APPROPRIATIONS 2005-2006	FUND BALANCE 6/30/2006
			IN	OUT							
General Fund	\$ 22,526,372	40,779,435	4,234,955	(14,272,963)	53,267,799	39,752,530	3,815,195	934,832	530,000	45,032,557	8,235,242
Special Revenue Funds:											
Library	853,588	3,393,396	1,204,310	(328,391)	5,122,903	4,239,339	325,000	-	100,000	4,664,339	458,564
Highway User Revenue	7,431,091	12,564,833	10,097,836	(1,135,401)	28,958,359	4,930,873	18,403,014	2,417,785	100,000	25,851,672	3,106,687
Transportation	9,276,586	14,354,048	-	(6,500,051)	17,130,583	2,630,156	10,121,685	1,991,600	-	14,743,441	2,387,142
Beautification	2,592,954	3,348,087	778,650	(735,201)	5,984,490	79,571	5,464,861	-	10,000	5,554,432	430,058
Economic Development	292,117	414,020	50,000	-	756,137	474,400	-	-	25,000	499,400	256,737
Tourism	571,486	1,396,463	-	(9,437)	1,958,512	1,434,641	252,981	-	50,000	1,737,622	220,890
Arts & Science	238,961	335,715	35,000	-	609,676	403,391	-	-	10,000	413,391	196,285
Recreation-BBB	2,793,262	2,030,474	270,811	(1,606,965)	3,487,582	-	3,415,552	-	-	3,415,552	72,030
Real Estate Proceeds	2,458,157	47,350	150,000	-	2,655,507	-	2,501,900	-	-	2,501,900	153,607
Housing and Comm Svcs	2,235,600	2,313,648	375,400	-	4,924,648	4,806,625	-	-	-	4,806,625	118,023
Metro Planning Org	-	634,666	25,000	-	659,666	559,666	-	-	100,000	659,666	-
Debt Service Funds:											
G.O. Bond Fund	12,524	300	3,451,761	-	3,464,585	-	-	3,451,761	-	3,451,761	12,824
Sec. Property Tax	1,963,400	4,918,662	-	(5,751,422)	1,130,640	-	-	-	-	-	1,130,640
Special Assessment	469,960	47,998	-	-	517,958	400	-	94,145	-	94,545	423,413
Permanent Funds:											
Perpetual Care	43,912	16,563	-	-	60,475	-	-	-	-	-	60,475
Capital Projects Funds:											
Capital Projects Bond	(972,439)	31,505,477	-	-	30,533,038	-	10,692,520	-	-	10,692,520	19,840,518
Enterprise Funds:											
Water and Wastewater	21,139,606	66,150,700	2,417,785	(2,575,579)	87,132,512	11,876,739	40,188,532	4,687,785	1,400,000	58,153,056	28,979,456
Airport											
Operating	292,221	9,762,284	969,639	(33,567)	10,990,577	1,221,877	9,113,038	648,824	-	10,983,739	6,838
Airpark Proceeds	766,989	11,500	-	(368,000)	410,489	-	-	-	-	-	410,489
Environmental Services	5,685,103	9,617,817	-	(19,488)	15,283,432	7,816,058	3,088,284	-	500,000	11,404,342	3,879,090
Stormwater Utility	290,248	1,018,410	9,410,318	(135,000)	10,583,976	1,066,008	9,291,215	-	10,000	10,367,223	216,753
Fiduciary Funds:											
Firemen's Pension	216,693	4,300	-	-	220,993	14,400	-	-	-	14,400	206,593
TOTAL ALL FUNDS	\$ 81,178,391	204,666,146	33,471,465	(33,471,465)	285,844,537	81,306,674	116,673,777	14,226,732	2,835,000	215,042,183	70,802,354

Schedule 2: Tax Levy

CITY OF FLAGSTAFF
EXPENDITURE LIMITATION
AND
TAX LEVY INFORMATION
FISCAL YEAR 2005-2006

	ESTIMATED FY 2004-2005	FY 2005-2006
Expenditure Limitation [Economic Estimates Commission]		\$ 77,110,498
Total Estimated Expenditures Subject to Expenditure Limitation		
1. Maximum Allowable Primary Property Tax Levy [ARS 42-17051.A]	\$ 8,899,503	\$ 9,474,877
2. Amount Received from Primary Property Taxation in FY 2004-2005 in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy [ARS 42-17102.A.18]	\$ -0-	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 3,577,969	\$ 4,195,460
B. Secondary Property Taxes	4,686,697	4,879,862
C. Total Property Tax Levy Amount	\$ 8,264,666	\$ 9,075,322
4. Property Taxes Collected (Estimated)		
A. Primary Property Taxes:		
(1) FY 2004-2005 Levy	\$ 3,531,271	
(2) Prior Years' Levies	-0-	
(3) Total Primary Property Taxes Collected	3,531,271	
B. Secondary Property Taxes:		
(1) FY 2004-2005 Levy	4,769,223	
(2) Prior Years' Levies	-0-	
(3) Total Secondary Property Taxes Collected	4,769,223	
C. Total Property Taxes Collected	\$ 8,300,494	
5. Property Tax Rates		
A. City of Flagstaff Tax Rate:		
(1) Primary Property Tax Rate	0.7326	0.7861
(2) Secondary Property Tax Rate	0.9801	0.8766
(3) Total City Tax Rate	1.7127	1.6627

B. Special Assessment District Tax Rates:

As of the date of the proposed budget, the city was operating two special assessment districts for which secondary property taxes are levied. For information pertaining to these districts and their tax rates, please contact the Finance Department at City Hall.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

Schedule 3: Revenues Other Than Property Taxes

CITY OF FLAGSTAFF
SUMMARY BY FUND OF REVENUES OTHER THAN PROPERTY TAXES
FISCAL YEARS 2005 AND 2006
(WITH ACTUALS FOR FISCAL YEAR 2004)

SOURCE OF REVENUES	ACTUAL REVENUES 2003-2004	BUDGETED REVENUES 2004-2005	ESTIMATED ACTUAL REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
GENERAL FUND						
Local taxes						
City Sales Tax	\$ 12,428,061	12,821,504	12,800,664	13,072,172	250,668	1.96%
Franchise Tax	1,957,830	2,000,000	1,800,000	1,850,000	(150,000)	-7.50%
Licenses and permits						
Business Licenses	29,296	37,265	37,265	39,128	1,863	5.00%
Building Permits	1,751,481	1,717,693	1,717,693	1,854,886	137,193	7.99%
Other Licenses and permits	330,256	231,250	231,650	241,225	9,975	4.31%
Intergovernmental revenues						
State Income Tax Sharing	4,777,145	4,868,513	4,868,513	5,535,781	667,268	13.71%
State Shared Sales Tax	4,449,982	4,567,421	4,828,231	5,181,305	613,884	13.44%
County Vehicle License Tax	2,427,367	2,014,949	2,500,000	2,550,000	535,051	26.55%
Federal Grants	590,815	625,870	884,380	1,215,498	589,628	94.21%
State Grants	399,796	296,453	292,614	526,329	229,876	77.54%
Local Intergovernmental Agreements	501,957	-	543,929	570,575	570,575	0.00%
Charges for services						
General Government	278,749	211,980	206,930	217,276	5,296	2.50%
Parks & Recreation	578,986	554,330	568,081	505,651	(48,679)	-8.78%
Public Safety	451,802	898,337	435,202	667,187	(231,150)	-25.73%
Cemetery	143,250	122,693	122,693	128,828	6,135	5.00%
Fines and forfeits	996,836	971,733	972,987	993,119	21,386	2.20%
Interest on investments	469,798	499,315	499,314	500,000	685	0.14%
Miscellaneous revenues	1,307,455	1,189,560	980,643	1,060,878	(128,682)	-10.82%
Total General Fund	33,870,862	33,628,866	34,290,789	36,709,838	3,080,972	9.16%
SPECIAL REVENUE FUNDS						
LIBRARY FUND						
Intergovernmental revenues						
State Grants	32,418	82,300	46,258	25,000	(57,300)	-69.62%
County Aid	1,921,433	2,629,762	2,249,639	2,993,396	363,634	13.83%
Interest on investments	20,429	21,000	21,000	21,000	-	0.00%
Miscellaneous revenues	73,471	29,000	29,000	354,000	325,000	1120.69%
Total Library Fund	2,047,751	2,762,062	2,345,897	3,393,396	631,334	22.86%
HIGHWAY USER REVENUE FUND						
Intergovernmental revenues						
Federal Grants	-	2,938,096	2,285,596	1,336,240	(1,601,856)	-54.52%
Highway User Tax	6,975,351	6,995,000	7,200,000	7,436,000	441,000	6.30%
Local Transportation Assistance Funds	313,868	300,246	300,246	300,246	-	0.00%
Interest on investments	95,485	33,000	120,000	41,000	8,000	24.24%
Miscellaneous revenues	55,327	1,761,261	57,994	3,451,347	1,690,086	95.96%
Total Highway User Revenue Fund	7,440,031	12,027,603	9,963,836	12,564,833	537,230	4.47%

Schedule 3: Revenues Other Than Property Taxes

SOURCE OF REVENUES	ACTUAL REVENUES 2003-2004	BUDGETED REVENUES 2004-2005	ESTIMATED ACTUAL REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
TRANSPORTATION FUND						
Transportation Tax	\$ 7,228,565	7,227,146	7,426,666	8,123,048	895,902	12.40%
Interest on Investments	262,695	575,000	244,000	231,000	(344,000)	-59.83%
Miscellaneous revenues	-	2,200,000	-	6,000,000	3,800,000	172.73%
Total Transportation Fund	7,491,260	10,002,146	7,670,666	14,354,048	895,902	8.96%
BEAUTIFICATION FUND						
Intergovernmental revenues						
State Grants	48,961	1,186,700	16,272	2,423,512	1,236,812	104.22%
BBB Tax	814,469	799,401	842,320	863,378	63,977	8.00%
Interest on investments	38,275	36,900	46,924	48,097	11,197	30.34%
Miscellaneous revenues	88,266	3,000	1,079	13,100	10,100	336.67%
Total Beautification Fund	989,971	2,026,001	906,595	3,348,087	1,322,086	65.26%
ECONOMIC DEVELOPMENT FUND						
BBB Tax	386,873	379,716	400,102	410,105	30,389	8.00%
Interest on investments	4,635	4,000	4,000	3,915	(85)	-2.13%
Total Economic Development Fund	391,508	383,716	404,102	414,020	30,304	7.90%
TOURISM FUND						
BBB Tax	1,221,703	1,199,102	1,263,481	1,295,068	95,966	8.00%
Retail Sales	7,051	20,000	45,000	40,000	20,000	100.00%
Interest on investments	15,995	20,000	20,000	20,500	500	2.50%
Miscellaneous revenues	70,392	39,898	39,897	40,895	997	2.50%
Total Tourism Fund	1,315,141	1,279,000	1,368,378	1,396,463	117,463	9.18%
ARTS AND SCIENCE FUND						
BBB Tax	305,426	299,775	315,870	323,767	23,992	8.00%
Interest on investments	3,118	9,152	10,113	11,948	2,796	30.55%
Total Arts and Science Fund	308,544	308,927	325,983	335,715	23,992	7.77%
RECREATION-BBB FUND						
Intergovernmental revenues						
State Grants	-	869,000	298,681	550,000	(319,000)	-36.71%
BBB Tax	1,343,873	1,315,182	1,389,829	1,424,574	109,392	8.32%
Interest on investments	53,032	63,200	65,900	55,900	(7,300)	-11.55%
Miscellaneous revenues	-	-	9,372	-	-	0.00%
Total Recreation-BBB Fund	1,396,905	2,247,382	1,763,782	2,030,474	(216,908)	-9.65%
REAL ESTATE PROCEED FUND						
Real Estate Revenues	13,418	-	1,526,283	-	-	0.00%
Interest on investments	30,942	26,350	26,350	47,350	21,000	79.70%
Miscellaneous revenues	880	-	-	-	-	0.00%
Total Real Estate Proceeds Fund	45,240	26,350	1,552,633	47,350	21,000	79.70%
HOUSING AND COMMUNITY SVCS FUND						
Intergovernmental revenues						
Federal Grants	359,503	1,528,957	780,976	1,584,768	55,811	3.65%
State Grants	-	663,880	-	728,880	65,000	9.79%
Interest on investments	15,904	-	35,000	-	-	0.00%
Miscellaneous revenues	764,931	402,054	636,292	-	(402,054)	-100.00%
Total Community Redevelopment Fund	1,140,338	2,594,891	1,452,268	2,313,648	(281,243)	-10.84%

Schedule 3: Revenues Other Than Property Taxes

SOURCE OF REVENUES	ACTUAL REVENUES 2003-2004	BUDGETED REVENUES 2004-2005	ESTIMATED ACTUAL REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
METRO PLANNING ORGANIZATION FUND						
Intergovernmental revenues						
Federal Grants	\$ 264,610	711,700	361,619	609,666	(102,034)	-14.34%
Miscellaneous revenues	66,801	-	-	25,000	-	0.00%
Total Metro Planning Organization Fund	331,411	711,700	361,619	634,666	(102,034)	-14.34%
TOTAL SPECIAL REVENUE FUNDS	22,898,100	34,369,778	28,115,759	40,832,700	2,979,126	8.67%
DEBT SERVICE FUNDS						
GENERAL OBLIGATION BONDS FUND						
Interest on investments	206	300	300	300	-	0.00%
Total G. O. Bond Fund	206	300	300	300	-	0.00%
SECONDARY PROPERTY TAX FUND						
Interest on investments	6,374	20,500	90,000	38,800	18,300	89.27%
Total Secondary Property Tax Fund	6,374	20,500	90,000	38,800	18,300	89.27%
SPECIAL ASSESSMENT BONDS						
Interest on investments	45,689	22,543	24,493	29,118	6,575	29.17%
Miscellaneous revenues	294,111	212,885	212,885	18,880	(194,005)	-91.13%
Total Special Assessment Bonds	339,800	235,428	237,378	47,998	(187,430)	-79.61%
TOTAL DEBT SERVICE FUNDS	346,380	256,228	327,678	87,098	(169,130)	-66.01%
PERMANENT FUNDS						
PERPETUAL CARE FUND						
Contributions	14,717	12,869	15,570	15,881	3,012	23.41%
Interest on investments	350	200	668	682	482	241.00%
Total Perpetual Care Fund	15,067	13,069	16,238	16,563	3,494	26.74%
TOTAL PERMANENT FUNDS	15,067	13,069	16,238	16,563	3,494	26.74%
ENTERPRISE FUNDS						
WATER AND WASTEWATER FUND						
OPERATING FUND						
Intergovernmental revenues						
State Grants	3,000	321,575	16,575	19,200	(302,375)	-94.03%
Water Revenues	10,959,134	11,583,130	10,945,849	11,150,500	(432,630)	-3.74%
Sewer Revenues	7,605,413	7,647,410	7,637,301	7,853,000	205,590	2.69%
Interest on Investments	541,778	586,000	580,000	528,000	(58,000)	-9.90%
Miscellaneous revenues	14,250	-	36,000	-	-	0.00%
Total Water and Wastewater Fund	19,123,575	20,138,115	19,215,725	19,550,700	(587,415)	-2.92%

Schedule 3: Revenues Other Than Property Taxes

SOURCE OF REVENUES	ACTUAL REVENUES 2003-2004	BUDGETED REVENUES 2004-2005	ESTIMATED ACTUAL REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
AIRPORT FUND						
OPERATING FUND						
Intergovernmental revenues						
Federal Grants	\$ 887,558	7,136,773	3,225,884	6,074,916	(1,061,857)	-14.88%
State Grants	43,570	1,395,467	158,164	2,216,627	821,160	58.84%
Airport Revenues	941,623	1,038,122	1,017,688	1,213,404	175,282	16.88%
Interest on investments	1,664	-	4,000	-	-	0.00%
Miscellaneous revenues	48,059	302,817	146,531	257,337	(45,480)	-15.02%
AIRPARK FUND						
Interest on investments	7,000	6,000	9,200	11,500	5,500	91.67%
Miscellaneous revenues	-	-	494,988	-	-	0.00%
Total Airport Fund	1,929,474	9,879,179	5,056,455	9,773,784	(105,395)	-1.07%
ENVIRONMENTAL SERVICES FUND						
Intergovernmental revenues						
State Grants	-	-	-	75,000	75,000	0.00%
Environmental Services Revenues	8,200,102	8,106,947	8,608,317	8,760,817	653,870	8.07%
Interest on investments	158,163	162,000	170,962	82,000	(80,000)	-49.38%
Miscellaneous revenues	20,494	-	26,799	-	-	0.00%
Total Environmental Services Fund	8,378,759	8,268,947	8,806,078	8,917,817	648,870	7.85%
STORMWATER UTILITY						
Intergovernmental revenues						
State Grants	23,576	-	1,394	-	-	0.00%
Stormwater Utility Revenues	483,090	511,000	530,000	949,836	438,836	85.88%
Charges for Services	63,717	32,400	97,400	65,320	32,920	101.60%
Interest on investments	831	3,058	34,000	3,254	196	6.41%
Total Stormwater Utility Fund	571,214	546,458	662,794	1,018,410	471,952	86.37%
TOTAL ENTERPRISE FUNDS	30,003,022	38,832,699	33,741,052	39,260,711	428,012	1.10%
FIDUCIARY FUNDS						
VOLUNTEER FIREMEN'S PENSION FUND						
Interest on investments	4,367	4,000	4,500	4,300	300	7.50%
Miscellaneous revenues	318	-	179	-	-	0.00%
Total Volunteer Firemen's Pension Fund	4,685	4,000	4,679	4,300	300	7.50%
TOTAL FIDUCIARY FUNDS	4,685	4,000	4,679	4,300	300	7.50%
TOTAL REVENUES	\$ 87,138,116	107,104,640	96,496,195	116,911,210	6,322,774	5.90%

Schedule 4: Transfers and Proceeds from Other Sources

CITY OF FLAGSTAFF
SUMMARY BY FUNDING OF OTHER FINANCING SOURCES
AND INTERFUND TRANSFERS
FISCAL YEAR 2005-2006

FUND	PROCEEDS FROM OTHER FINANCING SOURCES		INTERFUND TRANSFERS	
		IN	OUT	
GENERAL FUND	\$ -	4,234,955	14,272,963	
SPECIAL REVENUE FUNDS				
Library Fund	-	1,204,310	328,391	
Highway User Revenue Fund	-	10,097,836	1,135,401	
Transportation Fund	-	-	6,500,051	
Beautification Fund	-	778,650	735,201	
Economic Development	-	50,000	-	
Tourism Fund	-	-	9,437	
Arts and Science Fund	-	35,000	-	
Recreation-BBB Fund	-	270,811	1,606,965	
Real Estate Proceeds Fund	-	150,000	-	
Housing & Community Services	-	375,400	-	
MPO	-	25,000	-	
Total Special Revenue Funds	-	12,987,007	10,315,446	
DEBT SERVICE FUNDS				
G.O. Bond Fund	-	3,451,761	-	
Secondary Property Tax Fund	-	-	5,751,422	
Total Debt Service Funds	-	3,451,761	5,751,422	
CAPITAL PROJECTS FUNDS				
Capital Projects Bond Fund	31,505,477	-	-	
Total Capital Projects Funds	31,505,477	-	-	
ENTERPRISE FUNDS				
Water and Wastewater Fund	-	2,417,785	2,575,579	
Water and Sewer Bond Fund	46,600,000	-	-	
Stormwater Utility	-	9,410,318	135,000	
Airport Fund	-	969,639	33,567	
Airpark Fund	-	-	368,000	
Environmental Services Fund	700,000	-	19,488	
Total Enterprise Funds	47,300,000	12,797,742	3,131,634	
TOTAL ALL FUNDS	\$ 78,805,477	33,471,465	33,471,465	

SCHEDULE OF TRANSFERS FISCAL YEAR 2005-2006

General Fund

Transfers In:

Library - \$328,391

This transfer represents \$250,000 for a contribution to a parking solution on the Municipal Campus and \$78,391 for the APSES lease payment.

Highway User Revenue Fund - \$285,401

This transfer is \$70,000 for right-of-way maintenance completed by Parks staff and \$200,000 for enterprise repayment, and \$15,401 for the APSES lease payment.

Beautification Fund - \$170,201

This represents \$165,000 for streetscape maintenance on projects previously constructed by BBB funds that are now maintained by the Parks division and \$5,201 for the citywide publication.

Tourism Fund - \$9,437

This transfer includes \$6,238 as a contribution towards the citywide publication, and \$3,199 for the APSES lease payment.

Recreation-BBB Fund - \$812,891

This transfer entails three separate actions 1) a contribution to the maintenance of FUTS which is a Parks responsibility \$95,000; 2) \$700,913 for increased maintenance in the Parks budget related to additional field maintenance associated with Recreation Bond projects; 3) \$16,978 for Skate park liability.

Water and Wastewater Fund - \$2,575,579

This is a transfer of \$2,417,785 utility revenue through the General Fund to Highway User Revenue Fund for a payment of debt and \$157,794 for the APSES lease payment.

Environmental Services Fund - \$19,488

This transfer represents \$4,678 for advertising in the citywide publication and \$14,810 for the APSES lease payment.

Airport - \$33,567

This is a transfer for the APSES lease payment.

Transfers Out:

Library Fund - \$1,204,310

This is the operating transfer from the General Fund to the Library for general services.

Highway User Revenue Fund - \$4,187,785

This is \$2,417,785 for debt service, \$1.5 million for East Flagstaff Gateway (\$500,000 economic opportunity fund

and \$1 million General Fund), and \$270,000 for cost allocation offset.

Economic Development - \$50,000

This represents a transfer to assist in the payment of Telecom.

Arts and Science Fund - \$35,000

This transfer is for \$25,000 to support Contributions to Agencies, and \$10,000 represents a contribution for Art in Public Places.

Beautification Fund - \$85,650

This transfer funds the historical façade project from parks to beautification.

Housing and Community Services Fund - \$375,400

This transfer represents a \$150,000 funding for a revolving loan source, \$175,400 funding for land acquisition related to affordable housing development, and \$50,000 for affordable housing fees.

Airport Fund - \$339,500

This transfer is for the general operations in the amount of \$171,000 and \$168,500 for capital at the Airport. The Airport is an enterprise fund whose goal is to eventually eliminate any requirement for general fund transfers.

Stormwater Fund - \$7,820,318

This transfer funds \$341,559 for a stormwater master plan, \$6,892,239 for the Rio de Flag project, Isabel affordable housing for \$157,546, Walnut Meadows \$150,000, 6th Avenue Detention basin \$203,974, and \$75,000 for operating support.

Real Estate Proceeds - \$150,000

This transfer is from excess FY 2004 fund balance to fund open space acquisition per Council policy.

MPO - \$25,000

This transfer is to assist in the payment of the multi model planner position.

Library Fund

Transfers In:

General Fund - \$1,204,310

This is the operating transfer from the General Fund to the Library for general services.

Transfers Out:General Fund - \$328,391

This transfer is \$250,000 for a contribution to a parking solution in the Municipal Campus and \$78,391 for the APSES lease payment.

Highway User Revenue Fund**Transfers In:**General Fund - \$4,187,785

This is \$2,417,785 from the General Fund to Highway User Revenue Fund for payment of debt, \$1.5 million for East Flagstaff Gateway (\$500,000 economic opportunity fund and \$1 million General Fund) and \$270,000 for cost allocation offset.

Transportation Fund - \$5,775,051

This is a transfer of the transportation tax to fund various transportation projects. \$626,733 from Safe to School monies is for miscellaneous projects. \$4,748,318 is from Street Improvement for East Flagstaff Gateway, Huntington, and Beulah. \$200,000 is for street maintenance plus \$200,000 for sale of Knowles property on 4th Street.

Stormwater Fund - \$135,000

This transfer is for drainage maintenance.

Transfers Out:General Fund - \$285,401

This transfer is \$70,000 for right-of-way maintenance completed by Parks staff and \$215,401 for enterprise repayment.

Stormwater Utility - \$850,000

This is for the Rio de Flag Project.

Transportation Fund**Transfers Out:**HURF - \$5,775,051

This is a transfer of the transportation tax to fund various transportation projects. \$626,733 from Safe to School monies is for miscellaneous projects. \$4,748,318 is from Street Improvement for East Flagstaff Gateway, Huntington, and Beulah. \$200,000 from 4th Street sale of Knowles.

Beautification Fund - \$550,000

This transfer funds various FUTS and Streetscape projects within the multi-modal transportation projects. The Streetscape projects include: Route. 66 Country Club to Mall and US 89 Railhead to Snowflake. The FUTS projects include: Fort Valley Trail, Special

Projects, Santa Fe West, McMillian Mesa, and Route 66 Rio North Trail.

Stormwater - \$175,000

From 4th Street fund for the 6th Avenue Detention basin.

Beautification Fund**Transfers In:**Transportation Tax - \$550,000

This transfer funds various FUTS and Streetscape projects within the multi-modal transportation projects. The Streetscape projects include: Route. 66 Country Club to Mall and US 89 Railhead to Snowflake. The FUTS projects include: Fort Valley Trail, Special Projects, Santa Fe West, McMillian Mesa, and Route 66 Rio North Trail.

General Fund - \$85,650

This transfer moves the historical façade allocation from parks to beautification.

Recreation-BBB Fund - \$143,000

This transfer is for new FUTS construction -\$110,000, and \$33,000 to fund a portion of the historical façade program.

Transfers Out:General Fund - \$170,201

This represents \$165,000 for streetscape maintenance on projects previously constructed by BBB funds that are now maintained by the Parks division and \$5,201 in support of the citywide publication.

Stormwater Fund - \$565,000

Streetscape and FUTS programs related to Rio de Flag Corridor Enhancements.

Economic Development Fund**Transfers In:**General Fund - \$50,000

This represents a transfer to assist in the payment of the Telecom plan.

Tourism Fund**Transfers Out:**General Fund - \$9,437

This transfer includes \$6,238 as a contribution towards the citywide publication and \$3,199 for the APSES lease payment.

Arts & Science Fund

Transfers In:

General Fund - \$35,000

This transfer is for \$25,000 to support Contributions to Agencies, and \$10,000 represents a contribution for Art in Public Places.

Recreation-BBB Fund

Transfers In:

Secondary Property Tax Fund - \$270,811

This transfer is to assist in the repayment of G.O. Bonds due to a shortfall in estimated BBB Tax revenues.

Transfers Out:

General Fund - \$812,891

This transfer entails three separate actions 1) a contribution to the maintenance of FUTS which is a Parks responsibility \$95,000; 2) \$700,913 for increased maintenance in the Parks budget related to additional field maintenance associated with Recreation Bond projects; 3) \$16,978 for skate park liability.

Beautification Fund - \$143,000

This transfer is for a new FUTS construction - \$110,000, and \$33,000 for portion of historical façade project.

G.O. Bond Fund - \$651,074

To pay the debt service on the Parks and Recreation Bonds.

Real Estate Proceeds

Transfers In:

General Fund - \$150,000

This transfer is from excess FY 2004 General Fund fund balance to fund open space acquisitions per Council policy.

Housing and Community Services Fund

Transfers In:

General Fund - \$375,400

This transfer represents a \$150,000 funding for a revolving loan source, \$175,400 funding for land acquisition related to affordable housing development, and \$50,000 for affordable housing fees.

Metro Planning Organization Fund

Transfers In:

General Fund - \$25,000

This transfer is to assist in the payment of the multi modal planner.

G.O. Bond Fund

Transfers In:

Recreation-BBB Fund - \$651,074

To pay the debt service on the Parks and Recreation Bonds.

Secondary Property Tax Fund - \$2,800,687

A transfer of Secondary Property Taxes collected for repayment of Library and Public Safety bonds.

Secondary Property Tax Fund

Transfers Out:

Recreation-BBB Fund - \$270,811

This transfer is to assist in the repayment of G.O. Bonds due to a shortfall in estimated BBB Tax revenues.

G.O. Bond Fund - \$2,800,687

There is a transfer of Secondary Property Taxes collected for repayment of Library and Public Safety bonds.

Water and Wastewater Fund - \$2,417,785

A transfer to Utilities for Secondary Property Taxes collected to support General Obligation Debt.

Airport Fund - \$262,139

There is a transfer for Secondary Property Taxes collected for repayment of a portion of the Airport debt service; the remainder is funded with Passenger Facility Charges.

Water and Wastewater Fund

Transfers In:

Secondary Property Tax Fund - \$2,417,785

A transfer to Utilities for Secondary Property Taxes collected to support the General Obligation Debt.

Transfers Out:

General Fund - \$2,575,579

This is a transfer of \$2,417,785 utility revenue to the General Fund; these funds are subsequently transferred

to Highway User Tax Fund for a payment of debt and \$157,794 for the APSES lease payment.

Airport Fund

Transfers In:

General Fund - \$339,500

This transfer is for the general operations in the amount of \$171,000 and \$168,500 for capital at the Airport. The Airport is an enterprise fund whose goal is to eventually eliminate any requirement for general fund transfers.

Secondary Property Tax Fund - \$262,139

There is a transfer for Secondary Property Taxes collected for repayment of a portion of the Airport debt service; the remainder is funded with Passenger Facility Charges.

Airpark Fund - \$368,000

This transfer of funds is for a match on the ADOT grant for land acquisition and city contribution toward pavement maintenance.

Transfers Out:

General Fund - \$33,567

This is a transfer for the APSES lease payment.

Airpark Fund

Transfers Out:

Airport Fund - \$368,000

This transfer of funds is for a match on the ADOT grant for land acquisition and a City contribution toward pavement maintenance.

Environmental Services Fund

Transfers Out:

General Fund - \$19,488

This transfer represents \$4,678 for advertising in the citywide publication and \$14,810 for debt servicing related to APSES lease payment.

Stormwater Fund

Transfers In:

HURF - \$850,000

This is for the Rio de Flag Project.

General Fund - \$7,820,318

This transfer funds \$341,559 for a stormwater master plan, \$6,892,239 for the Rio de Flag project, Isabel affordable housing for \$157,546, Walnut Meadows \$150,000, 6th Avenue Detention \$203,974, and \$75,000 for operating support.

Beautification - \$565,000

Streetscape and FUTS programs for Rio de Flag Corridor Enhancements

4th Street - \$175,000

Transfers Out:

HURF - \$135,000

This transfer is for drainage maintenance.

Schedule 5: Grant Revenues

CITY OF FLAGSTAFF SCHEDULE OF GRANT REVENUES FISCAL YEAR 2005-2006

PROJECT NAME		BUDGETED REVENUES 2004-2005	ESTIMATED REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CITY MATCH 2005-2006	BUDGETED GRANT REIMB %	FUNDING
GENERAL FUND							
POLICE	METRO (NORTHERN AZ STREET CRIMES TASK FORCE)	\$ 318,484	\$ 311,781	\$ 378,932	\$ -	100%	F/S
POLICE	WEED AND SEED	58,000	39,138	50,000	-	100%	F/NP
POLICE	GANG RESISTANCE EDUCATION TRAINING (GREAT)	27,000	43,264	45,353	-	100%	F
POLICE	LOCAL LAW ENFORCEMENT BLOCK GRANT (LLEBG)	40,386	46,511	45,000	-	90%	F
POLICE	SEATBELT ENFORCEMENT	12,000	-	-	-	100%	F/S
POLICE	ANTI-TERRORISM TASK FORCE	20,000	19,166	-	-	100%	F
POLICE	OTHER	-	32,561	-	-	-	-
POLICE	COMMUNITY ORIENTED POLICING	-	-	131,086	-	100%	F
POLICE	COPS UNIVERSAL HIRING	-	94,711	150,000	37,500	75%	F
POLICE	GOVERNOR'S OFFICE OF HWY SAFETY 2005	-	-	42,410	-	100%	F/S
POLICE	GOVERNOR'S OFFICE OF HWY SAFETY 2006	-	-	57,856	-	100%	F/S
POLICE	DUI ENFORCEMENT 2004	-	-	20,000	-	100%	S
POLICE	DUI EQUIPMENT	-	112,764	-	-	100%	S
POLICE	BULLET PROOF VEST PROGRAM	-	-	14,525	7,262	50%	F
POLICE	FORENSIC SCIENCES	-	-	7,500	-	100%	F
POLICE	HOMELAND SECURITY BOMB ROBOT	-	-	164,428	-	100%	F/S
POLICE	HOMELAND SECURITY	-	84,484	100,000	-	100%	F/S
POLICE	FIRE PREVENTION - ATV'S	-	-	17,546	-	100%	S
POLICE	E-CITATION	-	-	118,000	-	100%	S
FIRE	VARIOUS	150,000	100,000	-	-	100%	F&S
FIRE	HAZARD FUEL REDUCTION FY 03	-	-	46,384	23,192	50%	F
FIRE	HOMELAND SECURITY EQUIPMENT	-	-	54,744	27,372	50%	F
FIRE	FIRE IMPROVEMENT PREVENTION	-	-	10,000	-	50%	F
COURT	COURT IMPROVEMENT FEES	86,440	63,060	48,219	-	100%	L
COURT	COURT WARRANT FEES	58,490	58,490	60,240	-	100%	L
COURT	COURT INTERPRETER	19,420	19,420	20,270	-	100%	L
COURT	TCPF - MODIFY AZTEC	-	-	25,000	-	100%	S
COURT	TCPF/STATE JCEF FY 01/02 - COURT TRAINING OFFICER	22,522	23,084	24,028	-	100%	S
COURT	TCPF/LOCAL JCEF FY 01/02 - COURT TRAINING OFFICER	9,738	10,657	11,228	-	100%	L
COURT	LOCAL JCEF - COMPUTERS	-	-	25,000	-	100%	L
COURT	LOCAL JCEF - TRAINING COUNTY	19,475	21,315	22,198	-	100%	L
COURT	LOCAL JCEF - INFO SYSTEMS TECH	-	10,000	-	-	-	-
COURT	STATE J CEF - SOFTWARE	30,000	30,000	-	-	100%	S
COURT	STATE J CEF - 10 PRINTERS	-	6,220	-	-	100%	S
COURT	COUNTY JCEF - INFORMATION SYSTEM TECH	25,184	25,184	25,940	-	100%	L
COURT	LOCAL TIME PMT. - INFORMATION SYSTEM TECH.	25,184	25,184	25,940	-	100%	L
SUBTOTAL-GENERAL FUND		922,323	1,176,994	1,741,827	95,326		
LIBRARY	STATE GRANT-IN-AID 2004	25,000	2,807	-	-	100%	S
LIBRARY	YOUTH ACCESS	8,500	6,117	-	-	100%	S
LIBRARY	PALSMOBILE	45,000	-	-	-	100%	S
LIBRARY	FAMILY PLACE	3,800	4,852	-	-	100%	S
LIBRARY	STATE GRANT-IN-AID 2005	-	25,000	25,000	-	100%	S
LIBRARY	LITERACY BEGINS AT HOME	-	7,482	-	-	100%	S
SUBTOTAL		82,300	46,258	25,000	-		
HURF	FEDERAL HIGHWAY ADMIN. (BUS PULLOUTS/EMPIRE REPAY)	688,096	285,596	1,045,240	-	100%	F/S
HURF	CONTRIBUTION FROM ADOT (BUS PULLOUTS/REPAY TI/TURNBACKS)	2,000,000	2,000,000	-	-	100%	S
HURF	FLAGSTAFF MALL, DODGE AVE EXT. (ECONONMIC STRENGTHS)	250,000	-	250,000	-	100%	S
HURF	HOMELAND SECURITY, BARRICADE TRAILER	-	-	21,000	-	100%	F/S
HURF	LED LAMP REPLACEMENTS	-	-	20,000	-	100%	S
SUBTOTAL		2,938,096	2,285,596	1,336,240	-		

Schedule 5: Grant Revenues

PROJECT NAME		BUDGETED REVENUES 2004-2005	ESTIMATED REVENUES 2004-2005	BUDGETED REVENUES 2005-2006	CITY MATCH 2005-2006	BUDGETED GRANT REIMB %	FUNDING
BEAUT	FUTS SIGNAGE	\$ -	\$ -	\$ 167,744	\$ 167,744	50%	S
BEAUT	FUTS - BOW & ARROW-ZUNI TO RIO	7,700	-	-	-	38%	S
BEAUT	FUTS - RIO DE FLAG N. TRAIL, CRESCENT- CHESHIRE LINK	95,000	-	-	-	38%	S
BEAUT	FUTS - TUNNEL SPRINGS TRAIL (RR SPRINGS TO OBS MESA)	4,000	-	-	-	50%	S
BEAUT	FUTS - MCMILLAN MESA	80,000	16,272	60,768	38,284	37%	S
BEAUT	FUTS/RIO NORTH-BLUE WILLOW	-	-	95,000	47,500	50%	S
BEAUT	TEA - 21 - US 89-RAILHEAD TO SNOWFLAKE	500,000	-	500,000	31,915	94%	F/S
BEAUT	TEA - 21 - FT VALLEY TR-SECHRIST TO FREMONT	500,000	-	500,000	31,915	94%	F/S
BEAUT	TEA-21 - E. FLAG TI & PROJECT OPPORTUNITY ADOT	-	-	1,100,000	66,000	94%	F/S
	SUBTOTAL	1,186,700	16,272	2,423,512	215,614		
BBB-REC	THORPE PARK PHASE I RENOVATION	550,000	-	550,000	346,500	37%	S
BBB-REC	BMX PARK/6TH STREET	319,000	298,681	-	-	50%	S
	SUBTOTAL	869,000	298,681	550,000	346,500		
HSG	01/02 CDBG ENTITLEMENT	24,000	-	-	-	100%	F
HSG	02/03 CDBG ENTITLEMENT	254,081	71,728	188,581	-	100%	F
HSG	03/04 CDBG ENTITLEMENT	383,097	216,100	123,000	-	100%	F
HSG	04/05 CDBG ENTITLEMENT	867,779	493,148	390,226	-	100%	F
HSG	05/06 CDBG ENTITLEMENT	-	-	882,961	-	100%	F
	OWNER OCCUPIED HOUSING REHAB- HOME	209,990	-	419,990	-	100%	F/S
HSG	EMERGENCY REPAIR PROG-HTF	153,890	-	308,890	-	100%	F/S
HSG	HOUSING REHAB-HOME GRANT	300,000	-	-	-	100%	F/S
	SUBTOTAL	2,192,837	780,976	2,313,648	-		
MPO	MISC GRANT REVENUE	200,555	22,667	265,573	16,562	93%	F/S
MPO	FLAGSTAFF METROPOLITAN PLANNING ORGANIZATION 2004	285,342	235,342	68,290	4,780	93%	F/S
MPO	FLAGSTAFF METROPOLITAN PLANNING ORGANIZATION 2005	225,803	103,610	275,803	19,306	93%	F/S
	SUBTOTAL	711,700	361,619	609,666	40,648		
UTIL	RIO DE FLAG WILDLIFE	16,575	16,575	-	-	100%	S
UTIL	XERISCAPE PROJECT	50,000	-	-	-	50%	F
UTIL	SCA RECLAIMED WATERLINE EXT.	255,000	-	-	-	50%	F
UTIL	INNER BASIN COMPOSTING TOILET	-	-	19,200	12,800	60%	F/S
	SUBTOTAL	321,575	16,575	19,200	12,800		
AIRPT	DESIGN NEW PARALLEL TAXIWAY NORTH (AIP 20/21)	-	-	-	2,984	97.50%	F&S
AIRPT	MASTER PLAN UPDATE (AIP 22/AIP 25/ADOT MATCH)	130,050	490,170	57,318	2,682	97.50%	F&S
AIRPT	CONSTRUCT ARFF BLDG (AIP 23/AIP 24/ADOT MATCH)	1,724,247	2,298,234	162,009	7,580	97.50%	F&S
AIRPT	ARFF EQUIPMENT & SNOW REMOVAL (AIP23 / ADOT MATCH)	559,430	587,122	-	-	97.50%	F&S
AIRPT	DESIGN/CONSTR RUNWAY EXT., SAFETY AREA RW21 (AIP XX/ADOT MATCH)	4,980,013	8,522	6,020,216	154,365	97.50%	F&S
AIRPT	WEST TAXIWAY-CRACK FILL/SEAL COAT	112,500	-	-	-	90%	S
AIRPT	LAND ACQUISITION	-	-	1,026,000	114,000		
AIRPT	LAND ACQUISITION FY 01 (ADOT E1107)	1,026,000	-	1,026,000	114,000	90%	S
	SUBTOTAL	8,532,240	3,384,048	8,291,543	164,627		
ENV	BROWNFIELD LAND RECYCLING	-	-	75,000	18,750	75%	F/S
	SUBTOTAL	-	-	75,000	18,750		
STORM	ADEQ-NPDES PHASE I	-	1,394	-	-	60%	F/S
	SUBTOTAL	-	1,394	-	-		
TOTAL		\$ 17,756,771	\$ 8,368,413	\$ 17,385,636	\$ 875,515		

Funding: L=Local, N/P=Non-Profit, S=State, F=Federal, F/S=Federal thru State, F&S=Federal and State

Schedule 6: Appropriations by Fund

CITY OF FLAGSTAFF
SUMMARY BY DEPARTMENT OF EXPENDITURES/EXPENSES WITHIN EACH FUND
COMPARISON OF FISCAL YEAR 2005 AND 2006
(WITH ACTUAL FOR FISCAL YEAR 2004)

FUND/DEPARTMENT	ACTUAL EXPENDITURES/ EXPENSES 2003-2004	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2004-2005	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2004-2005	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
GENERAL FUND						
General Administration	\$ 3,876,076	\$ 4,521,225	\$ 4,417,000	\$ 5,200,940	\$ 679,715	15.0%
Community Development	3,663,102	3,831,214	3,406,169	4,105,404	274,190	7.2%
Management Services	3,064,404	3,363,425	3,342,110	3,503,470	140,045	4.2%
Fire	6,909,023	7,881,104	7,256,220	8,655,551	774,447	9.8%
Police	11,490,003	12,455,839	12,255,003	14,297,667	1,841,828	14.8%
Public Works	6,235,153	6,448,409	6,197,603	6,775,498	327,089	5.1%
Utilities	15,588	37,878	37,878	28,757	(9,121)	(24.1%)
Non-departmental	329,220	1,598,486	(1,356,665)	1,935,270	336,784	21.1%
Contingency	(70,056)	650,000	25,070	530,000	(120,000)	(18.5%)
Total General Fund	35,512,513	40,787,580	35,580,388	45,032,557	4,244,977	10.4%
SPECIAL REVENUE FUNDS						
LIBRARY FUND						
General Administration	80,254	81,895	81,895	98,387	16,492	20.1%
Community Development	37,982	45,594	45,594	48,518	2,924	6.4%
Management Services	2,697,889	3,780,660	3,239,764	4,276,495	495,835	13.1%
Public Works	58,427	69,178	69,178	73,733	4,555	6.6%
Utilities	1,023	901	901	884	(17)	(1.9%)
Non-departmental	49,708	54,930	54,930	66,322	11,392	20.7%
Contingency	-	100,000	-	100,000	-	-
	2,925,283	4,133,158	3,492,262	4,664,339	531,181	12.9%
HIGHWAY USER REVENUE FUND						
General Administration	186,808	140,443	140,443	247,091	106,648	75.9%
Community Development	813,094	813,791	813,791	890,966	77,175	9.5%
Management Services	196,752	215,471	215,471	246,583	31,112	14.4%
Public Works	11,200,822	26,296,570	13,574,917	24,134,851	(2,161,719)	(8.2%)
Utilities	3,749	1,818	1,818	3,289	1,471	80.9%
Non-departmental	131,447	182,393	182,393	228,892	46,499	25.5%
Contingency	1,632	100,000	100,000	100,000	-	-
	12,534,304	27,750,486	15,028,833	25,851,672	(1,898,814)	(6.8%)
TRANSPORTATION FUND						
Community Development	13,482,469	17,428,800	11,802,464	12,113,285	(5,315,515)	(30.5%)
Non-departmental	1,676,965	2,267,779	2,267,779	2,630,156	362,377	16.0%
	15,159,434	19,696,579	14,070,243	14,743,441	(4,953,138)	
BEAUTIFICATION FUND						
Community Development	744,285	4,574,929	1,297,472	5,544,432	969,503	21.2%
Reserve/Contingency	-	10,000	-	10,000	-	-
	744,285	4,584,929	1,297,472	5,554,432	969,503	21.1%
ECONOMIC DEVELOPMENT FUND						
Non-departmental	421,137	459,400	405,616	474,400	15,000	3.3%
Reserve/Contingency	-	25,000	-	25,000	-	-
	421,137	484,400	405,616	499,400	15,000	3.1%

Schedule 6: Appropriations by Fund

FUND/DEPARTMENT	ACTUAL EXPENDITURES/ EXPENSES 2003-2004	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2004-2005	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2004-2005	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
TOURISM FUND						
General Administration	\$ 1,583,894	\$ 1,460,728	\$ 1,129,211	\$ 1,687,622	\$ 226,894	15.5%
Reserve/Contingency	-	50,000	-	50,000	-	-
	1,583,894	1,510,728	1,129,211	1,737,622	226,894	15.0%
ARTS AND SCIENCE FUND						
General Administration	322,742	409,706	324,287	403,391	(6,315)	(1.5%)
Reserve/Contingency	-	10,000	-	10,000	-	-
	322,742	419,706	324,287	413,391	(6,315)	(1.5%)
RECREATION-BBB FUND						
Public Works	138,499	4,081,940	1,072,477	3,415,552	(666,388)	(16.3%)
REAL ESTATE PROCEEDS FUND						
Non-departmental	9,650	675,900	1,063	2,501,900	1,826,000	270.2%
HOUSING AND COMMUNITY SERVICES FUND						
Community Development	702,014	4,317,814	1,015,248	4,806,625	488,811	11.3%
Non-departmental	19,551	-	-	-	-	-
	721,565	4,317,814	1,015,248	4,806,625	488,811	11.3%
METRO PLANNING ORG FUND						
Community Development	320,788	511,186	333,971	508,002	(3,184)	(0.6%)
Non-departmental	10,623	15,514	42,648	51,664	36,150	233.0%
Contingency	-	200,000	-	100,000	(100,000)	-
	331,411	726,700	376,619	659,666	(67,034)	(9.2%)
Total Special Revenue Funds	34,892,204	68,382,340	38,213,331	64,848,040	(3,534,300)	(5.2%)
DEBT SERVICE FUNDS						
GENERAL OBLIGATION BONDS FUND						
Non-departmental	2,019,306	1,767,046	1,767,046	3,451,761	1,684,715	95.3%
SPECIAL ASSESSMENT BONDS FUND						
Non-departmental	302,712	299,398	299,398	94,545	(204,853)	(68.4%)
Total Debt Service Funds	2,322,018	2,066,444	2,066,444	3,546,306	1,479,862	71.6%
CAPITAL PROJECT FUNDS						
CAPITAL PROJECTS BOND FUND						
Non-departmental	-	3,797,539	972,439	10,692,520	6,894,981	181.6%
Total Capital Projects Funds	-	3,797,539	972,439	10,692,520	6,894,981	181.6%

Schedule 6: Appropriations by Fund

FUND/DEPARTMENT	ACTUAL EXPENDITURES/ EXPENSES 2003-2004	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2004-2005	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2004-2005	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
ENTERPRISE FUNDS						
WATER AND WASTEWATER FUND						
General Administration	\$ 285,354	\$ 221,209	\$ 221,209	\$ 273,877	\$ 52,668	23.8%
Community Development	665,796	670,558	670,558	649,464	(21,094)	(3.1%)
Management Services	396,183	478,507	478,507	512,516	34,009	7.1%
Public Works	64,058	44,849	44,849	43,796	(1,053)	(2.3%)
Utilities	19,769,166	39,927,863	21,350,857	54,933,755	15,005,892	37.6%
Non-departmental	229,328	304,144	304,144	339,648	35,504	11.7%
Contingency	37,524	2,200,000	-	1,400,000	(800,000)	(36.4%)
	21,447,409	43,847,130	23,070,124	58,153,056	14,305,926	32.6%
AIRPORT FUND						
General Administration	51,638.00	33,085	33,085	31,404	(1,681)	(5.1%)
Community Development	72,839	25,226	25,226	17,892	(7,334)	(29.1%)
Management Services	149,072	89,656	89,656	78,734	(10,922)	(12.2%)
Public Works	2,397,191	13,015,826	7,424,536	10,796,969	(2,218,857)	(17.0%)
Utilities	1,037	401	401	297	(104)	(25.9%)
Non-departmental	48,704	75,075	75,075	58,443	(16,632)	(22.2%)
Contingency	200	-	-	-	-	-
	2,720,681	13,239,269	7,647,979	10,983,739	(2,255,530)	(17.0%)
ENVIRONMENTAL SERVICES FUND						
General Administration	152,264	149,706	149,706	171,465	21,759	14.5%
Community Development	99,022	108,158	108,158	106,151	(2,007)	(1.9%)
Management Services	186,687	204,687	204,687	237,227	32,540	15.9%
Public Works	7,393,724	8,723,222	8,295,751	10,103,926	1,380,704	15.8%
Utilities	68,266	103,227	103,227	120,501	17,274	16.7%
Non-departmental	115,030	174,458	174,458	165,072	(9,386)	(5.4%)
Contingency	17,262	4,690,000	-	500,000	(4,190,000)	(89.3%)
	8,032,255	14,153,458	9,035,987	11,404,342	(2,749,116)	(19.4%)
STORMWATER UTILITY FUND						
General Administration	-	10,656	10,656	15,651	4,995	46.9%
Community Development	540,935	9,179,657	1,135,533	10,266,370	1,086,713	11.8%
Management Services	-	12,928	12,928	36,060	23,132	178.9%
Public Works	-	6,184	6,184	7,974	1,790	28.9%
Utilities	-	7,315	7,315	8,167	852	11.6%
Non-departmental	40,560	13,396	13,396	23,001	9,605	71.7%
Contingency	-	10,000	-	10,000	-	-
	581,495	9,240,136	1,186,012	10,367,223	1,127,087	12.2%
Total Enterprise Funds	32,781,840	80,479,993	40,940,102	90,908,360	10,428,367	13.0%
FIDUCIARY FUNDS						
VOLUNTEER FIREMEN'S PENSION						
Non-departmental	7,200	7,200	7,200	14,400	7,200	100.0%
Total Fiduciary Funds	7,200	7,200	7,200	14,400	7,200	100.0%
TOTAL ALL FUNDS	\$ 105,515,775	\$ 195,521,096	\$ 117,779,904	\$ 215,042,183	\$ 19,521,087	10.0%

Schedule 7: Appropriations by Department

CITY OF FLAGSTAFF
BUDGET BY DEPARTMENT AND DIVISIONS
COMPARISON OF FISCAL YEAR 2005 AND 2006
(WITH ACTUAL FOR FISCAL YEAR 2004)

DEPARTMENT/DIVISION	ACTUAL EXPENDITURES/ EXPENSES 2003-2004	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2004-2005	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2004-2005	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
GENERAL ADMINISTRATION						
City Manager	\$ 752,992	\$ 825,616	\$ 810,554	\$ 872,431	\$ 46,815	5.7%
City Clerk	228,758	200,284	222,444	306,384	106,100	53.0%
Capital Improvement	(41,332)	-	-	-	-	-
City Court	1,665,707	1,911,689	1,901,318	2,239,776	328,087	17.2%
Law	823,155	965,844	913,078	1,149,243	183,399	19.0%
Human Resources	330,331	489,902	442,635	481,427	(8,475)	(1.7%)
Risk Management	116,465	127,890	126,971	151,679	23,789	18.6%
Tourism - Gen. Admin.	1,129,193	1,090,344	740,992	1,138,494	48,150	4.4%
Visitor Services	454,701	370,384	388,219	549,128	178,744	48.3%
TOTAL	5,459,970	5,981,953	5,546,211	6,888,562	906,609	15.2%
COMMUNITY DEVELOPMENT						
Community Development Admin.	222,373	277,402	319,713	282,037	4,635	1.7%
Development Services	1,270,135	1,418,354	1,260,957	2,736,709	1,318,355	92.9%
Capital Improvement	-	(123,111)	(204,791)	(215,102)	(91,991)	74.7%
Community Improvements	925,420	1,014,711	981,052	396,244	(618,467)	(61.0%)
Housing and Community Svcs	702,014	4,317,814	1,015,248	4,806,625	488,811	11.3%
Community Investment	1,022,276	1,243,858	1,049,238	905,516	(338,342)	(27.2%)
Stormwater Utility	412,136	855,848	486,954	956,729	100,881	11.8%
Stormwater Capital	128,799	241,945	13,134	953,976	712,031	294.3%
Drainage	222,898	8,075,725	629,306	8,307,239	231,514	2.9%
Transportation	12,923,214	17,654,979	12,028,643	12,751,841	(4,903,138)	(27.8%)
Debt Service-4th Street	2,236,220	2,041,600	2,041,600	1,991,600	(50,000)	(2.4%)
Urban Design	77,586	91,154	39,587	79,571	(11,583)	(12.7%)
Streetscape	124,156	1,416,771	177,419	2,621,220	1,204,449	85.0%
Flag Urban Trails System	542,543	3,067,004	1,080,466	2,843,641	(223,363)	(7.3%)
Arts and Science	322,742	409,706	324,287	403,391	(6,315)	(1.5%)
Metro Planning Organization	320,788	511,186	333,971	508,002	(3,184)	(0.6%)
TOTAL	21,453,300	42,514,946	21,576,784	40,329,239	(2,185,707)	(5.1%)
MANAGEMENT SERVICES						
Information Systems	1,154,991	1,293,314	1,264,593	1,308,354	15,040	1.2%
Management Services Admin.	686,271	747,622	746,376	791,819	44,197	5.9%
Finance/Budget	722,818	791,215	809,654	852,987	61,772	7.8%
Sales Tax & Licensing	500,324	531,274	521,487	550,310	19,036	3.6%
Library	2,318,348	2,864,253	2,694,522	2,986,859	122,606	4.3%
Library Grants	260,950	810,462	439,297	1,186,732	376,270	46.4%
TOTAL	5,643,702	7,038,140	6,475,929	7,677,061	638,921	9.1%
FIRE DEPARTMENT	6,909,023	7,881,104	7,256,220	8,655,551	774,447	9.8%
POLICE DEPARTMENT						
Police	10,871,332	11,970,667	11,485,754	13,013,766	1,043,099	8.7%
Police Grants	618,671	485,172	769,249	1,283,901	798,729	164.6%
TOTAL	11,490,003	12,455,839	12,255,003	14,297,667	1,841,828	14.8%

Schedule 7: Appropriations by Department

DEPARTMENT/DIVISION	ACTUAL EXPENDITURES/ EXPENSES 2003-2004	ADOPTED BUDGETED EXPENDITURE/ EXPENSE 2004-2005	ESTIMATED ACTUAL EXPENDITURES/ EXPENSES 2004-2005	PROPOSED BUDGETED EXPENDITURE/ EXPENSE 2005-2006	CHANGE (BUDG-BUDG)	% CHANGE
PUBLIC WORKS						
Public Works Administration	\$ 198,405	\$ 214,448	\$ 210,429	\$ 231,938	\$ 17,490	8.2%
USGS Facilities	584,473	759,672	729,672	931,547	171,875	22.6%
Parks	1,837,386	2,460,259	2,318,037	2,266,889	(193,370)	(7.9%)
Fleet Services	52,265	-	50,675	124,456	124,456	-
Cemetery	219,539	182,836	172,851	207,705	24,869	13.6%
Public Facilities Maintenance	783,514	823,598	765,977	954,363	130,765	15.9%
Recreation	2,559,571	2,007,596	1,949,962	2,058,600	51,004	2.5%
Street Maintenance & Repairs	2,898,944	3,359,560	3,223,081	3,675,925	316,365	9.4%
Street Const. & Reconstruction	3,473,894	4,567,446	1,784,345	5,236,583	669,137	14.7%
Transportation CIP	2,616,801	15,822,777	6,020,607	12,650,431	(3,172,346)	(20.0%)
Street & Highway User Rev Bonds	2,018,421	2,398,096	2,398,193	2,417,785	19,689	0.8%
Airport	1,978,879	12,340,714	6,877,682	10,080,778	(2,259,936)	(18.3%)
Debt Service - Airport	353,930	598,938	470,680	648,824	49,886	8.3%
Environmental Services	7,166,108	8,529,036	8,101,565	9,939,291	1,410,255	16.5%
Recreation-BBB	138,499	4,081,940	1,072,477	3,415,552	(666,388)	(16.3%)
TOTAL	26,880,629	58,146,916	36,146,233	54,840,667	(3,306,249)	(5.7%)
UTILITIES						
Administration	870,648	1,226,925	1,039,120	1,337,153	110,228	9.0%
Lake Mary Water Plant	2,912,052	3,589,168	3,255,891	4,030,151	440,983	12.3%
Customer Service	586,335	714,460	670,124	785,822	71,362	10.0%
Water Distribution System	994,283	1,067,165	1,028,027	1,210,836	143,671	13.5%
Booster Stations	41,130	77,212	88,009	76,356	(856)	(1.1%)
Betterments & Imp. Water Dist	2,932,766	5,107,671	3,241,902	3,900,991	(1,206,680)	(23.6%)
Betterments & Imp. Water Prod	1,705,532	3,913,198	489,100	19,157,014	15,243,816	389.5%
Wastewater Treatment	2,371,249	1,605,014	1,569,744	1,674,881	69,867	4.4%
Wastewater Collection	572,143	841,516	826,602	1,148,459	306,943	36.5%
Wastewater Monitoring	250,191	377,778	290,730	472,521	94,743	25.1%
Reclaim Water Plant	13,077	823,312	805,875	930,059	106,747	13.0%
Wastewater Treatment Imp	581,854	12,544,189	1,658,924	14,546,535	2,002,346	16.0%
Wastewater Collection Imp	2,158,887	4,313,467	2,660,021	1,137,087	(3,176,380)	(73.6%)
Debt Service - Water	2,157,374	2,148,709	2,148,709	1,839,110	(309,599)	(14.4%)
Debt Service - Sewer	1,711,308	1,729,619	1,729,619	2,848,675	1,119,056	64.7%
TOTAL	19,858,829	40,079,403	21,502,397	55,095,650	15,016,247	37.5%
NON-DEPARTMENTAL						
Council & Commissions	167,060	227,682	213,230	233,791	6,109	2.7%
Contributions to Other Agencies	683,373	742,394	716,336	787,053	44,659	6.0%
Non-Departmental	4,223,319	5,401,236	2,513,729	5,677,423	276,187	5.1%
Real Estate Proceeds	9,650	675,900	1,063	2,501,900	1,826,000	270.2%
Firemen's Pension	7,200	7,200	7,200	14,400	7,200	100.0%
G.O. Bond - Debt Service	2,019,306	1,767,046	1,767,046	3,451,761	1,684,715	95.3%
Special Assessments Bonds	302,712	299,398	299,398	94,545	(204,853)	(68.4%)
Capital Projects Bond	-	3,797,539	972,439	10,692,520	6,894,981	181.6%
Economic Development	421,137	459,400	405,616	474,400	15,000	3.3%
Facility Improvement Debt	-	-	-	494,993	494,993	-
TOTAL	7,833,757	13,377,795	6,896,057	24,422,786	11,044,991	82.6%
RESERVES/CONTINGENCIES	(13,438)	8,045,000	125,070	2,835,000	(5,210,000)	(64.8%)
GRAND TOTAL	\$ 105,515,775	\$ 195,521,096	\$ 117,779,904	\$ 215,042,183	\$ 19,521,087	10.0%

This schedule includes the entire budgetary responsibility of the division without regard to funding source.
Operating revenue transfers provide the level of accountability for division managers and department heads.

Schedule 8: Operating Capital

CITY OF FLAGSTAFF
SUMMARY OF OPERATING CAPITAL
FISCAL YEAR 2005-2006

DIV #	DIVISION	OPERATING CAPITAL	CARRYFWD 2004-2005	BUDGET 2005-2006
11	LIBRARY	BOOKMOBILE	\$ 50,000	\$ 125,000
		COUNTY BOOKMOBILE	-	200,000
16	DEVELOPMENT SERVICES	PICKUP, 4x4 EXTENDED CAB (2)	-	35,000
		PICKUP, 1/2 TON 4x4 EXTENDED CAB	-	20,000
		PICKUP, 1/2 TON 4x4 EXTENDED CAB (2)	-	40,000
21	FIRE	CEP MONITORS	-	168,000
		AIR COMPRESSOR - STATION 1	35,000	35,000
		PICKUP, 3/4 TON 4x4 CREW CAB (2)	-	49,000
		UTILITY TRUCK, 3/4 TON 4x4 CREW CAB	-	24,500
		SEDAN (2)	-	32,400
		SUV, FULL SIZE	-	29,000
		COMPRESSED AIR FOAM SYSTEMS (CAFS)	-	63,770
		PORTABLE PUMP FOR WATER TENDER #4	-	8,000
		TYPE 1 ENGINE	404,500	404,500
22	POLICE	PATROL SEDANS (4)	-	94,000
		PATROL UTILITY VEHICLE 4x4 (2)	-	58,000
		PATROL SEDANS (2)	-	50,000
		PRISONER TRANSPORT VAN	37,500	37,500
		PICKUP, 3/4 TON 4x4	-	23,250
		PICKUP, 4x4 EXTENDED CAB/ANIMAL CONTROL	-	18,000
		SEDANS (2)	-	32,400
		ANIMAL CONTAINMENT UNIT FOR VEHICLE	-	6,600
		INTOXILIZER 8000 BREATH MACHINE	-	7,230
23	POLICE GRANTS	BOMB ROBOT	-	153,928
		ALL-TERRAIN VEHICLE (2)	-	17,546
24	CAPITAL PROJECTS FUND	QUINT FIRE TRUCK	-	900,000
		SCBA EQUIPMENT	-	400,000
26	PARKS	TENNIS COURT RESURFACING - THORPE PARK	-	63,200
		BACKSTOP REPLACEMENT - CONTINENTAL L.L.	-	16,800
		PICKUP, 3/4 TON	-	16,000
27	FLEET SERVICES	FORKLIFT	-	30,000
		LIFT SYSTEM	-	30,000
		PICKUP, 3/4 TON 4x4	-	20,250
28	CEMETERY	RIDING LAWN MOWER	-	18,000
29	FACILITIES MAINTENANCE	UTILITY TRUCK, 1 TON	-	28,025
30	RECREATION	TRI FIT EVALUATION SYSTEM - ADULT CENTER	-	13,350
		INTERIOR PAINT - COGDILL REC CENTER	-	6,150
32	STREET MAINT & REP	PICKUP, 1/2 TON 4x4	-	20,000
		PICKUP, 1/2 TON 4x4	-	20,000
		PICKUP, 1/2 TON 4x4	-	20,000
		10 WHEEL DUMP TRUCK	135,000	135,000
		LOADER	-	146,000
		LOADER	-	146,000
		MID-MOUNT CABLE OPERATED PATROL WING	-	8,000
		BARRICADE TRAILER	-	21,000
37	AIRPORT	AIRPORT MASTER PLAN	-	60,000

Schedule 8: Operating Capital

DIV #	DIVISION	OPERATING CAPITAL	CARRYFWD 2004-2005	BUDGET 2005-2006
41	ENVIRONMENTAL SVCS	TOPLOADER-COMMERCIAL	\$ -	\$ 195,000
		TOPLOADER-COMMERCIAL	-	195,000
		SIDELOADER-RESIDENTIAL	-	195,000
		SIDELOADER-RESIDENTIAL	185,400	185,400
		SUV, AWD HYBRID	-	30,500
		SUV, AWD HYBRID	-	30,500
		HYBRID VEHICLE	30,500	30,500
		PICKUP, 1/2 TON 4X4	-	21,000
		PORTABLE LITTER FENCE PANELS	-	30,000
		3000 WATT (5000KWH) WIND TURBINE	-	15,000
		LANDFILL CLOSURE SETASIDE	-	500,000
		WIRELESS ANNTENA	12,000	12,000
		TOPLOADER	-	195,000
		TUB GRINDER	522,720	522,720
42	UTILITIES ADMIN	WILDLIFE VIEWING AREA	10,780	10,780
47	LAKE MARY WTR PLANT	PICKUP, 1 TON 4x4	-	22,500
		PICKUP, 3/4 TON 4x4	-	23,250
		COAGULANT CHARGE ANALYZER	-	5,000
		GAS WAREHOUSE HEATERS FOR FILTER BLDG	-	20,000
		COMPOSTING TOILET FOR IB	-	32,000
		UPPER LAKE MARY DAM IMPROVEMENTS	-	20,000
		CHLORINATORS	-	15,000
		POWER GENERATOR	160,500	160,500
		BASIN PUMP SYSTEM	47,774	47,774
48	CUSTOMER SERVICE	DATA COLLECTOR	-	6,000
49	WATER DISTRIBUTION	PICKUP, 1-1/2 TON	45,800	45,800
		SERVICE TRUCK, 1/2 TON 4x4	-	48,350
		PICKUP, 3/4 TON 2x4	-	18,000
51	WATER DISTRIBUTION IMPRV	RADIO READ METERS	-	309,000
52	WATER PRODUCTION IMPRV	WATER SYSTEM OPTIMIZATION	26,854	73,028
		WATER SYSTEM SECURITY	69,000	170,000
53	WW TREATMENT PLANT	ROLL UP DOOR	-	7,900
54	WSWTR COLLECTION	HYDRO/VACUUM CLEANING UNIT	-	190,000
		HYDRO/VACUUM CLEANING UNIT	-	200,000
		SKID MOUNT FOAMING UNIT	-	33,050
57	WSWTR TREATMENT IMPRV	WW OPTIMIZATION	62,028	62,028
65	CITY COURT	PATROL SEDAN	-	23,500
66	NON-DEPARTMENTAL	PRINT MODULE FOR XEROX COPIER	-	10,000
84	TOURISM	COPIER	-	10,233
		RE-ROOF AND/OR PLUMBING	-	20,000
98	STORMWATER	PICKUP, 4x4 EXTENDED CAB	-	30,000
		TOTAL	\$ 1,835,356	\$ 7,621,712

Schedule 9: Capital Improvement Program

CITY OF FLAGSTAFF
SUMMARY OF CAPITAL IMPROVEMENT PROGRAM
FISCAL YEAR 2005-2006

DIV #	DIVISION	PROJECT	CARRYFWD 2004-2005	BUDGET 2005-2006
22	POLICE	TENANT IMPROVEMENTS	\$ -	\$ 37,243
24	CAPITAL PROJECTS FUND	USGS BOND 2004	500,000	829,956
		FIRE STATIONS BOND 2004	973,851	4,946,489
		MULTI-GENERATIONAL CENTER	10,360	877,981
		AQUATIC CENTER	51,800	1,257,066
		FUTS/OPEN SPACE ACQUISITION	-	1,481,028
33	STREET CONSTRUCTION	RESERVE FOR IMPROVEMENTS	-	50,000
		CUMMINGS STREET	-	235,000
		EAST ROUTE 66 - CC TO WALNUT	-	75,000
		ANNUAL SIDEWALK REPLACEMENT PGM	-	15,000
		ANNUAL STREET MAINTENANCE PGM	536,394	2,134,630
		ADA SIDEWALK COMPLIANCE	48,694	176,649
		SUNNYSIDE PH III-B	-	1,449,667
		SUNNYSIDE PH IV	-	429,507
		ROUTE 66 BUS PULLOUTS	226,876	322,700
		RAILHEAD 4TH LEG AT 89N	-	348,430
34	DRAINAGE	RIO DE FLAG FLOOD CONTROL	6,184,438	7,107,239
		RIO PARKING REPLACEMENT	1,200,000	1,200,000
35	4TH STREET OVERPASS	FOURTH ST RAIL CROSSING	1,192,352	10,121,685
37	AIRPORT CAPITAL PROJ	DESIGN RUNWAY EXTENSION	4,309,695	6,174,581
		PAVEMENT MAINTENANCE PROGRAM - ADOT	-	140,000
		LAND ACQUISITION	1,140,000	2,280,000
		ARFF BUILDING	7,332	169,589
		WEST HANGAR	-	288,868
41	ENVIRONMENTAL SERVICES	LANDFILL INFRASTRUCTURE PROJECT	400,000	500,000
		RESIDENTIAL DROP OFF CENTER	-	130,664
		COLLECTIONS BUILDING - FIRE DAMAGE	100,000	100,000
		COLLECTIONS BUILDING REMODEL	-	200,000
47	LAKE MARY WATER PLANT	INNER BASIN PIPELINE	200,000	301,001
		RENOVATION OF X-CHLORINE STORAGE AREA	-	200,000
		SLOPED ROOF OVER CHLORINE STORAGE AREA	-	20,000
		LAND ACQUISITION FUND	-	20,000
51	BETTRMTS & IMP WATER	TALKINGTON/LYNN/ELIZABETH WL	259,275	700,144
		SUNNYSIDE	354,269	1,285,689
		RESERVE FOR IMPROVEMENTS	-	121,796
		CC COLL/NAU WL	-	349,905
		LM ROAD UTILITY RELOCATES	-	319,063
		MALL WATERLINE	-	766,000
		SUNNYSIDE PHASE IIIB	15,209	49,394
52	BET & IMP WTR DIST	WATER WELLS	2,000,000	2,273,031
		FUTURE WATER ACQUISITION	-	15,000,000
		RAILROAD SPRINGS RESERVOIR	500,000	507,454
		ARSENIC REMOVAL	-	448,501
		EAST RESERVOIR DEMO	-	85,000
		WELL HOUSE AND POWER FOR LM WELL #7	-	200,000
		TOWN WELL #5	345,448	400,000
57	WSTWTR TREATMENT IMP	WC UPGRADE/RECLAIM EXTENSIONS	9,289,011	12,701,482
		WC CRACKSEAL/CHIPSEAL	-	32,174
		SEPTAGE TREAT PKG PLT	-	316,650
		REBUILD PRIMARY CLARIFIER MECHS	-	374,427
		PRIMARY CLARIFIER COATING	-	173,891
		RIO PLANT SKIMMER REPLACEMENT	100,000	100,000
		WC DIGESTER PIPE REPLACEMENT	-	725,883
		WC PRIMARY TANK PIPE HNGR	60,000	60,000

Schedule 9: Capital Improvement Program

DIV #	DIVISION	PROJECT	CARRYFWD 2004-2005	BUDGET 2005-2006
58	WSTWTR COLLECTION IMP	RESERVE FOR IMPROVEMENTS	\$ -	\$ 89,120
		RECLAIM HYDRANTS	131,087	131,967
		XERISCAPE PROJECT	50,000	50,000
		MALL SEWER INFRASTRUCTURE	766,000	766,000
		SCA RECLAIM SEWER	20,151	100,000
66	NON-DEPARTMENTAL	REDEVELOPMENT LAND ACQUISITION	2,095,053	2,095,053
67	REAL ESTATE	LAND ACQUISITION	675,000	1,175,900
		REDEVELOPMENT LAND ACQUISITION	-	1,126,000
		FIRE DEPARTMENT PROPERTY ACQUISITION	-	200,000
74	STREETSCAPE	US 89 STREETSCAPE - RAILHEAD TO SNOWFLAKE	1,007,775	1,048,498
		EAST FLAG TI CORRIDOR ENHANCEMENTS	-	1,175,000
		ROUTE 66 COUNTRY CLUB TO MALL	-	79,072
		SPECIAL PROJECTS (NEIGHBORHOODS)	-	198,650
		CITY GATEWAYS	-	40,000
		SIGN PROGRAM	-	30,000
		REDEVELOPMENT OPPORTUNITIES	-	50,000
75	FLAGSTAFF URBAN TRAIL	FT VALLEY TRAIL - SECHRIST TO FREMONT	761,328	893,360
		MCMILLAN MESA BRIDGE	177,984	540,737
		RIO NORTH TRAIL - CRESCENT TO OBSERVATORY MESA	109,665	282,315
		RIO NORTH - BLUE WILLOW TO HWY 180	-	141,454
		SANTA FE - WEST VILLAGE TO WALNUT BNSF	210,000	210,000
		SANTA FE WEST - WALNUT TO RIO N -ADOT	-	214,135
		RT 66 TRAIL - RIO NORTH TRAIL TO SAN FRANCISCO	45,000	76,152
		SPECIAL PROJECTS	15,000	485,488
85	VISITOR SERVICES	VISITOR CENTER REPAIRS/REMODEL	-	222,748
91	RECREATION-BBB TAX	THORPE PARK FIELD IMPROVEMENTS	1,315,324	2,699,087
		SIXTH AVENUE BMX PARK	232,136	716,465
92	TRANSPORTATION CIP	EMPIRE AVE EXTENSION	-	278,835
		LONE TREE RD STUDY	-	22,526
		COUNTRY CLUB DRIVE	21,064	36,500
		HUNTINGTON DRIVE IMPROVEMENTS PH II	428,884	848,888
		EAST FLAGSTAFF GATEWAY	7,560,587	7,599,464
		BEULAH BLVD R/W	450,000	583,000
		DOWNTOWN PAVER MAINTENANCE	-	75,000
		ST LIGHT LUMINAIRE REPLACEMENT	-	100,000
		RAIL CROSSING MODIFICATIONS	-	128,175
		RESERVE FOR IMPROVEMENTS	-	25,000
		LAKE MARY RD/FH-3	-	60,707
		BUTLER AVE/FOURTH ST SIGNAL	-	200,637
		I-40/FOURTH STREET TI STUDY	-	58,375
		BUTLER AVE BIKE LANES	-	395,321
		COMMERCE AVE PAVING	-	469,794
		PRESTON RD PAVING	-	171,727
		INDUSTRIAL DRIVE/FANNING WASH IMPROV	-	406,815
		BUTLER AVE WIDENING	-	401,263
		MISC BIKE PED	130,037	406,839
		MISC SAFE TO SCHOOL	-	219,894
		TRANSPORTATION PLANNING AND PROGRAMMING	-	161,671
99	STORMWATER CAPITAL PROJECTS	ISABEL AFFORDABLE HOUSING DRAINAGE	-	157,546
		DRAINAGE SPOT IMPROVEMENT PROGRAM	-	267,456
		SIXTH AVE DETENTION BASIN	5,843	378,974
		WALNUT MEADOWS	150,000	150,000
TOTAL			\$ 46,362,922	\$ 109,052,065

Schedule 10: Bonded Debt Service

CITY OF FLAGSTAFF
BONDED DEBT SERVICE REQUIREMENTS
FISCAL YEAR 2005-2006

	ORIGINAL ISSUE	OUTSTANDING 07/01/2005	PRINCIPAL	INTEREST	FISCAL CHARGES	TOTAL REQUIREMENTS
GENERAL FUND [70]						
Existing Debt:						
G.O. Series '97	\$ 9,500,000	465,000	465,000	22,320	320	487,640
2001 Parks & Recreation	3,100,000	3,100,000	-	141,001	-	141,001
G.O. Series 2003	720,000	720,000	-	22,238	195	22,433
	13,320,000	4,285,000	465,000	185,559	515	651,074
WATER AND WASTERWATER FUND [59,60]						
Existing Debt:						
G.O. Series '91B	924,240	204,064	-	34,321	650	34,971
State Revolving Loan	6,000,000	2,567,902	331,072	87,360	7,704	426,136
G.O. Bonds '97	8,000,000	1,680,000	-	75,600	300	75,900
G.O. Series 2001	13,820,000	8,280,000	2,070,000	385,538	1,590	2,457,128
WIFA 2002	6,775,760	6,034,792	264,716	214,084	-	478,800
G.O. Series 2003	8,230,000	7,195,000	120,000	231,850	500	352,350
PROPOSED DEBT 2006	46,600,000	-	-	862,500	-	862,500
	90,350,000	25,961,758	2,785,788	1,028,753	10,744	4,687,785
CAPITAL PROJECTS BOND FUND [24]						
Proposed Debt						
2004 Bond Projects	31,000,000	-	2,667,321	133,366	-	2,800,687
	31,000,000	-	2,667,321	133,366	-	2,800,687
AIRPORT FUND [39]						
Existing Debt:						
G.O. Series 2001	3,450,000	1,225,000	305,000	57,056	83	362,139
	3,450,000	1,225,000	305,000	57,056	83	362,139
STREETS FUND [36]						
Existing Debt:						
Jr. Lien Rev Bonds, Series '92	5,580,000	7,478,905	-	341,673	1,500	343,173
Series 2003 Revenue Bonds	9,375,000	5,975,000	1,890,000	184,612	-	2,074,612
	14,955,000	13,453,905	1,890,000	526,285	1,500	2,417,785
4TH STREET [87]						
2003 MFC Revenue Bonds	25,000,000	22,990,000	1,000,000	987,100	4,500	1,991,600
	25,000,000	22,990,000	1,000,000	987,100	4,500	1,991,600
SPECIAL ASSESSMENT DISTRICTS [96]						
Existing Debt:						
Bow and Arrow (002)	615,000	355,000	75,000	18,497	648	94,145
	615,000	355,000	75,000	18,497	648	94,145
OTHER DEBT [20]						
Existing Debt:						
USGS	4,700,000	3,905,000	285,000	175,599	3,240	463,839
	4,700,000	3,905,000	285,000	175,599	3,240	463,839
Total Debt Service Requirements	\$ 183,390,000	72,175,663	9,473,109	3,112,215	21,230	13,469,054

Schedule 11: Leases and Loans

CITY OF FLAGSTAFF
CAPITAL LEASES AND LOANS EXCLUDING BONDED DEBT SERVICE
FISCAL YEAR 2005-2006

DEPT	ITEM DESCRIPTION	2005-2006	2006-2007	2007-2008	2008-2009	2010-2025	TOTAL
<u>EXISTING:</u>							
39	Airport Hangar Loan-ADOT (\$600,000) (Last Payment Due: 11/1/16)	\$ 54,949	54,949	54,949	54,949	412,119	631,915
39	Hangar Construction (\$2,782,598) (Last Payment Due: 9/6/24)	231,736	231,736	231,736	231,736	3,591,908	4,518,852
80	APSES Engery Impr. (\$3,800,000) (Last Payment Due: 1/1/15)	470,993	470,993	470,993	470,993	2,590,461	4,474,433
Total Existing Capital Leases/Loans		<u>757,678</u>	<u>757,678</u>	<u>757,678</u>	<u>757,678</u>	<u>6,594,488</u>	<u>9,625,200</u>
<u>PROPOSED:</u>							
None							
Total Capital Leases/Loans Budgeted		<u>\$ 757,678</u>	<u>757,678</u>	<u>757,678</u>	<u>757,678</u>	<u>6,594,488</u>	<u>9,625,200</u>

Schedule 12: Summary of Fiscal Activity

CITY OF FLAGSTAFF
SUMMARY OF ALL FISCAL ACTIVITY
FISCAL YEARS 2005 AND 2006
(WITH ACTUALS FOR FISCAL YEAR 2004)

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006
Sources of Funds				
Total Beginning Fund Balance	\$ 74,734,991	87,324,572	90,727,087	81,178,391
Revenues	121,507,871	155,725,963	108,231,208	204,666,146
Total Funds Available	196,242,862	243,050,535	198,958,295	285,844,537
Use of Funds				
Departments				
General Administration	5,459,970	5,981,953	5,546,211	6,888,562
Management Services	5,643,702	7,038,140	6,475,929	7,677,061
Community Development	19,217,080	40,473,346	19,535,184	38,337,639
Fire	6,909,023	7,881,104	7,256,220	8,655,551
Police	11,490,003	12,455,839	12,255,003	14,297,667
Public Works	24,369,779	54,104,007	32,205,327	51,310,219
Utilities	15,990,147	36,201,075	17,624,069	50,407,865
Non-Departmental	5,511,739	7,514,212	3,857,574	9,713,367
Contingency	(13,438)	8,045,000	125,070	2,835,000
Total Departments	94,578,005	179,694,676	104,880,587	190,122,931
Debt Service				
G.O. Bonds	2,019,306	1,767,046	1,767,046	3,451,761
Facility Improvements	-	-	-	470,993
4th Street	2,236,220	2,041,600	2,041,600	1,991,600
Street & Highway Revenue Bonds	2,018,421	2,397,546	2,398,193	2,417,785
Airport	353,930	598,938	470,680	648,824
Special Assessment Districts	302,712	298,998	298,998	94,145
USGS	-	464,839	464,839	463,839
Utilities	3,868,682	3,878,328	3,878,328	4,687,785
Total Debt Service	10,799,271	11,447,295	11,319,684	14,226,732
Other Activities				
Capital Projects Bond Fund	-	3,797,539	972,439	10,692,520
Parks Bond Projects	138,499	581,586	607,194	-
Total Other Activities	138,499	4,379,125	1,579,633	10,692,520
Total Appropriations	105,515,775	195,521,096	117,779,904	215,042,183
Excess (Deficiency) of Revenues over Appropriations	15,992,096	(39,795,133)	(9,548,696)	(10,376,037)
Ending Fund Balances				
General Fund	21,872,438	5,551,318	22,526,372	8,235,242
Special Revenue Funds:				
Library	825,016	125,809	853,588	458,564
HURF	4,875,385	1,647,296	7,431,091	3,106,687
Transportation	21,996,770	3,805,354	9,276,586	2,387,142
Beautification	2,241,032	56,418	2,592,954	430,058
Economic Development	228,631	172,878	292,117	256,737
Tourism	338,557	162,632	571,486	220,890
Arts & Science	202,265	107,270	238,961	196,285
Recreation	3,297,372	131,014	2,793,262	72,030
Real Estate Proceeds	906,587	256,444	2,458,157	153,607
Housing and Community Svc	1,423,180	41,004	2,235,600	118,023
Metro Planning Org	-	-	-	-
Debt Service Funds:				
G.O. Bond Fund	12,224	12,123	12,524	12,824
Sec. Property Tax	1,101,996	1,708,062	1,963,400	1,130,640
Special Assessment	531,980	370,426	469,960	423,413
Capital Projects Funds:				
Capital Projects Bond Fund	-	-	(972,439)	19,840,518
Permenant Funds				
Perpetual Care	27,674	38,489	43,912	60,475
Enterprise Funds:				
Utilities				
Operating	24,994,005	14,465,443	21,139,606	28,979,456
Bonds	-	15,075,306	-	-
Airport				
Operating	(179,711)	3,860	292,221	6,838
Airpark Proceeds	396,984	288,984	766,989	410,489
Environmental Services	5,252,769	3,276,061	5,685,103	3,879,090
Stormwater Utility	162,719	17,363	290,248	216,753
Fiduciary Funds				
Firemen's Pension	219,214	215,885	216,693	206,593
Total Ending Fund Balance	\$ 90,727,087	47,529,439	81,178,391	70,802,354

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
GENERAL FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Estimate		Budget		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
		Budget 2004-2005	2004-2005	2005-2006	2005-2006					
Sources of Funds										
Beginning Fund Balance	\$ 19,972,589	20,074,118	21,872,438		22,526,372	8,235,242	7,747,115	7,619,335	8,390,765	9,486,470
Revenues										
Taxes										
Sales Tax	12,428,061	12,821,504	12,800,664	13,072,172		13,400,684	13,737,461	14,082,710	14,436,644	14,799,483
Property Tax	3,424,657	3,470,630	3,531,271	4,069,597		4,212,033	4,359,454	4,512,035	4,669,956	4,833,405
Franchise Fees	1,957,830	2,000,000	1,800,000	1,850,000		1,896,250	1,943,656	1,992,247	2,042,053	2,093,104
Intergovernmental Revenues										
State Shared Income Tax	4,777,145	4,868,513	4,868,513	5,535,781		6,161,324	6,660,391	7,106,637	7,589,888	7,817,585
State Shared Sales Tax	4,449,982	4,567,421	4,828,231	5,181,305		5,440,370	5,712,389	5,883,761	6,060,274	6,248,142
Auto Lieu Tax	2,427,367	2,014,949	2,500,000	2,550,000		2,601,000	2,653,020	2,706,080	2,760,202	2,815,406
Federal Grants	594,083	625,870	884,380	1,298,218		436,065	447,085	458,385	469,971	481,849
State Grants	408,871	296,453	292,614	443,609		258,321	265,774	273,466	279,787	287,854
County IGA	468,069	-	543,929	570,575		584,840	599,461	614,447	629,808	645,553
City	33,888	-	-	-		-	-	-	-	-
License & Permits										
Business Licenses	29,296	37,265	37,265	39,128		41,084	43,138	45,295	47,560	49,938
Building Permits	1,751,481	1,717,693	1,717,693	1,854,886		1,929,081	2,006,244	2,086,494	2,169,954	2,256,752
Other Licenses and Permits	330,256	231,250	231,650	241,225		251,699	262,696	274,243	286,368	299,099
Charges for Services										
General Government	278,749	211,980	206,930	217,276		228,140	239,548	251,524	264,101	277,305
Parks and Recreation	578,986	554,330	568,081	505,651		615,218	640,457	666,845	694,428	723,271
Public Safety	451,802	898,337	435,202	667,187		720,171	813,272	816,496	819,847	783,331
Cemetery	143,250	122,693	122,693	128,828		135,269	142,033	149,135	156,592	164,422
Fines & Forfeitures										
Court Fines	845,131	852,030	852,030	865,423		879,193	893,357	907,931	922,932	938,380
Other Fines	139,362	119,703	120,957	127,696		130,508	133,395	136,360	139,405	142,532
Other Revenue										
Interest Earnings	469,798	499,315	499,314	500,000		511,798	524,593	537,707	551,150	564,929
Miscellaneous	1,307,455	1,189,560	980,643	1,060,878		1,033,485	904,862	858,682	943,256	964,889
Total Revenues	37,295,519	37,099,496	37,822,060	40,779,435		41,466,532	42,982,285	44,360,480	45,934,176	47,187,230
Transfers In										
Library	-	250,000	-	328,391		78,391	78,391	78,391	78,391	78,391
HURF	-	70,000	70,000	85,401		87,151	88,945	90,783	92,668	94,600
Beautification	167,201	167,201	167,201	170,201		167,201	167,201	167,201	167,201	167,201
Tourism	6,238	6,238	6,238	6,847		6,847	6,847	6,847	6,847	6,847
Visitor Center		-	-	2,590		2,590	2,590	2,590	2,590	2,590
Recreation-BBB	565,672	738,229	738,229	812,891		874,828	915,473	967,057	1,007,477	1,036,708
Real Estate Proceeds	150,000	-	-	-		-	-	-	-	-
Utilities fund	2,018,421	2,398,096	2,398,096	2,575,579		2,568,566	1,970,366	1,962,991	1,958,565	1,968,885
Airport		-	-	33,567		33,567	33,567	33,567	33,567	33,567
Solid Waste	429,678	4,678	4,678	19,488		19,488	19,488	19,488	19,488	19,488
Capital Projects Fund		-	-	-		-	-	-	-	-
Total Transfers In	3,337,210	3,634,442	3,384,442	4,034,955		3,838,629	3,282,868	3,328,915	3,366,794	3,408,277
Total Revenues & Transfers In	40,632,729	40,733,938	41,206,502	44,814,390		45,305,161	46,265,153	47,689,396	49,300,970	50,595,506
Total Sources of Funds	60,605,318	60,808,056	63,078,940	67,340,762		53,540,403	54,012,268	55,308,731	57,691,735	60,081,977

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
GENERAL FUND
FIVE YEAR PLAN 2006-2011

Uses of Funds Departments	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
General Administration	3,827,140	4,398,114	4,212,209	5,177,440	5,044,327	5,264,398	5,319,693	5,549,308	5,610,139
Management Services	3,064,404	3,345,425	3,328,597	3,503,470	3,598,296	3,695,692	3,795,728	3,898,474	4,004,006
Community Development	3,388,507	3,934,325	3,590,960	4,010,404	3,938,927	4,045,715	4,155,403	4,268,067	4,383,790
Fire	6,675,060	7,320,054	7,195,693	7,841,381	8,054,671	8,294,306	8,541,081	8,795,212	9,056,916
Police	11,286,755	12,170,096	11,836,440	13,761,970	13,446,110	13,810,483	14,184,741	14,569,153	14,963,995
Public Works	4,662,467	5,615,795	5,429,553	6,069,884	5,819,835	5,978,911	6,148,256	6,317,969	6,493,428
Non-Departmental	2,521,828	3,186,338	2,568,176	3,538,214	2,591,559	2,656,326	2,722,729	2,765,809	2,809,982
Contingency	(70,056)	650,000	25,070	530,000	250,000	250,000	250,000	250,000	250,000
Less Indirect Charges	(4,728,944)	(4,734,948)	(4,762,082)	(5,229,233)	(5,229,233)	(5,229,233)	(5,229,233)	(5,229,233)	(5,229,233)
Total Department Expenditures	30,627,161	35,885,199	33,424,616	39,203,530	37,514,492	38,766,598	39,888,398	41,184,759	42,343,023
Debt Service									
Leases	-	-	-	470,993	470,993	470,993	470,993	470,993	470,993
Bonds	462,199	464,839	464,389	463,839	459,199	462,399	459,534	460,614	460,371
Total Debt Service	462,199	464,839	464,389	934,832	930,192	933,392	930,527	931,607	931,364
Total Operating Budget	31,089,360	36,350,038	33,889,005	40,138,362	38,444,684	39,699,990	40,818,925	42,116,366	43,274,387
Revised service Levels									
Police officers @ 2 every other year	-	-	-	-	150,000	154,125	316,727	325,437	501,580
Firefighters - 6	-	-	-	-	30,000	61,650	158,363	227,806	334,721
Additional operating costs	-	-	-	-	-	-	-	-	-
APSES incremental annual savings	-	-	-	-	-	-	-	-	-
New Positions/Change to Comp Pkg	-	-	-	-	-	-	-	-	-
Total Revised Service Levels	-	-	-	-	180,000	215,775	475,090	553,243	836,300
Capital/CIP									
Fleet	505,292	660,500	189,000	1,095,325	334,446	384,329	421,917	331,466	949,363
MIS	288,302	1,023,176	823,176	1,079,000	799,000	838,174	880,000	924,734	784,734
Cip	2,393,809	267,243	200,000	37,243	135,000	135,000	135,000	135,000	135,000
Capital	750,750	391,570	427,264	587,574	280,000	320,000	320,000	320,000	280,000
Total Capital/CIP	3,918,153	2,342,489	1,639,440	2,799,142	1,548,446	1,677,503	1,756,917	1,711,200	2,149,097
Transfers Out									
Library	1,155,256	1,174,937	1,174,937	1,204,310	1,234,418	1,265,279	1,296,911	1,329,333	1,362,567
MPO	-	15,000	15,000	25,000	-	-	-	-	-
Hurf	2,018,421	3,898,096	2,398,096	4,187,785	2,410,723	1,811,423	1,804,723	1,804,723	1,811,091
Beautification	-	-	-	85,650	-	-	-	-	-
Economic Development	65,000	65,000	65,000	50,000	-	-	-	-	-
Arts and Science	35,000	35,000	35,000	35,000	10,000	10,000	10,000	10,000	10,000
Real Estate Proceeds	-	-	-	150,000	-	-	-	-	-
Housing and Community Svcs	375,400	375,400	375,400	375,400	375,400	375,400	375,400	375,400	375,400
Airport	420,129	530,000	471,000	339,500	296,000	254,000	380,000	305,000	417,000
Stormwater	60,000	8,375,725	437,747	7,820,318	1,493,617	1,083,563	-	-	-
Total Transfers Out	4,129,206	14,469,158	4,972,180	14,272,963	5,820,158	4,799,665	3,867,034	3,824,456	3,976,058
Excess revenues over expenditures	1,496,010	(12,427,747)	705,877	(12,396,077)	(688,127)	(127,780)	771,430	1,095,705	359,664

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
GENERAL FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
One Time Projects									
Land Acquisition/Facility Needs	505,000	2,095,053	51,943	2,095,053	-	-	-	-	-
LERDS and Construction	(900,000)	-	-	(200,000)	(200,000)	-	-	-	-
Other Financing Source- Bond Refund	(8,839)	-	-	-	-	-	-	-	-
Total One Time Projects	(403,839)	2,095,053	51,943	1,895,053	(200,000)	-	-	-	-
Total Uses of Funds	38,732,880	55,256,738	40,552,568	59,105,520	45,793,288	46,392,933	46,917,966	48,205,265	50,235,842
Ending Fund Balance	\$ 21,872,438	5,551,318	22,526,372	8,235,242	7,747,115	7,619,335	8,390,765	9,486,470	9,846,135

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
LIBRARY FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget		Estimate 2004-2005	Budget		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
		2004-2005			2004-2005	2005-2006					
Sources of Funds											
Beginning Fund Balance	\$ 547,292	571,968		825,016		853,588	458,564	409,939	429,134	482,753	559,504
Revenues											
State Grants	32,418	82,300		46,258		25,000	100,000	100,000	100,000	100,000	100,000
Library District Taxes	1,921,433	2,629,762		2,249,639		2,993,396	2,626,042	2,677,988	2,729,982	2,782,027	2,834,122
Interest Earnings	20,429	21,000		21,000		21,000	21,000	21,000	21,000	21,000	21,000
Miscellaneous	73,471	29,000		29,000		354,000	29,000	29,000	29,000	29,000	29,000
Total Revenues	2,047,751	2,762,062		2,345,897		3,393,396	2,776,042	2,827,988	2,879,982	2,932,027	2,984,122
Transfers In											
General Fund	1,155,256	1,174,937		1,174,937		1,204,310	1,234,418	1,265,279	1,296,911	1,329,333	1,362,567
Total Transfers In	1,155,256	1,174,937		1,174,937		1,204,310	1,234,418	1,265,279	1,296,911	1,329,333	1,362,567
Total Sources of Funds	3,750,299	4,508,967		4,345,850		5,451,294	4,469,024	4,503,205	4,606,027	4,744,114	4,906,193
Uses of Funds											
Departments											
Library	2,273,572	2,515,859		2,434,241		2,661,859	2,659,236	2,662,262	2,699,207	2,747,979	2,797,726
Library Grants	32,419	37,300		46,258		25,000	100,000	100,000	100,000	100,000	100,000
Indirect Costs	345,985	358,443		358,443		390,748	400,517	410,530	420,793	431,313	442,096
Subtotal Departments	2,651,976	2,911,602		2,838,942		3,077,607	3,159,753	3,172,792	3,220,000	3,279,292	3,339,822
County Wide Projects & Growth	233,212	773,162		393,039		1,161,732	795,942	797,888	799,882	801,927	804,022
Subtotal County Wide Proj & Growth	233,212	773,162		393,039		1,161,732	795,942	797,888	799,882	801,927	804,022
Total Operating Expenditures	2,885,188	3,684,764		3,231,981		4,239,339	3,955,695	3,970,679	4,019,883	4,081,219	4,143,844
Contingency	-	100,000		-		100,000	-	-	-	-	-
Library Capital	40,095	348,394		260,281		325,000	25,000	25,000	25,000	25,000	25,000
County Capital	-	-		-		-	-	-	-	-	-
Total Capital	40,095	348,394		260,281		325,000	25,000	25,000	25,000	25,000	25,000
Transfer Out											
General Fund	-	250,000		-		328,391	78,391	78,391	78,391	78,391	78,391
Total Uses of Funds	2,925,283	4,383,158		3,492,262		4,992,730	4,059,086	4,074,070	4,123,274	4,184,610	4,247,235
Ending Fund Balance	\$ 825,016	125,809		853,588		458,564	409,939	429,134	482,753	559,504	658,958

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
HIGHWAY USER FUND
FIVE YEAR PLAN 2006-2011

Sources of Funds	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006					
					2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Beginning Fund Balance	\$ 6,263,289	4,786,394	4,875,385	7,431,091	\$ 3,106,687	\$ 4,167,332	\$ 4,028,496	\$ 4,340,461	\$ 4,825,120
Revenues									
Intergovernmental Revenues	-	2,938,096	2,285,596	1,876,326	250,000	-	-	-	-
Highway User Revenues	6,975,351	6,995,000	7,200,000	7,436,000	7,659,080	7,888,852	8,125,518	8,369,284	8,620,362
LTAF	313,868	300,246	300,246	300,246	300,246	300,246	300,246	300,246	300,246
Interest Revenues	95,485	33,000	120,000	41,000	78,000	104,000	104,000	101,000	109,000
Miscellaneous Revenues	55,327	1,761,261	57,994	2,911,261	1,141,261	41,261	41,261	41,261	41,261
Total Revenues	7,440,031	12,027,603	9,963,836	12,564,833	9,428,587	8,334,352	8,571,024	8,811,782	9,070,869
Transfers In									
General Fund	2,018,421	3,898,096	2,398,096	4,187,785	2,687,473	2,088,173	2,081,473	2,081,473	2,076,885
Stormwater	47,000	47,000	47,000	135,000	135,000	135,000	135,000	135,000	135,000
Fourth Street	-	-	-	200,000	-	-	-	-	-
Transportation Tax	2,615,948	8,756,689	5,320,607	5,575,051	1,445,300	3,518,000	2,690,000	5,225,000	1,550,000
Total Transfers in	4,681,369	12,701,785	7,765,703	10,097,836	4,267,773	5,741,173	4,906,473	7,441,473	3,761,885
Total Sources of Funds	18,384,689	29,515,781	22,604,924	30,093,760	16,803,047	18,242,857	17,505,993	20,593,715	17,657,874
Uses of Funds									
Departments									
Operating Expenditures	2,401,821	3,032,739	2,920,874	3,159,925	3,198,384	3,280,372	3,364,982	3,441,419	3,519,882
Indirect Cost	1,524,612	1,502,607	1,502,607	1,770,948	1,502,607	1,540,172	1,578,676	1,618,143	1,658,597
Capital Expenditures	6,587,818	20,717,044	8,107,159	18,403,014	4,438,600	6,947,000	5,781,750	8,768,919	4,211,517
Reserves/Contingencies	1,632	100,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000
Total Expenditures	10,515,883	25,352,390	12,630,640	23,433,887	9,189,591	11,817,544	10,775,408	13,878,481	9,439,996
Debt Service									
Debt Service	2,018,421	2,398,096	2,398,193	2,417,785	2,410,723	1,811,423	1,804,723	1,804,723	1,800,135
Total Debt Service	2,018,421	2,398,096	2,398,193	2,417,785	2,410,723	1,811,423	1,804,723	1,804,723	1,800,135
Transfers Out									
Capital Projects	-	-	-	-	-	-	-	-	-
Storm Water	900,000	75,000	-	-	-	-	-	-	-
Storm Water	-	-	75,000	850,000	500,000	500,000	500,000	-	-
Beautification	-	-	-	-	250,000	-	-	-	-
General Fund	75,000	70,000	70,000	285,401	285,401	85,401	85,401	85,401	85,401
Total Transfers Out	975,000	145,000	145,000	1,135,401	1,035,401	585,401	585,401	85,401	85,401
Total Uses of Funds	13,509,304	27,895,486	15,173,833	26,987,073	12,635,715	14,214,368	13,165,532	15,768,604	11,325,532
Ending Fund Balance	\$ 4,875,385	1,620,295	7,431,091	3,106,687	\$ 4,167,332	\$ 4,028,489	\$ 4,340,461	\$ 4,825,111	\$ 6,332,342

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
TRANSPORTATION FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 6,646,693	23,006,476	21,996,770	9,276,586	2,387,142	4,079,623	5,072,260	7,125,169	6,563,547
Revenues									
Sales Tax	7,228,565	7,227,146	7,426,666	8,123,048	8,608,602	9,460,267	9,726,153	9,969,307	10,218,539
Bond Proceeds	26,052,255	-	-	-	-	-	-	-	-
Interest Revenues	262,695	575,000	244,000	231,000	60,000	102,000	127,000	178,000	164,000
Miscellaneous Revenues	-	2,200,000	-	6,000,000	-	-	-	-	-
Total Revenues	33,543,515	10,002,146	7,670,666	14,354,048	8,668,602	9,562,267	9,853,153	10,147,307	10,382,539
Transfers In:									
Beautification	-	250,000	-	-	-	-	-	-	-
Total Transfers In	-	250,000	-	-	-	-	-	-	-
Total Sources of Funds	40,190,208	33,258,622	29,667,436	23,630,634	11,055,743	13,641,891	14,925,413	17,272,476	16,946,087
Uses of Funds									
Departments									
Operating									
Transit	1,676,965	2,267,779	2,267,779	2,630,156	2,266,220	2,354,530	2,413,394	2,473,729	2,535,572
Capital Expenditures									
4th Street Overpass	11,246,249	15,387,200	9,760,864	10,121,685	-	-	-	-	-
Total Expenditures	12,923,214	17,654,979	12,028,643	12,751,841	2,266,220	2,354,530	2,413,394	2,473,729	2,535,574
Transfers Out									
Highway User Revenue Fund	2,615,948	8,756,689	5,320,607	5,775,051	1,645,300	3,718,000	2,890,000	5,425,000	1,750,000
Stormwater	100,000	-	-	175,000	-	-	-	-	-
Beautification Fund	318,056	1,000,000	1,000,000	550,000	1,100,000	550,000	550,000	550,000	550,000
Total Transfers out	3,034,004	9,756,689	6,320,607	6,500,051	2,745,300	4,268,000	3,440,000	5,975,000	2,300,000
Debt Service	2,236,220	2,041,600	2,041,600	1,991,600	1,964,600	1,947,100	1,946,850	2,260,200	2,259,700
Total Uses of Funds	18,193,438	29,453,268	20,390,850	21,243,492	6,976,120	8,569,630	7,800,244	10,708,929	7,095,274
Ending Fund Balance	\$ 21,996,770	3,805,354	9,276,586	2,387,142	4,079,622	5,072,259	7,125,168	6,563,546	9,850,812

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
BEAUTIFICATION FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 1,734,491	2,122,547	2,241,032	2,592,954	430,058	14,700	179,060	294,376	86,679
Revenues									
Intergovernmental Revenue	48,961	1,186,700	16,272	2,423,512	2,000,000	80,000	-	-	-
BBB Tax Revenue	814,469	799,401	842,320	863,378	884,963	907,087	929,764	953,008	976,833
Interest Earnings	38,275	36,900	46,924	48,097	49,300	50,532	51,795	53,090	54,417
Miscellaneous	88,266	3,000	1,079	13,100	-	87,500	-	-	-
Total Revenues	989,971	2,026,001	906,595	3,348,087	2,934,263	1,125,119	981,559	1,006,098	1,031,250
Transfers In									
General Fund	-	-	-	85,650	-	-	-	-	-
Transportation Tax-STS	318,056	1,000,000	1,000,000	550,000	1,100,000	550,000	550,000	550,000	550,000
Recreation-BBB Fund	110,000	110,000	110,000	143,000	110,000	110,000	110,000	110,000	110,000
Total Transfers In	428,056	1,110,000	1,110,000	778,650	1,210,000	660,000	660,000	660,000	660,000
Total Sources of Funds	3,152,518	5,258,548	4,257,627	6,719,691	4,574,321	1,799,819	1,820,619	1,960,474	1,777,929
Uses of Funds									
Departments									
General Operating	77,586	106,154	39,587	79,571	81,560	83,599	85,689	87,831	90,027
CIP	666,699	4,468,775	1,257,885	5,464,861	3,847,860	1,226,859	1,255,000	1,595,000	1,472,000
Reserves/Contingencies	-	10,000	-	10,000	-	-	-	-	-
Total Expenditures	744,285	4,584,929	1,297,472	5,554,432	3,929,420	1,310,458	1,340,689	1,682,831	1,562,027
Transfers Out									
General Fund	167,201	167,201	167,201	170,201	175,201	180,301	185,554	190,965	196,537
Transportation	-	250,000	-	-	-	-	-	-	-
Stormwater	-	200,000	200,000	565,000	455,000	130,000	-	-	-
Total Transfers Out	167,201	617,201	367,201	735,201	630,201	310,301	185,554	190,965	196,537
Total Uses of Funds	911,486	5,202,130	1,664,673	6,289,633	4,559,621	1,620,759	1,526,243	1,873,796	1,758,564
Ending Fund Balance	\$ 2,241,032	56,418	2,592,954	430,058	14,700	179,060	294,376	86,679	19,365

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
ECONOMIC DEVELOPMENT FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget		Estimate		Budget		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
		2004-2005	2004-2005	2004-2005	2005-2006	2005-2006	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Sources of Funds																	
Beginning Fund Balance	\$ 193,260	208,562	228,631	292,117	292,117	292,117	292,117	256,737	261,238	266,931	274,106	283,069	283,069				
BBB Tax Revenue	386,873	379,716	400,102	410,105	410,105	410,105	410,105	420,357	430,866	441,638	452,679	437,287	437,287				
Interest Income/Misc Rev.	4,635	4,000	4,000	3,915	3,915	3,915	3,915	3,544	3,227	2,937	2,684	2,480	2,480				
Total Revenues	391,508	383,716	404,102	414,020	414,020	414,020	414,020	423,901	434,093	444,575	455,363	439,767	439,767				
Transfer In																	
General Fund	65,000	65,000	65,000	50,000	50,000	50,000	50,000	-	-	-	-	-	-				
Total Transfer In	65,000	65,000	65,000	50,000	50,000	50,000	50,000	-	-	-	-	-	-				
Total Sources of Funds	649,768	657,278	697,733	756,137	756,137	756,137	756,137	680,638	695,331	711,506	729,469	722,836	722,836				
Uses of Funds																	
Departments																	
GFEC	321,537	330,000	380,000	398,000	398,000	398,000	398,000	358,000	367,000	376,000	385,000	395,000	395,000				
Telecom	95,200	100,000	21,216	50,000	50,000	50,000	50,000	35,000	35,000	35,000	35,000	35,000	35,000				
Partnership Training Funds	-	22,000	-	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000				
Junior Achievement	-	3,000	-	-	-	-	-	-	-	-	-	-	-				
NACOG	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400				
Reserve/Contingencies	-	25,000	-	25,000	25,000	25,000	25,000	-	-	-	-	-	-				
Total Operating Expenses	421,137	484,400	405,616	499,400	499,400	499,400	499,400	419,400	428,400	437,400	446,400	456,400	456,400				
Total Uses of Funds	421,137	484,400	405,616	499,400	499,400	499,400	499,400	419,400	428,400	437,400	446,400	456,400	456,400				
Ending Fund Balance	\$ 228,631	172,878	292,117	256,737	256,737	256,737	256,737	261,238	266,931	274,106	283,069	266,436	266,436				

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
TOURISM FUND
FIVE YEAR PLAN 2006-2011

		Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds										
Beginning Fund Balance		\$ 613,548	400,598	338,557	571,486	220,890	176,887	135,418	96,550	60,040
Revenues										
BBB Tax Revenues		1,221,703	1,199,102	1,263,481	1,295,068	1,327,444	1,360,630	1,394,646	1,429,512	1,465,250
Interest on Investments		15,995	20,000	20,000	20,500	21,013	21,538	22,076	22,628	23,194
Miscellaneous Revenues		70,392	39,898	39,897	40,895	41,917	42,965	44,039	45,140	46,269
Visitor Center Retail Sales		7,051	20,000	45,000	40,000	42,000	44,100	46,305	48,620	51,051
Total Revenues		1,315,141	1,279,000	1,368,378	1,396,463	1,432,374	1,469,233	1,507,066	1,545,900	1,585,764
Total Sources of Funds		1,928,689	1,679,598	1,706,935	1,967,949	1,653,264	1,646,120	1,642,484	1,642,451	1,645,804
Uses of Funds										
Departments										
Operating Expenditures		1,412,923	1,390,728	1,058,425	1,434,641	1,466,940	1,501,265	1,536,497	1,572,974	1,610,335
Capital Expenditures		170,971	70,000	70,786	252,981	-	-	-	-	-
Reserve/Contingencies		-	50,000	-	50,000	-	-	-	-	-
Total Expenditures		1,583,894	1,510,728	1,129,211	1,737,622	1,466,940	1,501,265	1,536,497	1,572,974	1,610,335
Transfers Out										
General Fund		6,238	6,238	6,238	9,437	9,437	9,437	9,437	9,437	9,437
Total Transfers Out		6,238	6,238	6,238	9,437	9,437	9,437	9,437	9,437	9,437
Total Uses of Funds		1,590,132	1,516,966	1,135,449	1,747,059	1,476,377	1,510,702	1,545,934	1,582,411	1,619,772
Ending Fund Balance		\$ 338,557	162,632	571,486	220,890	176,887	135,418	96,550	60,040	26,032

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
ARTS AND SCIENCE FUND
FIVE YEAR PLAN 2006-2011

Sources of Funds	Actual 2003-2004	Budget		Estimate		Budget		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
		2004-2005	2004-2005	2004-2005	2005-2006	2005-2006	2005-2006	2006-2007	2006-2007	2007-2008	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010	2010-2011	2010-2011
Beginning Fund Balance	\$ 181,463	183,049	202,265	202,265	238,961	238,961		196,285	196,285	187,512	187,512	181,536	181,536	178,702	178,702	184,378	184,378
Revenues																	
BBB Tax Revenues	305,426	299,775	315,870	315,870	323,767	323,767		331,861	331,861	340,158	340,158	348,662	348,662	357,378	357,378	366,312	366,312
Interest Income	3,118	9,152	10,113	10,113	11,948	11,948		9,816	9,816	9,378	9,378	9,079	9,079	8,937	8,937	9,221	9,221
Total Revenues	308,544	308,927	325,983	325,983	335,715	335,715		341,677	341,677	349,536	349,536	357,741	357,741	366,315	366,315	375,533	375,533
Transfers In																	
General Fund	35,000	35,000	35,000	35,000	35,000	35,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Transfers In	35,000	35,000	35,000	35,000	35,000	35,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Sources of Funds	525,007	526,976	563,248	563,248	609,676	609,676		547,963	547,963	547,048	547,048	549,277	549,277	555,017	555,017	569,911	569,911
Uses of Funds																	
Departments																	
General Operating	89	-	-	-	2,448	2,448		2,451	2,451	2,512	2,512	2,575	2,575	2,639	2,639	2,705	2,705
Public Art	2,653	84,706	10,517	10,517	75,943	75,943		33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
FCP Administration	45,000	45,000	33,750	33,750	45,000	45,000		45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Contribution to Other Agencies	275,000	280,000	280,020	280,020	280,000	280,000		280,000	280,000	285,000	285,000	290,000	290,000	290,000	290,000	290,000	290,000
Reserve	-	10,000	-	-	10,000	10,000		-	-	-	-	-	-	-	-	-	-
Total Expenditures	322,742	419,706	324,287	324,287	413,391	413,391		360,451	360,451	365,512	365,512	370,575	370,575	370,639	370,639	370,705	370,705
Total Uses of Funds	322,742	419,706	324,287	324,287	413,391	413,391		360,451	360,451	365,512	365,512	370,575	370,575	370,639	370,639	370,705	370,705
Ending Fund Balance	\$ 202,265	107,270	238,961	238,961	196,285	196,285		187,512	187,512	181,536	181,536	178,702	178,702	184,378	184,378	199,206	199,206

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
BBB-RECREATION FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget		Estimate		Budget		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
		2004-2005	2004-2005	2004-2005	2005-2006	2005-2006	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Sources of Funds																	
Beginning Fund Balance	\$ 2,974,422	3,160,987	3,297,372	3,297,372	2,793,262	2,793,262		72,030	149,489	71,724	71,941			72,195			
Revenues																	
Intergovernmental Revenue	-	889,000	298,681	298,681	550,000	550,000		-	-	-	-	-	-	-	-	-	-
BBB Tax Revenue	1,343,873	1,315,182	1,389,829	1,389,829	1,424,574	1,424,574		1,460,188	1,496,693	1,534,110	1,572,464			1,611,776			
Interest on Investments	-	63,200	65,900	65,900	55,900	55,900		1,400	3,000	1,400	1,400			1,400			
Miscellaneous Revenues	53,032	-	9,372	9,372	-	-		-	-	-	-			-			
Total Revenues	1,396,905	2,247,382	1,763,782	1,763,782	2,030,474	2,030,474		1,461,588	1,499,693	1,535,510	1,573,864			1,613,176			
Transfers In																	
Secondary Prop Tax Fund	255,266	262,924	262,924	262,924	270,811	270,811		278,936	287,303	295,922	304,800			313,944			
Total Transfers In	255,266	262,924	262,924	262,924	270,811	270,811		278,936	287,303	295,922	304,800			313,944			
Total Sources of Funds	4,626,593	5,671,293	5,324,078	5,324,078	5,094,547	5,094,547		1,812,554	1,936,485	1,903,156	1,950,605			1,999,315			
Uses of Funds																	
Departments																	
Operating Expenditures	-	33,000	-	-	-	-		-	-	-	-			-			
Capital Expenditures	138,499	4,048,940	1,072,477	1,072,477	3,415,552	3,415,552		50,000	50,000	225,000	230,000			250,000			
Total Expenditures	138,499	4,081,940	1,072,477	1,072,477	3,415,552	3,415,552		50,000	50,000	225,000	230,000			250,000			
Transfers Out																	
General Fund	565,672	738,229	738,229	738,229	812,891	812,891		874,828	915,473	967,057	1,007,477			1,036,708			
Debt Service	515,050	610,110	610,110	610,110	651,074	651,074		628,237	789,289	529,158	530,933			526,808			
Beautification	110,000	110,000	110,000	110,000	143,000	143,000		110,000	110,000	110,000	110,000			110,000			
Total Transfers Out	1,190,722	1,458,339	1,458,339	1,458,339	1,606,965	1,606,965		1,613,065	1,814,762	1,606,215	1,648,410			1,673,516			
Total Uses of Funds	1,329,221	5,540,279	2,530,816	2,530,816	5,022,517	5,022,517		1,663,065	1,864,762	1,831,215	1,878,410			1,923,516			
Ending Fund Balance	\$ 3,297,372	131,014	2,793,262	2,793,262	72,030	72,030		149,489	71,724	71,941	72,195			75,799			

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
REAL ESTATE PROCEEDS FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 1,020,997	905,994	906,587	2,458,157	153,607	312,957	178,307	41,657	53,007
Revenues									
Real Estate Revenues	13,418	-	1,526,283	-	297,000	-	-	-	-
Interest on Investments	30,942	26,350	26,350	47,350	12,350	15,350	13,350	11,350	11,350
Miscellaneous	880	-	-	-	-	-	-	-	-
Total Revenues	45,240	26,350	1,552,633	47,350	309,350	15,350	13,350	11,350	11,350
Transfers In									
General Fund	-	-	-	150,000	-	-	-	-	-
Total Transfers In	-	-	-	150,000	-	-	-	-	-
Total Sources of Funds	1,066,237	932,344	2,459,220	2,655,507	462,957	328,307	191,657	53,007	64,357
Uses of Funds									
Departments									
Operating Expenditures	9,650	-	1,063	-	-	-	-	-	-
Capital Expenditures	-	675,900	-	2,501,900	150,000	150,000	150,000	-	-
Total Expenditures	9,650	675,900	1,063	2,501,900	150,000	150,000	150,000	-	-
Transfers Out									
General Fund	150,000	-	-	-	-	-	-	-	-
Total Transfers Out	150,000	-	-	-	-	-	-	-	-
Total Uses of Funds	159,650	675,900	1,063	2,501,900	150,000	150,000	150,000	-	-
Ending Fund Balance	\$ 906,587	256,444	2,458,157	153,607	312,957	178,307	41,657	53,007	64,357

CITY OF FLAGSTAFF
HOUSING AND COMMUNITY SERVICES FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget		Estimate		Budget		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
		2004-2005		2004-2005		2005-2006		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
Sources of Funds																			
Beginning Fund Balance	\$ 629,007	1,388,527		1,423,180		2,235,600		2,235,600		118,023		118,023		118,023		118,023		118,023	
Revenues																			
Intergovernmental Revenues	359,503	2,192,837		780,976		2,313,648		2,313,648		1,068,329		1,068,329		1,068,329		1,068,329		1,068,329	
Interest on Investments	15,904	-		35,000		-		-		-		-		-		-		-	
Sale of Real Property	568,323	402,054		402,054		-		-		-		-		-		-		-	
Miscellaneous Revenues	196,608	-		234,238		-		-		-		-		-		-		-	
Total Revenues	1,140,338	2,594,891		1,452,268		2,313,648		2,313,648		1,068,329		1,068,329		1,068,329		1,068,329		1,068,329	
Transfers In																			
General Fund	375,400	375,400		375,400		375,400		375,400		375,400		375,400		375,400		375,400		375,400	
Total Transfers In	375,400	375,400		375,400		375,400		375,400		375,400		375,400		375,400		375,400		375,400	
Total Sources of Funds	2,144,745	4,358,818		3,250,848		4,924,648		4,924,648		1,561,752		1,561,752		1,561,752		1,561,752		1,561,752	
Uses of Funds																			
Departments																			
Operating Expenditures	721,565	4,317,814		1,015,248		4,806,625		4,806,625		1,443,729		1,443,729		1,443,729		1,443,729		1,443,729	
Total Expenditures	721,565	4,317,814		1,015,248		4,806,625		4,806,625		1,443,729		1,443,729		1,443,729		1,443,729		1,443,729	
Total Uses of Funds	721,565	4,317,814		1,015,248		4,806,625		4,806,625		1,443,729		1,443,729		1,443,729		1,443,729		1,443,729	
Ending Fund Balance	\$ 1,423,180	41,004		2,235,600		118,023		118,023		118,023		118,023		118,023		118,023		118,023	

CITY OF FLAGSTAFF
METRO PLANNING ORGANIZATION FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ -	-	-	-	-	-	-	-	-
Revenues									
Intergovernmental Revenue	264,610	711,700	361,619	609,666	225,803	225,803	225,803	225,803	225,803
Miscellaneous Revenues	66,801	-	-	25,000	100,000	100,000	100,000	100,000	100,000
Total Revenues	331,411	711,700	361,619	634,666	325,803	325,803	325,803	325,803	325,803
Transfers In									
General Fund	-	15,000	15,000	25,000	-	-	-	-	-
Total Transfers In	-	15,000	15,000	25,000	-	-	-	-	-
Total Sources of Funds	331,411	726,700	376,619	659,666	325,803	325,803	325,803	325,803	325,803
Uses of Funds									
Departments									
Operating Expenditures	320,788	511,186	333,971	508,002	215,050	215,050	215,050	215,050	215,050
Indirect Grant Cost	10,623	15,514	42,648	51,664	10,753	10,753	10,753	10,753	10,753
Total Expenditures	331,411	526,700	376,619	559,666	225,803	225,803	225,803	225,803	225,803
Contingency	-	200,000	-	100,000	100,000	100,000	100,000	100,000	100,000
Total Uses of Funds	331,411	726,700	376,619	659,666	325,803	325,803	325,803	325,803	325,803
Ending Fund Balance	\$ -	-	-	-	-	-	-	-	-

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
GENERAL OBLIGATION BOND FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 12,081	11,502	12,224	12,524	12,824	1,016,156	2,951,329	5,777,449	8,674,169
Revenues									
Interest Revenue	206	300	300	300	300	25,400	73,800	144,400	216,900
Total Revenues	206	300	300	300	300	25,400	73,800	144,400	216,900
Transfers In									
BBB- Recreation	515,050	610,110	610,110	651,074	628,237	789,289	529,158	530,933	526,808
Secondary Property Tax Fund	1,504,193	1,156,936	1,156,936	2,800,687	1,805,457	2,712,198	3,554,745	3,554,745	3,554,745
Total Transfers In	2,019,243	1,767,046	1,767,046	3,451,761	2,433,694	3,501,487	4,083,903	4,085,678	4,081,553
Total Sources of Funds	2,031,530	1,778,848	1,779,570	3,464,585	2,446,818	4,543,043	7,109,032	10,007,527	12,972,622
Uses of Funds									
Debt Service									
Debt Service	2,019,306	1,767,046	1,767,046	3,451,761	1,430,662	1,591,714	1,331,583	1,333,358	1,329,233
Total Debt Service	2,019,306	1,767,046	1,767,046	3,451,761	1,430,662	1,591,714	1,331,583	1,333,358	1,329,233
Total Uses of Funds	2,019,306	1,767,046	1,767,046	3,451,761	1,430,662	1,591,714	1,331,583	1,333,358	1,329,233
Ending Fund Balance	\$ 12,224	11,802	12,524	12,824	1,016,156	2,951,329	5,777,449	8,674,169	11,643,389

CITY OF FLAGSTAFF
SECONDARY PROPERTY TAX FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 440,405	1,026,530	1,101,996	1,963,400	1,130,640	1,515,033	1,643,606	1,081,008	945,920
Revenues									
Secondary Property Taxes	4,628,522	4,916,725	4,769,223	4,879,862	5,026,258	5,177,046	5,332,357	5,492,328	5,657,098
Interest Revenue	6,374	20,500	90,000	38,800	39,300	22,600	30,300	32,900	21,600
Total Revenues	4,634,896	4,937,225	4,859,223	4,918,662	5,065,558	5,199,646	5,362,657	5,525,228	5,678,698
Total Sources of Funds	5,075,301	5,963,755	5,961,219	6,882,062	6,196,198	6,714,679	7,006,263	6,606,236	6,624,618
Uses of Funds									
Transfers Out									
G. O. Bond Fund	1,504,193	1,156,936	1,156,936	2,800,687	1,805,457	2,712,198	3,554,745	3,554,745	3,554,745
Recreation - BBB	259,784	262,924	262,924	270,811	278,936	287,303	295,922	304,800	313,944
Airport	190,907	204,864	179,863	262,139	186,000	259,000	269,391	-	-
Utilities	2,018,421	2,398,096	2,398,096	2,417,785	2,410,772	1,812,572	1,805,197	1,800,771	1,811,091
Total Transfers Out	3,973,305	4,022,820	3,997,819	5,751,422	4,681,165	5,071,073	5,925,255	5,660,316	5,679,780
Total Uses of Funds	3,973,305	4,022,820	3,997,819	5,751,422	4,681,165	5,071,073	5,925,255	5,660,316	5,679,780
Ending Fund Balance	\$ 1,101,996	1,940,935	1,963,400	1,130,640	1,515,033	1,643,606	1,081,008	945,920	944,838

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
SPECIAL ASSESSMENT BOND FUND
FIVE YEAR PLAN 2006-2011

Sources of Funds		Actual	Budget		2010-1011					
		2003-2004	2004-2005	Estimate	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-1011
Beginning Fund Balance	\$	494,892	434,396	531,980	469,960	423,413	377,414	328,916	278,097	225,139
	Revenues									
	Special Assessments	291,684	212,885	212,885	29,118	29,505	31,835	34,166	36,502	-
	Interest on Investments	45,689	22,543	24,493	18,880	16,342	13,642	10,825	7,891	5,600
	Miscellaneous Revenues	2,427	-	-	-	-	-	-	-	-
Total Revenues		339,800	235,428	237,378	47,998	45,847	45,477	44,991	44,393	5,600
Total Sources of Funds		834,692	669,824	769,358	517,958	469,260	422,891	373,907	322,490	230,739
Uses of Funds										
Departments										
Operating Expense	193		400	400	400	400	400	400	400	-
Debt Service										
Bonds	302,519		298,998	298,998	94,145	91,446	93,575	95,410	96,951	-
Total Uses of Funds		302,712	299,398	299,398	94,545	91,846	93,975	95,810	97,351	-
Ending Fund Balance		\$	531,980	469,960	423,413	377,414	328,916	278,097	225,139	230,739

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
PERPETUAL CARE FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 12,607	25,420	27,674	43,912	60,475	77,369	94,601	112,178	130,107
Revenues									
Contributions	14,717	12,869	15,570	15,881	16,199	16,523	16,853	17,190	17,534
Interest on Investments	350	200	668	682	696	710	724	738	753
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	15,067	13,069	16,238	16,563	16,894	17,232	17,577	17,928	18,287
Total Sources of Funds	27,674	38,489	43,912	60,475	77,369	94,601	112,178	130,107	148,393
Uses of Funds									
Departments									
Operating Expenditures	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Total Uses of Funds	-	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ 27,674	38,489	43,912	60,475	77,369	94,601	112,178	130,107	148,393

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
CAPITAL PROJECTS FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget		Estimate		Budget		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
		2004-2005		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
Sources of Funds																	
Beginning Fund Balance	\$ -	-		-		972,439		19,840,518		6,560,518		13,173,518		166,518		2,983,276	
Revenues																	
Bond Proceeds	-	3,797,539		-		31,000,000		-		11,500,000		-		4,787,758		-	
MFC Bond Proceeds	-	-		-		505,477		9,880,000		11,249,000		-		12,167,000		-	
Total Revenues	-	3,797,539		-		31,505,477		9,880,000		22,749,000		-		16,954,758		-	
Total Sources of Funds	-	3,797,539		-		30,533,038		29,720,518		29,309,518		13,173,518		17,121,276		2,983,276	
Uses of Funds																	
Departments																	
Capital Expenditures	-	3,797,539		972,439		10,692,520		23,160,000		16,136,000		13,007,000		14,138,000		-	
Total Expenditures	-	3,797,539		972,439		10,692,520		23,160,000		16,136,000		13,007,000		14,138,000		-	
Total Uses of Funds	-	3,797,539		972,439		10,692,520		23,160,000		16,136,000		13,007,000		14,138,000		-	
Ending Fund Balance	\$ -	-	\$	(972,439)		19,840,518		6,560,518		13,173,518		166,518		2,983,276		2,983,276	

CITY OF FLAGSTAFF
WATER AND WASTEWATER FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 27,317,839	23,449,764	24,994,005	21,139,606	28,979,456	15,067,350	8,754,378	8,214,806	4,513,021
Revenues									
Intergovernmental	3,000	321,575	16,575	19,200	-	-	-	-	-
Water Revenues	10,959,134	11,583,130	10,945,849	11,150,500	11,672,934	12,221,196	12,796,226	13,052,000	13,312,900
Wastewater Revenues	7,605,413	7,647,410	7,637,301	7,853,000	8,258,100	8,620,620	9,000,196	9,180,200	9,363,800
Interest Revenues	541,778	586,000	580,000	528,000	724,000	377,000	219,000	205,000	113,000
Bond Proceeds	-	-	-	46,600,000	-	-	-	-	-
Miscellaneous Revenues	14,250	-	36,000	-	-	-	-	-	-
Total Revenues	19,123,575	20,138,115	19,215,725	66,150,700	20,655,034	21,218,816	22,015,422	22,437,200	22,789,700
Transfers In									
Debt Service Fund	2,018,421	2,398,096	2,398,096	2,417,785	2,410,772	1,812,572	1,805,197	1,800,771	1,811,091
Water & Sewer Bond Fund	-	14,724,694	-	-	-	-	-	-	-
Total Transfers In	2,018,421	17,122,790	2,398,096	2,417,785	2,410,772	1,812,572	1,805,197	1,800,771	1,811,091
Total Sources of Funds	48,459,835	60,710,669	46,607,826	89,708,091	52,045,262	38,098,738	32,574,997	32,452,777	29,113,812
Uses of Funds									
Departments									
Operating Expenditures	8,531,330	9,447,911	9,190,738	10,219,333	10,420,728	10,653,025	10,895,600	11,167,991	11,447,111
Indirect Costs	1,551,056	1,567,727	1,567,727	1,657,406	1,698,800	1,741,300	1,784,800	1,829,400	1,875,100
Capital Expenditures	7,458,817	26,753,164	8,433,331	40,188,532	16,104,018	8,561,669	3,183,800	5,973,500	4,820,700
Reserves/Contingencies	37,524	2,200,000	-	1,400,000	-	-	-	-	-
Total Expenditures	17,578,727	39,968,802	19,191,796	53,465,271	28,223,546	20,955,994	15,864,200	18,970,891	18,142,911
Debt Service									
Bonds	3,868,682	3,878,328	3,878,328	4,687,785	6,185,800	6,418,000	6,533,000	7,010,300	7,041,700
Total Debt Service	3,868,682	3,878,328	3,878,328	4,687,785	6,185,800	6,418,000	6,533,000	7,010,300	7,041,700
Transfers Out									
General Fund	2,018,421	2,398,096	2,398,096	2,575,579	2,568,566	1,970,366	1,962,991	1,958,565	1,968,885
Total Transfers Out	2,018,421	2,398,096	2,398,096	2,575,579	2,568,566	1,970,366	1,962,991	1,958,565	1,968,885
Total Uses of Funds	23,465,830	46,245,226	25,468,220	60,728,635	36,977,912	29,344,360	24,360,191	27,939,756	27,153,496
Ending Fund Balance	\$ 24,994,005	14,465,443	21,139,606	28,979,456	15,067,350	8,754,378	8,214,806	4,513,021	1,960,316

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
AIRPORT FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 7,460	4,629	(179,711)	292,221	6,838	7,194	7,518	7,913	8,171
Revenues									
Intergovernmental Revenues	931,128	8,532,240	3,384,048	8,291,543	6,605,090	5,159,700	2,144,880	7,995,000	12,200,000
Airport Revenues	837,696	943,122	897,688	1,113,404	1,152,733	1,188,280	1,209,381	1,237,600	1,276,266
Interest Revenue	1,664	-	4,000	-	-	-	-	-	-
Recovery of Indirect Costs	33,118	299,617	142,808	254,137	299,617	307,110	99,590	322,660	330,730
Miscellaneous Revenues	14,941	3,200	3,723	3,200	3,200	3,200	3,200	3,200	3,200
Passenger Facility Charges	103,927	95,000	120,000	100,000	100,000	100,000	78,359	-	-
Loan/Lease Proceeds	-	2,516,457	2,782,598	-	-	-	-	-	-
Total Revenues	1,922,474	12,389,636	7,334,865	9,762,284	8,160,640	6,768,290	3,535,410	9,558,460	13,810,196
Transfers In									
Airpark Fund	-	114,000	134,183	368,000	80,000	53,300	100,000	130,000	55,555
Secondary Prop Tax Fund	190,907	204,864	179,863	262,139	186,000	259,000	284,391	-	-
General Fund-Operating	382,000	287,000	292,000	171,000	145,000	134,000	348,000	130,000	117,000
General Fund-Capital	38,129	243,000	179,000	168,500	151,000	120,000	32,000	175,000	300,000
Total Transfers In	611,036	848,864	785,046	969,639	562,000	566,300	764,391	435,000	472,555
Total Sources of Funds	2,540,970	13,243,129	7,940,200	11,024,144	8,729,478	7,331,784	4,307,319	10,001,373	14,290,922
Uses of Funds									
Departments									
Operating Expenditures	787,073	908,549	843,150	967,740	980,425	998,904	1,018,814	1,044,290	1,070,390
Indirect Cost	387,672	299,617	299,617	254,137	299,617	307,110	314,790	322,660	330,730
Capital Expenditures	1,159,084	11,432,165	6,034,532	9,113,038	6,835,990	5,333,000	2,276,800	8,300,000	12,555,555
Total Expenditures	2,333,829	12,640,331	7,177,299	10,334,915	8,116,032	6,639,014	3,610,404	9,666,950	13,956,675
Debt Service									
Bonds	297,264	299,864	299,863	362,139	286,000	359,000	362,750	-	-
Leases	34,639	244,125	115,868	231,736	231,736	237,736	237,736	237,736	237,736
Loans	54,949	54,949	54,949	54,949	54,949	54,949	54,949	54,949	54,949
Total Debt Service	386,852	598,938	470,680	648,824	572,685	651,685	655,435	292,685	292,685
Transfers Out									
General Fund	-	-	-	33,567	33,567	33,567	33,567	33,567	33,567
Total Transfers Out	-	-	-	33,567	33,567	33,567	33,567	33,567	33,567
Total Uses of Funds	2,720,681	13,239,269	7,647,979	11,017,306	8,722,284	7,324,266	4,299,406	9,993,202	14,282,927
Ending Fund Balance	\$ (179,711)	3,860	292,221	6,838	7,194	7,518	7,913	8,171	7,995

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
AIRPARK FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 389,984	396,984	396,984	766,989	410,489	336,689	288,489	192,789	65,689
Revenues									
Sale of Property	-	-	494,988	-	-	-	-	-	-
Interest on Investments	7,000	6,000	9,200	11,500	6,200	5,100	4,300	2,900	1,000
Total Revenues	7,000	6,000	504,188	11,500	6,200	5,100	4,300	2,900	1,000
Total Sources of Funds	396,984	402,984	901,172	778,489	416,689	341,789	292,789	195,689	66,689
Uses of Funds									
Transfers Out									
Airport Fund	-	114,000	134,183	368,000	80,000	53,300	100,000	130,000	55,555
Total Transfers Out	-	114,000	134,183	368,000	80,000	53,300	100,000	130,000	55,555
Total Uses of Funds	-	114,000	134,183	368,000	80,000	53,300	100,000	130,000	55,555
Ending Fund Balance	\$ 396,984	288,984	766,989	410,489	336,689	288,489	192,789	65,689	11,134

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
ENVIRONMENTAL SERVICES FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 5,060,943	4,800,250	5,252,769	5,685,103	3,879,090	3,677,719	3,279,945	3,144,293	3,956,469
Revenues									
Intergovernmental Revenues	-	-	-	75,000	-	-	-	-	-
Environmental Services Revenues	8,200,102	8,106,947	8,608,317	8,760,817	9,550,039	9,783,687	10,023,287	10,268,997	10,520,979
Other Financing Sources	260,000	4,350,000	651,921	700,000	-	-	1,000,000	-	-
Interest on Investments	158,163	162,000	170,962	82,000	97,000	92,000	82,000	79,000	99,000
Miscellaneous Revenues	20,494	-	26,799	-	-	-	-	-	-
Total Revenues	8,638,759	12,618,947	9,457,999	9,617,817	9,647,039	9,875,687	11,105,287	10,347,997	10,619,979
Transfers In									
Stormwater Utility Fund	15,000	15,000	15,000	-	-	-	-	-	-
Total Transfers In	15,000	15,000	15,000	-	-	-	-	-	-
Total Sources of Funds	13,714,702	17,434,197	14,725,768	15,302,920	13,526,129	13,553,406	14,385,232	13,492,290	14,576,448
Uses of Funds									
Departments									
Operating Expenditures	5,511,427	6,178,651	6,176,456	6,851,007	7,034,332	7,225,114	7,421,573	7,625,666	7,835,371
Indirect Costs	848,885	934,422	934,422	965,051	991,590	1,018,859	1,046,878	1,075,667	1,105,248
Capital Expenditures	1,654,681	2,350,385	1,925,109	3,088,284	1,803,000	2,010,000	2,753,000	815,000	1,530,000
Reserves/Contingencies	17,262	4,690,000	-	500,000	-	-	-	-	-
Total Expenditures	8,032,255	14,153,458	9,035,987	11,404,342	9,828,922	10,253,973	11,221,451	9,516,333	10,470,619
Transfers out:									
General Fund	429,678	4,678	4,678	19,488	19,488	19,488	19,488	19,488	19,488
Total Transfers Out	429,678	4,678	4,678	19,488	19,488	19,488	19,488	19,488	19,488
Total Uses of Funds	8,461,933	14,158,136	9,040,665	11,423,830	9,848,410	10,273,461	11,240,939	9,535,821	10,490,107
Ending Fund Balance (1)	\$ 5,252,769	3,276,061	5,685,103	3,879,090	3,677,719	3,279,945	3,144,293	3,956,469	4,086,341

(1) Excludes monies set aside for closure costs.

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
STORMWATER UTILITY FUND
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ -	122,316	162,719	290,248	216,753	350,208	403,069	462,757	529,559
Revenues									
Stormwater Revenues	483,090	511,000	530,000	949,836	1,400,740	1,418,243	1,453,699	1,490,041	1,527,292
User Fees	63,327	32,000	97,000	64,910	66,532	68,196	69,901	71,648	73,439
Permits	390	400	400	410	420	431	442	453	464
Grants	23,576	-	1,394	-	-	-	-	-	-
Interest Earnings	831	3,058	34,000	3,254	3,793	6,129	7,054	8,098	9,267
Total Revenues	571,214	546,458	662,794	1,018,410	1,471,485	1,492,998	1,531,095	1,570,240	1,610,463
Transfers in									
General Fund	60,000	8,375,725	437,747	7,820,318	1,493,617	1,083,563	-	-	-
BBB-Beautification	-	200,000	200,000	565,000	455,000	130,000	-	-	-
4th Street	100,000	-	-	175,000	-	-	-	-	-
HURF	75,000	75,000	75,000	850,000	-	-	-	-	-
Total Transfers in	235,000	8,650,725	712,747	9,410,318	1,948,617	1,213,563	-	-	-
Total Sources of Funds	806,214	9,319,499	1,538,260	10,718,976	3,636,855	3,056,768	1,934,163	2,032,997	2,140,022
Uses of Funds									
Departments									
Operating Expenditures	412,136	855,848	486,954	926,729	631,852	648,807	666,218	684,097	702,456
Indirect Costs	40,560	56,618	56,618	139,279	142,761	146,330	149,988	153,738	157,581
Operating Capital	-	-	-	30,000	-	-	-	-	-
Capital Expenditures	128,799	8,317,670	642,440	9,261,215	2,377,035	1,723,563	520,200	530,604	541,216
Reserves/Contingencies	-	10,000	-	10,000	-	-	-	-	-
Total Expenditures	581,495	9,240,136	1,186,012	10,367,223	3,151,648	2,518,700	1,336,406	1,368,439	1,401,254
Transfers Out									
Environmental Services	15,000	15,000	15,000	-	-	-	-	-	-
HURF	47,000	47,000	47,000	135,000	135,000	135,000	135,000	135,000	135,000
Total Transfers Out	62,000	62,000	62,000	135,000	135,000	135,000	135,000	135,000	135,000
Total Uses of Funds	643,495	9,302,136	1,248,012	10,502,223	3,286,648	2,653,700	1,471,406	1,503,439	1,536,254
Ending Fund Balance	\$ 162,719	17,363	290,248	216,753	350,208	403,069	462,757	529,559	603,768

Schedule 13: Five-Year Plans

CITY OF FLAGSTAFF
FIREMEN'S PENSION FUNDS
FIVE YEAR PLAN 2006-2011

	Actual 2003-2004	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Sources of Funds									
Beginning Fund Balance	\$ 221,729	219,085	219,214	216,693	206,593	196,293	185,793	175,093	164,193
Revenues									
Interest on Investments	4,367	4,000	4,500	4,300	4,100	3,900	3,700	3,500	3,300
Miscellaneous Revenues	318	-	179	-	-	-	-	-	-
Total Revenues	4,685	4,000	4,679	4,300	4,100	3,900	3,700	3,500	3,300
Total Sources of Funds	226,414	223,085	223,893	220,993	210,693	200,193	189,493	178,593	167,493
Uses of Funds									
Departments									
Operating Expenditures	7,200	7,200	7,200	14,400	14,400	14,400	14,400	14,400	14,400
Total Expenditures	7,200	7,200	7,200	14,400	14,400	14,400	14,400	14,400	14,400
Total Uses of Funds	7,200	7,200	7,200	14,400	14,400	14,400	14,400	14,400	14,400
Ending Fund Balance	\$ 219,214	215,885	216,693	206,593	196,293	185,793	175,093	164,193	153,093

GENERAL ADMINISTRATION

GENERAL ADMINISTRATION DEPARTMENT MISSION

It is the mission of the **City Manager's** office to direct and coordinate City staff to provide effective, efficient, and equitable implementation of Council policies and programs; and to provide representation of City Council policies to citizens, other governmental agencies/jurisdictions and any other entity important to the accomplishment of directives established by the City Council.

The mission of the **City Clerk's** office is to support the values of the community and to administer and safeguard the integrity of the municipal governing process by: conducting fair and open municipal elections; overseeing the timely and accurate accumulation, organization, dissemination, and accessibility to public records; and ensuring legal compliance of all official postings, public notices, and related advertising.

The mission of the **Human Resources Division** is to support the City of Flagstaff's commitment to enhancing partnerships with the citizens of our community by providing dependable service, addressing customer's concerns (both externally and internally), providing high-quality public service, and creating a work environment where initiative, teamwork, and creativity are encouraged and valued.

The mission of the **Risk Management Division** is to develop and maintain an integrated multi-disciplinary program for effective management of the City's resources, assets, and liabilities to protect its employees, property, and citizens and enable the City to achieve its primary aims of enhanced quality of life and service to its citizens.

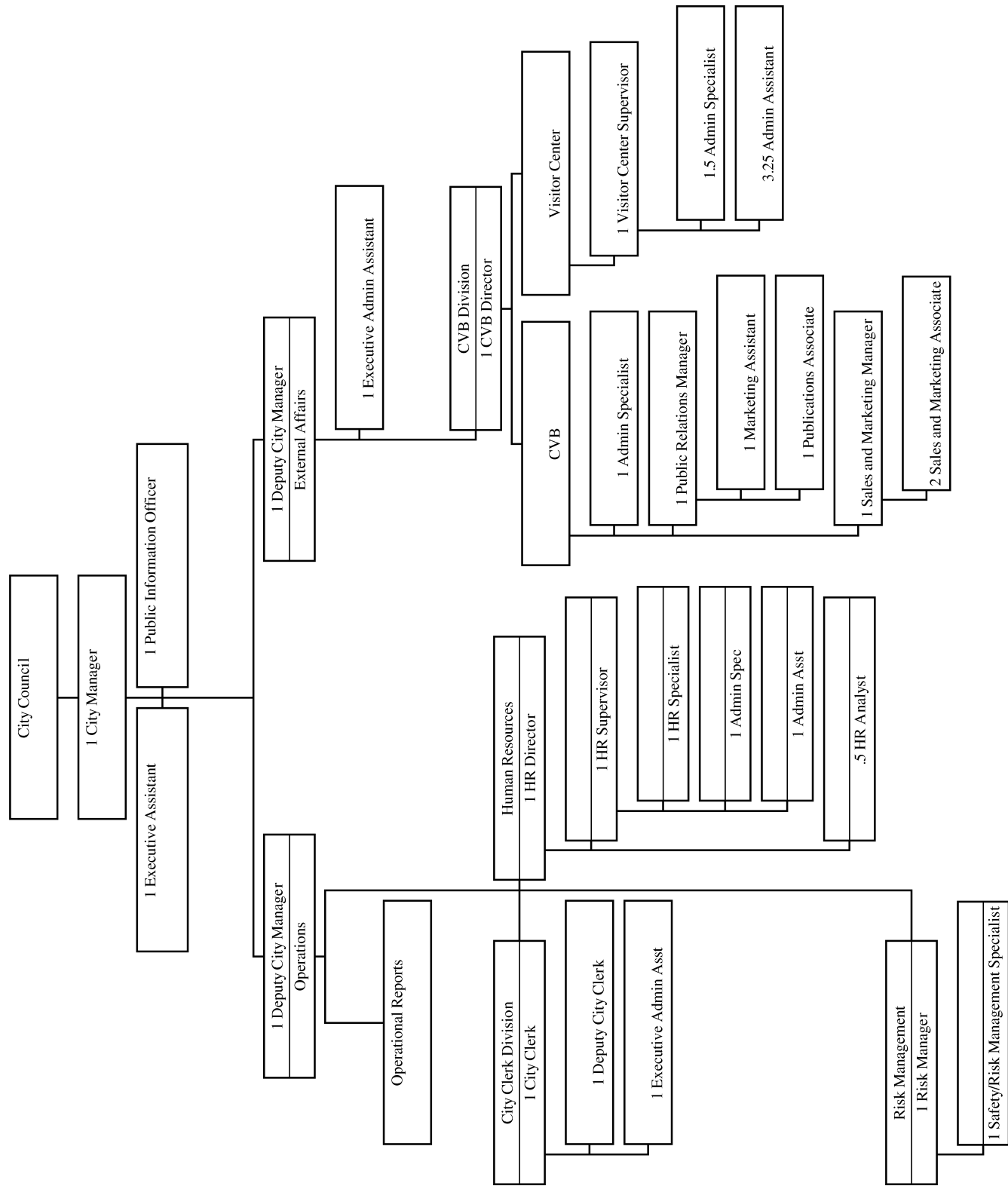
The mission of the **City Attorney's** office is to provide competent and sound legal advice and representation in matters involving or affecting the City.

The mission of the employees of the **Flagstaff Municipal Court** is to foster a positive and productive environment that promotes the efficient and effective administration of justice.

The mission of the **Convention and Visitors Bureau** is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially.

The mission of **Visitor Services** is to introduce and educate visitors about the vast tourism opportunities within Flagstaff and the surrounding areas, and to increase the frequency of visits and length of stay to Flagstaff.

General Administration



MISSION

The mission of the City Manager's office is to direct and coordinate City staff to provide effective, efficient, and equitable implementation of Council policies and programs; and to provide representation of City Council policies to citizens, other governmental agencies/jurisdictions and any other entity important to the accomplishment of directives established by the City Council.

PROGRAM DESCRIPTION

The City Manager is responsible for providing professional leadership in administering the programs and policies established by the Mayor and Council. The Manager informs and advises the Council on the affairs of the City, studies and proposes alternative solutions to community needs for Mayor and Council consideration, prepares and implements the annual financial plan, and coordinates the activities of all Departments/Divisions under his authority to provide effective services at the lowest possible costs.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Maintain City Manager/City Council working relationships for policy development.
RESULT: The City Manager and the City Council are meeting more frequently and working together on evaluating the Manager's performance as it relates to policy development and Council goals.
- ❖ Continue Organizational Development implementation focusing on communication, customer service, and organization structure.
RESULT: City staff is devoting significant time and resources to succession planning for effective organizational structure encompassing communication and customer services as the foundation of a successful City organization.
- ❖ Provide organization leadership and coordination toward implementation of Council goals.
RESULT: City staff have developed and incorporated Department work plans that are aligned with Council Goals allowing organizational understanding and implementation.
- ❖ Continue to provide sufficient information to citizens to gain their understanding of City issues and implement methods to obtain meaningful citizen input.

RESULT: The City Manager and staff have developed and presented information on numerous City issues or projects during the year. From those presentations and discussions staff have used citizen feedback to improve our communication for better understanding and/or modifications to the scope of an issue or project.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Coordinate Council and staff effort toward building partnership and intergovernmental relationships to pursue policies, services, and goals in the interests of the Flagstaff community.

RESULT: City staff and council have built partnerships and relationships that pursue policies and services.

GOAL: CUSTOMER SERVICE/COMMUNICATION**OBJECTIVES:**

- ❖ Keep the citizens well informed and educated through the timely dissemination of information and the facilitation of community input to the Council about City issues, programs, and services.

RESULT: The City worked through a variety of informational and educational opportunities throughout the year to keep citizens informed and engaged in key issues and knowledgeable about City programs and services. Citizen feedback and participation was active throughout the fiscal year.

- ❖ Maintain positive communication links with the local media by:
 - Maintaining and/or increasing City television reports providing information to the community about City programs and services.
 - Maintaining and/or increasing City radio reports providing information to the community about City programs and services.
 - Holding annual meetings with local news agency representatives to evaluate and enhance methods of City communication to the community.

RESULT: The Public Information Office maintains weekly live "City" reports on the local television station morning show and on a local radio station. The PIO also taped radio reports that air throughout the week on the local AM talk radio station. The PIO has maintained at least weekly, if not daily, contact with the local paper and other radio stations to keep links and information dissemination to the community about programs, issues and services.

- ❖ Maintain or improve communication dissemination to citizens by:

- Improving and updating the City web page with current information on programs and services.
- Coordinating the development, design, layout, and distribution of Cityscape four times a year.
- Maintaining televised City Council Work Sessions on Cable Channel 4 to community with some pre-meeting announcements and interviews.

RESULT: The City website is kept current for citizen access to information at all time. To assist in communication and to provide citizens the latest information, the City also produces and mails "Cityscape" at 36-page new magazine to more than 34 –thousand homes and businesses in the greater Flagstaff area, four-times a year. To increase citizen access to City Council discussions and decision-making weekly work sessions are taped and replayed on Cable Channel 4 during the evening hours on the day of the meeting.

- ❖ Maintain and/or increase the City's ability to have two-way communication with citizens outside of City Hall by coordinating neighborhood meetings with the City Council, and open house/issue related type programs.

RESULT: We have been able to help the City Council and staff hear issues and problems from our citizens through neighborhood meetings that are held four times a year in different locations around the community. The City has also offered open houses on many issues throughout the year to make sure there is two-way communication with our citizens the Council and City staff.

- ❖ Seek citizen feedback on City services/programs to measure improvements and/or deficiencies through a citizen survey at least annually.

RESULT: The City authorized its annual survey to help obtain citizen feedback on services and programs. The results of the survey are used to measure improvements, target deficiencies and gauge citizen interest or disinterest and reaction to future issues.

- ❖ Improve the City's efforts at educating and involving employees as an information source.

RESULT: The City Intranet has been used to offer information to employees about programs, issue and services. Everyone e-mails advising of education opportunities, open houses and meetings have also been used to keep employees educated on issues. The City manager also schedules information presentations to employees several times throughout the year.

FY 06 GOALS AND OBJECTIVES:

GOAL: ORGANIZATIONAL SUPPORT

OBJECTIVES:

- ❖ Provide direction and support of the Utilities Department, Legal Department, regional partners, and Federal and State agencies to developing long-range water acquisition policies.
- ❖ Reorganize the City's information technology programs to strengthen reliability, while moving ahead with more current technology tools to meet employee and community needs.
- ❖ Support the City's Leadership Development Program to ensure a smooth transition in key leadership positions throughout the organization.

GOAL: COLLABORATION

OBJECTIVES:

- ❖ Working with CD and our Economic Development community partners, develop a set of comprehensive economic development policies and procedures to include a process to administer economic incentives.
- ❖ Ensure the effective coordination of the various Workforce Housing initiatives being examined by various community agencies, governmental agencies, and City staff.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Maintain and/or increase City TV reports providing information to the community about City programs, services, issues	50 reports/year	50 reports/year	
Maintain and/or increase City radio reports providing information to the community about City programs, services, and issues.	100 reports/year	100 reports/year	
Hold twice yearly meetings with local news agency representatives to evaluate and enhance methods of City communications to community	1 meeting – all agencies	1 meeting – all agencies	1 meeting – all agencies
Improve and update City website with new information on programs and services and begin transition to more e-government services	RFP developed and distributed for web development and hosting company to meet short-term goals. Civic Plus hired.	Began transition to e-gov services Update staff on use of web site Changed home page	Cashier to expand site and improve e-gov services.
Coordinate the development, design, layout, and distribution of Cityscape	4 times/year	4 times/year	4 times/year
Maintain or expand televised City Council work Sessions on Cable Channel 4 to community	48 times/year	45 times/year	48 times/year
Coordinate neighborhood meetings with the City Council, and other outreach type meetings and open houses.	4 times/year	2 times/year	4 times/year
Develop, coordinate and report the findings of a professional survey of citizen's views on City issues, programs, and services	1 survey completed	1 survey completed	1 survey completed
Develop and implement methods to distribute information to employees and get their feedback on key city programs or services	At least 4 quarterly meetings with employees and focus groups. Maintain or increase number of informational emails and or flyers	4 meetings held with employees	At least 4 quarterly meetings with employees. Send at least 2 informal e-mails and flyers

GENERAL ADMINISTRATION**DIVISION 01****CITY MANAGER**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 605,489	\$ 631,631	\$ 637,651	\$ 675,301	\$ 43,670
CONTRACTUAL	137,029	182,645	164,373	185,355	2,710
COMMODITIES	10,474	11,340	8,530	11,775	435
CAPITAL	-	-	-	-	-
TOTAL	\$ 752,992	\$ 825,616	\$ 810,554	\$ 872,431	\$ 46,815
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 642,085	\$ 672,931	\$ 672,901	\$ 719,721	\$ 46,790
DISABILITY AWARENESS	-	4,085	2,282	4,110	25
PUBLIC INFORMATION	75,422	104,550	97,145	104,550	-
CUSTOMER SERVICE	35,485	44,050	38,226	44,050	-
TOTAL	\$ 752,992	\$ 825,616	\$ 810,554	\$ 872,431	\$ 46,815
SOURCE OF FUNDING:					
GENERAL FUND				\$ 482,951	
LIBRARY FUND				45,622	
HIGHWAY USER REVENUE FUND				113,995	
WATER AND WASTEWATER FUND				128,066	
STORMWATER FUND				7,295	
AIRPORT FUND				14,805	
ENVIRONMENTAL SERVICES FUND				79,697	
				\$ 872,431	
COMMENTARY:					
The City Manager's operating budget has increased 6% and there are no capital expenditures. Personal service increases reflect an employee market- merit increases as well as an increase in the cost of health insurance and AZ State Retirement contribution. Contractual and commodity increases reflect ongoing costs associated with telephone (\$1,000), travel and memberships increases (\$1,710) and food costs. There is no major capital (>\$10,000) for this division.					

MISSION

The mission of the City Clerk's office is to support the values of the community and to administer and safeguard the integrity of the municipal governing process by: conducting fair and open municipal elections, overseeing the timely and accurate accumulation, organization, dissemination, and accessibility to public records; and ensuring legal compliance of all official postings, public notices, and related advertising.

PROGRAM DESCRIPTION

As required by the City Charter, the City Clerk maintains the official documents of the City, such as council meeting minutes, ordinances (including codification), resolutions, deeds, contracts, easements, rights-of-way, and leases. The City Clerk conducts all City elections, coordinates the Council's boards and commissions; conducts board and commission member training and maintains the board and commission member handbook; prepares the Council meeting, work session, and executive session agendas; oversees the City's record management program; oversees and maintains City's policies and procedures; administers the City Council/City Clerk postings on the website; and ensures legal requirements regarding official posting, public notices, publishing, and advertising are met.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE**
OBJECTIVES:

- ❖ Conduct possible 2004 Fall Special Election
RESULT: The referendum period for the three ordinances passed and the ordinances took effect without delay. Referendum organizers did not follow through and a special election in the Fall of 2004 was not called.
- ❖ Update the board and commission member handbook
RESULT: The update of the Board and Commission handbook was completed in the first quarter of 2005. Upon its completion, regular board and commission training sessions were reinitiated.
- ❖ Continue expanding website services
RESULT: Fully linked City Council meeting agenda packets, with supporting staff summaries, are now posted on the City's website enabling interested parties to view the information contained in the City Council's agendas. The City's election page has been expanded to include additional pertinent election information.

- ❖ Finalize the standardization, publishing, and distribution of the revised City Policy Manual.
RESULT: The City Policy Manual has not been completed.
- ❖ Bring the city's records management program into full compliance.
RESULT: This has not been accomplished.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Hired a new City Clerk.
- ❖ Hired a new Deputy City Clerk.
- ❖ Hired a new Executive Administrative Assistant to the Mayor and Council.
- ❖ Provided training for, and participated in the training of new staff members.
- ❖ Rebuilt the Engineering Design Standards from scratch after loss of electronic files.
- ❖ Handled a referendum action on the Big Box ordinance.
- ❖ Conducted a special election on the Big Box ordinance.
- ❖ Participated in on-going E-Government committee and activities.
- ❖ Engaged in numerous research projects and white papers: electronic agendas and use of laptops at Council meetings, the public hearing process, board and commission member appreciation, remote meeting locations.
- ❖ Rebuilt substantial computer files lost in the September 2004 network crash.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE**
OBJECTIVES:

- ❖ Conduct March, 2006 Primary Election; and May 2006 General Election.
- ❖ Conduct possible Special Election.
- ❖ Continue extensive training for the new members of the Clerk's Division.
- ❖ Finalize the standardization, publishing, and distribution of the revised City Policy Manual.
- ❖ Conduct biannual board and commission training sessions.
- ❖ Continue expanding website services.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
All ordinances were codified within one week of their effective date	75%	75%	100%
All minutes prepared within three business days	100%	100%	100%
All notices of meetings of appointments to boards and commission members distributed within three business days	100%	100%	100%
Forward citizen requests for records to the responsible person or department for response or handling within one business day	100%	100%	100%
All records retained, stored and destroyed in compliance with federal and state laws, the City Charter, and established practices, policies and procedures on a monthly basis	100%	100%	100%
All public information provided on the City Clerk's web site updated within five days of change	100%	100%	100%
Revise and publish Board and Commission Member Handbook updates on an annual basis	75%	100%	100%
Conduct all elections in accordance with legal requirements	N/A	100%	100%

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 157,590	\$ 187,149	\$ 187,355	\$ 186,016	\$ (1,133)
CONTRACTUAL	69,896	11,550	33,133	115,713	104,163
COMMODITIES	1,272	1,585	1,956	4,655	3,070
CAPITAL	-	-	-	-	-
TOTAL	\$ 228,758	\$ 200,284	\$ 222,444	\$ 306,384	\$ 106,100
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 170,351	\$ 200,284	\$ 203,726	\$ 212,484	\$ 12,200
ELECTIONS	58,407	-	18,718	93,900	93,900
TOTAL	\$ 228,758	\$ 200,284	\$ 222,444	\$ 306,384	\$ 106,100
SOURCE OF FUNDING:					
GENERAL FUND				\$ 260,137	
LIBRARY FUND				3,926	
HIGHWAY USER REVENUE FUND				15,893	
WATER AND WASTEWATER FUND				15,730	
STORMWATER FUND				661	
AIRPORT FUND				1,448	
ENVIRONMENTAL SERVICES FUND				8,589	
				\$ 306,384	

COMMENTARY:

The City Clerk's operating budget has increased 53% with no capital expenditures. Personal Services has increases due to employee market and merit increases, the increase in cost of health insurance and Az State Retirement System but these increases have a zero effect on the budget to budget variance due to the new staff salary savings. Contractuals and commodities increase reflects an election budget year (\$93,900) with ongoing costs associated with travel (\$1,255), registration (\$1,305) advertising (\$3,000). There is no major capital (>\$10,000) for this division.

MISSION

The mission of the Human Resources division is to support the City of Flagstaff's commitment to enhancing partnerships with the citizens of our community by providing dependable service, addressing customer's concerns (both externally and internally), providing high-quality public service, and creating a work environment where initiative, teamwork, and creativity are encouraged and valued.

PROGRAM DESCRIPTION

Human Resources is responsible for all areas impacting employees and potential employees. These functions include recruitment and selection, employee grievance and appeals resolution, classification and compensation, organizational development, employee development and training, employee benefits and services, and equal employment opportunity and affirmative action.

FY 05 GOALS, OBJECTIVES AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Integrate the "ART" of Customer Service into New Employee Orientation.
RESULT: The Customer Service Committee is presenting the "ART" of Customer Service training to all new employees on a quarterly basis.
- ❖ Implement the Employee Recognition Program.
RESULT: The 7K Award program was implemented this fiscal year and is going well. Also the City Manager's Award Program was completely revised and the awards are tied to the City's mission and values statement. The revised program was implemented this fiscal year.

GOAL: ORGANIZATIONAL STRUCTURE**OBJECTIVES:**

- ❖ Continue to maintain and monitor the Vacancy Review Process to address workforce reduction/development.
RESULT: Human Resources continues to monitor vacancies to address workforce needs, however, the same level of maintenance is no longer needed due to succession planning.
- ❖ Implement and Participate in Meet and Confer
RESULT: Although, council did not pass Meet and Confer, Human Resources/Management continue to collaborate and work in concert to address employee concerns such as compensation, benefits, etc.

- ❖ Review and Develop a Succession Plan to include reorganizing to maximize efficiency.
RESULT: Succession Planning has begun starting with renaming the program to "Leadership Talent Development Program." The process is to identify Citywide and department/division competencies as well as developing communications and a "road map" for employees outlining how to participate in this program.
- ❖ Evaluate and review IS organizational structure to meet future needs.
RESULT: The duties and skill level for an IS Director was revamped which resulted in a reclassification of the job to a higher level. The position was advertised to recruit a new director.
- ❖ Continue to update the Employee Handbook.
RESULT: The Employee Handbook was updated to clarify any ambiguous language in order to eliminate confusion or misinterpretation. The changes defined the difference between classified, ATP, and temporary employees as it relates to probationary periods, continuation of employment, and benefits.'
- ❖ Expand outreach opportunities to improve diversity through education and informational workshops.
RESULT: Steps have been made to expand outreach opportunities. However, more work is still needed to attract applicants from a diverse background.

DIVERSITY AWARENESS COMMISSION**OBJECTIVES:**

- ❖ Develop a process to recognize and award individuals or groups who support diversity and tolerance.
RESULT: The Commission presented the "Mosaic Award" to the director and cast of the "Laramie Project" of the Flagstaff Art and Leadership Academy for spreading awareness and tolerance in the community.
Become more involved with the County Diversity Commission.
RESULT: The Commission continues to partner with the County to promote diversity.
- ❖ Expand the "The Face of Our Community" event to include more schools.
RESULT: Ponderosa High School participated in the "Face of Our Community" art event.
- ❖ Continue to become more pro-active in the community in addressing issues and promoting diversity and tolerance.
RESULT: Co-sponsored events with NAU, i.e. Ethnic Studies Series, and the Hunger Project. Also sponsored an open forum with Ponderosa High School to help students understand the importance of accepting diversity.

FY 05 ADDITIONAL ACCOMPLISHMENTS**GOAL: CUSTOMER SERVICE**

- ❖ All Human Resource policies have been placed on the intranet so employees have easy access to them.
- ❖ The "Flagstaff" has been placed on the intranet.
- ❖ The evaluation form was modified so that when the "Late Evaluation" report is generated, supervisors get a more timely and accurate report, which lets them know which employee has not received a timely performance evaluation.
- ❖ The evaluation forms for the Fire Department were modified slightly and training was provided to supervisors to assist them in completing the form so that it is more informative and provides the employee a better understanding of his/her performance.
- ❖ Conducted a "Climate" survey. This survey was sent out to all employees and a third party collected the information and provided the feedback in statistical format so that employee responses were confidential.
- ❖ Developed an Ethics Policy so that employees understand the ethical standards of conduct so that they may fulfill their commitment to the community in providing the best service.

GOAL: ORGANIZATIONAL STRUCTURE

- ❖ A \$500 one-time payment to all benefit eligible employees was approved.
- ❖ Enhanced the process in conducting market surveys to ensure an accurate reflection of the labor market.
- ❖ Revised the "Tuition Reimbursement Policy" to a "Continuing Education Policy" so that it is more flexible and allows for more training and development opportunities for employees.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Continue to provide the "ART" of Customer Service training to all new employees on a quarterly basis since this is now mandatory. Place all City job descriptions on the City web site so that potential as well as current employees have access to these documents.
- ❖ Place all Human Resources forms on the intranet.
- ❖ Place all benefit information on the intranet.
- ❖ Create a video to show all new employees at new employee orientation which emphasizes the importance of customer service.

- ❖ Emphasize and promote during new employee orientation the importance of wearing the nametag.
- ❖ Update the "Supervisor's New Employee Orientation Checklist" form so that the supervisor, also, emphasizes to the new employee the importance of wearing his/her nametag.
- ❖ Use the information learned from the climate survey to identify areas of organizational strengths and weaknesses.
- ❖ Conduct a follow-up survey next year for comparison purposes.
- ❖ Provide ethics training to all employees.

GOAL: ORGANIZATIONAL STRUCTURE**OBJECTIVES:**

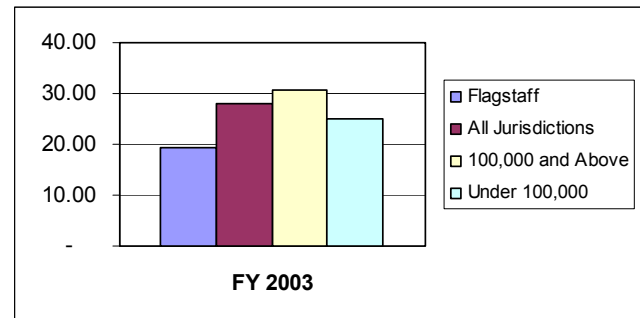
- ❖ Complete "Setting a Climate for Development" workshops to departments.
- ❖ Develop as part of succession planning a "Leadership Talent Development Program." Establish a systematic transfer of knowledge and development of talent. The purpose will be to evaluate potential leaders, provide training and development as well as providing career opportunities.
- ❖ Integrate competency profiles into the recruitment and interviewing process for new employees.
- ❖ Develop "Individual Development Plan" forms that will become part of the performance development process to identify and track training and development.
- ❖ Establish a dual career path for Ranges 10 and 11 in order to provide more flexibility in classifying positions.
- ❖ Reduce Steps in the Broad Band Pay Plan.
- ❖ Broad Band Project Manager Positions.
- ❖ Add a statement to all job descriptions that employees will "actively support and uphold the City's stated mission and values."
- ❖ Implement Retiree Health Savings Account as a way for employees to save dollars on a pre-tax basis and withdraw their money tax free for health related expenses when they retire.

GOAL: DIVERSITY AWARENESS COMMISSION**OBJECTIVES:**

- ❖ Continue to become more involved with the county Diversity Commission.
- ❖ Continue to become more pro-active in the community addressing issues and promoting diversity and tolerance.

PERFORMANCE MEASUREMENT THROUGH ICMA – CPM

Some variations among jurisdictions may be attributed to differences in sick leave policies. For example, some jurisdictions allow employees to use sick leave to care for family members who are ill, but others allow sick leave to be used only for personal illness. Other factors that may influence sick leave use include options for an employee to receive payment for unused sick leave and the ability to accumulate sick leave. Flagstaff shows a significantly lower than average sick leave use in comparison with all other jurisdictions.

Sick Leave Hours Used per 1000 Hours Worked

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Working days for external recruitment	N/A		
Working days for internal recruitment	N/A		
Working days to reclassify positions	3 mo	3 mo	3 mo
Turnover Rates	10.13%	10.87%	10%
Number of employee grievances	2	3	3
Number of grievances resolved before passing to management	100%	100%	100%
Performance Reviews Completed on schedule	75%	90%	95%

EXPENDITURES BY CATEGORY:

	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 266,653	\$ 361,323	\$ 322,766	\$ 375,969	\$ 14,646
CONTRACTUAL	49,491	101,540	92,942	79,604	(21,936)
COMMODITIES	14,187	27,039	26,927	25,854	(1,185)
CAPITAL	-	-	-	-	-
TOTAL	\$ 330,331	\$ 489,902	\$ 442,635	\$ 481,427	\$ (8,475)

EXPENDITURES BY PROGRAM:

GENERAL ADMINISTRATION	\$ 184,979	\$ 265,959	\$ 244,848	\$ 318,645	\$ 52,686
RECRUITMENT AND SELECTION	60,879	63,623	64,046	66,492	2,869
COMPENSATION AND CLASS.	-	200	200	200	-
TRAINING & DEVELOPMENT	84,473	158,560	131,981	94,565	(63,995)
DIVERSITY AWARENESS COMM.	-	1,560	1,560	1,525	(35)
TOTAL	\$ 330,331	\$ 489,902	\$ 442,635	\$ 481,427	\$ (8,475)

SOURCE OF FUNDING:

GENERAL FUND	\$ 369,047
LIBRARY FUND	21,293
HIGHWAY USER REVENUE FUND	19,193
WATER AND WASTEWATER FUND	35,832
STORMWATER FUND	3,155
AIRPORT FUND	5,549
ENVIRONMENTAL SERVICES FUND	27,358
TOTAL	\$ 481,427

COMMENTARY:

The Human Resources operating budget has decreased 2% and there are no capital expenditures. Increase in Personal Services are due to market, merit and health insurance increases. The majority of the reduction in Contractuals is in education & training. Safety training of \$12,000 was transferred to Risk Management. There is a one time money of \$40,000 for training to cover workforce development under the VRC program.

MISSION

The mission of the Risk Management division is to develop and maintain an integrated multi-disciplinary program for effective management of the City's resources, assets and liabilities to protect its employees, property, and citizens and enable the City to achieve its primary aims of enhanced quality of life and service to its citizens.

PROGRAM DESCRIPTION

The Risk Management division is responsible for control of risk and focuses on the protection of the City's human, financial and physical assets. The protection and well-being of employees and the public is of utmost priority and financial and physical assets provide us with the tools to accomplish the City's mission of service to its citizens.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ To be responsive to both internal and external customers needs and requests.
RESULT: Responsiveness to internal customer's needs and requests were accomplished by providing training classes, site inspections, advice and assistance on a wide range of needs. External customers received responses in as timely a manner as staffing allowed.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ To apply risk management techniques to minimize the adverse effects of losses and long-term costs of City activities by identification, prevention, and control of risk and to serve as a cost reduction center.
RESULT: In our function as a cost reduction center, event review, contractual transfer of risk requirements and job function analysis were a few risk management techniques utilized to minimize the adverse effects of losses and long-term costs to the City.
- ❖ Conduct safety inspections of City facilities to identify areas that need improvement in life safety.
RESULT: 13 safety inspections of City facilities and 10 workstation assessments were conducted identifying areas to improve in life safety.
- ❖ Implement recommendations of Accident Review Board investigations of accidents.

RESULT: The Accident Review Board distributed recommendations specific to divisions and city wide including, as example, more efficient equipment use in the parks tree trimming operation.

- ❖ Manage Return to Work program and Sick Industrial policy.

RESULT: The Return to Work program was managed in tandem with the Sick Industrial policy keeping all able employees at work in accordance with their medical restrictions.

- ❖ To protect the City against the financial consequences of accidental losses of a catastrophic nature. Stay abreast of changing insurance markets and legal climate concerning public entities to avoid self-insuring risks that are not consciously retained.

RESULT: Risk Management staff is staying abreast with the ever-changing insurance market and legal climate by attending PRIMA, AGSA, CIC/CRM, and OSHA seminars and training to avoid self-insuring risks that are not consciously retrained.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ To protect and conserve the City's assets and public service capabilities from loss, destruction, or depletion to ensure that citizens may benefit and utilize City services and facilities.

RESULT: In an effort to protect and conserve the City's assets and public service capabilities from loss, destruction, or depletion, thirteen site inspections were conducted identifying and correcting hazards for the safety of city employees and the general public, as well as property asset protection to ensure that citizens can benefit and utilize City services and facilities.

Supervisor's "State of the City" meeting launched the ICE and SUBS program and reviewed policies assuring that divisions are aware of resources risk management can provide and know how to access. "What's Wrong With This Picture" was initially presented to Department Heads and extended City wide to promote safety awareness to all employees.

- ❖ A confined space emergency drill was conducted at the Lake Mary water plant.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Liability claims – 87 closed during calendar year 2004 (32% more than 2003)
- ❖ \$58,000 was collected in restitution in calendar year 2004. (124% more than 2003)
- ❖ Trained over 250 employees in a variety of safety-oriented classes.
- ❖ Employee Safety Handbook published on City Intranet.
- ❖ Workers compensation frequency rates improved in every division (with the exception of the Police Department assault injuries) and severity as measured by lost time improved by 8%.
- ❖ Six editions of “LiveWire” were published for all employees with Risk Management Best Practices identified for application at work and home.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ To be responsive to both internal and external customers needs and requests.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ To apply risk management techniques to minimize the adverse effects of losses and long-term costs of City activities by identification, prevention, and control of risk and to serve as a cost reduction center.

- ❖ Conduct safety inspections of City facilities to identify areas that need improvement in life safety.
- ❖ Implement recommendations of Accident Review Board investigations of accidents.
- ❖ Manage Return to Work program and Sick Industrial policy.
- ❖ Stay abreast of changing insurance markets and legal climate concerning public entities to avoid self-insuring risks that are not consciously retained.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ To protect and conserve the City's assets and public service capabilities from loss, destruction, or depletion to ensure that citizens may benefit and utilize City services and facilities.
- ❖ Assist division safety coordinators by conducting “train the trainer” classes in defensive driver, ergonomics, risk identification, Federal and State regulations, and City policies.
- ❖ Emergency evacuation drill scheduled at a city work site.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Complete one facility inspection monthly and make recommendations	12 inspections	13 inspections	12 inspections
Reduce the number of workers compensation claims compared to previous year	5%	0%	5%
Conduct monthly Accident Review Board meetings monthly and follow through on recommended preventative actions	11 meetings	9 meetings	11 meetings
Manage Return to Work and Sick Industrial policy as measured by the number of lost workdays and compared with ICMA lost work day benchmark	No greater than 5% variance.	Down by 35%.	No greater than 5% variance.
Have contact with each division safety coordinator on a monthly basis	12 contacts/year	20 contacts/year	12 contacts/year
Emergency evacuation conducted at work site	12/31/03	2/01/05	12/31/05
On site accident inspections, casualty and Work Compensation	12 per year	38 per year	12 per year

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 108,644	\$ 118,985	\$ 118,656	\$ 130,619	\$ 11,634
CONTRACTUAL	5,753	6,370	5,800	18,475	12,105
COMMODITIES	2,068	2,535	2,515	2,585	50
CAPITAL	-	-	-	-	-
TOTAL	\$ 116,465	\$ 127,890	\$ 126,971	\$ 151,679	\$ 23,789
EXPENDITURES BY PROGRAM:					
ADMINISTRATION	\$ 116,465	\$ 127,890	\$ 126,971	\$ 151,679	\$ 23,789
TOTAL	\$ 116,465	\$ 127,890	\$ 126,971	\$ 151,679	\$ 23,789
SOURCE OF FUNDING:					
GENERAL FUND				\$ 96,843	
LIBRARY FUND				7,185	
HIGHWAY USER REVENUE FUND				15,571	
WATER AND WASTEWATER FUND				17,602	
STORMWATER FUND				1,111	
AIRPORT FUND				2,094	
ENVIRONMENTAL SERVICES FUND				11,273	
				\$ 151,679	
COMMENTARY:					
Risk Management has increased 19% and there are no capital expenditures. Personal Service increases are due to increases in market, merit and insurance. The majority of increases in Contractuals is the transfer of \$12,000 from Human Resources for Safety Training.					

MISSION

The mission of the City Attorney's office is to provide competent and sound legal advice and representation in matters involving or affecting the City.

PROGRAM DESCRIPTION

The Law Division assures the legality of the official business of the City of Flagstaff by providing legal advice and opinions to the Mayor and Council, the City Manager, the City departments, and the City's boards and commissions. This division represents the City in civil litigation, and represents the City and the State of Arizona in criminal misdemeanor cases occurring within the City limits. This division also prepares or reviews all contracts, ordinances, resolutions or other legal documents involving the City.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Provide legal advice to City Council, City Manager, the City's departments, and Boards and Commissions in a timely manner.
RESULT: Provided legal advice on a diverse spectrum of topics as detailed in the FY 05 Additional Accomplishments.
- ❖ Prepare or review in a timely fashion all contracts, agreements, ordinances, resolutions, and other legal documents involving or affecting the City.
RESULT: Prepared or reviewed legal documents described above in a timely manner.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ Prosecute or defend all litigation initiated by or against the City after all settlement attempts have failed
RESULT: All litigation pursued as appropriated.
- ❖ Provide aggressive prosecution of criminal misdemeanors occurring within City limits.
RESULT: Aggressive prosecution provided as needed.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

- ❖ Provide advice and guidance to reduce liability exposure and to reduce claims filed against the City of Flagstaff.
RESULT: Advice and guidance provided as needed.

FY 05 ADDITIONAL ACCOMPLISHMENTS**Community Health & Welfare:**

- ❖ Drafted legislation submitted to the Arizona legislature regarding workforce housing and worked with staff to analyze and use existing avenues available to support affordable housing efforts, including the land trust and drafting and enforcing development agreements.
- ❖ Drafted Smoking Ordinance and worked on enforcement issues.
- ❖ Increased efforts in the water and sewer utilities, flood control and storm water areas by facilitating settlement in Walnut Meadows litigation, responding to litigation attacking the City's stormwater fees ordinance, and providing legal advice and reviewing documents for the Rio de Flag flood control project.
- ❖ Re-initiated NPG cable TV license renewal negotiations.
- ❖ Acted as project manager for compliance with Department of Justice audit of City facilities and settlement agreement concerning the access of the disabled to City facilities and services.
- ❖ Handled litter, building and zoning cases resulting in abatement of violations.

Economic Development and Revitalization:

- ❖ Continued oversight of condemnation actions for the Butler realignment, the Soliere extension, and the Country Club widening.
- ❖ Negotiated and drafted agreements with existing Flagstaff businesses to facilitate job creation at Air Zona, incentives for infrastructure costs with W.L. Gore, and cost streamlining at Joy Cone.
- ❖ Continued work on draft documents needed to move the mall redevelopment project forward and review drafts of documents seeking proposals for downtown conference center and hotel.
- ❖ Continued work on legal issues and complexities of developing telecommunications fiber ring at the Airport.
- ❖ Worked with Airport Commission to implement new Aircraft Storage Permit.

Fiscal Health:

- ❖ Handled and supervised tax protests and tax litigation, including hearings and mediations.

Elections:

- ❖ Worked closely with the City Clerk on a variety of elections issues, including alleged violations of campaign finance laws, advertising limitations, and other requirements of the Arizona's election laws.

Ordinances, Resolutions, Regulations, Agreements and Other Documents:

- ❖ Drafted Aircraft Storage permit, purchase and sale agreement for acquisition of property for a fire station, and the Traditional Neighborhood Design Ordinance amending the Land Development Code.
- ❖ Prepared ordinances and resolutions pertaining to Airport rules and regulations, water conservation, affordable housing projects development agreement, and numerous intergovernmental agreements.
- ❖ Developed and reviewed internal City policies, including amended personnel policies and relocation assistance appeal procedures.

Claims, Litigation and Hearings and Audits:

- ❖ Continued oversight of redistricting litigation.
- ❖ Saw the conclusion of several claims with a potential for large dollar exposure.
- ❖ Sales tax hearings continue to increase.
- ❖ Established positive working relationship with Department of Justice attorney conducting ADA audit of City facilities and served as liaison with other City departments.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Provide legal advice to City Council, City Manager, the City's departments, and Boards and Commissions in a timely manner.
- ❖ Prepare or review in a timely fashion all contracts, agreements, ordinances, resolutions, and other legal documents involving or affecting the City.
- ❖ Develop a method of analyzing the concerns Council and staff may have about the Department and formulate a plan to address those concerns.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ Prosecute or defend all litigation initiated by or against the City after all settlement attempts have failed.
- ❖ Provide aggressive prosecution of criminal misdemeanors occurring within City limits.
- ❖ Coordinate with Coconino County on criminal justice issues of mutual concern.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

- ❖ Provide advice and guidance to reduce liability exposure and to reduce claims filed against the City of Flagstaff.
- ❖ Where possible, decrease the City's outside counsel fees by bringing in-house claims review advice and the initial response and settlement of small claims.

GOAL: AFFORDABLE HOUSING**OBJECTIVES:**

- ❖ Work with Community Development staff to develop and support a land trust for workforce housing.
- ❖ Work with Community Development staff to amend the Land Development Code to facilitate private development of workforce housing.
- ❖ Negotiate and enforce development agreements that include affordable/workforce housing provisions.

GOAL: ECONOMIC DEVELOPMENT**OBJECTIVES:**

- ❖ Provide legal advice to staff and the City Council and draft legal documents supporting incentives for economic development.
- ❖ Work on local and state legislation to facilitate revitalization of declining areas.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ Work with Community Development staff to amend the Land Development Code to coordinate better with state law and the Regional Plan.
- ❖ Negotiate and draft development agreements for large new developments.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Ordinances/Resolutions reviewed	23/73	26/98	30/100
Contracts/Leases/Agreements reviewed	106	127	140
Research/Legal Opinions	N/A	35	40
Claims/Litigation/Hearings	N/A	26	30
Miscellaneous	N/A	83	85
Council meetings attended (Work/Regular/Special/Executive)	109	118	120
New Criminal Cases	3,840	3637	3834
Domestic Violence Cases	693	607	680
Driving under the Influence (DUI) cases	699	697	747
Juvenile Tobacco Cases	0	0	1
Criminal Traffic Cases (excluding DUI)	662	572	625
Sales Tax Cases	26	27	25
Other Cases	1,185	1533	1357
Underage Alcohol	182	179	165
Cases Involving a Victim	685	622	674
Pending DUI files at year end	218	187	193

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 768,224	\$ 896,015	\$ 852,957	\$ 1,068,788	\$ 172,773
CONTRACTUAL	24,911	31,804	32,261	35,430	3,626
COMMODITIES	30,020	38,025	27,860	45,025	7,000
CAPITAL	-	-	-	-	-
TOTAL	\$ 823,155	\$ 965,844	\$ 913,078	\$ 1,149,243	\$ 183,399
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 77,027	\$ 142,170	\$ 101,033	\$ 296,044	\$ 153,874
COUNCIL, COMM & DEPT'S	391,006	402,318	400,545	412,547	10,229
POLICE COURT	355,122	421,356	411,500	440,652	19,296
TOTAL	\$ 823,155	\$ 965,844	\$ 913,078	\$ 1,149,243	\$ 183,399
SOURCE OF FUNDING:					
GENERAL FUND				\$ 914,311	
LIBRARY FUND				20,361	
HIGHWAY USER REVENUE FUND				82,439	
WATER AND WASTEWATER FUND				76,647	
STORMWATER FUND				3,429	
AIRPORT FUND				7,508	
ENVIRONMENTAL SERVICES FUND				44,548	
				\$ 1,149,243	

COMMENTARY:

The Law divisions operating budget has increased 19% and there are no capital expenditures. The majority of the increase in Personal Services is for a Executive Assistant position and additional increases for market, merit and insurance. There is also a \$5,000 increase for Broad Band market.

MISSION

The mission of the employees of the Flagstaff Municipal Court is to foster a positive and productive environment that promotes the efficient and effective administration of justice.

PROGRAM DESCRIPTION

The Municipal Court is responsible for the adjudication and disposition of all local code violations, criminal traffic, civil traffic, and criminal misdemeanor cases that occur within the Flagstaff City limits in a prompt, judicious, and effective manner. The Court is accountable to the Arizona Supreme Court through the Superior Court of Coconino County in judicial matters and reports to the City regarding financial and administrative matters not unique to Court operations.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Through active case management, adjudicate 90% of all cases within 90 days, excluding warrant cases (ABA standard).
RESULT: Completed 90% within 90 days, inclusive of warrant cases.
- ❖ Comply with all Rules of Court and Statutory case handling requirements.
RESULT: Evaluation of court operations show compliance.
- ❖ Provide accurate information to the public.
RESULT: Provided information on over 20,000 specific cases and participated in ongoing statistical reporting and web access through data warehouse of court information.
- ❖ Improve tracking of those who fail to comply with court orders.
RESULT: Have reduced outstanding number of cases without action pending to 8,000 and have tracked cases without payment to cases over 20 years old.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Expand collection efforts to increase total yearly revenues.
RESULT: Over \$4M sent to collections resulting in increases of revenues over projections.
- ❖ Maintain fiscal integrity in all financial transactions.
RESULT: Processed over \$2M in financial transactions.

- ❖ Comply with all Minimum Accounting Standards and reported yearly.
RESULT: Complied with all MAS requirements and reported timely.
- ❖ Coordinate with the AOC to implement Full Fare collection efforts, including contract tracking for collections.
RESULT: Sent over 37,000 cases to TIP and FARE and have implemented automated transfer of cases to collections. Contract tracking is still pending.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Develop an attitude and expectation in providing service to court customers while maintaining integrity in the application of state law.
RESULT: Staff is striking a balance between the needs of those who interact with the court and the need to uphold court orders and legal requirements.
- ❖ Have all staff complete orientation and training requirements of Arizona Judiciary.
RESULT: All staff have fully complied and reported.
- ❖ Finalized development of Minimum Operational Standards for the Court that can be used and implemented on a statewide basis.
RESULT: Minimum Operation Standards and Checklist have been completed and will be published this summer.
- ❖ Continue with development of facilities that provide improved access and security to the Court including the creation of plans for a temporary facility in coordination with downtown redevelopment.
RESULT: While new facility development is moving slowly, the court is continuing to expand ways to use the current facilities in creative ways.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Coordinate efforts across a broad range of programs with other local courts, the Arizona Supreme Court, law enforcement, and the bar.
RESULT: Automation integration, jail population management, felony time reduction, mental health courts and justice system coordination have all been coordinated this past year.
- ❖ Continue the multi-jurisdictional Drug Court while expanding use in misdemeanor cases with other jurisdictions.
RESULT: Seen successful participants through the drug court process.
- ❖ Work with Statewide efforts for automation coordination through the Court Automation Coordinating Committee.
RESULT: Participated in numerous initiatives for court automation.

- ❖ Continue implementation of the Justice 2020 strategic plan in collaboration with Justice and Superior Courts.
RESULT: Implemented yearly goals and are planning on a five year update next year.
- ❖ Participate with evaluation and implantation of a new Case Management System (CMS) for limited jurisdiction courts throughout the state.
RESULT: Established development and review groups for three ongoing projects.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Created automatic transfer of cases with fines due to Tax Intercept program.
- ❖ Developed an electronic transfer process for citations from the Flagstaff Police Department, reducing double entry of cases.
- ❖ Implemented bar code tracking of case files.
- ❖ Worked in the establishment of a Criminal Justice Coordinating Council to coordinate issues of importance to the criminal justice community.

FY 06 GOALS AND OBJECTIVES

GOAL: PUBLIC SAFETY

OBJECTIVES:

- ❖ Through active case management, adjudicate 90% of all cases within 90 days, excluding warrant cases (ABA standard).
- ❖ Comply with all Rules of Court and Statutory case handling requirements.
- ❖ Provide accurate information to the public.
- ❖ Have all cases with outstanding court orders set for enforcement action (warrant, suspension or collections).

GOAL: FISCAL HEALTH

OBJECTIVES:

- ❖ Expand collection efforts to increase total yearly revenues.
- ❖ Maintain fiscal integrity in all financial transactions.
- ❖ Comply with all Minimum Accounting Standards and report yearly.
- ❖ Expand implementation of FARE to include contract tracking for collections.

GOAL: CUSTOMER SERVICE

OBJECTIVES:

- ❖ Develop an attitude and expectation in providing service to court customers while maintaining integrity in the application of state law.
- ❖ Have all staff complete orientation and training requirements of Arizona Judiciary.
- ❖ Begin to develop a plan for improved access by allowing customers to electronically file and track cases.
- ❖ Continue with development of facilities that provide improved access and security to the Court.

GOAL: COLLABORATION

OBJECTIVES:

- ❖ Coordinate efforts across a broad range of programs with other local courts, the Arizona Supreme Court, law enforcement, and the bar.
- ❖ Work to develop alternative court models for mental health and drug/alcohol offenders.
- ❖ Work with Statewide efforts for automation coordination through the Court Automation Coordinating Committee.
- ❖ Work with Statewide efforts on the Limited Jurisdiction Court Committee to make recommendations to the AOC and the Arizona Judicial Council.
- ❖ Develop the Justice 2025 strategic plan in collaboration with Justice and Superior Courts.
- ❖ Participate with evaluation and implementation of a new Case Management System (CMS) for limited jurisdiction courts in throughout the state.
- ❖ Work with the Criminal Justice Coordinating Council to develop coordinated efforts within the criminal justice community.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Timely adjudication of all cases filed before the court			
Total # of charges filed	21,004	21,887	23,000
Cases completed 0-30 days (state average = 49%)	49%	55%	52%
Cases completed 31-60 days (state average = 22%)	25%	27%	25%
Cases completed 61-90 days (state average = 9%)	8%	8%	8%
Cases completed 91-120 days (state average = 5%)	3%	4%	5%
Cases completed 121+ days (state average = 15%*)	15%	6%	10%
Consistent and accurate collection of fines imposed by the Court			
Amount of general funds collected	\$ 859,877	\$ 1,031,878	\$ 850,000
Amount of surcharges collected	806,607	967,731	800,000
Amount of local funds collected	249,749	299,585	250,000
Total amount collected	\$ 1,916,233	\$ 2,299,194	\$ 1,900,000

* - Includes cases on warrant status.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 1,333,673	\$ 1,398,704	\$ 1,409,684	\$ 1,521,112	\$ 122,408
CONTRACTUAL	220,777	437,361	420,025	639,141	201,780
COMMODITIES	62,321	75,624	71,609	56,023	(19,601)
CAPITAL	48,936	-	-	23,500	23,500
TOTAL	\$ 1,665,707	\$ 1,911,689	\$ 1,901,318	\$ 2,239,776	\$ 328,087
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 730,825	\$ 697,463	\$ 701,011	\$ 1,030,093	\$ 332,630
TRIALS & ARRAIGNMENTS	457,848	488,749	480,782	428,420	(60,329)
RECORDS MANAGEMENT	201,087	437,865	432,494	474,921	37,056
COURT COLLECTIONS	275,947	287,612	287,031	306,342	18,730
TOTAL	\$ 1,665,707	\$ 1,911,689	\$ 1,901,318	\$ 2,239,776	\$ 328,087
SOURCE OF FUNDING:					
GENERAL FUND				\$ 2,239,776	
				\$ 2,239,776	
COMMENTARY:					
The City Court operating budget has increased 16% and capital expenditures total \$23,500 resulting in an overall net increase of 17%. Personal Services increases are due to employee market, merit, insurance, and retirement contributions. One time increases in Contractual include: \$50,000 consultant for Court interface program (Court Improvement Fees), \$75,000 to modify Court AZTEC system (Grant/JCEF funded), \$6,000 for additional office equipment. Additional Contractual increases include \$54,000 IT consultant. Major capital (>\$10,000) includes \$23,500 for replacement patrol sedan.					

MISSION

The mission of the Convention and Visitors Bureau is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially.

PROGRAM DESCRIPTION

The Flagstaff Convention and Visitors Bureau is charged with administering tourism programs for the City of Flagstaff and receives an allocation of 30% of the BBB tax collected. Programs to develop tourism in Flagstaff are ongoing and include marketing to tour operators, travel agents, meeting planners, group coordinators, consumers and media. The CVB is also involved in the creation and maintenance of partnership opportunities, locally and regionally.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ECONOMIC DEVELOPMENT/ REDEVELOPMENT****OBJECTIVES:**

- ❖ Continue to increase BBB Tax Collection and Citywide RevPar.
 - Continue to work with Visitor Center to develop new sales strategies and initiatives.
RESULTS: Rack card was developed and "pilot" program was launched to drive more visitors to the Visitor Center. Both supervisor and staff have taken active roles in participating in community events to create more awareness of Visitor Center.
 - Stay involved with state and regional marketing initiatives.
RESULTS: Coordinated efforts with AOT; worked in tandem with AZ Rocks, NAMC, and other cities.
 - Stay involved with initiatives that will bring more winter visitors.
RESULTS: Proactive in marketing "Snow Plan" to media in advance of winter season to better educate; advertised snow play opportunities.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Reorganization of CVB staff; added one sales person and one public relations person; expanded role and responsibility of P.R. manager position.

- ❖ Eliminated outside advertising agency; brought capabilities in-house to save money and gain greater creative control.
- ❖ Improved various publications including Flag Happenings, Calendar of Events, Travel Guide, etc.
- ❖ Staff more heavily involved in various stakeholder groups, committees, civic organizations.
- ❖ Increased ties to GFEC, Chamber of Commerce, DBA, Southside Neighborhood Association, and other statewide entities.
- ❖ Reorganized market segments to maximize staff efforts.
- ❖ Increased FAM groups to area, as well as sales missions to feeder markets.

FY 06 GOALS AND OBJECTIVES**GOAL: ECONOMIC DEVELOPMENT/ REDEVELOPMENT****OBJECTIVES:**

- ❖ Increase visitation by positioning Flagstaff as the premier year-round destination from which travelers can explore and experience all that Northern Arizona has to offer.
- ❖ Maintain existing strong travel patterns on weekends and in high seasons, and increase occupancy midweek and in slower shoulder and off-seasons to improve average length of stay.
- ❖ To meet these goals, staff will effectively coordinate marketing, public relations and sales efforts that are supported by Visitor Center services.

OBJECTIVES: MARKETING OBJECTIVES

- ❖ Aggressively advertise in Flagstaff's key markets (Phoenix and Southern California/Los Angeles) and additional promising secondary markets (Las Vegas and Texas).
- ❖ Promote Flagstaff to niche-based markets such as biking, astronomy and cultural/heritage entities.
- ❖ Create a strong in-house advertising campaign that accurately and creatively portrays our message.
- ❖ Develop ways in which to measure effectiveness of advertising strategies and pursue those that show a return on investment.

OBJECTIVES: PUBLIC RELATIONS OBJECTIVES

- ❖ Complement advertising strategies and pursue all media opportunities.
- ❖ Solidify Flagstaff's position by maintaining strong local and regional media relations.
- ❖ Enhance awareness of Flagstaff through increased media coverage and features nationally and internationally.
- ❖ Develop methods to track published articles and related dollar values.

- ❖ Continue to educate local community on the economic impact of tourism, especially as it relates to product development (i.e. conference center and special events).
- ❖ Better develop partnerships with stakeholders, Arizona Office of Tourism, statewide CVBs and Chambers to expand knowledge and build recognition of Flagstaff.

OBJECTIVES: SALES OBJECTIVES

- ❖ Pursue the tour/travel and meeting/events markets to increase awareness of Flagstaff's value as a

destination by setting aggressive weekly telemarketing and sales call goals.

- ❖ Increase communication to important constituents such as travel agents, group coordinators, tour operators and meeting planners.
- ❖ Organize and attend sales missions to key markets.
- ❖ Host FAMs to the area so attendees can experience first-hand what Flagstaff offers.
- ❖ Attend trade shows both domestically and internationally.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Increase Overall BBB revenue over previous year	N/A	+7.3% over CY03	+5% over CY04
Increase RevPar Citywide over previous year	N/A	+8.9% over CY03	+5% over CY04
Increase average length of stay over previous year	N/A	1.8 days	2.0 days

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 314,206	\$ 474,444	\$ 387,547	\$ 469,928	\$ (4,516)
CONTRACTUAL	648,708	474,078	210,894	503,918	29,840
COMMODITIES	166,279	141,822	142,551	134,415	(7,407)
CAPITAL	-	-	-	30,233	30,233
TOTAL	\$ 1,129,193	\$ 1,090,344	\$ 740,992	\$ 1,138,494	\$ 48,150
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 396,152	\$ 515,101	\$ 431,945	\$ 551,151	\$ 36,050
MARKETING AND PROMOTION	729,615	570,243	305,572	581,543	11,300
FILM OFFICE	3,426	5,000	3,475	5,800	800
TOTAL	\$ 1,129,193	\$ 1,090,344	\$ 740,992	\$ 1,138,494	\$ 48,150
SOURCE OF FUNDING:					
TOURISM FUND				\$ 1,138,494	
				\$ 1,138,494	

COMMENTARY:

The Tourism operating budget has increased 2% and there are capital expenditures of \$30,233 resulting in an overall net increase of 4%. Personal Services does have increases due to market, merit and health insurance, overtime pay of \$8,377 and Broad Band market of \$2,300 but it also some reductions due to changes in salaries for new positions. The bulk of Contractual increases is for Travel, Registration and Education for \$30,610. Commodities decreases are Promotional materials of \$9,500. Capital expenditures are one copier \$10,233 and potential re-roofing and plumbing of CVB building estimated at \$20,000.

MISSION

The mission of the Visitors Center is to introduce and educate visitors about the vast tourism opportunities within Flagstaff and the surrounding areas, and to increase the frequency of visits to Flagstaff and length of stay.

PROGRAM DESCRIPTION

The Flagstaff Visitor Center (VC) opened in the Historic Train Station in 1994. Until March of 2003, the VC was operated by the Flagstaff Chamber of Commerce; funded by the City of Flagstaff.

The Flagstaff Tourism Commission sought an expanded mission for the VC and determined the operation would be more cohesive under the direction of the Flagstaff Convention and Visitor Bureau (CVB). The VC function was successfully transitioned to the CVB with existing staff becoming city employees.

FY 05 GOALS, OBJECTIVES, AND RESULTS

GOAL: ECONOMIC DEVELOPMENT/ REDEVELOPMENT

OBJECTIVES:

- ❖ Reintroduce the Visitor Center (VC) to the Community:
 - Monitor success of rack card by tracking and feedback from stakeholders.
RESULT: Staff continues to distribute stakeholder rack cards and general information on Flagstaff's attractions to visitors. VC supervisor calls on attraction contacts at least quarterly to ensure satisfaction with VC operation.
Created Visitor Center rack/postcard that is being distributed throughout the community. This tool will allow staff to measure the success of the project.
 - Continue VC staff visits to stakeholders.
RESULTS: Staff has developed a schedule for regular visits to stakeholders.
 - Explore ideas to host events and receptions.
RESULTS: Staff took over the responsibility and expanded Tourism Week activities to encourage community involvement.
Supervisor took over the weekly "What's happening in Flagstaff" radio spots on Sunny 97 and KNVA not only promoting events and attractions, but encouraging visits to the VC.

- ❖ Create programs for stakeholders that demonstrate value of visitor services.
 - Work with attractions to house exhibits at Visitor Center.
RESULT: Six attractions will have permanent exhibits in the Visitor Center before the end of the fiscal year.
 - Work with NAU on VC internships.
RESULT: A close relationship continues with NAU's foreign student program creating internship opportunities. It is anticipated that 12 students will complete internships at the VC.
In addition, the VC supervisor is working on a formal arrangement with NAU's HRM program to offer internships for graduating students.
The VC hosted a Finnish tourism student last semester. This internship proved to be as much of a learning experience for staff as it was for the student.
 - Explore ideas to host events and receptions.
RESULT: The VC hosted several receptions and events at the VC this year including the ART Train reception, a tourism week reception and live radio remote, an AOT reception, two familiarization tour receptions, a CVB sales and marketing mixer, as well as hosting the CVB holiday party and participation in the Downtown Business Alliances' Magical Downtown Music event.
- ❖ Provide excellent customer service, create tracking mechanisms to establish trends:
 - Revamp VC reporting programs.
RESULT: A new phone system was installed and the VC now is able to track incoming phone calls.
With the assistance of the CVB Sales and Marketing Manager, the VC will soon be receiving a break down of where incoming calls are coming from to better track the CVB's marketing efforts.
The database that tracks fulfillments was updated to better measure the CVB's marketing successes.
 - VC survey in conjunction with attractions.
RESULTS: With the help of the NAU research department an attraction survey was created and implemented in July. All the local attractions and the VC are participating in the survey. The survey will run for one year. The first six-month results are now available for review.

- ❖ Expand the VC retail segment.
 - Work with vendors to create new marketing niches.
RESULTS: In working with the staff, stakeholders, and vendors it was determined that the VC retail merchandise would fill the following niches: Route 66, trains, Flagstaff and Grand Canyon related merchandise.
 - Work with stakeholders to display their items
RESULTS: The expanded gift shop opened July 4th weekend, and met the revenue goal for the year within three months with higher than expected sales continuing.
 - Explore bringing in NAU items.
RESULTS: Staff will be further expanding the gift shop by the end of March to include NAU merchandise.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ The interior VC remodel is now complete with the addition of new benches for the Amtrak passengers and a new floor throughout the train station.
- ❖ A new phone system was procured to better service potential tourists by providing visitor information in foreign languages, as well as direct connections for weather and road conditions.
- ❖ The VC is now part of the City art project and will be displaying works by local artists in the VC gallery/exhibit room.
- ❖ The VC supervisor continues to lead the community's effort on the Route 66 Corridor Management Plan with a goal of having the funding grant submitted in March.

- ❖ The VC supervisor has assisted the Chamber of Commerce and Downtown Business Alliance on community events such as the Million Dollar Ride, parades, holiday lighting, Route 66 days, etc.
- ❖ The VC supervisor continues to educate the community about the VC capabilities by attending local service organizations and charitable events.

FY 06 GOALS AND OBJECTIVES

GOALS: ECONOMIC DEVELOPMENT/ REDEVELOPMENT

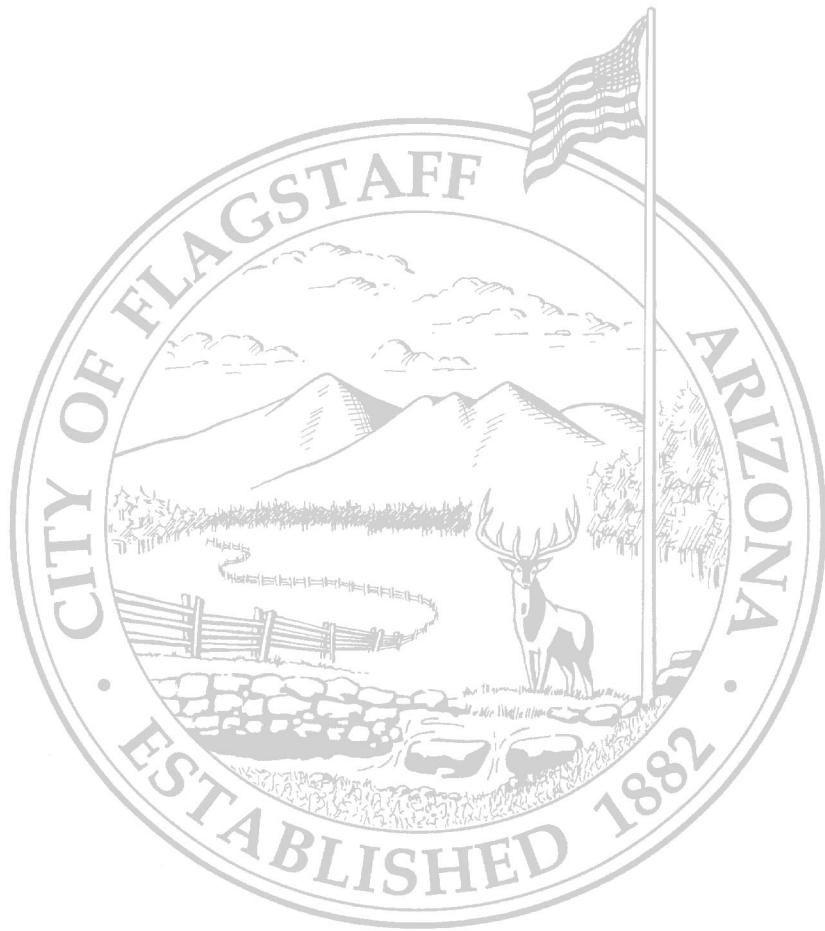
OBJECTIVES:

- ❖ Expand rack/postcard program to include convenience stores, grocery stores, car rental agencies, airport and other ancillary outlets.
- ❖ Expand the relationship with attractions to explore marketing opportunities such as creating a new attractions rack card.
- ❖ Create Flagstaff exhibits at the Flagstaff and Phoenix airports, Lupton, etc.
- ❖ Develop new partnerships with the National Park Service and Forest Service such as hosting educational forums and programs that can benefit the community as well as visitors.
- ❖ Host community events and perhaps mural project with schools.
- ❖ Explore the opportunity to create VC satellites.
- ❖ Measure Visitor Center contacts through tools such as phone system, rack card, walk-ins, attractions survey, etc.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Increase Distribution of Fulfillment	12,940	14,912	16,500

GENERAL ADMINISTRATION**DIVISION 85****VISITOR CENTER**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 232,514	\$ 228,254	\$ 245,933	\$ 268,304	\$ 40,050
CONTRACTUAL	51,949	56,753	56,943	60,252	3,499
COMMODITIES	22,050	15,377	14,965	14,832	(545)
CAPITAL	148,188	70,000	70,378	205,740	135,740
TOTAL	\$ 454,701	\$ 370,384	\$ 388,219	\$ 549,128	\$ 178,744
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 219,508	\$ 248,807	\$ 262,533	\$ 251,979	\$ 3,172
TRAIN STATION OPERATIONS	64,222	51,577	70,278	74,401	22,824
VISITOR CENTER REMODEL	170,971	70,000	55,408	222,748	152,748
TOTAL	\$ 454,701	\$ 370,384	\$ 388,219	\$ 549,128	\$ 178,744
SOURCE OF FUNDING:					
TOURISM FUND				\$ 549,128	
				\$ 549,128	
COMMENTARY:					
The Visitor Services operating budget has increased 14% and capital expenditures total \$205,740 resulting in an overall net increase of 48%. Personal Services has increased 18% due to market, merit and health insurance costs, Broad Band market, and increased overtime for weekends and holidays. Contractual increases total \$3,499 which are for Utilities, Rents for equipment, maintenance of computer equipment. Commodities decreased a total of \$545. Many increases were offset by decreases to other line items. Major capital (>\$10,000) is \$205,308 for the remodel of the Visitor Center. This will cover chip seal and re-stripe of the parking lot and removal and replacement of paver platforms.					



MANAGEMENT SERVICES

MANAGEMENT SERVICES MISSION

The mission of the **Management Services Department** is threefold as a provider of internal service functions, library services, and enforcement of the sales tax code. The mission of the internal service functions are to provide services to all City divisions and employees which will assist the users in making informed decisions and reasonably allocating resources. As an enforcement division, sales tax provides services to citizens and businesses that ensure compliance with all licensing, sales tax, audit, and collection codes.

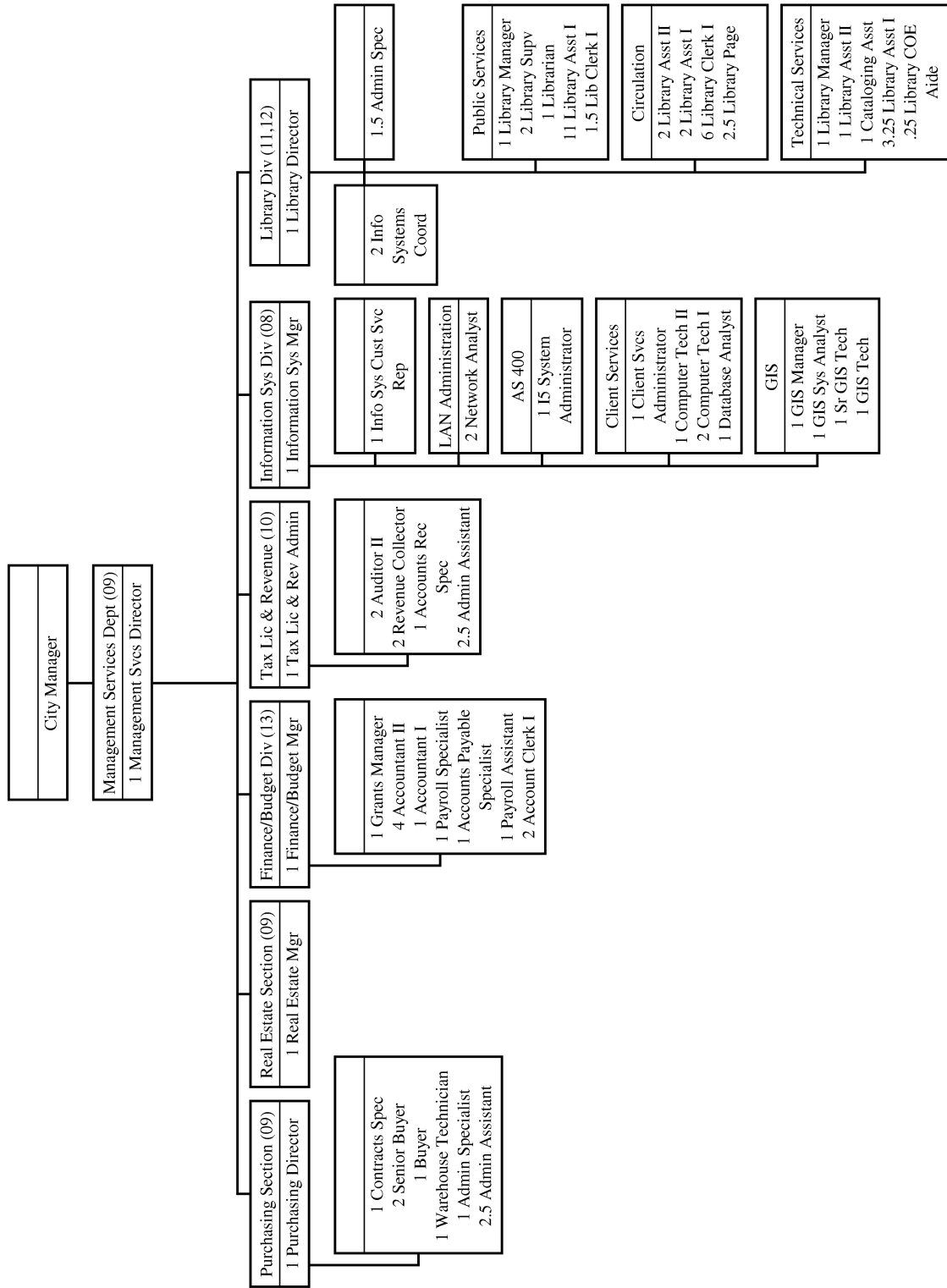
The mission of the **Information Systems Division** is to ensure City staff has the necessary resources (hardware/software) to access available data and geographical information which will assist staff in making informed decisions and to ensure the City's data resources are protected through sound security and disaster recovery management methodologies. Information Systems provides system analysis, software development, and product evaluation.

The mission of the **Tax, Licensing, and Revenue Division** is to ensure compliance with the City's Business License ordinances and assist the public so that tax-reporting problems can be avoided.

The mission of the **Flagstaff City-County Public Library** is to provide residents of the City of Flagstaff and Coconino County with access to available recorded knowledge, which will assist them to meet their informational, recreational, educational, and cultural needs. The Library staff will deliver services to users in a professional, timely, and courteous manner.

The mission of the **Finance and Budget Division** is to ensure that City's financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

Management Services



MISSION

The mission of the Information Services Division is to ensure City staff has the necessary resources (hardware/software) to access available data and geographical information which will assist staff in making informed decisions and to ensure the City's data resources are protected through sound security and disaster recovery management methodologies. Information Systems provides system analysis, software development, and product evaluation.

PROGRAM DESCRIPTION

This Division provides design, development, and operational assistance in meeting the management information needs of the City Council and staff. These objectives are met through various computer applications, which are modified, maintained, and updated on an ongoing basis to provide accurate information in a timely manner.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Ensure the delivery of digital data to City of Flagstaff staff.
 - Continue maintenance and upgrade of the City's network infrastructure.
 - Replacement of AS400 with AS400 ISeries.
 - Conversion of network operating system from Novell to Microsoft.
 - Conversion of City's email application from Novell GroupWise to Microsoft Exchange (Outlook)- ongoing
 - Timely updates of various applications – Accela, Firehouse, landfill, etc.
 - Installed and implemented Riskmaster software.
 - Worked with environmental service's to upgrade and enhance the services at the landfill.
 - Connected to the county primarily for video arraignment but will explore other shared data opportunities.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Perform daily backup of all data files and maintenance of off site storage.
RESULT: Backup software is continually monitored, maintained, and tested to ensure it is complete and consistent.
- ❖ Maintenance of firewalls as needed and ongoing evaluation of security techniques.

RESULT: Staff is preparing to deliver web-based services to the public. Our outside vendor was consulted with one set up and design, to ensure protection and integrity.

- ❖ Continued training and certification of Information Systems staff to ensure employees knowledge and skills are at a level that is relevant to the technology utilized by the City of Flagstaff.
RESULT: Staff is working to develop individual professional development plans.

FY 05 ADDITIONAL ACCOMPLISHMENTS

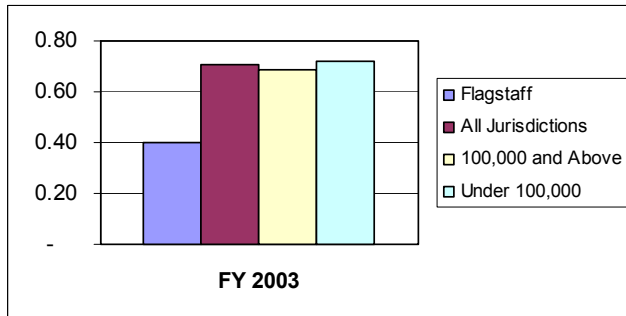
- ❖ Implemented a work order system that allows remote access by user and technical staff to review and resolve computer related programs. The system also provides an interactive inventory of software and hardware.
- ❖ Survived the major loss of the City's network disk storage and tape backup failure. Utilized numerous opportunities to restore data.
- ❖ Prepared a RFP to have a provider design and maintain the external communications for City facilities.
- ❖ Design, testing and implementation of GIS Internet mapping application.
- ❖ Assisted in the implementation of citywide aerial photography and LIDAR in the GIS database.
- ❖ Built 3D models of the city landfill to assist in capacity analysis.
- ❖ Performed initial assessment to migrate from GroupWise to Microsoft Outlook.

FY 06 GOALS AND OBJECTIVES

- ❖ Develop a comprehensive IT strategic plan that incorporates all current and future needs of the City.
- ❖ Work on disaster recovery procedures and processing and evaluate additional equipment needs – cluster environment, backup, SAN offsite.
- ❖ Develop a realistic and predicable work program.
- ❖ Fully implement the "Trackit" work order system with our customers.
- ❖ Continue to work on customer service issues to better address customer needs.
- ❖ Support efforts of the Egovernment Committee for successful implementations.
- ❖ Refine digit data standard for all subdivision and asbuilt submissions.
- ❖ Work on long-term plan for aerial photography and LIDAR data, standards and frequency.
- ❖ Work with individual customers to develop department specific applications.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM

Ratio of Work Stations (Intelligent and Dumb Terminals) to Total Jurisdiction Employees



The mean for all jurisdictions of the ratio of workstations to FTE's is 0.71 and Flagstaff has a mean of 0.40. Flagstaff's number may be low due to the number of field employees and shift workers (e.g. streets, utility, public safety, parks and recreation) who either do not work in an office or share equipment with others.

EXPENDITURES BY CATEGORY:

	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 676,797	\$ 817,644	\$ 771,420	\$ 886,440	\$ 68,796
CONTRACTUAL	408,945	425,420	437,502	369,214	(56,206)
COMMODITIES	69,249	50,250	55,671	52,700	2,450
CAPITAL	-	-	-	-	-
TOTAL	\$ 1,154,991	\$ 1,293,314	\$ 1,264,593	\$ 1,308,354	\$ 15,040

EXPENDITURES BY PROGRAM:

GENERAL ADMINISTRATION	\$ 235,609	\$ 296,540	\$ 278,656	\$ 318,467	\$ 21,927
AS 400	192,010	181,648	252,143	149,386	(32,262)
CLIENT SERVICES	194,190	225,172	244,587	304,246	79,074
LAN/WAN	268,214	282,370	203,488	176,942	(105,428)
GIS	264,968	307,584	285,719	359,313	51,729
TOTAL	\$ 1,154,991	\$ 1,293,314	\$ 1,264,593	\$ 1,308,354	\$ 15,040

SOURCE OF FUNDING:

GENERAL FUND	\$ 905,774
LIBRARY FUND	15,464
HIGHWAY USER REVENUE FUND	59,260
WATER AND WASTEWATER FUND	198,980
STORMWATER FUND	23,681
AIRPORT FUND	4,986
ENVIRONMENTAL SERVICES FUND	100,209
TOTAL	\$ 1,308,354

COMMENTARY:

The Information Systems budget has increased 1% and there are no capital expenditures. Personal Services increases include one new position for the Network Analyst and increases for market, merit and insurance. The Contracual decreases are due to a shift in funds to pay for the new position.

MISSION

The mission of the Management Services Department is threefold as a provider of internal service functions, library services, and enforcement of the sales tax code. The mission of the internal service functions are to provide services to all City divisions and employees which will assist the users in making informed decisions and reasonably allocating resources. As an enforcement division, sales tax provides services to citizens and businesses that ensure compliance with all licensing, sales tax, audit, and collection codes.

PROGRAM DESCRIPTION

The Management Services Division is responsible for the general administration of Finance/Budget, Sales Tax, Information Systems, and Library Divisions. The Purchasing function and Real Estate Management function are also within this division.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: FISCAL HEALTH****OBJECTIVES:**

- ❖ Complete the development and implementation of a formal procurement code, incorporating alternative methods of procurements for construction services and address the use of recycled products and green building concepts.
RESULT: This project has been put on hold in order to assist in the supervision of the IT Division.
- ❖ Continue work with the developer on the evaluation and implementation of the Hotel/Conference center proposals.
RESULT: Despite staff's best efforts the financial capacity to have a viable project exceeded the City's ability to do so.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Provide timely acquisitions of parcels for CIP projects.
RESULT: Staff succeeded in finalizing the purchase of property for the University /Beulah roadway extension. In participation with ADOT staff pursued the 28 parcels required for the 180 sideway project.
- ❖ Implement the results of the May 18, 2004 bond election.
RESULT: Worked on FUTS/Open space committee to identify and prioritize land acquisitions.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Continue to foster a high level of customer service delivery in all areas.
RESULT: Delivery of excellent customer service is a day-to-day culture in the department.
- ❖ Work with departments on a strategic plan for IT services and technology delivery.
RESULT: Completed quarterly work program for the IT Division.

FY 06 GOALS AND OBJECTIVES**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

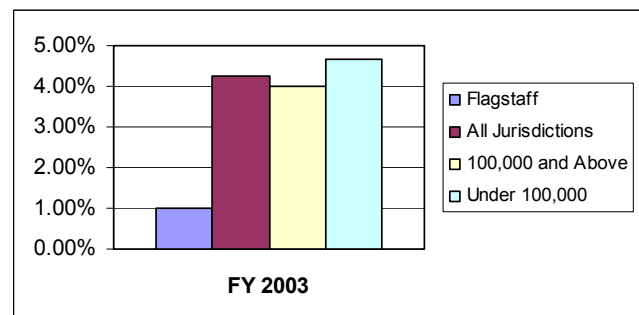
- ❖ Start planning, staffing and work program in purchasing to address current and pending retirements and vacancies.
- ❖ Work on knowledge transfer in the department through systematic processes.
- ❖ Work with all divisions on talent development and succession planning.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Work with partnerships to strengthen economic development through policy development..
- ❖ Place the elimination of the sales tax expiration date on the May 2006 ballot for public vote.
- ❖ Complete the financing for the May 2004 bond initiatives,
- ❖ Work on improving the decision process for budgeting in the City.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM**PURCHASING**

Percentage of Purchasing Conducted using Purchasing/Credit Cards



FY 2003 represented the third year the City of Flagstaff implement a Procurement Card (credit card) system for purchases up to \$1,000 per day, \$5,000 per month. As shown by this graph, this purchasing methodology is used on the average of over 4.0% across all other reporting jurisdictions for total purchasing. Dollar limits per transaction or per month/quarter influences

employees' ability to make purchases with purchasing cards. The p-card was available to only approximately 65 staff members throughout the entire City. The City needs to continue to investigate ways to have staff make better use of this purchasing methodology as it is very cost effective to administer.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 635,683	\$ 682,626	\$ 689,886	\$ 736,731	\$ 54,105
CONTRACTUAL	33,468	36,851	35,255	46,088	9,237
COMMODITIES	17,120	10,145	7,722	9,000	(1,145)
CAPITAL	-	18,000	13,513	-	(18,000)
TOTAL	\$ 686,271	\$ 747,622	\$ 746,376	\$ 791,819	\$ 44,197
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 145,587	\$ 158,190	\$ 168,444	\$ 184,833	\$ 26,643
PURCHASING	348,422	383,736	379,779	408,181	24,445
MAIL SERVICES	26,418	42,859	37,017	28,524	(14,335)
BOND & SURETY ADMIN	5,619	-	2,707	-	-
WAREHOUSE	76,612	78,455	77,400	83,743	5,288
PROPERTY MANAGEMENT	83,613	84,382	81,029	86,538	2,156
TOTAL	\$ 686,271	\$ 747,622	\$ 746,376	\$ 791,819	\$ 44,197
SOURCE OF FUNDING:					
GENERAL FUND				\$ 396,913	
LIBRARY FUND				23,169	
HIGHWAY USER REVENUE FUND				141,358	
WATER AND WASTEWATER FUND				160,206	
STORMWATER FUND				2,540	
AIRPORT FUND				15,173	
ENVIRONMENTAL SERVICES FUND				52,460	
				\$ 791,819	
COMMENTARY:					
The Management Services division operating budget has a 9% increase and there are no capital expenditures. Personal Service increase is due to market, merit and insurance increases. Contractual RSL's are mainly for travel and training for \$7,338 and equipment maintenance for \$1,170.					

MISSION

The mission of the Tax, Licensing and Revenue division is to ensure compliance with the City's Business License ordinances and assist the public so that tax-reporting problems can be avoided.

PROGRAM DESCRIPTION

The Tax, Licensing, and Revenue division is responsible for the licensing of new businesses and the collection of delinquent sales tax and business license accounts. Division staff disseminates City and State sales tax information to the taxpayers. This division is responsible for the collection of delinquent utility billings, delinquent library accounts, City Court fines, parking tickets, miscellaneous city billings and NSF checks. Staff has the responsibility to bill for the miscellaneous receivable accounts. This division also invests excess funds as allowed by the City Investment Policy.

FY 05 GOALS, OBJECTIVES AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Continue the taxpayer education seminars.
RESULT: Held five seminars with 122 attendees.
- ❖ Send audit evaluation forms to taxpayers to obtain feedback on our customer service level.
RESULT: This objective was not pursued thus far in the current fiscal year.
- ❖ Stay up to date on retiree health insurance issues and legislation.
RESULT: This has been successful and the retired employees have been promptly notified of changes.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Reduce sales tax and miscellaneous receivables delinquencies.
RESULT: The delinquencies, as a percentage of budgeted revenues, have been reduced.
- ❖ Invest city funds and achieve a rate of return exceeding that of the Local Government Investment Pool while investing in low risk investment.
RESULT: Investments return should exceed the Local Government Investment Pool return by 20%.

FY 05 ADDITIONAL ACCOMPLISHMENTS

Began scanning sales tax returns on the laserfiche. There are a couple of benefits. Retrieving and printing copies of tax returns for taxpayers and for staff is quicker and the copies are cleaner. This has also eliminated the need to store so many tax returns on site.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Continue the taxpayer education seminars.
- ❖ Send audit evaluation forms to taxpayers to obtain feedback on our customer service level.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue To reduce sales tax and miscellaneous receivables delinquencies as a percentage of anticipated revenues.
- ❖ Invest city funds and achieve a rate of return exceeding that of the Local Government Investment Pool while investing in low risk investment.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Issued Occupational and Sales Tax Licenses	1,398	1,516	1,500
Processed sales tax returns	28,750	32,853	34,500
Performed sales tax audits (FY)	53	63	72
Sales tax delinquencies as a percent of budgeted sales tax revenue	1.1%	1.4%	1.3%
Collection of delinquent miscellaneous receivable accounts	53%	64%	66%
Collection of delinquent parking tickets	70%	65%	70%
Collection of delinquent utilities payments	43%	52%	55%

MANAGEMENT SERVICES**DIVISION 10****TAX, LICENSING, & REVENUE**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 456,880	\$ 476,478	\$ 477,833	\$ 495,294	\$ 18,816
CONTRACTUAL	31,893	39,571	29,426	40,336	765
COMMODITIES	11,551	15,225	14,228	14,680	(545)
CAPITAL	-	-	-	-	-
TOTAL	\$ 500,324	\$ 531,274	\$ 521,487	\$ 550,310	\$ 19,036
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 140,877	\$ 155,569	\$ 146,586	\$ 158,522	\$ 2,953
AUDIT	146,081	151,528	151,527	155,147	3,619
COLLECTIONS	95,057	99,819	99,818	106,205	6,386
LICENSING AND CLERICAL	73,444	76,549	76,548	74,144	(2,405)
ACCOUNTS RECEIVABLE	44,865	47,809	47,008	56,292	8,483
TOTAL	\$ 500,324	\$ 531,274	\$ 521,487	\$ 550,310	\$ 19,036
SOURCE OF FUNDING:					
GENERAL FUND				\$ 443,925	
LIBRARY FUND				16,380	
HIGHWAY USER REVENUE FUND				1,030	
WATER AND WASTEWATER FUND				23,024	
AIRPORT FUND				26,646	
ENVIRONMENTAL SERVICES FUND				39,305	
				\$ 550,310	
COMMENTARY:					
The Tax, Licenses, and Revenue Collection operating budget has increased 4% and there are no capital expenditures. Personal services increases are due to market, merit, and insurance cost increases. Contractual revised service levels consist mainly of travel and education increases of \$4,000, and are offset by other reductions.					

MISSION

The mission of the Flagstaff City-County Public Library is to provide residents of the City of Flagstaff and Coconino County with access to available recorded knowledge, which will assist them to meet their informational, recreational, educational, and cultural needs. The Library staff will deliver services to users in a professional, timely, and courteous manner.

PROGRAM DESCRIPTION

The City-County Library is a jointly funded public library administered by the City of Flagstaff and financed by both the City of Flagstaff and Coconino County. The Library provides residents of the City and County with access to available recorded knowledge that will assist them in meeting their informational, recreational, educational, and cultural needs. The Library staff is committed to delivering services to users in a professional, timely and courteous manner.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVES:**

- ❖ Continue to nurture the Library's partnership with the Community College, in particular the Small Business Development Center and the Information Resources Center.
RESULTS: The Library continues to nurture our partnership with the Coconino Community College. In particular, we are assisting their staff in placing the holdings of their Information Resources Center on our SIRSI automation system, making these resources more accessible.
- ❖ Strengthen the relationship with the Nonprofit Resource Center of Northern Arizona and its founding agencies.
RESULTS: Public Services staff has attended workshops concerning the Nonprofit Resource Center of Northern Arizona and provides this information to the community, thus strengthening our relationship.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Continue to proactively meet the community's need for materials and information.
RESULTS: We strive to proactively meet the community's need for materials and information. There has been very close collaboration between Technical Services and other departments to work on projects that affect the quality of the collection.

- ❖ Recruit and train additional volunteers to assist the public with the use of library computers.
RESULTS: Volunteers have been invaluable in assisting the public with the use of library computers. In the past year, 451 members of the public attended 89 classes in the Gates Foundation computer lab.
- ❖ Create and promote new programs and services for the public at the East Flagstaff Community Library.
RESULTS: The popularity of the East Flagstaff Community Library continues to increase. The number of programs for children has doubled, a staff member is leading on ongoing program/discussion group, and a new project called "Get Real, Get Fit!" is about to begin. This project, funded by Libraries for the Future and MetLife Insurance, is directed at teens.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Develop and configure a comprehensive plan to assist the City of Flagstaff in collection agency billing for lost library materials.
RESULTS: A comprehensive procedure is now in place to assist the City of Flagstaff in collection agency billing for lost library materials.
- ❖ Continue to seek out funding opportunities made by grant making organizations to enhance collections and improve services.
RESULTS: Staff members are investigating funding opportunities made by grant making organizations. In particular, we are seeking out funding to help with the cost of replacing the two bookmobiles, which mechanically are in a state of rapid decline.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Approximately 1,384 young people participated in the Summer Reading Program.
- ❖ In partnership with Libraries for the Future, Family place Workshops are ongoing at the Main, Branch, and Tuba City libraries.
- ❖ The Friends of the Library group sponsored a fundraising event with *Dances with Wolves* author Michael Blake. This event raised awareness of the importance of libraries. The Library Foundation also has a successful fundraising campaign.
- ❖ Staff again applied for Universal Service Fund discounts for telecommunication (e-rate) for Tuba City (\$2,200) Fredonia (\$1,100) and Flagstaff (\$10,000).
- ❖ Popular book discussion groups have been created for both adults and young people.

- ❖ Staff at the Tuba City Public Library has completed the Youth Access and Planning for Results projects.
- ❖ East Flagstaff Community Library is now open seven days a week, and the number of computers for the public has doubled.

FY 06 GOALS AND OBJECTIVES

GOAL: QUALITY OF LIFE

OBJECTIVES:

- ❖ Through our Outreach Services program, enhance and create new services to seniors.
- ❖ Increase the number of classes available in the Gates Foundation computer lab.
- ❖ Continue to proactively meet the community's need for services, materials and information.

GOAL: COLLABORATION

OBJECTIVES:

- ❖ In partnership with the Flagstaff Medical Center and the State Library, create another Born to Read family wellness and literacy program.
- ❖ Play an initial role in the City's succession planning project, and encourage library staff to take advantage of continuing education opportunities.
- ❖ Continue staff training with the Nonprofit Resource Center of Northern Arizona.

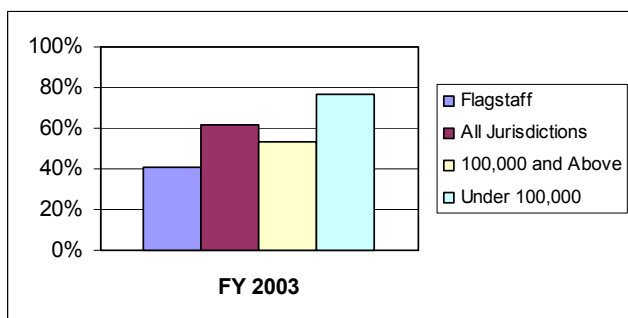
GOAL: FISCAL HEALTH

OBJECTIVES:

- ❖ Continue to seek out funding opportunities made by grant making organizations to enhance collections and improve service.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM

Registered Borrowers as a Percentage of Service Area Population

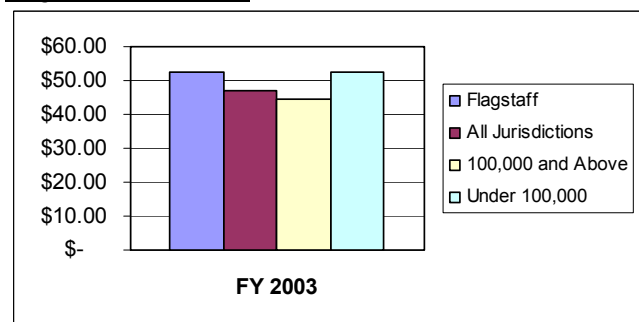


Some variation in the number of borrowers may be attributed to the frequency with which jurisdictions purge

their borrower records. All other conditions being equal, jurisdictions that purge records frequently tend to report fewer registered borrowers than jurisdictions that purge infrequently. The City purges on a monthly basis as our service contract is based on the number of active users at the library.

Also, as Flagstaff is a City/County operation, the area of service for the library encompasses all of the Coconino County area.

Operating and Maintenance Expenditures per Registered Borrower



Total operating and maintenance expenditures include actual expenditures for salaries, benefits, supplies, material acquisitions, and contract services (overhead and capital improvements are excluded).

Variations in library expenditures may be attributed to differences in the number of library facilities, the hours of operation, and the size and scope of holdings and programs. Generally, Flagstaff reflects a cost in line with other jurisdictions of the same size.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Shelve materials promptly when returned	972,714	938,548	967,519
Borrowers check out materials in a timely fashion	288,237	224,622	234,713
Provide successful response to requests for information	132,459	118,375	120,743
Provide successful response to reference questions from youth	51,703	43,574	44,445
Provide adequate number of materials for users (per capita)	3.8	3.6	3.6
Catalog all new materials as they are received	21,637	19,152	19,344

Division 11-Library Operating

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 1,572,917	\$ 1,756,869	\$ 1,743,032	\$ 1,861,158	\$ 104,289
CONTRACTUAL	365,867	383,723	371,769	372,360	(11,363)
COMMODITIES	339,469	375,267	319,440	428,341	53,074
CAPITAL	40,095	348,394	260,281	325,000	(23,394)
TOTAL	\$ 2,318,348	\$ 2,864,253	\$ 2,694,522	\$ 2,986,859	\$ 122,606
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 408,353	\$ 708,489	\$ 617,267	\$ 386,445	\$ (322,044)
TECHNICAL SERVICES	561,572	588,177	570,082	651,694	63,517
PUBLIC SERVICES	939,217	1,081,363	990,748	1,413,212	331,849
COUNTY JAIL	44,594	48,000	48,042	48,000	-
COUNTY BOOKMOBILE	42,316	42,050	42,613	42,050	-
FOREST LAKES LIBRARY	29,336	62,726	36,287	67,985	5,259
TUBA CITY LIBRARY	91,157	139,910	114,640	150,074	10,164
SUPAI LIBRARY	2,283	5,500	5,142	5,500	-
EAST FLAGSTAFF LIBRARY	175,641	177,163	259,015	211,024	33,861
MAIN LIBRARY AUTOMATION	19,545	10,875	10,265	10,875	-
E. FLAG COMMUNITY LIBRARY	3,947	-	421	-	-
E. FLAG LIBRARY REMODEL	387	-	-	-	-
TOTAL	\$ 2,318,348	\$ 2,864,253	\$ 2,694,522	\$ 2,986,859	\$ 122,606
SOURCE OF FUNDING:					
LIBRARY FUND				\$ 2,986,859	
				\$ 2,986,859	
COMMENTARY:					
The Library operating budget has increased 6% and capital expenditures total \$325,000 resulting in an overall net increase of 4%. Personal Services increases are due to employee market, merits, insurance, retirement contribution cost increases, and the addition of 1.0 FTE for a Page/Library Clerk position. Commodities increases include the restoration of \$50,000 for circulation materials that had been previously cut due to budgetary reductions in FY2003. Major capital (>\$10,000) includes carryforward of \$50,000 for the replacement of the Palsmobile (\$125,000) and for a new County Bookmobile (\$200,000).					

Division 12-Library Grants

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 74,296	\$ 71,198	\$ 81,527	\$ 75,941	\$ 4,743
CONTRACTUAL	157,819	701,964	202,823	1,085,791	383,827
COMMODITIES	28,835	37,300	154,947	25,000	(12,300)
CAPITAL	-	-	-	-	-
TOTAL	\$ 260,950	\$ 810,462	\$ 439,297	\$ 1,186,732	\$ 376,270
EXPENDITURES BY PROGRAM:					
COUNTY WIDE PROJECTS	\$ 231,306	\$ 773,162	\$ 393,039	\$ 1,161,732	\$ 388,570
STATE GRANT N AID 2002-03	1,256	-	-	-	-
STATE GRANT-IN-AID 2004	20,535	-	2,807	-	-
YOUTH ACCESS-TUBA CITY	2,087	8,500	6,117	-	(8,500)
FAMILY PLACE GRANT	3,648	3,800	4,852	-	(3,800)
STATE GRANT-IN-AID 2005	-	25,000	25,000	-	(25,000)
LITERACY BEGINS @ HOME	2,118	-	7,482	-	-
STATE GRANT IN AID 2006	-	-	-	25,000	25,000
TOTAL	\$ 260,950	\$ 810,462	\$ 439,297	\$ 1,186,732	\$ 376,270
SOURCE OF FUNDING:					
LIBRARY FUND				\$ 1,186,732	
				\$ 1,186,732	

MISSION

The mission of the Finance/Budget division is to ensure that City's financial resources are protected through sound financial management, including allocation of resources consistent with community goals and providing timely, accurate, and reliable information that will assist in making informed decisions.

PROGRAM DESCRIPTION

The Finance Division provides a variety of financial services to the Council and City staff. Services include accounting and financial reporting, budgeting, payroll, accounts payable, special financial analysis, grant management, citywide switchboard operations, and performance reporting.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: FISCAL HEALTH****OBJECTIVES**

- ❖ Convert to the HTE budget system.
RESULT: Testing in the HTE Budget System continues.
- ❖ Maintain grant funding at current level.
RESULT: FY 05 grant funding budgeted at \$17,756,771.
- ❖ Implement new user fees as directed by Council.
RESULT: No new user fees implemented in FY2005 due to time restrictions in the City Attorney's office.
- ❖ Develop plan for retroactive infrastructure valuation to finalize GASB 34 compliance.
RESULT: This plan will be in place by the end of FY2006, as the retroactive infrastructure valuation must be complete by the end of FY2007.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Received the GFOA distinguished Budget Presentation Award for the eleventh year in a row.
- ❖ Received GFOA Certificate of Achievement for Excellence in Financial Reporting for the ninth year in a row.
- ❖ Processed and paid one-time salary adjustment to all benefit-eligible staff.
- ❖ Implemented credit card acceptance at the Customer Service counter.
- ❖ Coordinated FEMA response to declared emergency for snow and flood disaster.
- ❖ Submitted information for the fifth year to ICMA for performance measurement.
- ❖ Continued support for 131 procurement card users.

FY 06 GOALS AND OBJECTIVES**GOAL: FISCAL HEALTH****OBJECTIVES**

- ❖ Assist with Stormwater rate model review to accurately determine cost of service.
- ❖ Expand credit card acceptance for Recreation and Building Services, as appropriate.
- ❖ Complete a professional review of payroll processes to identify efficiencies through software use.
- ❖ Complete analysis of expenditure limitation to determine if any base adjustment is necessary.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Mandatory fee policy developed	6/30/03	NA	NA
User fees implemented as designated by Council	NA	Fire subscription, stormwater utility, cemetery, building, DRB	Development, impact, liquor license
Receive one grant for Rio de Flag project	NA	No	No
Grant dollars received	\$2,567,314	\$1,615,178	\$9,484,819

MANAGEMENT SERVICES
DIVISION 13
FINANCE AND BUDGET

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 674,350	\$ 734,980	\$ 753,802	\$ 777,452	\$ 42,472
CONTRACTUAL	26,836	36,635	35,405	56,735	20,100
COMMODITIES	21,632	19,600	20,447	18,800	(800)
CAPITAL	-	-	-	-	-
TOTAL	\$ 722,818	\$ 791,215	\$ 809,654	\$ 852,987	\$ 61,772
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 98,388	\$ 125,579	\$ 148,004	\$ 157,040	\$ 31,461
ACCOUNTING	290,914	319,202	315,019	327,042	7,840
PAYROLL	113,866	117,477	119,418	128,170	10,693
ACCTS PAYABLE/ RECEIVABLE	127,800	136,628	133,790	148,039	11,411
BUDGET	5,836	7,525	5,576	5,025	(2,500)
GRANTS ADMINISTRATION	86,014	84,804	87,847	87,671	2,867
TOTAL	\$ 722,818	\$ 791,215	\$ 809,654	\$ 852,987	\$ 61,772
SOURCE OF FUNDING:					
GENERAL FUND				\$ 542,834	
LIBRARY FUND				47,891	
HIGHWAY USER REVENUE FUND				44,935	
WATER AND WASTEWATER FUND				130,306	
STORMWATER FUND				9,839	
AIRPORT FUND				31,929	
ENVIRONMENTAL SERVICES FUND				45,253	
				\$ 852,987	
COMMENTARY:					
The Finance and Budget operating budget has increased 8% and there are no capital expenditures. Personal Services increase of 6% is due to market, merit and health insurance increases. Contractual increases are mainly for a tempory help addition \$12,000 and \$5,000 for a ICMA-CPA along with \$2,000 for registration and \$900 for office equipment.					

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT DEPARTMENT MISSION

The missions of the **Community Development Administration, Development Services, Community Investment, and Community Improvements Divisions** are to facilitate the orderly development, redevelopment, and conservation of the City through the formulation and subsequent administration of publicly-adopted growth management policies and standards.

The mission of the **Capital Improvements Division** is to provide efficient and responsible management of resources in order to deliver a quality program and projects that improve the community of Flagstaff.

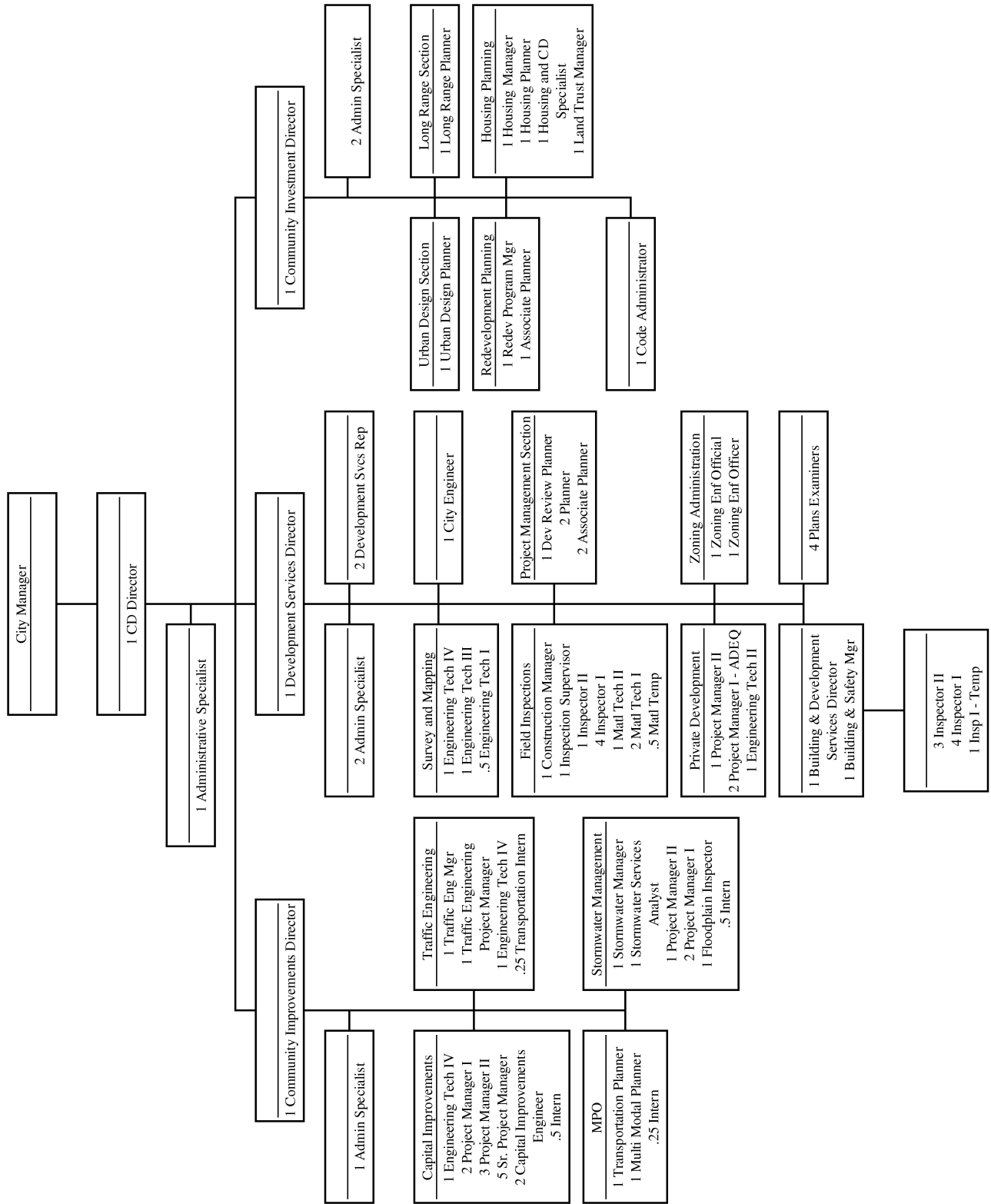
The mission of the **Metropolitan Planning Organization** is to develop standards and plans for a transportation system that progressively enables the land use decisions of the region in an atmosphere of consensus and to assist our members in programming capital projects to that end.

The mission of the **Housing and Community Services Division** is to provide community/neighborhood based planning and affordable housing opportunities for residents of Flagstaff, in particular to low to moderate income families so they can continue to thrive in decent housing, a suitable living environment, and enjoy economic opportunity.

The **Arts & Science Program** facilitates the strengthening of Flagstaff's arts, science and cultural environment through a competitive annual process offering financial support for selected organizations and events. The Public Art program strives to enhance the urban environment through the implementation of various public art projects.

The mission of the **Stormwater Division** is to promote the public health, safety, and general welfare to minimize public and private losses due to flood conditions with the City of Flagstaff and to comply with the applicable stormwater regulations.

Community Development



MISSION

The Capital Improvements Section provides efficient and responsible management of resources in order to deliver a quality program and projects to improve the community of Flagstaff.

PROGRAM DESCRIPTION

The Capital Improvement Section of the Community Improvements Division produces the City's 5-year Capital Program, provides project planning and program delivery for Capital Improvement Projects. The Division is responsible for the project planning, programming, design, and construction of the City facilities and infrastructure in a comprehensive fashion while ensuring an appropriate level of public involvement.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES:**

- ❖ Performance through Project Delivery System:
RESULT: All new project managers have been trained in PDS. All projects being delivered with this system.
- ❖ Delivery of Division Work Program/Develop Performance Metrics:
RESULT: There are 42 distinct projects, with an FY04/05 budget of \$42M in the annual Work Program. 35 projects are on-track for delivery, one project is on-hold (USGS) and six projects are somewhat delayed from the original anticipated project schedules.
- ❖ Facilitate Capital Planning Process:
Coordinate the 5-year Capital Improvements Program for the benefit of the organization. Prospectus Document development allows a much greater understanding of project scope and requirements at the earliest possible stage.
- ❖ Develop Section Strategic Initiatives for FY 04/05:
RESULT: Five strategic initiatives have been identified through Capital Improvements Section team building efforts.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Conduct public meetings for major projects to engage the public and establish positive working relationships:
RESULT: Eleven public meetings were sponsored, numerous CityScape articles published, and through project updates have been submitted to the City Manager each week to ensure a well informed public.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Fourth Street Rail Crossing project:: All project right-of-way secured, Phase I construction completed and Phase II construction started.
- ❖ Lake Mary Road Urban Trail completed.
- ❖ Empire Avenue Extension contracted for completion.
- ❖ Sunnyside Phase IIIA/West and Arrowhead Sewer completed.
- ❖ Sunnyside Phase IIIB construction started.
- ❖ Completed Amberwood Booster Station.
- ❖ Butler Avenue Transmission Mains in progress and contracted for completion by May 2005.
- ❖ Soliere Avenue Bike lanes construction by May 2005.
- ❖ Thomas & Christensen Elementary School fields renovations completed.
- ❖ Lone Tree Road and West/Arrowhead Corridor Studies in progress.
- ❖ Railroad FUTS: Thompson to Rio de Flag design in progress.
- ❖ Thorpe Park Improvements contracted for design completion by June 2005.
- ❖ Cedar Avenue Urban Trail Bridge under design.
- ❖ Citizens Transportation Advisory Committee (CTAC) support and annual report.
- ❖ Continued annual updates to the comprehensive 5-year CIP database.
- ❖ On-Call engineering services contracts awarded.
- ❖ Construction Manager at Risk contracts awarded and administered.
- ❖ Design/Build contract developed.
- ❖ Internal Project Managers Academy syllabus done.
- ❖ Project manager's Manual development in progress.
- ❖ Initiated Monthly Project Reports to track financial and schedule status of projects.
- ❖ Project Managers Decision Matrix drafted.

FY 06 GOALS AND OBJECTIVES**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES:**

- ❖ Well-trained/equipped Team-Centered staff
- ❖ Development & Delivery of Capital Work Program
- ❖ Continue to facilitate Capital Planning Process
- ❖ Develop implementation strategies for FY 06 Strategic Initiatives.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Conduct public meetings for major projects to engage the public and establish positive working relationships.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Percentage of Capital Projects delivered in accordance with accepted work program schedule	88%	84%	80%
Percentage of Capital work program delivered in accordance with adopted budget.	NA	69%	70%
Completion of identified Strategic Initiatives	90%	75%	75%
Ensure delivered projects consistently involve the public to facilitate a shared vision of our built community. Number of public meetings.	6	11	10

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ (159,677)	\$ (245,791)	\$ (327,737)	\$ (338,632)	\$ (92,841)
CONTRACTUAL	98,427	97,730	102,168	96,330	(1,400)
COMMODITIES	19,918	24,950	20,778	27,200	2,250
CAPITAL	-	-	-	-	-
TOTAL	\$ (41,332)	\$ (123,111)	\$ (204,791)	\$ (215,102)	\$ (91,991)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ (464,100)	\$ (628,156)	\$ (580,496)	\$ (729,302)	\$ (101,146)
PROJECT MANAGEMENT	366,541	475,560	304,926	454,452	(21,108)
ADOT PROJECT COORDINATION	4,847	7,366	10,833	6,706	(660)
UNPLANNED/UNPROGAMED WORK	736	-	7,927	-	-
5 YEAR CAPITAL PROG DEV	50,644	22,119	52,019	53,042	30,923
TOTAL	\$ (41,332)	\$ (123,111)	\$ (204,791)	\$ (215,102)	\$ (91,991)
SOURCE OF FUNDING:					
GENERAL FUND				\$ (215,102)	
				\$ (215,102)	
COMMENTARY:					
The Capital Management Division is allocated to the divisions it provides services for based on an hourly rate percentage. All costs plus the administrative overhead assigned to the division are allocated. This fiscal year we will be charging out 50% of the administrative assistant's time to other divisions that she provides support for.					

MISSION

To develop standards and plans for a transportation system that progressively enables the land use decisions of the region in an atmosphere of consensus and to assist our members in programming capital projects to meet that end.

PROGRAM DESCRIPTION

Management of the FMPO is under transition through a series of discussion with the City, County and ADOT. The program will remain the same.

The Flagstaff area's Cooperative, Comprehensive, and Continuing ("3C") Urban Transportation Planning Program is conducted by the FMPO through the administration and support of the City of Flagstaff, Coconino County, and the Arizona Department of Transportation (ADOT), in cooperation with state and federal agencies, including the U.S. Department of Transportation (USDOT), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA).

FY 05 GOALS, OBJECTIVES AND RESULTS**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES:**

- ❖ To work with member agencies to better inform and improve the coordination of project delivery and scheduling. The FMPO took a more direct role in project, planning and programming, including coordination on projects such as the East Flagstaff TI, right-of-way acquisition on the US 180 path projects, and facilitating coordination with NAU on joint delivery of an NAU and City path projects.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ As FMP continually explores avenues for cooperative planning ventures with ADOT – Transportation Planning division and Flagstaff District, NACOG, and City and County planning and capital programs we were able to co-fund the Phase II Freight Study that is now complete.
- ❖ Work with Coconino County Mountain Line to better integrate their system with NAU Mountain Campus Transit.
RESULT: While working with Coconino County Mountain Line to better integrate their system with NAU Mountain Campus Transit the FMPO participated in NAU master planning efforts including

transit planning and is working with Coconino County on an update to the 5-year Transit Plan.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ Work cooperatively the City capital Improvement Division on a Lone Tree Corridor Study.
RESULT: Working cooperatively the City Capital Improvement Section on a Lone Tree Corridor Study the FMPO participated in the hiring of DMJM-Harris as consultant on the study. The LTCS is underway and on schedule for completion in August. FMPO provides review and modeling support.
- ❖ Refine the regional traffic model to provide better information for project design purposes.
RESULT: Efforts to refine the regional traffic model to provide better information for project design purposes suffered a set-back with lost data. Staff is working with the consultant, LSA, to change the scope, have them compile data, and align the effort with next year's long range planning effort.
- ❖ Work with Coconino county mountain Line to produce the next 5-year Transit Plan.
RESULT: FMPO worked with Coconino County Mountain Line to scope the work effort for the next 5-year Transit Plan and hire Nelson-Nygaard to perform the work that will commence this spring and finish in the fall.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Staff has supported the AZ FH3 (Lake Mary Road) widening project providing model data, coordination with city departments and other services.
- ❖ FMPO completed the Phase II Freight Study and initiated a series of discussions with stakeholders, regional governments, and private shippers on implementation.
- ❖ Modeled and evaluated Fourth Street Traffic interchange with I-40 for network impacts and made preliminary assessments on construction, right-of-way and environmental impacts.

FY 06 GOALS AND OBJECTIVES**GOAL: QUALITY OF LIFE****OBJECTIVES:**

- ❖ FMPO will work with City, County, and ADOT staff to complete the FUTS Master Plan, develop prospectus level plans for priority projects and coordinate their programming.

GOAL: CAPITAL IMPROVEMENTS**OBJECTIVES:**

- ❖ FMPO will work with City, County and ADOT capital improvement staffs to develop concept level engineering and planning efforts on transportation priorities drawn from the Regional Land use and Transportation Plan and subsequent updates.

- ❖ Update the FMPO Regional Transportation Plan for all modes using a build-out forecast for population and employment.
- ❖ FMPO will collaborate with Coconino County on the update of the 5-year transit plan assuring its integration with the update of the Long Range Transportation Plan.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Unified Planning Work Program & Transportation Improvement Program delivered on time	100%	100%	100%
Complete and timely submittal of Highway Performance Monitoring System Data to ADOT	60%	70%	75%
75% +/- completion of a Long Range Transportation Plan update that includes a build-out analysis and assessment of significant intersections	NA	NA	75%
Development and successful application of process utilizing regional traffic model to support Traffic Impact Analysis	NA	2/2	1/2

EXPENDITURES BY CATEGORY:

	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 100,903	\$ 105,401	\$ 96,109	\$ 146,921	\$ 41,520
CONTRACTUAL	212,327	399,935	233,035	352,797	(47,138)
COMMODITIES	7,557	5,850	4,827	8,284	2,434
CAPITAL	-	-	-	-	-
TOTAL	\$ 320,787	\$ 511,186	\$ 333,971	\$ 508,002	\$ (3,184)

EXPENDITURES BY PROGRAM:

GENERAL ADMINISTRATION	\$ 50,743	\$ 123,201	\$ 60,557	\$ 169,005	\$ 45,804
SHORT RANGE PLANNING PROG	200,798	283,025	213,026	168,466	(114,559)
TRANSPORTATION IMPROV PLAN	308	-	74	-	-
SHORT RANGE DATA COLLECTN	31,243	35,000	2,325	23,000	(12,000)
LONG RANGE TRANSIT PLAN	24,507	69,960	45,368	82,700	12,740
LONG RANGE TRANSPORT PLAN	7	-	-	64,831	64,831
LONG RANGE "OTHER" TRANSP	13,181	-	12,621	-	-
TOTAL	\$ 320,787	\$ 511,186	\$ 333,971	\$ 508,002	\$ (3,184)

SOURCE OF FUNDING:

METROPOLITAN PLANNING FUND

\$ 508,002
\$ 508,002

COMMENTARY:

The MPO operating budget has decreased 1% and there are no capital expenditures. Personal Services increases are due to employee market, merits, insurance retirement contribution cost increases and the addition of a part time (0.25) Intern. Contractual decreases are due to the anticipated completion of a number of studies in FY2005. Consulting for FY2006 includes long range planning, movement counts, and the short range transit plan update. The MPO is a 100% grant reimbursed program. There is no major capital (>\$10,000) for this division.

MISSION

The mission of the Community Development Department is to facilitate the orderly development, redevelopment, and conservation of the City through the formation and subsequent administration of publicly adopted growth management policies and standards.

PROGRAM DESCRIPTION

The Community Development Administration Division provides leadership and vision for and coordinates the activities of the Community Improvements, Community Investment and Development Services Division. Administration also serves C.D. by coordinating issue resolution with other City Departments.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES**

- ❖ Work with member agencies to better inform and improve the coordination of project delivery and scheduling.
RESULT: Completing delivery of all programmed projects.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Continue to explore avenues for cooperative planning ventures with ADOT – Transportation Planning Division and Flagstaff District, NACOG, and City and County planning and capital programs.
RESULT: High levels of collaboration achieved through project scoping meetings, ACC meetings and the FMPO TAC.
- ❖ Work with Coconino County Mountain Line to better integrate their system with NAU Mountain Campus Transit.
RESULT: Work in progress. Coordinating the Lone Tree Corridor Study, Southside Study and Campus Master Plan efforts.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ Work cooperatively with the City Capital Improvement Division on a Lone Tree Corridor Study.
RESULT: Community Improvements, Community Investment and Development Services Divisions all play a major, coordinated role in this study.
- ❖ Refine the regional traffic model to provide better information for project design purposes.
RESULT: Work in progress. Major data lost during computer system crash.
- ❖ Work with Coconino County Mountain Line to produce the next 5-year Transit Plan.
RESULT: FMPO and Long Range Planning are participating in the writing of RFP and consultant selection.

FY 05 ADDITIONAL ACCOMPLISHMENTS

During the FY, a major reorganization of Community Development, lead by the staff Action Team, consolidated our four divisions into three: Community Improvements, Community Investment and Development Services. These divisional alignments were developed to better align the Department's functions to better serve our clients. An intensive effort to higher three new divisions directors was successfully completed and additional, numerous staff positions were also filed.

FY 06 GOALS AND OBJECTIVES**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES**

- ❖ Provide leadership, management and developmental training for staff.
- ❖ Provide an operating budget that reflects well-developed work programs.
- ❖ Provide the necessary resources, tools, and time for staff to complete their work program.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Provide Leadership and Management Training:	NA	N/A	100%
Complete Division Work as Programmed	NA	N/A	75%

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 213,440	\$ 259,982	\$ 301,085	\$ 185,472	\$ (74,510)
CONTRACTUAL	2,078	11,270	12,225	81,090	69,820
COMMODITIES	6,855	6,150	6,403	15,475	9,325
CAPITAL	-	-	-	-	-
TOTAL	\$ 222,373	\$ 277,402	\$ 319,713	\$ 282,037	\$ 4,635
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 149,605	\$ 202,697	\$ 245,008	\$ 282,037	\$ 79,340
COUNCIL AND COMMISSIONS	72,768	74,705	74,705	-	(74,705)
TOTAL	\$ 222,373	\$ 277,402	\$ 319,713	\$ 282,037	\$ 4,635
SOURCE OF FUNDING:					
GENERAL FUND				\$ 282,037	
				\$ 282,037	
COMMENTARY:					
A major reorganization of Community Development has occurred for the 2006 Budget year. The base budgets have been transferred to the appropriate Divisions and Programs for 2006. Due to this reorganization, the above Division Budget-Budget Variance will not be comparable until 2007. In total, Divisions 15 - 18 operating Budgets have increased 9% and capital expenditures total \$95,000 (Div 16) resulting in a net increase of 9%. Personal Services increases in Division 15 - 18 are due to the addition of new positions (3.25 FTE's) and increases in market, merit, health insurance and AZ state Retirement contributions. There is no capital for Division 15.					

MISSION

The mission of the Community Development Department is to facilitate the orderly physical development, redevelopment, and conservation of the City through the formation and subsequent administration of publicly adopted growth management policies and standards.

PROGRAM DESCRIPTION

The Project Management Section advises the City Manager, City Council, Planning & Zoning Commission, and various City commissions on all matters relating to Flagstaff's growth and development. It administers the Land Development Code (LDC) and regulations.

The Project Review Section is primarily responsible for administering and enforcing the provisions of the various codes regulating engineering, horizontal and vertical construction, surveying and reviewing plans to facilitate future development in the City of Flagstaff. Responsibilities include guidance for developers and investors to facilitate the ordered growth of the City of Flagstaff. Staff provides detailed plan check to ensure compliance with applicable codes and ordinances, on site inspections, review and update of all codes to conform to current trends in the engineering and construction industry, and abatement of safety hazards and unsanitary conditions.

The Project Inspection Section is primarily responsible for administering and enforcing the provisions of the various codes regulating horizontal and vertical construction, to ensure compliance with applicable codes and ordinances, on-site and off-site inspections, review and update of all codes to conform to current trends in the engineering and construction industry, and abatement of safety hazards and unsanitary conditions.

FY05 GOALS/OBJECTIVES AND RESULTS**GOAL: CUSTOMER SERVICE****RESULTS:**

- ❖ Provide assistance to Zoning Administration Section. The Project Management Section has provided expertise and suggested amendments to the LDC for the Zoning Administration Annual Code Revision program.
- ❖ Continue the administration of the Development Review Board Process. The Project Management Section provided excellent customer service in processing development proposals. During the

period from July 1, 2004 through January 31, 2005, the Project Management Section reviewed 98 concepts and 128 site plans.

- ❖ Continue to review miscellaneous building permits. The Project Management Section provided timely review of miscellaneous building permits from July 1, 2004 through January 31, 2005. 39 permits were reviewed in the same time period.
- ❖ Continue to process miscellaneous lot-split requests. The Project Management Section provided timely review of 12 lot-split requests from July 1, 2004 through January 31, 2005.
- ❖ Assist in the successful implementation of the revised/updated KIVA computer tracking system. KIVA Vision has been successfully converted to Accela GIS. The product provides map data information for project managers.
- ❖ Continue to provide a complete and comprehensive review of all plans submitted to this office: Analyzing our review method and streamlining some of the requirements have accomplished this.
- ❖ Provide continuing education to the engineering and building plan review staff to enhance qualifications and overall performance of the division: This has been accomplished by listing classes available through the AZBO Educational institutes, NAU classes, AICE sponsored continuing education and through internal classes.
- ❖ Continuing education was provided to inspection and staff to enhance qualifications and overall performance of the division: This has been accomplished by listing classes available through the AZBO Educational institutes, NAU classes, and through internal classes.
- ❖ Maintain public awareness programs to inform the community of issues related to building and safety on a quarterly basis: We have established an exchange of ideas through email service and holding regular weekly meetings with NABA.
- ❖ ICBO Permit Technician Training for New Development Services Representative. Pass certification examinations.
- ❖ Better communication between field personnel and office, contractors, and the community at large. Adopt "complaint resolution" process and work with public to answer questions in a timely manner. Ongoing.
 - Attend regular Friday meetings with NABA and guest builders to improve services
 - Provide and conduct inspections in a timely and professional manner.

- ❖ Maintained high level of customer service by responding to general needs of all customers: This has been accomplished by conducting inspections within a 24-hour period and getting plans approved after being released by other sections and divisions within the allotted time frame. (A major reorganization of Community Development and the creation of Development Services Division has seen a shortage of permanent entitlement personnel and Staff experiencing a similar increase in the number of plans for review. After being behind approximately 5-6 weeks in residential review, the time frame is now 2 weeks.
- ❖ Continue to administer the Design Review Guidelines ordinance. Review the ordinance with the Planning and Zoning Commission and the City Council for possible updates and revisions. Projects have been reviewed, approved and constructed and comply with the Design Review Guidelines. Development Services will work with the original consultant to review the guidelines for possible updates and revisions.

GOAL: QUALITY OF LIFE

RESULTS:

- ❖ Continue to review the City of Flagstaff plant list for revisions and updates with water conservation and plant placement addressed. The Project Management Section has provided suggested revisions to the Zoning Administrator for possible inclusion in the annual code revision program.
- ❖ Continued to abate numerous dangerous buildings and substandard buildings throughout the community (two major older hotels have been eliminated from the inventory).

**GOAL: ECONOMIC DEVELOPMENT/
REDEVELOPMENT**

RESULTS:

- ❖ Continue to provide assistance to the redevelopment program on the Downtown Gateway West, including the proposed conference center and Southside, including the Stone Container site. The Project Management Section has and will continue to provide expertise to the Community Investment Division on several redevelopment projects including the Flagstaff mall expansion (tentative plat pending approval), Downtown Gateway West, the Southside study, and the Stone Container site (rezoning case completed).
- ❖ Process the West Side Annexation when requested by property owner, to include lands in the Urban Growth Boundary Limits. The Project Management

Section will process the annexation once a property owner submits a petition.

- ❖ Provide Assistance to the Long Range Planning Section to implement a coordinated regional mutual review system between the City and County that assures Regional Plan implementation and meets mutual objectives. The Project Management Section has submitted proposed developments to the County Planning Division. The section has also provided comments on County development proposals located in county islands.
- ❖ Continue to provide assistance to the Housing Section on the Ponderosa Trails, Rio Homes and Izabel Townhomes, Affordable Housing Infill Projects. The Project Management Section has processed two of the three affordable projects in Ponderosa Trails, Rio Homes is under construction, and the Izabel Townhomes Final Plat has been recorded.

FY05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Participated in and completed Project Delivery System training.
- ❖ Developed, with near completion, a revised Development Service Process for Development Service Division which includes a single point of contact.
- ❖ Participated in the Community Development team building.
- ❖ Continued to expand a community-wide education and awareness program that includes public seminars on special topic building construction issues, Observation of National Building Safety week.
- ❖ Established quarterly meetings with the professional community to discuss Plan Review guidelines, revise DRB schedule, and reinforce communication with builders and consultants.
- ❖ Continued to abate numerous dangerous buildings and substandard buildings throughout the community.
- ❖ Initiated membership with the Sustainable Flagstaff Round Table (a consulting group on Green Buildings, sustainable architecture, and sourcing committee for builders).
- ❖ Continued integration of Development Services and Building Division with Planning and Engineering.

- ❖ Designed and worked the integration of Engineering and Building into the reorganization and layout for the new Development Services, Community Investment, and Community Improvements Divisions.
- ❖ Successful completion and implementation of Complaint Resolution Process in accordance with EMT guidelines.
- ❖ Involved the Building and Fire Code Board of Appeals in the Code interpretations and the adoption process.

PLANNING COMMISSION

The Commission has reviewed 20 items from July 1, 2004 through January 1, 2005. They have approved several redevelopment projects, new development, and residential subdivisions. Some of the more interesting cases included:

- ❖ Presidio in the Pines, Flagstaff's first traditional neighborhood design (TND)
- ❖ Pine Canyon subdivision plats with the issue of restricted access.
- ❖ Apartment conversion to residential dormitories.
- ❖ Railroad Springs Townhouse development included a Regional Plan amendment, rezoning, and subdivision platting.
- ❖ The Sawmill District, a mixed-use development located on an abandoned sawmill site.

The Commission also is represented on the Open Spaces Commission, the Board of Adjustment, the Water Commission and the Transportation Advisory Committee.

FY06 GOALS AND OBJECTIVES

GOAL: PLANNING FOR GROWTH/ CUSTOMER SERVICE

OBJECTIVES:

- ❖ Provide assistance to the Community Investment Division (Zoning Administration) on amendments to the Land Development Code.
- ❖ Establish and implement a revised review process that establishes a single point of contact within the Development Services Division.
- ❖ Continue to process in the Project Management Section the miscellaneous building permits, lot-split requests, single-family, remodels, and manufactured housing permits.

- ❖ Continue to provide Project Management Section review of sales tax applications, home occupations applications, and sign permit applications.
- ❖ Provide Project Management Section staff assistance to revising and updating the KIVA computer tracking system to be in line with the new Development Services Division and amended development review process.
- ❖ Continue to participate in the City/County mutual review system.
- ❖ Continuous review, feedback, and redesign of processes that affects development.
- ❖ Consolidation of the Project Inspection Section goals. Combine the efforts of Surveying, Off-sites, and On-site inspection into one group with shared responsibilities. Because of the close relationships between the consolidation of professionals (engineering and building), it would be reasonable to combine the inspection of construction efforts.
- ❖ Better screen applications and provide available services to consultants, developers, and general public to assist in the timely presentation of projects after approval by the Development Review process.
- ❖ Automation of the switchboard has met with some negative feedback. Explore means of getting information to general public in a better method.
 - Expand services for getting the general public to Engineering and Building personnel by introduction of a web site with forms, general processes, and fee information.
- ❖ Work with Information Systems (IS) to put permit-tracking information on a Web site (estimated costs for KIVA module is \$35,000) plus annual maintenance.
- ❖ Work with Information Services for obtaining an interactive web site for customers to review inspection results and track projects..
- ❖ Revamp the entire review process through scoping meetings and public participation. Residential plan review is expected to be completed in 2005. Commercial and Engineering processes to follow.
- ❖ Work with Information Services for obtaining an interactive web site for customers to review inspection results and track projects.
- ❖ Better communication between field personnel and office, contractors, and the community at large. Refine the "complaint resolution" process and work with public to answer questions in a timely manner.
 - Attend regular Friday meetings with NABA and guest builders to improve communications and outline new service levels.

- Look into “pre-construction” conferences with major stakeholders when doing entire subdivisions or large when doing entire subdivisions or large projects to prevent loss of information between DRB and construction issues.
- Streamlining of “small project” review by including commercial projects and using the Building Safety Manager in the review process. The Building Official has kept review (despite the same number of projects being submitted) to between 2-3 weeks. [Previous years had seen peaks of 7-8 weeks during mid-construction season]. Continue this effort by securing another Senior Plans Examiner to provide relief between the two major types of projects being reviewed.
- Make contact with or establish an independent City- of-Flagstaff run “sounding board” advisory group to go over engineering issues.
- Publish a series of “how-to” pamphlets that should provide better process time and procedural information.
- Make contact with or establish an independent City of Flagstaff run “sounding board” advisory group to go over engineering issues.
- Publish a series of “how-to” pamphlets that should provide better process time and procedural information.
- Provide and conduct inspections in a timely and professional manner with clear corrections.

GOAL: QUALITY OF LIFE

OBJECTIVE:

- ❖ Ensure that the construction of projects meets the minimum standards required by the City.
- ❖ Deliver quality materials testing that will result in a product of lasting value to our citizens.
- ❖ Provide minimum standards to safeguard life or limb, health, property and public welfare by regulating the engineering standards and off-site construction standards, vertical construction standards, quality of materials, use and occupancy, location and maintenance of all buildings and structures within this jurisdiction by:
 - Establish a routine update and community interface for engineering standards.
 - Work both Engineering requirements and Building requirements into a proactive method of achieving improved development for the City of Flagstaff.
 - Continued training for the vertical construction plan reviewers in the enforcement of the 2003

International Codes and the 2005 National Electric Code.

- Implementation of 2003 International Codes and 2005 National Electrical Code through City Council adoption of new ordinance.
 - Training for the Building Inspectors to adequately enforce the 2003 International Codes and 2005 National Electrical Code.
 - Work for more participation of the Building and Fire Code Board of Appeals in code issues and Code adoption.
- ❖ Continue to enforce the regulations of the Land Development Code.

GOAL: ECONOMIC DEVELOPMENT/ REDEVELOPMENT:

OBJECTIVE:

- ❖ Provide Project Management Section staffing assistance to the Southside Master Plan and the Downtown Gateway West project.
- ❖ Continue to process significant development proposals including, but not limited to: Sawmill mixed use, Presidio in the Pines, Flagstaff Mall Expansion, Flagstaff Southgate, Canyon del Rio, McMillian Mesa South Development, and Pine Canyon.
- ❖ Continue to process affordable housing developments and provide assistance to the Zoning Administration membership on the Community Housing Policy Task Force.
- ❖ Process the Fort Valley annexation and the Westside annexation when a property owner requests a petition.
- ❖ Continue to provide resource protection inspections and enforcement on development projects.
- ❖ Project annual review of Building fees with a routine update provided at the beginning of a calendar year. Normal increase would be no more than 5% for plumbing, mechanical and electrical. Square footage assessments will be done every three years and in conjunction with Coconino County building department.
- ❖ Review every three years the valuation of commercial building permit fees in conjunction with the Building Standards publications.
- ❖ Review and compare engineering plan review fees and services with other Northern Arizona permitting agencies for consistency.

- Obtain City Council approved an increases in "Development" by December 2005.
- ❖ Review and compare residential fees with other Northern Arizona permitting agencies for consistency.
- ❖ Continue the annual review of Building construction fees with a routine update provided at the beginning

- of a calendar year. This includes the engineering and building values on a three-year cycle.
- ❖ Work with Housing Task Force to institute an abandoned building fee and establishment of fees associated with a future Property Maintenance code.

PERFORMANCE INDICATORS	FY 03	FY 04	FY 05 EST
Project Management Section			
Negotiate contract with consultant, obtain Council approval, and proceed with Design Review Guideline Ordinance Review	NA	NA	6/30/05
Completion of Southside Master Plan and process site plans as required for the Downtown Gateway West project	NA	NA	6/30/05
Process site plans, subdivisions, regional plan amendments and rezoning as needed.	NA	NA	6/30/05
Continue to provide suggestions to the Zoning Administrator for revisions to the Land Development Code.	NA	NA	6/30/05
Occupancy of Rio Homes, construction of Izabel Townhomes subdivision improvements, and final plat recordation for Ponderosa Trails	NA	NA	6/30/05
Annexation petition is carried forward to receive City Council approval	NA	NA	6/30/05
The new development review process and single point of contact is operational	NA	NA	6/30/05
Permits and applications are processed in a timely manner.	NA	NA	6/30/05
The KIVA computer tracking system is implemented into the new development review process	NA	NA	6/30/05
City and County share in mutual review and provide review comments in a timely manner	NA	NA	6/30/05
Engineering & Building Permits			
Maintain minimum turnaround time for all permits:			
Number of permits issued**	2431	1,673	2,225
Percentage meeting turnaround time*	94%	91%	91%
Streets Permits	26	30	32
Water Permits	34	34	36
Sewer Permits	13	25	27
Drainage Permits	17	7	9
Miscellaneous Public Permits	336	84	95
# of dangerous and substandard building abatement through demolition or repair	6	5	10
Percentage of abatement through demolition or repair	92%	92%	92%
Adopt the International Codes and National Electric Code	NA	NA	100%
Send all Building and Safety personnel to available classes on International Codes and National Electric Code	75%	100%	100%
Add new certificate of occupancy permit	COMP	COMP	N/A

PERFORMANCE INDICATORS (Continued)	FY 03	FY 04	FY 05 EST
Counter Operations			
Continue to improve front counter operations by issuing permits within scheduled review timeframes	96%	97%	97%
Install and implement Permit Tracking system:	100%	100%	100%A
Percent of employees trained in use of system (new personnel employed)	100%	100%	85%
Project information installed on system	95%	95%	95%
Distribute and collect customer service evaluations daily. Customers satisfied with review process.	96%	98%	98%
Review Engineering review process implementation	NA	NA	75%
Staff proficiency attained in KIVA Vision software	65%	65%	95%
Implement "small permit" process	90%	95%	100%
Apply the new Design Review Guidelines and application process	75%	100%	100%
On-site & Off site inspection			
Emergency/After hours inspections	NA	50	50
Inspections performed on-site	NA	46,000	50,000
Inspections performed off-site	NA	10,520	11,500
Stop Work orders	NA	30	30
Performed requested inspections on day requested***	NA	98%	98%
Answer all telephone inquiries on same day or next day	NA	100%	100%
Abate dangerous and substandard buildings within city limits	NA	5	
# of dangerous and substandard building abatement through demolition or repair	NA	5	
Percentage of abatement through demolition, repair, or secured	NA	100%	100%
Adopt the international Codes and National Electric Code	NA	NA	100%
Send all Building personnel to available classes on International & National Electric Codes	NA	88%	100%
Provide Engineering Inspection support services on 90% of the Capital Improvements projects	NA	90%	93%
Provide material testing on 90% of the Capital Improvements projects	NA	90%	93%
Number of materials tests performed	NA	11,451	12,000

* Two new plans examiners, 33% increase in workload without additional personnel, complexity of projects has increased. Some indicators (such as Design Review) will never be greater than 25% due to criteria set for implementation. We have also been without a designated City Engineer until 27 Feb 2005. A separate request for a fourth senior plans examiner has been prepared for budget review, when filled, we expect some of these estimates to improve.

** Due to the reduction of available single family building lots projected for 2005-2006, we anticipate a reduction in the number of issued building permits. Some of the costs will be compensated by the 33% increase in permit fees initiated in August 2004. Several developers are in the DRB submittal stages of planning, plat submittals, or preparation of engineering construction plans. We see a future potential of 339 single-family lots above the existing remaining inventory.

*** Without increase in personnel for doing inspections and plan review, when the new Flagstaff East Gateway (Mall Expansion) project comes on line in late 2005 and reviewing the number of major construction projects anticipated (Convention Center, USGS campus, Southgate and numerous misc. commercial projects projected), we anticipate that the number of daily inspections during peak construction time (May through October) may either require over-time (estimated at \$1,500) or contract services (which has not proved to be effective for customers or staff).

PLANNING COMMISSION

The Commission has reviewed 20 items from July 1, 2004 through January 1, 2005. They have approved several redevelopment projects, new development, and residential subdivisions. Some of the more interesting cases included:

- ❖ Presidio in the Pines, Flagstaff's first traditional neighborhood design (TND)
- ❖ Pine Canyon subdivision plats with the issue of restricted access.
- ❖ Apartment conversion to residential dormitories.
- ❖ Railroad Springs Townhouse development included a Regional Plan amendment, rezoning, and subdivision platting.
- ❖ The Sawmill District, a mixed-use development located on an abandoned sawmill site.

The Commission also is represented on the Open Spaces Commission, the Board of Adjustment, the Water Commission and the Transportation Advisory Committee.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 1,030,599	\$ 1,258,412	\$ 1,069,957	\$ 2,404,860	\$ 1,146,448
CONTRACTUAL	165,249	97,772	120,086	143,264	45,492
COMMODITIES	39,968	42,170	50,914	93,585	51,415
CAPITAL	34,319	20,000	20,000	95,000	75,000
TOTAL	\$ 1,270,135	\$ 1,418,354	\$ 1,260,957	\$ 2,736,709	\$ 1,318,355
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 73,757	\$ 249,208	\$ 66,396	\$ 1,624,346	\$ 1,375,138
COUNCIL AND COMMISSIONS	-	1,050	2,078	5,750	4,700
PRIVATE DEVELOPMENT ENGR	369,022	335,132	337,360	328,840	(6,292)
TRAFFIC ENGINEERING	211,134	218,425	219,078	2,080	(216,345)
PUBLIC WORKS INSPECTION	261,273	343,377	351,684	384,997	41,620
MATERIALS TESTING	107,424	121,933	145,082	179,898	57,965
SURVEY	243,393	137,664	127,714	118,324	(19,340)
ADEQ PLAN APPROVAL	4,132	11,565	11,565	34	(11,531)
BUILDING PLANNING REVIEW	-	-	-	4,150	4,150
BUILDING INSPECTION	-	-	-	59,840	59,840
CODE ENFORCEMENT	-	-	-	1,350	1,350
DEVELOPMENT REVIEW	-	-	-	27,100	27,100
TOTAL	\$ 1,270,135	\$ 1,418,354	\$ 1,260,957	\$ 2,736,709	\$ 1,318,355
SOURCE OF FUNDING:					
GENERAL FUND				\$ 1,535,105	
HIGHWAY USER REVENUE FUND				694,525	
WATER AND WASTEWATER FUND				466,824	
STORMWATER FUND				40,255	
				\$ 2,736,709	
COMMENTARY:					
A major reorganization of Community Development has occurred for the 2006 Budget year. The base budgets have been transferred to the appropriate Divisions and Programs for 2006. Due to this reorganization, the above Division Budget-Budget Variance will not be comparable until 2007. In total, Divisions 15 - 18 operating Budgets have increased 9% and capital expenditures total \$95,000 (Div 16) resulting in a net increase of 9%. Personal Services increases in Division 15 - 18 are due to the addition of new positions (3.25 FTE's) and increases in market, merit, health insurance and AZ state Retirement contributions. For Div 16, a new position of Senior Plans Examiner has been added. Also, one time contractals include \$10,000 for review design consultant and \$10,000 carry forward for LIDAR aerial photos. Major capital (>\$10,000) for Division 16 includes \$95,000 for 5 replacement cab pickups.					

MISSION

The mission of the Community Development Department is to facilitate the orderly development, redevelopment, and conservation of the City through the formation and subsequent administration of publicly adopted growth management policies and standards.

PROGRAM DESCRIPTION

The Community Improvements Division is made up of five sections: Administration, Capital Improvements, Flagstaff Metropolitan Planning Organization, Stormwater Management and Traffic Engineering. This Division is responsible for general administration of all sections and includes Traffic Engineering.

FY 05 GOALS, OBJECTIVES AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ To be responsive to needs of the citizens, Council, Manager, and City departments and divisions.
RESULTS: Customer services enhancements include thorough weekly reports to the City Manager, numerous public meetings held and support of six Boards, Commissions and their sub-committees.
- ❖ Continue to encourage employees to receive training specific to project delivery, customer service,

supervisory skills, governmental management and technical.

RESULTS: Majority of staff has attended project delivery systems training and has participated in Departmental reorganizational training.

- ❖ Develop traffic service request tracking system and service categorization & prioritization schemes.
RESULTS: A draft traffic service request tracking system and service categorization & prioritization schemes has been established.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Continue to support Boards, Commissions and their sub-committees to engage the public and establish positive working relationships.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Provide consistent leadership and support for the Division
- ❖ Work closely with other Divisions to ensure successful Department reorganization
- ❖ Well-trained/equipped Team-Centered staff
- ❖ Develop strategic initiatives and implementation strategies for FY06

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Complete draft traffic service request tracking system and service categorization and prioritization schemes	50%	70%	100%
Current staff trained in project delivery systems	N/A	100%	100%
Completion of identified Strategic Initiatives	N/A	N/A	70%

COMMUNITY DEVELOPMENT
DIVISION 17
COMMUNITY IMPROVEMENTS

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 833,733	\$ 924,998	\$ 891,391	\$ 378,509	\$ (546,489)
CONTRACTUAL	45,346	51,943	52,849	9,335	(42,608)
COMMODITIES	28,963	37,770	36,812	8,400	(29,370)
CAPITAL	17,378	-	-	-	-
TOTAL	\$ 925,420	\$ 1,014,711	\$ 981,052	\$ 396,244	\$ (618,467)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 267,627	\$ 312,732	\$ 279,072	\$ 154,624	\$ (158,108)
ON-SITE FIELD INSPECTION	479,129	514,514	514,900	-	(514,514)
PLAN REVIEW	178,664	187,465	187,080	-	(187,465)
TRAFFIC BOARDS & COMMISSN	-	-	-	1,400	1,400
TRAFFIC ENGINEERING	-	-	-	240,220	240,220
TOTAL	\$ 925,420	\$ 1,014,711	\$ 981,052	\$ 396,244	\$ (618,467)
SOURCE OF FUNDING:					
GENERAL FUND				\$ 396,244	
				\$ 396,244	
COMMENTARY:					
A major reorganization of Community Development has occurred for the 2006 Budget year. The base budgets have been transferred to the appropriate Divisions and Programs for 2006. Due to this reorganization, the above Division Budget-Budget Variance will not be comparable until 2007. In total, Divisions 15 - 18 operating Budgets have increased 9% and capital expenditures total \$95,000 (Div 16) resulting in a net increase of 9%. Personal Services increases in Division 15 - 18 are due to the addition of new positions (3.25 FTE's) and increases in market, merit, health insurance and AZ state Retirement contributions. For Division 17, a new position of Transportation Intern (.25 FTE) has been added. There is no capital for Division 17.					

MISSION

The mission of the Community Development Department is to facilitate the orderly development, redevelopment, and conservation of the City through the formation and subsequent administration of publicly adopted growth management policies and standards.

PROGRAM DESCRIPTION

The Community Investment Division prepares, plans and implements programs and projects for the City's future growth and development in a manner that preserves our region's livability, sense of community and the natural environment. The Division works to ensure that Flagstaff has a compact land use pattern that provides for Open Space, Land Use and Growth Management, Housing and Neighborhoods, Commercial Development, Industry and Employment, Infill and Reinvestment and the Cost of Development.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: AFFORDABLE HOUSING/REDEVELOPMENT**

Information on the Community Investment Housing Program can be found in Division 31.

GOAL: QUALITY OF LIFE & PLANNING FOR GROWTH**RESULTS:**Regional Plan Implementation

Implementation of the Flagstaff Area Regional Land Use and Transportation Plan included several projects:

Southside Neighborhood Plan

- ❖ A consulting firm with specific expertise in land use planning, historic preservation, urban and mixed-use design, and architecture, is in the process of developing a strategic plan for the Southside. The Plan will provide a framework for more specific plans, urban design and architectural concepts for redevelopment of the Southside. Several open houses and meetings have been held, with completion of the plan expected in Winter 2005.

Lone Tree Road Corridor Expansion

- ❖ The Planning component of the Lone Tree Road Corridor is being provided by Long Range Planning staff, including impacts on existing and proposed neighborhoods and developments; access and connectivity; environmental impacts; compatibility of uses; and mitigation and alleviation of detrimental conditions.

Gateways to the Community

- ❖ Design and bid documents were completed for the City's first gateway sign in northeast Flagstaff on Highway 89 North.

Expansion Of The FUTS Program

- ❖ A series of FUTS signs have been designed and a program for fabrication, installation and funding initiated.
- ❖ Coordination for a connected regional trails system instituted with the Coconino National Forest Coconino County, and Flagstaff Biking.
- ❖ Funding from Blue Cross Blue Shield approved for printing of a new FUTS map.
- ❖ Preparation of a five-year comprehensive master plan for FUTS is underway.

Open Space And FUTS Land Acquisitions

- ❖ Voters approved two open space bond measures in the May 2005 election: land acquisition for regional open space on Observatory Mesa and land acquisition for Neighborhood Open Space and FUTS.

Public Art

- ❖ Acquisition of Public Art proposed to City Council for placement at Coconino Community College, Foxglenn Park and the Airport.
- ❖ Provided funding to Flagstaff Cultural Partners for contracted arts & science proposals, award process and operation and management.

GOAL: CUSTOMER SERVICE & QUALITY OF LIFE**RESULTS:**Historic Preservation Program

- ❖ Historic Preservation Commission has reviewed two (2) downtown projects so far this fiscal year.
- ❖ Continuing initial discussion held on options of expanding downtown district and creation of new district for Southside.

Code Revision ProgramSign Code Revision

- ❖ Preliminary drafting of Sign Code revisions relating to nonconforming signs & lighting issues completed. Working with Legal Department on ordinance.

Land Development Code Revisions

- ❖ Traditional Neighborhood Design (TND) amendment completed and adopted by City Council April 6, 2004.
- ❖ Big Box Ordinance completed, adopted by City Council. Currently subject to referendum process, election to be held in May 2005.

**GOAL: ECONOMIC DEVELOPMENT/
REDEVELOPMENT****RESULTS:**Downtown And Southside Redevelopment Area

- ❖ Feasibility and traffic study completed for Downtown Conference Center

East Flagstaff Gateway Redevelopment Area

- ❖ Continued to work with Westcor on design and tenant issues.
- ❖ Worked to resolve access issues at Cummings and Highway 89.
- ❖ Worked with the Capital Improvements Division on the construction of the Empire Extension.
- ❖ Worked with Lease Transfer Company on auto dealer sales.

Other Redevelopment And Investment Opportunities

- ❖ Worked on completing the sale of City-owned property on Highway 180.
- ❖ Closed on the Fourth Street property with North Country Health to generate new jobs and a \$5 million investment in the neighborhood.
- ❖ Assisted in the opening of several new businesses including House of Bread.
- ❖ Funded six sign and facades under the Historic Preservation Program.
- ❖ Worked with the developer of the Stone Forest/ Sawmill site on a development plan that received zoning approval.
- ❖ Received approvals from USGS for the Master Plan of its campus.

FY 06 GOALS & OBJECTIVES**GOAL: AFFORDABLE HOUSING****OBJECTIVES:**

Information on the Community Investment Housing Program can be found in Division 31.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ Pursue development of Smart Code Form-Based Coding for the Southside as a tool to shape the physical form of development and provide regulatory standards using coding by building type.
- ❖ Implement the City's Urban Open Space Program to protect lands within the Urban Growth Boundary.

- ❖ Prepare a Master Plan for FUTS.
- ❖ Work towards the completion of the FUTS primary spine and expand neighborhood links.
- ❖ Commission a substantial piece of art.
- ❖ Support Congressional legislative effort for a study to protect lands adjacent to Walnut Canyon.
- ❖ Promote and identify Flagstaff at its entry points.
- ❖ Continue neighborhood and area planning elsewhere in the City.

**GOAL: CUSTOMER SERVICE/
QUALITY OF LIFE****OBJECTIVES:**

- ❖ Complete revisions to Sign Code.
- ❖ Continue discussions with Legal Department and courts regarding streamlining legal proceedings.
- ❖ Continue staff support for Board of Adjustment and Historic Preservation Commission. Work with other departments and divisions on enforcement activities.

**GOAL: ECONOMIC DEVELOPMENT/
REDEVELOPMENT****OBJECTIVES:**

- ❖ Stone Container/Sawmill site redevelopment as mixed-use site.
- ❖ Development of the Flagstaff Conference Center or a compatible mixed-use project.
- ❖ Complete East Flagstaff Gateway redevelopment plan.
- ❖ Agreement with Westcor on design and tenancing of mall expansion.
- ❖ Develop Auto Park in conjunction with Westcor and Lease Transfer Company.
- ❖ USGS Science and Technology Park and USGS campus expansion.
- ❖ Identification of redevelopment opportunities in Fourth Street overpass corridor.
- ❖ Identification of redevelopment opportunities along the Route 66 Corridor.
- ❖ Recruit new retail users to Flagstaff that can serve the community while growing our sales tax base.
- ❖ Diversify our economy beyond government, education, and tourism by attracting new companies that meet our location criteria.

Enhance our partnership opportunities with government agencies.

PERFORMANCE INDICATORS	FY 03	FY 04	FY 05 Est.
<i>Information on the Community Investment Housing Program can be found in Division 31.</i>			
Completion of the building type and public realm inventory currently underway by NAU Planning class and adoption of standards as an overlay district of the Southside area.	N/A	N/A	6/30/05
Prepare design concept reports for lands to be acquired in conjunction with the extension of FUTS trails.	N/A	N/A	6/30/05
Prepare an Open Space Long Range Management Plan for the City of Flagstaff in collaboration with the Open Spaces Commission and other natural resource professionals from the community	N/A	N/A	6/30/05
A FUTS Master Plan is completed that addresses: trail mails completed; types of trails; a trail classification system; maintenance standards; funding sources; status of trail design and construction; trail description; vegetation; structures; signage; allowable uses; difficulty of trail segment; linkage to other trails; nearby public uses; and trail highlights.	N/A	N/A	6/30/05
More FUTS trail segments are designed and constructed as prioritized.	N/A	N/A	6/30/05
Bond funds are used to purchase links.	N/A	N/A	6/30/05
A Call To Artists is prepared and an artist is commissioned.	N/A	N/A	6/30/05
Adjacent Walnut Canyon land study is funded and undertaken.	N/A	N/A	6/30/05
A community gateway is constructed.	N/A	N/A	6/30/05
Another neighborhood in the city is identified for a strategic plan.	N/A	N/A	6/30/05
A Greenfield area is identified fro a strategic plan.	N/A	N/A	6/30/05
Complete revisions to Sign Code by end of FY 05/06.	N/A	N/A	6/30/05
Meet with Legal Department and Court Representatives as needed, as well as representatives from other departments and divisions on joint enforcement issues.	N/A	N/A	6/30/05
Provide staff support and recommendations to Board of Adjustment and Historic Preservation as needed. Continue to work with other departments/divisions on enforcement.	N/A	N/A	6/30/05
Work with Sawmill developer on ultimate build-out including retail tenant mix and housing mix with construction beginning	N/A	N/A	01/31/06
Conference Center Development Agreement approved.	N/A	N/A	1/31/06
Conference Center preliminary concepts developed and public meetings held.	N/A	N/A	6/30/05
Negotiations underway for Post Office relocation	N/A	N/A	1/31/06

PERFORMANCE INDICATORS	FY 03	FY 04	FY 05 Est.
Conference Center design approved by second quarter 2006	N/A	N/A	3/01/06
If Conference Center project does not move forward, a new RFP is issued for mixed-use project.	N/A	N/A	6/30/05
Work with CIP Division on implementation of necessary capital improvements for East Flagstaff Gateway Redevelopment Project.	N/A	N/A	6/30/05
Mixed-use parcel design is approved and project obtains permits and financing for East Flagstaff Gateway Redevelopment Project.	N/A	N/A	6/30/05
Construction of the expansion by Westcor by third quarter 2005.	N/A	N/A	9/01/05
Plans are approved for the existing Mall redevelopment by second quarter 2006	N/A	N/A	6/30/05
Auto Park land is transferred to dealers.	N/A	N/A	12/31/05
Construction on dealerships for Auto Park begins by the first quarter 2006	N/A	N/A	05/01/06
Agreement with the Survey and the General Services Administration for USGS Campus Expansion on a schedule for the Master Plan Implementation.	N/A	N/A	6/30/05
Development Agreement with a private developer for the development of the USGS Science and Technology Park.	N/A	N/A	6/30/05
Work with CIP group on redevelopment opportunities in conjunction with the construction of the Fourth Street overpass.	N/A	N/A	12/31/05
Responses to a Request for Proposal for the development of the corners of Route 66 and Fourth Street that includes Flagstaff Urban Trail connections	N/A	N/A	6/30/05
Identification of properties for redevelopment of Route 66 Corridor.	N/A	N/A	12/31/05
Identification of properties as part of Route 66 Thematic Historic District	N/A	N/A	12/31/05
Creation of thematic elements that can be incorporated into City Capital Projects and future City projects including Mike's Pike for Route 66 Corridor Project.	N/A	N/A	6/30/05
Marketing campaign in retail trade publications to recruit new retailers to Flagstaff	N/A	N/A	6/30/05
Provide data and information to potential locates for new retailer recruitment	N/A	N/A	6/30/05
New retailers attracted to our market.	N/A	N/A	6/30/05
Provide data and information to potential locates for new company relocation	N/A	N/A	6/30/05
Market USGS Science Park opportunities to potential companies in cooperation with the designated developer.	N/A	N/A	6/30/05
Continue to coordinate with the General Services Administration on potential agency locates or expansion for Flagstaff.	N/A	N/A	6/30/05

COMMUNITY DEVELOPMENT
DIVISION 18
COMMUNITY INVESTMENT

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 967,406	\$ 1,094,713	\$ 978,472	\$ 675,141	\$ (419,572)
CONTRACTUAL	30,772	116,865	35,940	178,575	61,710
COMMODITIES	24,098	32,280	34,826	51,800	19,520
CAPITAL	-	-	-	-	-
TOTAL	\$ 1,022,276	\$ 1,243,858	\$ 1,049,238	\$ 905,516	\$ (338,342)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 281,212	\$ 372,164	\$ 181,206	\$ 566,073	\$ 193,909
DEVELOPMENT REVIEW	341,982	351,104	351,104	-	(351,104)
ADVANCED PLANNING	138,128	88,691	88,691	92,685	3,994
ZONING ADMINISTRATION	169,830	176,654	176,654	81,794	(94,860)
REDEVELOPMENT	88,094	141,190	141,190	-	(141,190)
HOUSING	3,030	109,725	109,725	137,072	27,347
COMMISSIONS	-	4,330	668	1,600	(2,730)
LAND TRUST PROGRAM	-	-	-	26,292	26,292
TOTAL	\$ 1,022,276	\$ 1,243,858	\$ 1,049,238	\$ 905,516	\$ (338,342)
SOURCE OF FUNDING:					
GENERAL FUND				\$ 345,703	
LIBRARY FUND				48,518	
HIGHWAY USER REVENUE FUND				196,441	
WATER AND WASTEWATER FUND				182,640	
STORMWATER FUND				8,171	
AIRPORT FUND				17,892	
ENVIRONMENTAL SERVICES FUND				106,151	
				\$ 905,516	
COMMENTARY:					
A major reorganization of Community Development has occurred for the 2006 Budget year. The base budgets have been transferred to the appropriate Divisions and Programs for 2006. Due to this reorganization, the above Division Budget-Budget Variance will not be comparable until 2007. In total, Divisions 15 - 18 operating Budgets have increased 9% and capital expenditures total \$95,000 (Div 16) resulting in a net increase of 9%. Personal Services increases in Division 15 - 18 are due to the addition of new positions (3.25 FTE's) and increases in market, merit, health insurance and AZ state Retirement contributions. In Division 18, two new positions (2.0 FTE's) Land Trust Manager and Code Administrator, have been added. Additional contractual/commodities include \$10,000 for costs associated with startup of Land Trust program, \$139,950 carryforward for Westside Annexation, and \$10,000 for Tischler contract. There is no capital for Division 18.					

MISSION

The mission of the Housing Section of the Community Investment Division is to provide community/neighborhood-based planning and affordable housing opportunities for residents of Flagstaff, in particular low to moderate income families, so they can continue to thrive in decent housing, a suitable living environment and enjoy economic opportunity.

PROGRAM DESCRIPTION

The City Housing Section of the Community Investment Division administers the Community Development Block Grant Entitlement Program; provides technical assistance to neighborhood organizations; designs and implements new affordable housing programs as funding allows; provides information to the community and City Council as requested on affordable housing issues; and facilitates public participation in the creation of numerous community planning documents.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: AFFORDABLE HOUSING
/REDEVELOPMENT**Planning and Administration**OBJECTIVES (Division 31):**

- ❖ Perform the planning work necessary to increase affordable housing production capacity by:

- Complete all planning documents associated with funding sources and any additional documents as requested by council.
- Increase Equal Housing Opportunity in Flagstaff.

RESULTS:

- Completed 2005/2006 Annual Action Plan and received Council and HUD approval.
- Completed 2005/2006 Request For Proposals process with extensive technical assistance and the first ranking committee to include representation of target neighborhoods, former sub-recipients, and minority ethnic groups.
- Began preparations for 2006/2011 Consolidated Plan
- Completed CDBG Consolidated Annual Performance and Evaluation Report and received satisfactory performance evaluation from HUD.
- Conducted four on site sub-recipient monitoring

- Conducted Environmental Review procedures as required
- Applied for and received Federal HOME funds and State Housing Trust Funds from the Arizona Department of Housing.
- Met HUD spending requirements.
- Provided loan servicing to prior Housing Program clients.
- Participated in and completed CDBG Integrated Disbursement Information System (IDIS) cleanup.

OBJECTIVES (Division 18):

- ❖ Perform the planning work necessary to increase affordable housing production capacity by:

- Complete/Implement Sunnyside Neighborhood Revitalization Strategy and Expand Neighborhood Revitalization Activities To The Southside And Plaza Vieja Neighborhoods.
- Assist In Completion Southside Neighborhood Planning
- Create A Community Land Trust Structured As A Private Non-Profit Organization For The Purpose Of Building Affordable Homes Preserving Public Investment In Land.

RESULT:

- Attended the Institute for Community Economics land trust for affordable housing conference and training.
- Initiated request for technical assistance from HUD to form community land trust in the City of Flagstaff.
- Participated in Northern Arizona Homelessness Task Force and the Rural Continuum of Care.
- Draft of Sunnyside Neighborhood Revitalization Strategy approved by SNA Board of Directors.

Affordable Housing Development and Neighborhood Conservation**OBJECTIVES (Division 31):**

- ❖ Increase the supply of affordable housing by:

- Complete The Construction Of New Affordable Homes On Previously Purchased Redevelopment And Infill Properties.
- Acquire Vacant And/Or Dilapidated Properties For The Construction Of New Affordable Homes.

RESULTS:

- Completed construction of four affordable owner-occupied homes.
- Completed development plans for sixteen affordable owner-occupied homes and started construction.

- Provided eviction/foreclosure prevention assistance to 84 households.
 - Provided Adult Day Care assistance to 60 individuals and their caregivers.
 - Provided care for 10 very low income and homeless terminally ill individuals
 - Provided job training assistance for 20 residents of Sunnyside
 - Developed job training one stop at the Flagstaff Recreation Center in Sunnyside Neighborhood
 - Completed rehabilitation of two structures in Sunnyside for use as an emergency homeless shelter and transitional housing units.
 - Provided micro-enterprise assistance to 10 potential low/moderate income owned food based businesses.
 - ❖ Preserve the existing affordable housing stock while decreasing substandard housing conditions by:
 - Rehabilitate Homes Owned By Low And Moderate-Income Homeowners.
 - Increase Grant Funds Available For Existing And New Affordable Housing Programs.
 - Provide A Homebuyer Education Program In Conjunction With Loans For Down Payments And Closing Costs For Low- And Middle-Income First Time Homebuyers.
- RESULT:
- Rehabilitated and sold one affordable home.
 - Completed eight owner-occupied housing rehabilitation projects.

OBJECTIVES (Division 18):

- ❖ Increase the supply of affordable housing by:
 - Develop Affordable Housing Opportunities For City-Owned Properties.
 - Encourage affordable housing production in private development projects.

RESULTS:

- Completed and entered into development agreements for Rio Homes and Ponderosa Homes with mixed income residential housing.
- Developer started construction on Rio Homes project.
- Developer started construction on Sandstone Highlands Senior Housing Project
- Issued RFP for property to be used for low-income senior housing.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Created Community Land Trust for Affordable Housing.
- ❖ Assisted thirty low and middle-income first time homebuyers.

FY 06 GOALS AND OBJECTIVES**GOAL: AFFORDABLE HOUSING
/REDEVELOPMENT**

Planning and Administration - Division 31:

- ❖ Complete All Planning Documents Associated With Funding Sources And Any Additional Documents As Requested By Council.
- ❖ Increase Equal Housing Opportunity In Flagstaff.

Planning and Administration - Division 18:

- ❖ Continue to work on Sunnyside Neighborhood Revitalization Strategy.
- ❖ Assist In Completion Southside Neighborhood Planning
- ❖ Create A Community Land Trust For The Purpose Of Providing Affordable Homes and Preserving Public Investment In Land.

Affordable Housing Development and Neighborhood Conservation – Division 31:

- ❖ Complete The Construction Of New Affordable Homes On Previously Purchased Redevelopment And Infill Properties.
- ❖ Acquire Vacant And/Or Dilapidated Properties For The Construction Of New Affordable Homes.
- ❖ Rehabilitate Homes Owned By Low and Moderate-Income Homeowners.
- ❖ Increase Grant Funds Available For Existing And New Affordable Housing Programs.
- ❖ Provide A Homebuyer Education Program In Conjunction With Loans For Down Payments And Closing Costs For Low and Middle-Income First Time Homebuyers.

Affordable Housing Development and Neighborhood Conservation – Division 18:

- ❖ Develop Affordable Housing Opportunities For City-Owned Properties.
- ❖ Encourage Affordable Housing Production in Private Development Projects.
- ❖ Create an Employer Assisted Housing Program.

PERFORMANCE INDICATORS	FY04	FY05	FY06 EST.
Division 31			
Complete the 2005/2006 Annual Action Plan and obtain City Council and HUD approval by June 30, 2005.	N/A	N/A	6/30/06
Partner with the Southwest Fair Housing Council to provide Fair Housing education opportunities in Flagstaff.	N/A	N/A	6/30/06
Increase community knowledge of Fair Housing through community outreach and the publication of articles and notices.	N/A	N/A	6/30/06
Complete the Izabel Homes Subdivision as part of the Land Trust and sell 16 new homes to first-time low and moderate-income homebuyers.	N/A	N/A	6/30/06
Begin design and engineering for housing to be constructed at West and Colanthe.	N/A	N/A	6/30/06
Close escrow and retain ownership on at least one vacant or dilapidated property and perform demolition as necessary.	N/A	N/A	6/30/06
Rehabilitate 12 homes owned and occupied by low and moderate-income persons.	N/A	N/A	6/30/06
Provide Emergency Repair assistance to 14 homes owned and occupied by low and moderate-income persons.	N/A	N/A	6/30/06
Renew HOME grant in the amount of \$300,000 to the Arizona Department of Housing.	N/A	N/A	6/30/06
Identify additional potential funding sources for affordable housing programs and submit applications as appropriate.	N/A	N/A	6/30/06
Procure non-profit services to operate homebuyer assistance programs that make 50 loans.	N/A	N/A	6/30/06
Division 18			
Continue to work on the Sunnyside Neighborhood Revitalization Strategy.	N/A	N/A	6/30/06
Implementation of Southside strategy in cooperation with a consultant, Redevelopment Program Manager and neighborhood along with the start of streetscape improvements.	N/A	N/A	6/30/06
Administer the newly established Community Land Trust for Affordable Housing program. Use City resources to purchase land for the Community Trust.	N/A	N/A	6/30/06
Oversee completion of Rio Homes and Ponderosa homes projects. Identify other opportunities to leverage market rate housing with affordable.	N/A	N/A	6/30/06

PERFORMANCE INDICATORS	FY04	FY05	FY06 EST.
Use City property as the first Community Land Trust for Affordable Housing new construction project.	N/A	N/A	6/30/06
Participate in the Community Housing Policy Task Force to recommend policies and regulations to City Council for the purpose of making housing more affordable for all income levels.	N/A	N/A	6/30/06
Meet with developers early in the development process in order to educate and encourage production of affordable housing units.	N/A	N/A	6/30/06
Pursue community partners to initiate the creation of an Employer Assisted Housing Program.	N/A	N/A	6/30/06

COMMUNITY DEVELOPMENT
DIVISION 31
HOUSING AND COMMUNITY SERVICES

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 91,405	\$ 51,634	\$ 53,367	\$ 96,476	\$ 44,842
CONTRACTUAL	576,238	4,260,780	959,090	4,705,249	444,469
COMMODITIES	3,016	5,400	2,791	4,900	(500)
CAPITAL	31,356	-	-	-	-
TOTAL	\$ 702,015	\$ 4,317,814	\$ 1,015,248	\$ 4,806,625	\$ 488,811
EXPENDITURES BY PROGRAM:					
REVOLVING LOAN GEN FUND	\$ 263,701	\$ 307,400	\$ 234,272	\$ 450,000	\$ 142,600
CDBG ENTITLEMENT ADMIN	100,089	171,094	104,108	198,403	27,309
LAND ACQUISITION-GF	-	1,573,177	-	1,748,577	175,400
AZ HOUSING TRUST FUNDS	-	153,890	-	308,890	155,000
HOME GRANT	-	509,990	-	419,990	(90,000)
AFFORDABLE HOUSING DEVELP	250	150,000	-	200,000	50,000
CDBG-REHAB OF ACQ HOMES	66,509	27,000	58,389	100,000	73,000
CDBG-ACQUISITION FOR REHAB	-	15,500	-	-	(15,500)
CDBG-NEIGH REV/HSG CONSTR	114,777	218,000	59,501	188,726	(29,274)
CDBG-PUBLIC IMPROVEMENTS	3,605	382,981	-	382,981	-
CDBG HOUSING REHAB	48,513	276,000	277,012	207,000	(69,000)
CDBG MISC PROJECTS	63,247	234,000	115,321	258,558	24,558
CDBG HOME BUYERS ASSIST	41,324	175,000	136,363	200,000	25,000
CDBG ECONOMIC DEVELOPMENT	-	123,782	30,282	93,500	(30,282)
LAND TRUST DEVELOPMENT	-	-	-	50,000	50,000
TOTAL	\$ 702,015	\$ 4,317,814	\$ 1,015,248	\$ 4,806,625	\$ 488,811
SOURCE OF FUNDING:					
COMMUNITY REDEVELOPMENT FUND				\$ 4,806,625	
				\$ 4,806,625	
COMMENTARY:					
The Housing and Community Services operating budget has increased 11% and there are no capital expenditures. Personal Services increases due to the employee market, merit, and insurance costs along with charges related to the Land Trust program. Contractuals and Commodities increased primarily due to the amount of carryover funds. Major carryover for this division is \$1,573,177 for land acquisition.					

MISSION

The mission of the Community Development Department is to facilitate the orderly development, redevelopment, and conservation of the City through the formation and subsequent administration of publicly adopted growth management policies and standards.

PROGRAM DESCRIPTION

Art & Sciences - The City of Flagstaff contracts for the administration and delivery of grant monies with Flagstaff Cultural Partners, Inc. Flagstaff Cultural Partners, Inc. is a non-profit community based organization dedicated to developing, coordinating and supporting area arts, culture, and science programs. A dedicated portion of the BBB taxes funds this program. Staff time is required to administer the program and this cost is provided for under Division 73.

Public Art - This program has two component programs; facilitating outdoor and indoor art installations. The outdoor component includes identifying sites and appropriate art pieces, planning, permitting, and installations approved by the City Council. Funding for this program comes from annual budget allocations and allocated portions of capital improvement project budgets when approved by the City Council.

The indoor art program places loaned art displayed at Pulliam Airport, City Hall, and the Visitors Center. Other than Staff time, this program does not require funding.

Staff time is required to administer these programs and the costs are provided for under Division 73.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVES:**

- ❖ Review contract status with service provider (FCP) and either extend contract or competitively re-bid for FY05-07.
RESULT: Extend contract to FY 06
- ❖ Review performance of FY04 grant evaluation and selection process and revise as appropriate.
RESULT: After review, no revisions to grant process were made.

- ❖ Conduct FY05 competitive grant funding process, consisting of releasing RFP in January, scoring of applications in April, recommendations on funding awards in May, and FCP Board approval in June.
RESULT: Process conducted & completed by FCP.
- ❖ The Public Art Advisory Committee will decide on its next project, conduct an appropriate competitive process, and recommend approval of the selected project to the City Council.
RESULT: Public art piece chosen, purchased & installed.

FY 06 ADDITIONAL ACCOMPLISHMENTS

- ❖ Provided support funding for a variety of community arts, culture, and science programs. Grant recipients for fiscal year 2004-5 included Lowell Observatory, the Museum of the Northern Arizona, The Arboretum at Flagstaff, Northern Arizona University, Painted Sky Music Festival, Northern Arizona Youth Orchestra, Flagstaff Youth Gardens, the Canyon Movement Company, Theatrikos, the Flagstaff Festival of Science, the Northern Arizona Book Festival, and twenty-one other art, culture, and science organizations. In total, \$275,000.00 was awarded.
- ❖ Provided public art installations. Three outdoor art installations were identified, presented, and approved by the City Council and the processes for installations are nearly complete. These included "Motion" at the Pulliam airport, "Unification at Floxglenn Park, and "Untitled" at the Coconino Community College. Continued effort made toward the outdoor art piece associated with the Arizona Trail Trailhead. Art was solicited, borrowed, and displayed indoors at the Pulliam Airport, City Hall, and the Visitors Center.

FY 06 GOALS AND OBJECTIVES**GOAL: QUALITY OF LIFE****OBJECTIVES:**

- ❖ Provide support funding for a variety of community arts, culture, and science programs.
- ❖ Provide public art installations.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
The contract with Flagstaff Cultural Partners, Inc. continues and Staff expects Flagstaff Cultural Partners, Inc. to provide services and grants consistent with their previous service.	N/A	N/A	N/A
Complete purchase and permit processes and install the pieces "Motion", "Unification", and "Untitled".	N/A	N/A	06/30/06
Continue work on a pending installation associated with the Arizona Trail Trailhead. Current efforts include coordinating with the trailhead design, and commissioning the piece per the Arizona Trail Association and National Endowment for the Arts grant requirements.	N/A	N/A	06/30/06
Begin development of the proposed "Neon Corridor" project. Needs include identifying suitable signs, developing project locations and designs, and initiating planning and construction.	N/A	N/A	06/30/06
Identify new site, repair, make safety modifications, and reinstall the mobile that formerly hung at the airport.	N/A	N/A	12/30/05
Repair the Solar Calendar	N/A	N/A	12/30/05
Continue ongoing outdoor art new project identifications.	N/A	N/A	N/A
Continue indoor art program with annual call for art, selection, and display. Rotating or other more frequent display turnover strategies are being considered.	N/A	N/A	N/A

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 2,517	\$ 556	\$ 517	\$ 2,591	\$ 2,035
CONTRACTUAL	320,045	409,000	323,770	400,050	(8,950)
COMMODITIES	180	150	-	750	600
CAPITAL	-	-	-	-	-
TOTAL	\$ 322,742	\$ 409,706	\$ 324,287	\$ 403,391	\$ (6,315)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 89	\$ -	\$ -	\$ 2,448	\$ 2,448
CONTRACTUAL SERVICES	275,000	280,000	280,020	280,000	-
PUBLIC ARTWORK	2,653	84,706	10,517	75,943	(8,763)
FCP ADMINISTRATION	45,000	45,000	33,750	45,000	-
TOTAL	\$ 322,742	\$ 409,706	\$ 324,287	\$ 403,391	\$ (6,315)
SOURCE OF FUNDING:					
ARTS AND SCIENCE FUND				\$ 403,391	
				\$ 403,391	
COMMENTARY:					
The Arts & Science operating budget has decreased 2% and there are no capital expenditures. The decrease is \$8,750 in Public Artwork.					

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 73,292	\$ 83,104	\$ 22,928	\$ 65,771	\$ (17,333)
CONTRACTUAL	2,663	5,450	13,757	11,400	5,950
COMMODITIES	677	2,600	2,902	2,400	(200)
CAPITAL	-	-	-	-	-
TOTAL	\$ 76,632	\$ 91,154	\$ 39,587	\$ 79,571	\$ (11,583)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 76,632	\$ 91,154	\$ 38,087	\$ 77,371	\$ (13,783)
COMMISSION	\$ -	\$ -	\$ 1,500	\$ 2,200	\$ 2,200
TOTAL	\$ 76,632	\$ 91,154	\$ 39,587	\$ 79,571	\$ (11,583)
SOURCE OF FUNDING:					
BEAUTIFICATION FUND				\$ 79,571	
				\$ 79,571	
COMMENTARY:					
The Beautification operating budget has decreased 13% with no capital expenditures. Personal Services decreases are due to the sharing of this position with general fund by 20%. Contractual increases reflect office supplies and photocopying not previously budgeted in this fund.					

MISSION

The mission of the Stormwater Division is to promote the public health, safety and general welfare, to minimize public and private losses due to flood conditions within the City of Flagstaff, and to comply with the applicable stormwater regulations.

PROGRAM DESCRIPTION

The Stormwater Department includes: administration, utility management, engineering, customer service, and plan review components.

FY 05 GOALS, OBJECTIVES AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Respond in a timely manner to requests or needs of citizens, Council, Manager, and City departments and divisions.

RESULT: Staff have established a timeline for responding in a prompt manner to requests or needs of citizens, Council, Manager and City departments and divisions. A schedule has been established and maintained for plan review. One-on-one contact with other departments and staff continues to function efficiently. We have made drainage complaint forms available to the public and provide confirmation and follow up. All reporting and citizen concerns can be submitted in person, through our website, or through the departmental hotline.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Ensure that the construction of projects meets the minimum standard required by the City.

RESULT: In order to ensure that the construction of projects meets the minimum standard required by the City, all plan reviews are evaluated based on the compliance requirements established in the "Stormwater Management Design Manual" as well as compliance with building and construction standards and NPDES Phase II requirements for grading, Best Management Practices (BMP's) and erosion and sediment control.

GOAL: ECONOMIC DEVELOPMENT/REDEVELOPMENT**OBJECTIVES:**

- ❖ Completion of the design of the Rio de Flag flood control project.

RESULT: The completion of the design of the Rio de Flag flood control project has been turned over to the Capital Improvements Section. Stormwater has worked closely with the project manager to oversee hydraulic and hydrology elements of the design.

OBJECTIVES:

- ❖ Completion of reconciliation of unbilled stormwater utility accounts.

RESULT: The audit and review of unbilled stormwater utility accounts was completed in February 2004. Billing corrections and revisions were made to each individual account resulting in \$31,368 annually.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ The Stormwater Website was launched in June of 2004. This is a comprehensive and educational site that provides a citizen resource for educational information, program identification, and a concise staff contact reference. On this site standard forms are available for download. We have also provided the ability for the public to notify us of illicit dumping, and drainage concerns.
- ❖ Stormwater staff in conjunction with the Stormwater Advisory Committee and Council completed and launched the Stormwater Credit Manual, which became effective in December of 2004.
- ❖ LiDAR project. The entire City has been flown collecting current data. This data should be available by the end of the fiscal year.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ One of our primary program objectives is to conduct a stormwater master planning effort. This will identify the components of the existing drainage system as well as the status of these components. This would then allow us to focus on needed improvements or additions to the existing system and critical areas for corrective measures to prevent flood damage to our citizen's property.
- ❖ Maintain and/or improve Community Rating System standing. By working cooperatively with the Arizona Department of Water Resources the Stormwater Department has achieved a Community Flood Rating of eight. This is a very good rating that has a direct effect on the Flood Insurance Rates paid by the Citizens of Flagstaff.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ In launching a public education program that specifically targets elementary school children, we will educate about the dangers of contaminants to public waterways. Public Education helps to

improve quality of life by minimizing pollutant loads introduced to our waterways. In addition, it will help to fulfill our NPDES Phase II requirements.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Complete Civil Plan Review and Drainage Report Review on Time	N/A	N/A	100%
Comply with conditions of NPDES Municipal Permit	N/A	N/A	100%
Complete Phase I of the Stormwater Master Plan	N/A	N/A	100%
Compliance with FEMA Regulatory Requirements	N/A	N/A	100%

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 254,437	\$ 295,795	\$ 318,432	\$ 420,978	\$ 125,183
CONTRACTUAL	137,269	550,221	155,455	489,998	(60,223)
COMMODITIES	23,707	9,832	13,067	15,753	5,921
CAPITAL	-	-	-	30,000	30,000
TOTAL	\$ 415,413	\$ 855,848	\$ 486,954	\$ 956,729	\$ 100,881
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 267,287	\$ 279,157	\$ 245,713	\$ 277,271	\$ (1,886)
ENG. & MASTER PLANNING	-	350,000	8,441	341,559	(8,441)
OPERATIONS	148,126	226,691	232,800	307,344	80,653
REGULATION/ENFORCEMENT	-	-	-	30,555	30,555
TOTAL	\$ 415,413	\$ 855,848	\$ 486,954	\$ 956,729	\$ 100,881
SOURCE OF FUNDING:					
STORMWATER UTILITY FUND				\$ 956,729	
				\$ 956,729	

COMMENTARY:

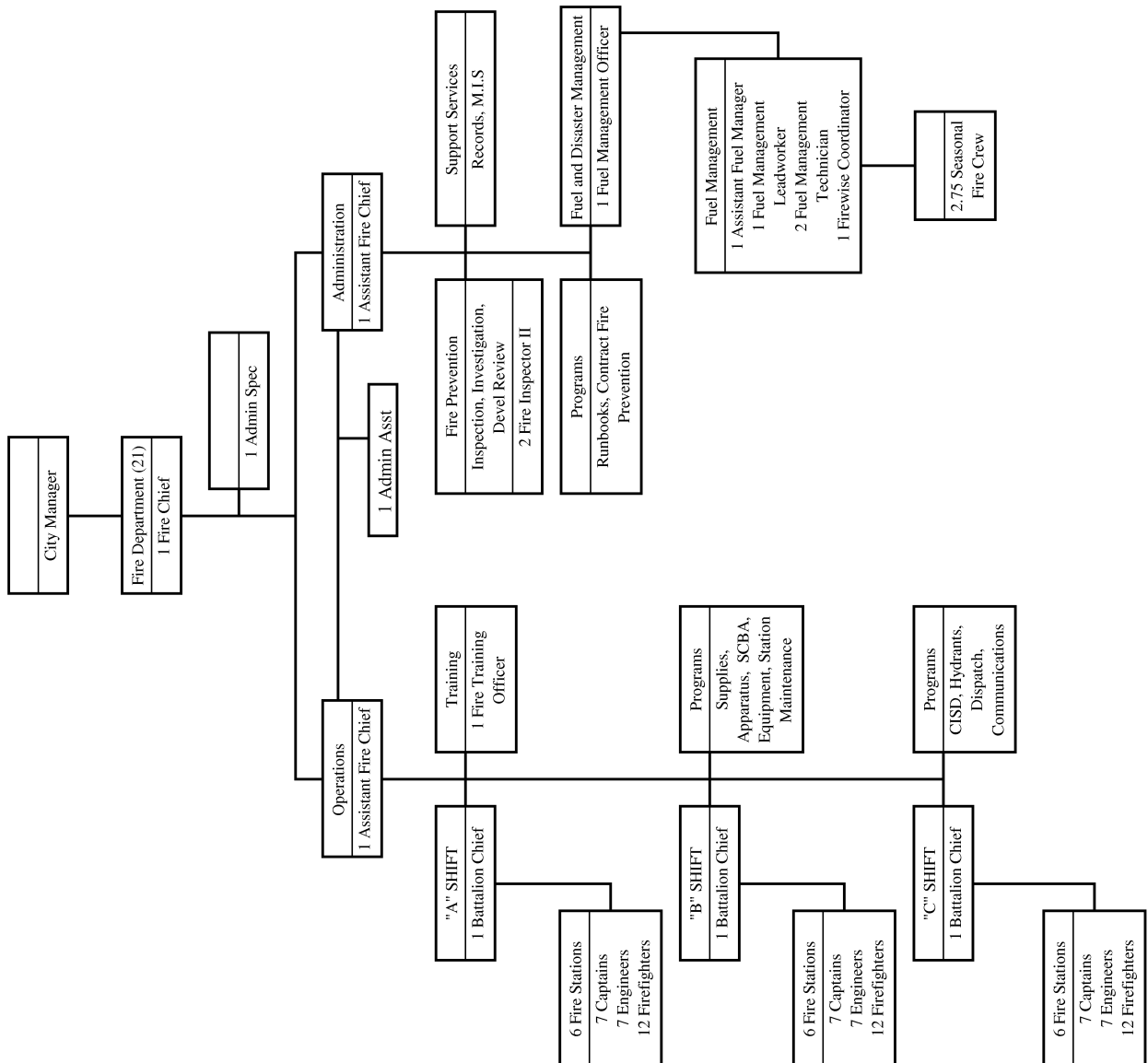
The Stormwater Utility operating budget has increased 8% and capital expenditures total \$30,000 resulting in an overall net increase of 12%. Capital for Drainage and Stormwater Capital are captured in Divisions 34 and 99. Personal Services increases are due to market, merit, insurance, retirement contributions and also the addition of 1.5 FTE's (Floodplain Inspector and temporary Technical Intern). Proposed capital includes a 4X4 extended cab for the Floodplain Inspector.

FIRE

FIRE DEPARTMENT MISSION

The mission of the **Flagstaff Fire Department** is to responsibly protect values at risk in our community. We do this by protecting life, property, and community resources through preparation, prevention, response and mitigation.

Fire



MISSION

The mission of the Flagstaff Fire Department is to responsibly protect values at risk in our community. We do this by protecting life, property, and community resources through preparation, prevention, response, and mitigation.

PROGRAM DESCRIPTION

The Fire Department is responsible for protecting life, property, and resources through the delivery of public safety services. Prevention, preparedness, mitigation and response represent the core of the program efforts. The organized divisions include Administration, Prevention, Training, Operations, and Fuel Management.

FY 05 GOALS, OBJECTIVES, AND RESULTS

GOAL: PUBLIC SAFETY

OBJECTIVES:

- ❖ To provide public safety services and programs directed toward customer care and community protection, with an emphasis on customer service.
RESULT: Inspected 25% of all commercial occupancies each quarter. Corrected 100% of Fire Code violations found during inspections. Reviewed plan checks within ten working days 100% of the time. DRB submittals reviewed within one-week period prior to the meeting 100% of the time.
- ❖ To provide Basic and Advanced Life Support pre-hospital care for emergency medical patients in conjunction with our community partners.
RESULT: Monitored and maintained EMT-D certification for line personnel. Monitored and maintained CEP certification for paramedics.
- ❖ To prepare, operate, and respond to emergencies, which meets community expectations and complies with National Fire Protection Agency and Occupational, Safety and Health Administration Standards.
RESULT: Completed monthly company training.
- ❖ To provide leadership and management to accomplish the organization's mission, goals, and objectives in an effective manner.
RESULT: Managed department budget within approved funding levels.
- ❖ To provide a Disaster Management Program designed to prepare and protect the community from both man-made and natural disasters.
RESULT: Planned, coordinated, and conducted three multi-agency exercises.

- ❖ To provide the necessary Fuel Management to minimize the risk of a catastrophic wildfire and promote forest health in our community.

RESULT: Reviewed and completed plans totally 834 acres within thirty days. Completed 606 acres of thinning. Completed 823 acres of RX burns.

FY 05 ADDITIONAL ACCOMPLISHMENTS

Administration:

- ❖ Public Safety Bond Proposal to re-locate four Fire Stations, purchase equipment, and build a train facility was approved.
- ❖ Completed the ISO community fire protection rating.
- ❖ Development and approval of contract fire service to Flagstaff Ranch. The new contract will generate \$300,000 in revenue beginning July 2005.
- ❖ Implemented annual Drug testing for Firefighters.

Operations:

- ❖ Hired and trained three new Firefighters, assigned them to Operations Division.
- ❖ Trained three personnel in Advanced Life support. Trained and certified two personnel in Advanced Technical Rescue.
- ❖ Place in service two Thermal Imaging Camera so Firefighters can see through the smoke. The City now has these cameras in every district.
- ❖ Placed in service a Special Operations Truck and Trailer. A Homeland Security Grant thru the Local Emergency Planning Committee approved the truck.
- ❖ Re-built damaged Water Tender #4 at a cost of \$149,000, saving the City \$70,000.
- ❖ Placed in service seven additional Portable Radios funded by an LEPC grant. The Firefighters will use these radios to enhance their safety while on the scene of incidents.
- ❖ Replaced the primary fire channel base station on Mount Elden. The new base station was provided by an LELPC grant.

Prevention/Public Education:

- ❖ Completed over 2000 commercial fire inspections.
- ❖ Provided fire safety presentations to eight of the ten public elementary schools within our jurisdiction.

Training:

- ❖ The department completed over 20,000 man-hours of department training.
- ❖ Developed and implemented Rapid Intervention and MAYDAY rescue procedures.

Fuel Management:

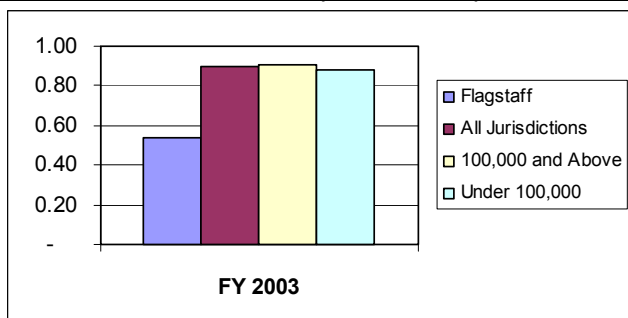
- ❖ Completed fuel management projects, which provided for the thinning of 606 acres and prescribed burning of 823 acres.
- ❖ Obtained approval for the Community Wildfire Protection Plan.

Disaster Management:

- ❖ Completed three multi-agency incident drills.
- ❖ Assisted in the development of the PFAC Operation Plan.

FY 06 GOALS AND OBJECTIVES**GOAL: PUBLIC SAFETY****OBJECTIVES:**

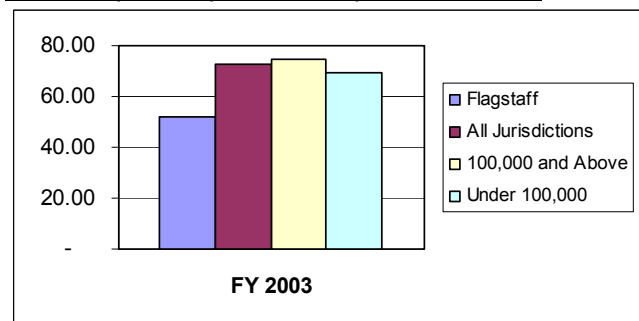
- ❖ To provide public safety services and programs directed toward customer care and community protection, with an emphasis on customer service.
- ❖ To provide Basic and Advanced Life Support pre-hospital care for emergency medical patients in conjunction with our community partners.
- ❖ To prepare, operate, and respond to emergencies, which meets community expectations and complies with National Fire Protection Agency and Occupational, Safety and Health Administration Standards.
- ❖ To provide the necessary leadership and management to accomplish the organization's mission, goals, and objectives in an effective manner.
- ❖ To provide a Disaster Management Program designed to prepare and protect the community from both man-made and natural disasters.
- ❖ To provide the necessary Fuel Management to minimize the risk of a catastrophic wildfire and promote forest health in our community.

PERFORMANCE MEASUREMENT THROUGH ICMA – CPMResidential Structure Fires per 1,000 Population Served

The first Fire/EMS graph includes incident information both for active fires and those in which the fire was out on arrival. Variations among jurisdictions may occur for a number of reasons including:

- The age of the housing stock assuming older structures may be more prone to electrical wiring problems and/or were constructed under less stringent fire-resistant building codes
- Population density or number of persons per room, with higher densities increasing the risk of fire
- Climatic differences, with jurisdictions experiencing more extreme heat or cold having more intensive use of heating or cooling equipment increasing the fire risk

This graph reflects that Flagstaff is significantly below other reporting entities for residential structure fires.

EMS Responses per 1000 Population Served

EMS responses per 1,000 population served are based on the population served for EMS. In some jurisdictions, this differs from the population served for fire services, however the service area is the considered the same for Flagstaff. This information shown combines Basic Life Support (BLS) and Advanced Life Support (ALS) response. Per this information, the Flagstaff fire department responds to a lesser call volume when compared to jurisdictions of our size.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Manage department budget within Council approved funding levels	99.5%	99.8%	99.5%
Training:			
Complete monthly and quarterly company level training	100%	100%	100%
Fuel Management:			
Complete and review plans totaling 1000 acres.	1,472 acres	834 acres	600 acres
Thinning -Complete 800 acres of thinning.	680 acres	606 acres	800 acres
RX Fire - Complete 750 acres of RX fires.	1,016 acres	823 acres	750 acres
Fire Prevention:			
Inspect 25% of all commercial occupancies quarterly.	100%	100%	100%
Correct 100% of Fire Code violations found during inspections.	100%	95%	98%
Review all DRB submittals within the one-week period prior to the meeting.	100%	100%	100%
Review all plan checks within 10 working days.	100%	100%	100%
Emergency Medical:			
Maintain EMS quality assurance program to base hospital standards.	100%	100%	100%
Maintain and monitor EMT-D certification for line personnel.	100%	100%	100%
Maintain and monitor CEP certification for paramedics.	100%	100%	100%
Conduct one (1) Multi-Agency Incident/Disaster Drill each year.	1 completed	3 completed	3 to be completed

FIRE**DIVISION 21****FIRE**

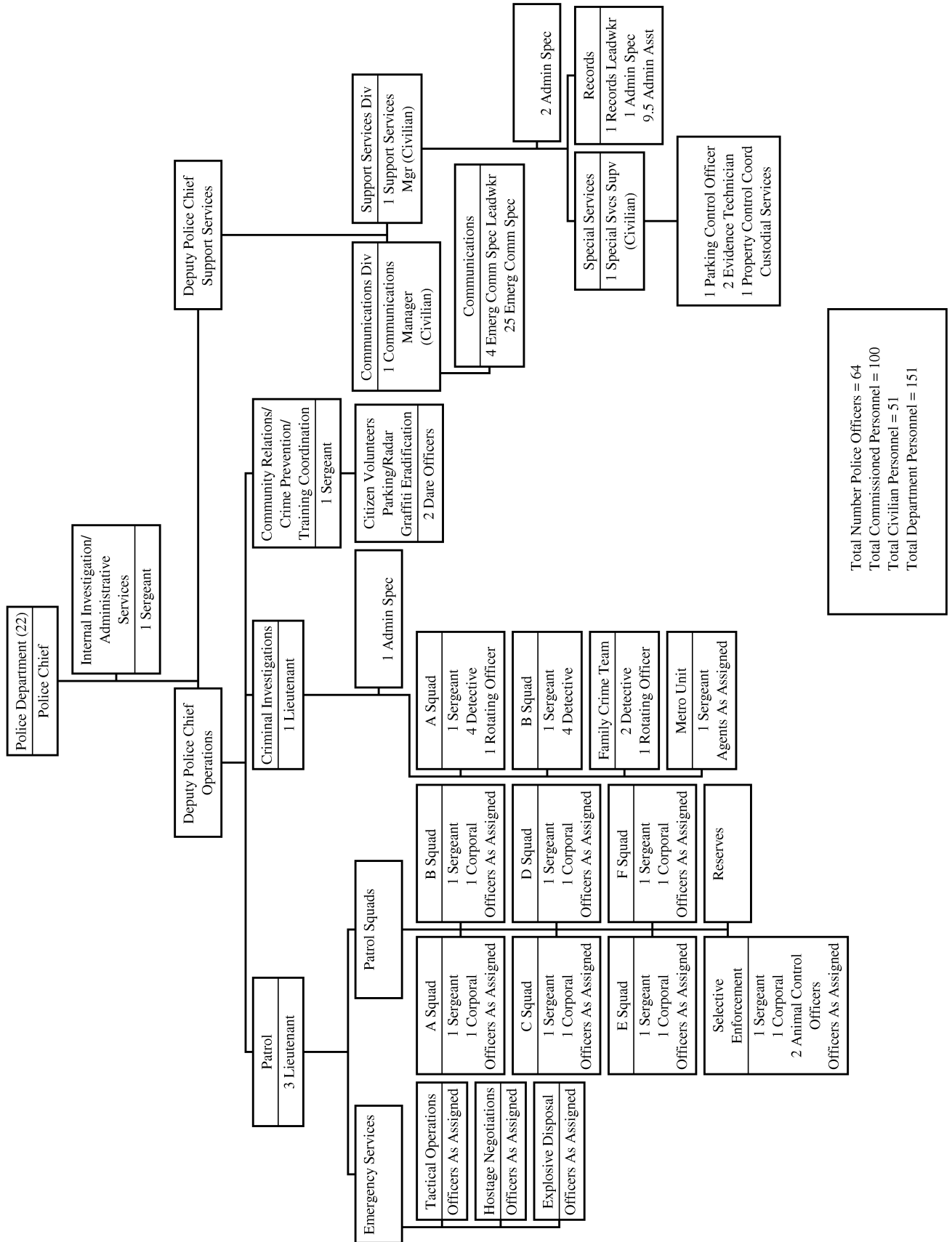
EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 6,121,205	\$ 6,658,457	\$ 6,574,099	\$ 7,179,407	\$ 520,950
CONTRACTUAL	262,182	297,150	237,049	271,544	(25,606)
COMMODITIES	291,673	364,447	384,545	390,430	25,983
CAPITAL	233,963	561,050	60,527	814,170	253,120
TOTAL	\$ 6,909,023	\$ 7,881,104	\$ 7,256,220	\$ 8,655,551	\$ 774,447
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 332,158	\$ 1,086,557	\$ 511,530	\$ 1,170,447	\$ 83,890
FIRE PREVENTION	227,907	244,757	236,391	287,525	42,768
TRAINING	93,650	81,640	108,420	115,611	33,971
FIRE OPERATIONS	5,867,377	6,053,315	6,095,975	6,567,395	514,080
NAU FIRE GRANT II	(3,211)	65,502	-	65,502	-
STATE FIRE ASSISTANT	716	-	-	-	-
FUEL MANAGEMENT PROGRAM	108,615	159,672	128,526	244,643	84,971
BUILDING SUSTAINABLE COMM	108	-	-	-	-
FOREST HEALTH RESTORATION	8,889	51,805	71,502	51,626	(179)
STATE FIRE ASST-INFO & ED	60,947	-	4,947	-	-
HAZARD FUEL RED. F/Y 2004	207,809	101,452	15,751	-	(101,452)
HAZARD REDUCTION F/Y 2004	-	-	75,557	96,782	96,782
FIREWISE EDUCATION F/Y 03	-	-	2,521	-	-
EXTRACTION AIRBAG	4,500	-	-	-	-
CAMP NAVAJO CONTRACT	(442)	-	-	-	-
FIRE IMPROVE PREVENTION	-	36,404	-	10,000	(26,404)
HMOWNER & COMM. ACTION 04	-	-	-	2,500	2,500
FIRE EXTRACTION EQUIPMENT	-	-	5,100	-	-
HOMELAND SECURITY GRANT	-	-	-	43,520	43,520
TOTAL	\$ 6,909,023	\$ 7,881,104	\$ 7,256,220	\$ 8,655,551	\$ 774,447
SOURCE OF FUNDING:					
GENERAL FUND				\$ 8,655,551	
				\$ 8,655,551	
COMMENTARY:					
The Fire operating budget has increased 7% and capital expenditures total \$814,170 resulting in an overall net increase of 10%. Personal Services increases are due to retirement contributions, market, merit, and insurance increases and the request of one Assistant Fire Chief. Commodities increases are all grant funded for fire and safety supplies. Major capital (>\$10,000) includes a Type 1 Engine-replacement \$404,500; seven CEP monitors \$168,000; two 3/4 ton pickups \$49,000; one utility truck \$24,500; two sedans \$32,400; one SUV \$29,000; one portable pump \$8,000; two compressed air foam systems \$63,770 and a carryover of \$35,000 for a air compressor for Station 1.					

POLICE

POLICE DEPARTMENT MISSION

The mission of the **Flagstaff Police Department** is to protect and preserve life, property, public order, and the rights of the individual by providing exemplary service through the establishment of a partnership of shared responsibility, support, and trust with law abiding members of the community.

Police



Total Number Police Officers = 64
Total Commissioned Personnel = 100
Total Civilian Personnel = 51
Total Department Personnel = 151

MISSION

The mission of the Flagstaff Police Department is to protect and preserve life, property, public order, and the rights of the individual by providing exemplary service through the establishment of a partnership of shared responsibility, support, and trust with law abiding members of the community.

PROGRAM DESCRIPTION

The Police Department is responsible for protecting life and property, preserving the peace, and protecting the rights of individuals. These are accomplished through crime prevention, Community Block Watch Programs, repression of crime, and the apprehension of criminal offenders. The Police Grants (23) accounts for the supervisory and support service functions provided to Metro Task Force, which is a state grant-funded program for a multi-agency investigative unit. This is one of many grants the Flagstaff Police Department has taken advantage of. Others include Universal Cops Program and other State and Federal Grants.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Increase traffic enforcement in high collision locations by identifying and targeting collision-causing violations.
RESULT: Issued 13,366 traffic citations and made 1,006 DUI arrest.
- ❖ Identify and correct high collision locations through participation with the Traffic Safety Commission and other community resources.
RESULT: Worked Targeted Radar Advisory Program, Click It or Ticket, Red Light and Child Restraint Enforcement.
- ❖ Continue emphasis on arresting intoxicated drivers by maintaining the current level of enforcement.
RESULT: Over 1,000 arrests made for DUI. Flagstaff has one the highest DUI arrests rates in the nation.
- ❖ Present alcohol and drug abuse educational programs through media, schools and Block Watch meetings.
RESULT: The DARE and GREAT programs are taught in the schools. Other information is released through press releases and Block Watch meetings.
- ❖ Utilize DUI van in conjunction with multi-agency proactive enforcement.
RESULT: The department works closely with other agencies in the enforcement of DUI offenses.

- ❖ Utilize the Speed Monitoring Trailer, the T.R.A.P. program, SAFE STREETS and other resources in selected neighborhoods in order to address concerns over traffic safety.
RESULT: This is an ongoing program.
- ❖ Conduct specific red light enforcement and emphasize failure to yield violations.
RESULT: Nearly 600 citations for issued for failure to stop at a red light and failure to yield for a traffic control device.

GOAL: CUSTOMER SERVICE**OBJECTIVES**

- ❖ Improve service to Communications and Records customers.
RESULT: Significant progress has been made in this area. New procedures were established for Records and emphasis was put on performance in Communications. Users groups were set up to deal with specific issues.
- ❖ Improve our property and evidence management systems.
RESULT: Progress is slow in this area.
- ❖ Promote our community policing philosophy through continued training.
RESULT: The department philosophy is promoted to the public through the Citizen Police Academy and the CERT Program.
- ❖ Develop a viable volunteer program.
RESULT: This was accomplished and has been very successful.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Promote a positive, pro-active liaison with other criminal justice entities.
RESULT: We have combined our efforts with the Citizen Police Academy and CERT Program with the County.
- ❖ Target repeat offenders for enhanced prosecution.
RESULT: This program is ongoing.
- ❖ Make full custody arrest in domestic violence cases where probable cause exists.
RESULT: There were 643 arrests for Domestic Violence.
- ❖ Monitor case tracking policy to ensure department standards are maintained.
RESULT: This is an ongoing process.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Continue improving radio system area coverage.
RESULT: Several improvements have been made to improve local and Interoperability capabilities and reliability.
- ❖ Work with user agencies to identify and implement communication needs.
RESULT: A communication Advisory Board was established with all user agencies to set goals and address areas of common concern.
- ❖ Evaluate new technologies to assist field operations.
RESULT: The mobile Data Computer Project is nearly complete.
- ❖ Work toward the development of a consolidated information systems team with Coconino County.
RESULT: The consolidation became effective January of 2005.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Completed Data Transfer Portion of Criminal Justice Integration program.
- ❖ Continued work in Crime Free Multi-Housing.
- ❖ Conducted two G.R.E.A.T. Summer Camps.

FY 06 GOALS AND OBJECTIVES**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Aggressively enforce the traffic codes that are identified as those that are the leading causes of vehicle collisions.
- ❖ Identify and correct high collision locations through participating with the Traffic Safety Commission and other community resources.
- ❖ Present alcohol and drug abuse educational program through the media, schools and Block Watch Meetings.
- ❖ Utilize the speed monitoring trailer, the T.R.A.P. program, SAFE STREETS and other resources in selected neighborhoods in order to address concerns over traffic safety.
- ❖ Conduct Specific Red Light and Restraint enforcement.
- ❖ Continue to aggressively detect and arrest those suspected of Driving While Impaired.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Constantly improve Customer Service to Internal and External Customers.
- ❖ Promote the Community Policing Philosophy to all employees through training and reinforcement.

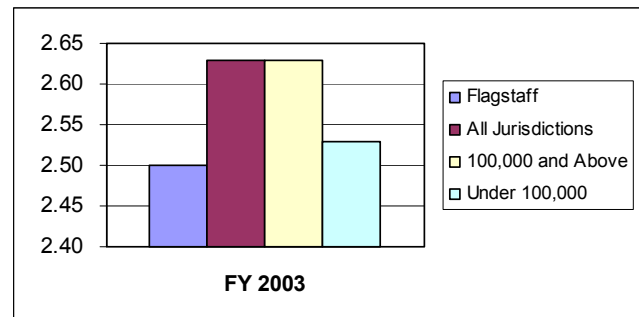
- ❖ Continue to expand the Volunteer Program.

GOAL: COLLABORATION**OBJECTIVES:**

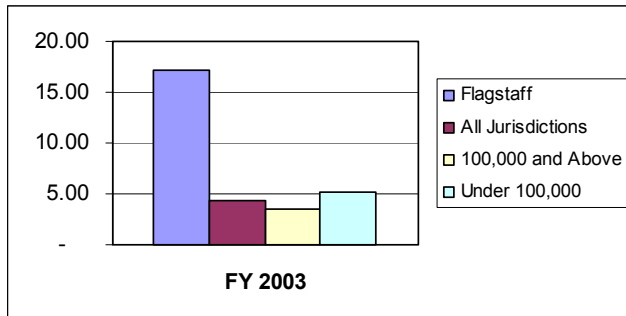
- ❖ Work with City Council and interested stakeholders to develop a workable and efficient Pawn Ordinance.
- ❖ Make full custody arrests in domestic violence cases where probable cause exists.
- ❖ Work with Prosecutors to target repeat offenders for enhanced prosecution.
- ❖ Work with partner agencies to identify services that can be improved through consolidation.

GOAL: ORGANIZATIONAL SKILLS**OBJECTIVES:**

- ❖ Work with user agencies to improve communication needs by utilizing improved technology.
- ❖ Identify new technology that will enhance the overall operations of the department.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM**Sworn and Civilian FTE's per 1000 Population**

Some variation among jurisdictions may be due to differences in daytime population levels. Jurisdictions that experience a large influx of commuters, tourists, or other visitors who use police services but who are not counted in the resident population may appear to have disproportionately high staffing levels when calculated on a population-unit basis. Also, some variation in staffing levels may be attributed to differences in the complement of services provided by each department or the differences among departments in the use of overtime to meet staffing needs.

DUI Arrests per 1000 Population

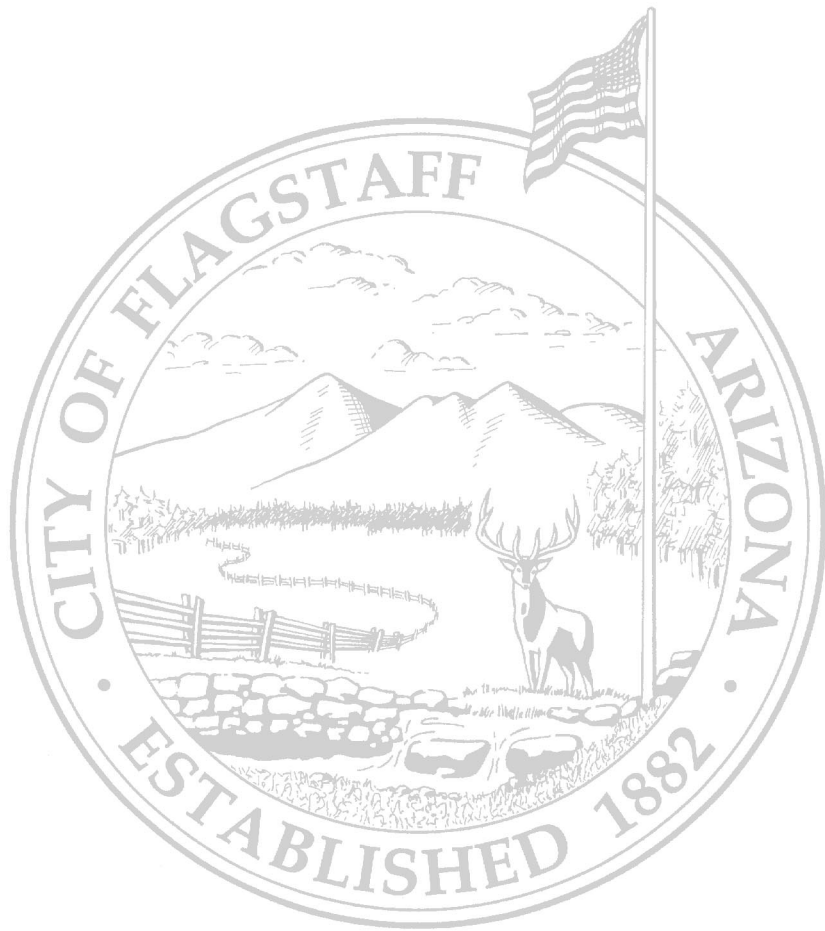
Some variation in the values reported for this indicator may be attributed to differences in state and local blood alcohol thresholds and other standards that may need to be met in order to arrest suspects for DUI offenses. Some jurisdictions suggest that the presence of a college or university within or near their boundaries contributes to the number of DUI arrests in their areas of population. Variability in daytime population populations also contributes. Both of these factors certainly impact the number of DUI arrests that occur in our area.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Calls for service	55,709	55,464	55,000
Misdemeanor reports	12,931	13,746	14,000
Felony reports	5,134	5,126	5,200
Incident reports	29,668	27,940	28,000
Accident reports	3,038	3,601	3,300
Arrests	10,089	9,117	9,500
Traffic citations	12,556	13,366	14,000
DUI arrests	968	1,006	1,000
Warning and repair orders issued	10,935	11,207	11,500
Detectives:			
Cases assigned	6,963	6,334	6,500
Cases cleared	4,233	3,802	4,000
Community Relations and Training:			
Presentations	440	534	525
Training (man hours)	12,287	19,417	16,000
Animal Control:			
Citations	197	135	175
Impounds	935	995	950
Man Hours in Field (Patrol)	98,297	101,128	104,000
Other:			
Emergency service response, Goal = 5 minutes	5.0		
20 minute calls held for service not to exceed 8%	8.0%	13.42	8.0
Volunteer hours	2,000	2,235	2,000
Block watch meetings	100	118	100
Crime free multi-housing certifications	5	5	0

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 9,097,088	\$ 10,056,036	\$ 9,601,471	\$ 10,985,766	\$ 929,730
CONTRACTUAL	1,222,263	1,196,579	1,196,410	1,156,273	(40,306)
COMMODITIES	390,363	432,309	407,162	507,504	75,195
CAPITAL	161,618	285,743	280,711	364,223	78,480
TOTAL	\$ 10,871,332	\$ 11,970,667	\$ 11,485,754	\$ 13,013,766	\$ 1,043,099
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 1,133,448	\$ 1,793,621	\$ 1,409,530	\$ 2,037,887	\$ 244,266
PATROL	5,484,765	6,285,032	5,965,013	6,656,636	371,604
DETECTIVES	1,145,465	1,049,816	1,158,106	1,279,128	229,312
RECORDS	733,823	562,801	581,550	613,459	50,658
COMMUNICATIONS	1,530,741	1,361,206	1,496,092	1,502,177	140,971
SPECIAL SERVICES	733,282	810,534	767,008	810,122	(412)
CRIME PREVENTION & TRAIN	109,808	107,657	108,455	114,357	6,700
TOTAL	\$ 10,871,332	\$ 11,970,667	\$ 11,485,754	\$ 13,013,766	\$ 1,043,099
SOURCE OF FUNDING:					
GENERAL FUND				\$ 13,013,766	
				\$ 13,013,766	
COMMENTARY:					
The Police operating budget has increased 8% and capital expenditures total \$364,223 resulting in an overall net increase of 9%. Personal Services increases are for three Emergency Communication Specialist positions plus retirement contributions, market, merit, and insurance increases. Decreases in contractual services are due to a shift in computer maintenance and decreases to safety supplies, utilities, facility maintenance, and custodial services. Commodity increases included ongoing increases in photo and film supplies as well as fuel. There are also one time amounts for a Stop Stick Spike system and night goggles (\$19,000). Major capital (>\$10,000) is for four patrol sedans \$94,000, two administrative sedans \$32,400, two patrol utility vehicles \$58,000, one 3/4 ton pickup \$23,250, one 4x4 extended cab truck \$18,000, two police sedans for five FTE police officers \$50,000, carryover of prisoner transport van \$37,500 and tenant improvements for police building \$37,243.					

POLICE**DIVISION 23****POLICE GRANTS**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 366,695	\$ 159,081	\$ 303,523	\$ 596,591	\$ 437,510
CONTRACTUAL	131,014	227,100	175,712	341,632	114,532
COMMODITIES	79,332	98,991	152,162	174,204	75,213
CAPITAL	41,630	-	137,852	171,474	171,474
TOTAL	\$ 618,671	\$ 485,172	\$ 769,249	\$ 1,283,901	\$ 798,729
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 3,069	\$ 9,302	\$ (54,902)	\$ 44,908	\$ 35,606
METRO	277,743	318,484	311,781	379,181	60,697
AZ INTERNET CRIMES-CHILD	6,242	-	4,386	-	-
COPS UNIVERSAL HIRING 03	73,719	-	94,711	130,670	130,670
RICO FUNDS FOR METRO	207	-	(2,268)	-	-
WEED AND SEED PROGRAM	41,619	58,000	-	-	(58,000)
LLEBG POLICE GRANT - 2004	-	30,000	14,921	-	(30,000)
(3) MOTOR CYCLES GRANT	43,340	-	-	-	-
GREAT GRANT 2004-2005	-	27,000	45,804	-	(27,000)
GREAT GRANT 2003 - 2004	44,342	-	-	-	-
LLEBG POLICE GRANT -2002	33,971	-	-	-	-
LEAF TRAINING AUDITORIUM	16,891	-	-	-	-
SECURITY-PULLIAM AIRPORT	(261)	-	-	-	-
DUI ENFORCEMENT 2003	5,036	-	-	-	-
ANTI-TERRORIST TASK FORCE	-	20,000	20,000	-	(20,000)
LLEBG 2003	5,286	10,386	34,629	-	(10,386)
PUBLIC AWARENESS GRANT	2,251	-	(157)	-	-
HOMELAND SECURITY GRANT	19,719	-	68,459	-	-
CLICK IT OR TICKET GRANT	12,511	-	(1,648)	-	-
SEAT BELT O/T INFORCEMENT	6,133	12,000	-	-	(12,000)
2003 DUI O/T POLICE GRANT	15,615	-	-	-	-
WEED & SEED 2003	10,860	-	39,138	-	-
DRIVING SIMULATOR GRANT	-	-	115,000	-	-
BULLET PROOF VEST	378	-	5,134	29,049	29,049
TRAFFIC CRASH RECONSTION	-	-	1,887	-	-
PROFESSIONAL TRAINING GRT	-	-	1,211	-	-
SMART VMS SIGN TRAFFIC TR	-	-	22,852	-	-
DRINK, DRIVE, LOSE GRANT	-	-	2,223	-	-
2005 GOHS GRANT	-	-	-	42,410	42,410
2006 GOHS GRANT	-	-	-	57,856	57,856
2006 DUI ENFORCEMENT	-	-	-	20,000	20,000
FY04 HOMELAND SECURITY	-	-	46,088	-	-
FY05 HOMELAND SECURITY	-	-	-	164,428	164,428
POLICE QUADS GRANT	-	-	-	17,546	17,546
FORENSIC TRAINING & EQ.	-	-	-	7,500	7,500
2005 LLEBG	-	-	-	45,000	45,000
2005 GREAT GRANT	-	-	-	45,353	45,353
2005 COPS UNIVERSAL	-	-	-	150,000	150,000
2005 COPS HOMELAND SEC OT	-	-	-	100,000	100,000
2005 WEED & SEED	-	-	-	50,000	50,000
TOTAL	\$ 618,671	\$ 485,172	\$ 769,249	\$ 1,283,901	\$ 798,729
SOURCE OF FUNDING:					
GENERAL FUND				\$ 1,283,901	
				\$ 1,283,901	



PUBLIC WORKS

PUBLIC WORKS DEPARTMENT MISSION

The **Public Works Department**, consisting of the **Airport, Cemetery, Environmental Services, Facilities Maintenance, Fleet Services, Parks & Recreation, and Streets Divisions**, dedicate their efforts to provide customer service oriented, quality based, cost efficient services to the citizens of Flagstaff and their fellow City employees.

The **Parks and Recreation Division** strives to bring our community together by providing exceptional opportunities for families and individuals to enjoy our outdoor environment and to participate in programs valuable to sustaining a healthy lifestyle.

The **Fleet Services Division** vows to provide high quality, efficient maintenance services to City employees, and indirectly to Flagstaff citizens by keeping equipment in excellent condition.

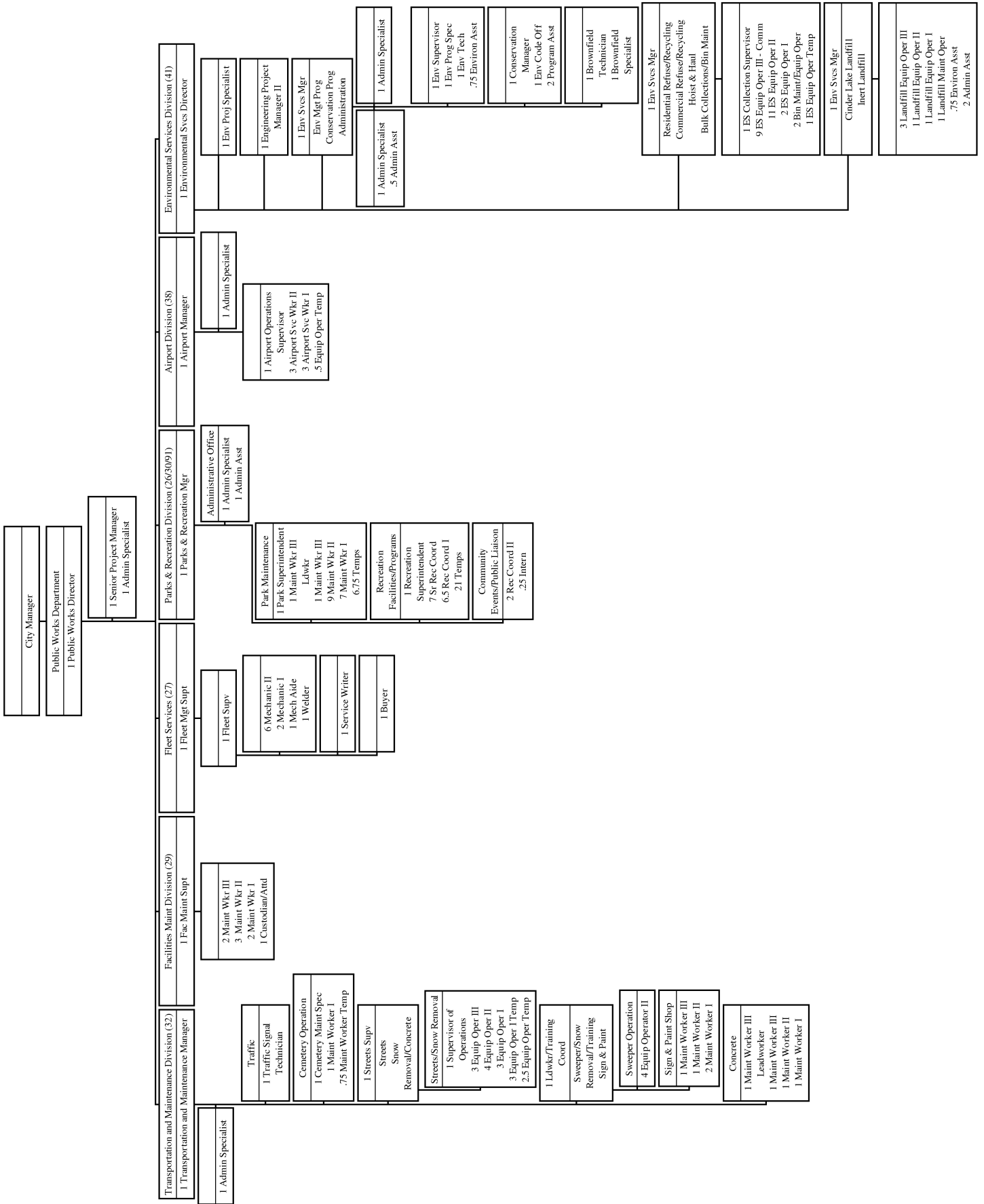
The **Cemetery Division** employees dedicate themselves to offering quality customer service in a time of need; providing proper grounds maintenance that is aesthetically pleasing to the public.

The **Facilities Maintenance** mission is dedicated to providing quality service by keeping all City facilities maintained in the best condition possible through teamwork.

The **Airport and Streets Divisions** dedicate their efforts to provide quality service for the ever-growing transportation needs of our community.

The **Environmental Services Division** is comprised of a valuable team of professionals committed to providing the greater Flagstaff community with progressive management, strategies that emphasize customer service, environmental management, waste reduction, refuse and recycling correction, and sound landfill management. In partnership with citizens and agencies we embrace the concepts of sustainability, pollution prevention, and conservation of energy and natural resources.

Public Works



PROGRAM DESCRIPTION

The USGS Maintenance Division accounts for the costs associated with the USGS facilities owned by the City and leased by the GSA. The City currently has responsibility for Buildings 2, 3, and 6. The City will assume responsibility for Buildings 4 and 5 in 2006, giving the City the responsibility for the full campus. The Facilities and Parks Division share responsibility for the maintenance.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 11,785	\$ 14,374	\$ 7,454	\$ 20,708	\$ 6,334
CONTRACTUAL	568,494	670,798	678,718	685,539	14,741
COMMODITIES	4,194	44,500	43,500	225,300	180,800
CAPITAL	-	30,000	-	-	(30,000)
TOTAL	\$ 584,473	\$ 759,672	\$ 729,672	\$ 931,547	\$ 171,875
EXPENDITURES BY PROGRAM:					
ADMINISTRATION	\$ 465,433	\$ 464,839	\$ 464,839	\$ 463,839	\$ (1,000)
MAINTENANCE-BLDG #1	50	-	-	-	-
MAINTENANCE-BLDG #2	27,817	51,794	51,794	54,350	2,556
BUILDING 6	91,173	142,080	112,080	119,216	(22,864)
USGS BUILDING 3	-	100,959	100,959	294,142	193,183
TOTAL	\$ 584,473	\$ 759,672	\$ 729,672	\$ 931,547	\$ 171,875
SOURCE OF FUNDING:					
GENERAL FUND				\$ 931,547	
				\$ 931,547	
COMMENTARY:					
The USGS operating budget has increased 28% and there are no capital expenditures. Personal Services increases are due to employee market, merits, insurance, and retirement contribution cost increases. Commodity increases are due to the replacement of a roof on USGS building #3.					

MISSION

The Public Works Department dedicates its efforts to provide customer service oriented, quality based, cost efficient services to the citizens of Flagstaff and their fellow City employees.

PROGRAM DESCRIPTION

This division is responsible for the general administration of all the Public Works divisions, including the Airport, Cemetery, Environmental Services, Facilities Maintenance, Fleet Services, Parks and Recreation, and Streets.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Continue to encourage a no-lost time year through the safety program.
RESULT: Lost time accidents increased from 6 to 7 days, which equates to a 17% increase.
- ❖ Continue to reduce vehicular accidents through training and evaluation.
RESULT: Accident increased from 20 to 34 for a 70% increase, which equates to 1 accident every 25,000 miles.
- ❖ Continue to encourage employees to receive training and job enrichment in order to reduce turnovers, excluding retirements.

RESULT: 322 job enrichment training courses taken throughout the year, which encourages employee growth and in the longevity of employees.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ The breakdown of employees are: Administration – 3; Parks – 24; Fleet Services – 14; Facilities Maintenance – 8; Recreation – 39; Streets – 35.25; Airport – 9.5; Environmental Services – 52.25, for a total of 186 FTEs. Of these FTEs, 8 employees celebrated 5 years of service, 3 employees celebrated 10 years of service, 4 employees celebrated 15 years of service, 2 employees celebrated 20 years of service, and 1 celebrated 25 years of service.
- ❖ Two employees received Governor's Pride Awards.
- ❖ 11 employees received City Manager's Excellence Awards, which was 31% of all the awards given!

FY 06 GOALS AND OBJECTIVES**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Continue to encourage a no-lost time year through the safety program.
- ❖ Reduce vehicular accidents through training and evaluation.
- ❖ Continue to encourage employees to receive training and job enrichment in order to reduce turnovers, excluding retirements.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
"Zero" lost time accident ratio	6 days lost 385,320 hrs of work>0.0125%	7 days lost 386,880 hrs of work>0.0186%	0 days lost
Reduce accidents by 15%	20 accidents 850,000 miles driven 1 accident/ 35,400 miles 8% reduction	34 accidents 850,000 miles driven 1 accident/ 25,000 miles 70% increase	28 accidents resulting in 15% reduction

PUBLIC WORKS**DIVISION 25****ADMINISTRATION**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 186,877	\$ 201,623	\$ 197,918	\$ 219,013	\$ 17,390
CONTRACTUAL	6,444	6,028	6,013	6,028	-
COMMODITIES	5,084	6,797	6,498	6,897	100
CAPITAL	-	-	-	-	-
TOTAL	\$ 198,405	\$ 214,448	\$ 210,429	\$ 231,938	\$ 17,490
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 198,405	\$ 214,448	\$ 210,429	\$ 231,938	\$ 17,490
TOTAL	\$ 198,405	\$ 214,448	\$ 210,429	\$ 231,938	\$ 17,490
SOURCE OF FUNDING:					
GENERAL FUND				\$ 66,046	
HIGHWAY USER REVENUE FUND				63,632	
AIRPORT FUND				54,625	
ENVIRONMENTAL SERVICES FUND				47,635	
				\$ 231,938	
COMMENTARY:					
The Public Works Administration operating budget has increased 8% and there are no capital expenditures. Personal Services increases are due to the employee market, merit, insurance, and retirement contribution increases.					

MISSION

The Parks and Recreation Division strives to bring our community together by providing exceptional opportunities for families and individuals to enjoy our outdoor environment and to participate in programs valuable to sustaining a healthy lifestyle.

PROGRAM DESCRIPTION

Parks staff is responsible for the maintenance and management of parks and sports fields; school fields improved by BBB funds; HURF right-of-ways, BBB Streetscapes, FUTS trails, downtown areas, grounds at City buildings, including recreation centers, library, City Hall, and USGS, and snow removal from City owned parking lots and designated City sidewalks and alleyways. The Parks and Recreation weed and tree management plan are also budgeted in this division.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: QUALITY OF LIFE****OBJECTIVES:**

- ❖ Enhance the quality of life for our community by providing comprehensive park resources, services and programs.

RESULT: Completed maintenance upgrades in parks for improved safety and ADA accessibility to meet state and federal regulations. Resurfaced the tennis courts at Flagstaff Recreation Center. Completed Phase II fence repairs at Joel Montalvo Park. Replaced railroad tie stairs at Thorpe Park Little League Field, Thorpe Park Playground, Arroyo Field, and Thorpe Multi Purpose Field with concrete stairs; new hand railings and walkways were installed for better access and safety. Finalized the land acquisition agreement for Guadalupe park. Replaced four dumpster type trash trailers.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ Maintain parks trails and beautification projects.
- ❖ Staff obtain certifications
- ❖ Meet all ADA requirements
- ❖ Complete Parks operating and CIP projects
- ❖ Establish a comprehensive signage system.

RESULTS: Maintained all playground equipment, providing a safe environment and accessibility to all park users.

FY 05 ADDITIONAL ACCOMPLISHMENTS:

- ❖ Replaced and enlarged five concrete table pads, removed damaged concrete tables, and replaced them with new aluminum tables at Thorpe Park. Installed reclaimed water at Mobile Haven Park and separated the turf irrigation system from the potable water system. Assisted in the completion of Christensen and Thomas Elementary School field improvements. Repaired and restored the historical black wall at the Theatrikos building.

FY 06 GOALS AND OBJECTIVES**Goal: QUALITY OF LIFE****OBJECTIVES:**

- ❖ Enhance the quality of life for our community by providing comprehensive park resources, services and programs through:
 - Managing plant life in the park system and at other City properties through the use of technology and trained work force.
 - Maintaining parks, trails, and beautification projects at the highest level of service.

Goal: PUBLIC SAFETY**OBJECTIVES:**

- ❖ Maintain parks trails and beautification projects at the highest possible level of service.
- ❖ Support additional staff members in obtaining certifications in MaxiCom irrigation Systems, Backflow Prevention, and National Safety Playground Inspection.
- ❖ Complete necessary capital improvements to provide safe access and compliance with ADA state and federal regulations throughout our park system.
- ❖ Provide quality customer service in the cleanliness of the parks, armadas, restrooms and other park amenities.
- ❖ Complete Parks operating capital projects for FY06 if approved. Projects for FY06 could consist of repairing the backstop and side wing fences at Continental Major field. Resurfacing six tennis courts at Thorpe Park. Assisting in the completion of the 1996 Parks and Recreation Capital Improvement Bond projects. Remove and replace the existing covered dugouts or retrofit them to increase visibility for safety purposes at Continental Major and Minor fields.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM

(See Division 30-Recreation)

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Conduct weekly safety inspections of parks and playground equipment	80%	85%	85%
Complete daily and weekly maintenance tasks at all park areas	90% large parks	70% large parks	70% large parks
Complete daily and weekly maintenance tasks at all park areas	80% small parks	70% small parks	70% small parks

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 870,755	\$ 1,012,053	\$ 1,048,860	\$ 1,122,497	\$ 110,444
CONTRACTUAL	563,520	837,450	678,961	721,590	(115,860)
COMMODITIES	263,586	352,756	335,273	326,802	(25,954)
CAPITAL	139,525	258,000	254,943	96,000	(162,000)
TOTAL	\$ 1,837,386	\$ 2,460,259	\$ 2,318,037	\$ 2,266,889	\$ (193,370)
EXPENDITURES BY PROGRAM:					
GENERAL ADMIN	\$ 96,938	\$ 145,221	\$ 144,420	\$ 145,300	\$ 79
PARK GROUNDS MAINT.	605,861	780,818	760,058	567,386	(213,432)
PARK BLDGS & FAC MAINT.	28,320	26,509	24,381	27,669	1,160
BBB-STREETScape/MEDIAN	192,415	215,882	204,502	220,286	4,404
RIGHT OF WAYS/MEDIAN	57,549	80,882	80,809	84,038	3,156
FUTS TRAIL SYSTEM	62,991	87,121	95,116	112,133	25,012
HERITAGE SQUARE MAINT	33,967	39,485	43,921	41,795	2,310
BBB RECREATION FIELDS	608,048	797,522	729,115	887,199	89,677
DOWNTOWN MAINTENANCE	50,149	61,616	60,175	63,631	2,015
NON-PARKS GROUNDS/LANDSCAPE	101,148	225,203	167,087	117,452	(107,751)
FRANCIS SHORT POND GRANT	-	-	8,453	-	-
TOTAL	\$ 1,837,386	\$ 2,460,259	\$ 2,318,037	\$ 2,266,889	\$ (193,370)
SOURCE OF FUNDING:					
GENERAL FUND				\$ 2,266,889	
				\$ 2,266,889	

COMMENTARY:

The Parks operating budget has decreased 1% and capital expenditures total \$96,000 resulting in an overall net decrease of 8%. Personal Services increases are due to market, merit, health insurance, retirement contributions, and the addition of 1.74 FTE. Contractuals and Commodities decrease are due to prior year one-time items. Major capital (>\$10,000) includes \$63,200 for tennis court resurfacing, \$16,800 for backstop replacement, and \$16,000 for replacement 3/4 ton pickup.

MISSION

The Fleet Services Division vows to provide high quality, efficient maintenance services to City employees, and indirectly to Flagstaff citizens by keeping equipment in excellent condition.

PROGRAM DESCRIPTION

To establish efficient and effective delivery of City fleets services by providing customer agencies with safe, reliable, economical, and environmentally sound transportation and related support services that are responsive to the needs of customer departments and that conserve vehicle value and equipment investment.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Provide customers with monthly fuel and operations costs reports.
RESULT: Monthly fuel and repair reports are generated when finance closes the previous month. Reports are distributed to respective departments.
- ❖ Provide user departments with mileage/hours utilization reports to better manage resources.
RESULT: Quarterly reports are generated from the fleet system. Maintenance and operations, all repairs, fuels and miles/hours reports will be distributed 3rd quarter FY 04-05 and continue on a quarterly basis.
- ❖ Keep preventive maintenance services within the month scheduled.
RESULT: Computerized P.M. schedule notifications sent to user departments at the beginning of each month, new procedures will be implemented by beginning FY 05-06 to charge user departments a "no-show" fee, review by P.M. staff maintaining a 92% p.m. as scheduled.
- ❖ Evaluate customer service satisfaction surveys and benchmark tracking of data to improve service levels and to better serve the needs of customers.
 - To determine technician proficiency at the highest level by attaining ASE certifications.
RESULT: ASE certification tests were administered in November and May. Fleet supervisors review test results and provide training to pass exams. Due to the current fleet employee turn over, 3 ASE master mechanics have been lost.
 - Provide customers with forms to rate preventive maintenance services.

RESULT: Each vehicle is provided with a sheet describing services performed and any additional correction action taken. Sheets are placed in vehicles and comments evaluated.

- Keep mechanic productivity at 90% to ensure proficiency and timely repair to equipment.
RESULT: Fleet Supervisors calculate each tech's monthly productivity from charge out hours and number of jobs per month. Report is generated from fleet monthly mechanic productivity reports. A goal of 90% average is used in each technician's performance evaluation.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

- ❖ We can realize an increase in cost recovery by providing fuels to additional agencies.
RESULT: Fleet Services is working jointly with Environmental Services to encourage Northern Arizona University to purchase biodiesel from the City.
- ❖ Improve warranty recovery tracking to ensure money due to City is recovered.
RESULT: Established a warranty recovery procedure to ensure that warranty work performed by Fleet Services is billed to the vendor and credit memos or monies received from the vendor is tracked to the individual unit that incurred the costs.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Continue to provide fueling services for Coconino County and Pine County Transit.
RESULT: Projected revenue of fuel sales did not materialize due to the fact that Pine County Transit stopped using the City fuel site. Coconino County will purchase an estimated 65,000 gallons of fuel during FY 04-05 at a projected increase of 5%.
- ❖ Provide statistical data on pollution reduction and benefits to encourage county usage of bio-diesel.
RESULT: Studies conducted by Environmental Services quantified benefits of bio-diesel and confirmed pollution reduction.
- ❖ Provide data to substantiate the benefits of bio-diesel fuel for outside agencies including NAU and U.S. Forest Service.
RESULT: Negotiations with Northern Arizona University to encourage use of bio-diesel and purchase from the City should be completed by fiscal year end.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Queried city departments for their fleet data informational needs, worked with H.T.E. to see if it is available from the existing fleet software system.
- ❖ Determine if the existing H.T.E. fleet system can provide data requested by departments.

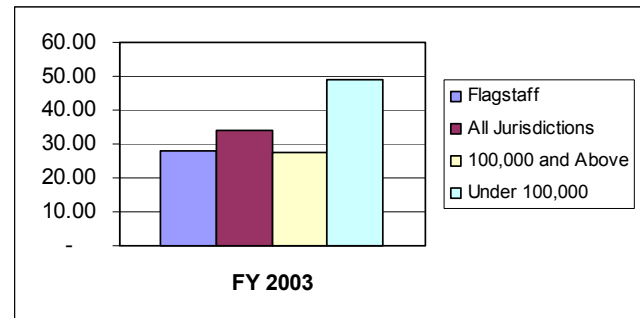
FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Provide customers with monthly fuel and operations reports.
- ❖ Provide departments with monthly/quarterly performance reports for better management and costs utilization.
- ❖ Keep preventive maintenance services within the month scheduled.
- ❖ Conduct an annual customer service satisfaction survey and benchmark tracking of data to improve service levels to better serve the needs of our customers.
- ❖ Keep mechanic productivity at 90% to ensure proficiency and timely repairs to equipment.
- ❖ To determine technician proficiency at the highest level by attaining ASE certifications. Continue to support technicians for Automotive Service Excellence (ASE) certifications.
- ❖ Select new computerized fleet system to provide information obtained from users if the existing H.T.E. system cannot provide the information.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

- ❖ Continue warranty recovery procedures to warranty work performed by Fleet Services is billed to the vendor, to ensure money due to City is recovered and tracked to the individual unit that incurred the expense.

- ❖ Continue to provide information to the fleet review committee vehicle and equipment replacement cost data and vehicle utilization to better manage resources.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPMHours Billed per Vehicle or Piece of Equipment Maintained

Hours billed is comprised of straight time hours charged to work orders by fleet maintenance employees whose time is considered billable, excluding overtime. This figure is based on the total number of vehicles and equipment maintained by central fleet. As Flagstaff carries a large fleet due in part to snow removal equipment, we compare more closely with larger municipalities who also carry a larger fleet/equipment inventory.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Provide customers with quarterly vehicle and equipment performance and operations cost report	100%	100%	100%
Mechanic Productivity at 90%	92%	91%	91%
Increase technician and parts specialist ASE certification program	94%	68%	70%
Keep customer service survey satisfaction statistics at 90% or better	95%	100%	100%
Number of gallons sold to outside agencies	114,918	61,621	65,000

PUBLIC WORKS

DIVISION 27

FLEET SERVICES

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 141,301	\$ 97,494	\$ 126,239	\$ 134,708	\$ 37,214
CONTRACTUAL	88,763	92,914	97,011	92,914	-
COMMODITIES	(177,799)	(190,408)	(172,575)	(183,416)	6,992
CAPITAL	-	-	-	80,250	80,250
TOTAL	\$ 52,265	\$ -	\$ 50,675	\$ 124,456	\$ 124,456
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 22,371	\$ 44,161	\$ 65,757	\$ 43,993	\$ (168)
INVENTORY MANAGEMENT	68,875	68,747	71,506	73,398	4,651
PREVENTIVE MAINTENANCE	101,315	103,117	129,164	115,396	12,279
VEHICLE REPAIR	(212,215)	(293,189)	(292,513)	(211,934)	81,255
POOL VEHICLES-CITY HALL	8,110	9,500	9,500	9,500	-
POOL VEHICLES-SHOP	5,812	6,750	6,750	27,000	20,250
OTHER SHOP WORK	57,997	60,914	60,500	67,103	6,189
SHOP IMPROVEMENTS	-	-	11	-	-
TOTAL	\$ 52,265	\$ -	\$ 50,675	\$ 124,456	\$ 124,456
SOURCE OF FUNDING:					
GENERAL FUND				\$ (49,026)	
LIBRARY FUND				722	
HIGHWAY USER REVENUE FUND				54,472	
WATER AND WASTEWATER FUND				22,055	
STORMWATER FUND				64	
AIRPORT FUND				2,235	
ENVIRONMENTAL SERVICES FUND				93,934	
				\$ 124,456	
COMMENTARY:					
The Fleet Services operating budget is a \$0 base budget meaning the division expects to recover ongoing operating expenditures through charges for services and markups on parts and fuel. Shop rate is currently \$49.00 per hour and does not cover one-time and capital requests. Changes in the Personal Services includes increases market, merits, pensions, and insurance. The FY 2006 has \$13,192 for one-time expenditures related to equipment and diagnostic software. Capital expenditures in this division are \$30,000 for a fork lift, \$30,000 for a lift system, and \$20,250 for a pickup truck. All of these capital requests were approved for replacement by the Fleet Committee.					

MISSION

Citizen Cemetery employees dedicate themselves to offering quality customer service in a time of need and providing proper grounds maintenance that is aesthetically pleasing to the public.

PROGRAM DESCRIPTION

Under the direction of the Transportation and Maintenance Manager, the City maintains Citizens Cemetery performing services related to opening/closing of graves, lot sales, record keeping, facility and grounds maintenance. The Cemetery also provides opening/closing services for the Calvary Cemetery.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ As part of proper ground maintenance, keeping trees trimmed, grass mowed and edged at least one time per week.
RESULT: Mowing is being met. Trimming is being met 50%, tree trimming being met 25%.
- ❖ Work with Service Organization on upgrading their section. Masons would like to install irrigation and seed with drought tolerant seed.
RESULT: Met with Masons board, will install irrigation and seed this summer – section “D” only.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Review fees annually, compare with other municipal cemeteries, adjust to cover operating budget within a 5-year period.
RESULT: Will carry over.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Installed hexagon columbarium at a cost savings of over \$2,000.
- ❖ Removed bark beetle infested trees.
- ❖ TWA memorial replaced sidewalk surrounding memorial with concrete colored flagstone drawn in.
- ❖ Section “J” installed irrigation valves and wired into irrigation controller.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ As part of proper ground maintenance, keeping trees trimmed, grass mowed and edged at least one time per week.
- ❖ Work with Service Organization on upgrading their section. Masons would like to install irrigation and seed with drought tolerant seed.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Review fees annually, compare with other municipal cemeteries, adjust to cover operating budget within a 5-year period.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Keeping grass mowed/trimmed once per week & trees trimmed yearly	80%	50%	75%
Upgrade one private section yearly	50%	50%	75%
Annual fee review & adjust to recover 100% operating budget within 5 years	N/A	50%	100%

PUBLIC WORKS**DIVISION 28****CEMETERY**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 97,018	\$ 97,349	\$ 96,737	\$ 100,768	\$ 3,419
CONTRACTUAL	39,553	55,030	48,618	55,130	100
COMMODITIES	6,020	12,457	11,568	33,807	21,350
CAPITAL	76,948	18,000	15,928	18,000	-
TOTAL	\$ 219,539	\$ 182,836	\$ 172,851	\$ 207,705	\$ 24,869
EXPENDITURES BY PROGRAM:					
GENERAL SERVICES	\$ 2,350	\$ 2,025	\$ 1,743	\$ 23,025	\$ 21,000
OPENING & CLOSING	110,886	66,346	58,662	51,880	(14,466)
MAINTENANCE OF BUILDINGS	3,786	5,380	4,643	4,500	(880)
MAINTENANCE OF GROUNDS	102,517	109,085	107,803	128,300	19,215
TOTAL	\$ 219,539	\$ 182,836	\$ 172,851	\$ 207,705	\$ 24,869
SOURCE OF FUNDING:					
GENERAL FUND				\$ 207,705	
				\$ 207,705	
COMMENTARY:					
The Cemetery operating budget has increased 15% and capital expenditures total \$18,000 resulting in an overall net increase of 14%. Personal Services increases are due to market, merit, insurance, and retirement contribution increases. Commodities includes a one time investment in new software (\$20,000) to facility site location at the Cemetery. The \$18,000 in capital is for a replacement riding lawn mower.					

MISSION

Facilities Maintenance is dedicated to providing quality service, by keeping all City facilities maintained in the best condition possible through teamwork.

PROGRAM DESCRIPTION

Under the direction of the Public Works Director, the Public Facilities Maintenance division is responsible for all maintenance and upgrades of all City buildings.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVE:**

- ❖ Inform all Departments of difficulty in providing current service levels due to “work force reductions” that equates to a 20% cut in Facilities employees.
RESULT: Work program adjustments made in line with available staffing.

GOAL: CUSTOMER SERVICE**OBJECTIVE:**

- ❖ Create a customer service satisfaction survey for both internal and external customers to provide a benchmark for improving service.
RESULT: Completed 100% satisfaction.
- ❖ Operate within budget outlines
RESULT: Completed within guide lines.
- ❖ Still monitoring and maintaining facilities within established timeframes.
RESULT: Completed 100% will continue.

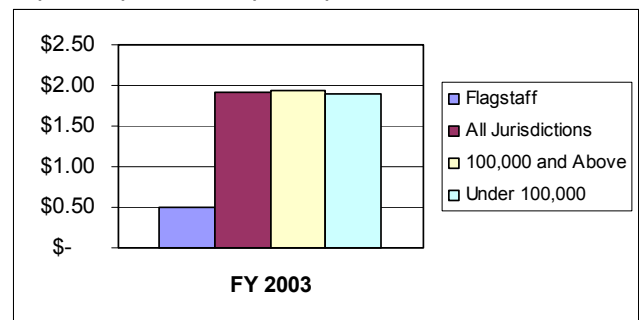
FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Collaboration with APSES in relationship to energy projects.
- ❖ U.S.G.S. #3 on line with no unforeseen problems.
- ❖ Pre-evaluation of gas line project at Vehicle Shop.

- ❖ City hall, Library, Rec Center, ice Rink, Adult Center, Cogdill restroom A.D.A. remodels.
- ❖ Power harmonics corrections City Hall.
- ❖ Second power point and screen installed Council Chambers.

FY 06 GOALS AND OBJECTIVES**GOAL: FISCAL HEALTH**

- ❖ Conduct a physical assessment of all City owned buildings
- ❖ Create a preventive maintenance schedule for all city owned buildings
- ❖ Create a 10-year capital replacement program

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM*Repair Expenditures per Square Foot: All facilities*

The Facilities graph compares repair expenditures per square foot. While repairs may vary with incidence of vandalism, severe weather, and the age of the facilities, Flagstaff spends a great deal less than the other ICMA participants. Flagstaff recognizes the need to build additional maintenance dollars into future budgets to assure our facility investments are adequately maintained and upgraded as needed.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Customer satisfaction overall rating	100%	100%	100%

PUBLIC WORKS

DIVISION 29

FACILITIES MAINTENANCE

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 296,624	\$ 279,826	\$ 281,420	\$ 319,848	\$ 40,022
CONTRACTUAL	254,097	204,263	185,975	226,601	22,338
COMMODITIES	165,155	339,509	298,582	379,889	40,380
CAPITAL	67,638	-	-	28,025	28,025
TOTAL	\$ 783,514	\$ 823,598	\$ 765,977	\$ 954,363	\$ 130,765
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 233,108	\$ 228,329	\$ 212,805	\$ 294,258	\$ 65,929
CUSTODIAL SERVICE	77,378	85,665	85,318	87,183	1,518
STRUCTURAL & OTHER MAINT.	282,366	308,739	290,524	406,215	97,476
MAINT-MECH,ELECT & PLUMB	150,269	175,315	161,918	150,677	(24,638)
MILLIGAN HOUSE	9,840	7,080	10,151	7,380	300
APS BUILDING	-	8,000	185	-	(8,000)
ASPEN - ANDY'S	-	6,000	2,183	8,200	2,200
MURDOCK	-	4,470	2,882	450	(4,020)
MISC. IMPROV. CITY FACIL.	15,158	-	11	-	-
COURT ADA REMODEL	15,395	-	-	-	-
TOTAL	\$ 783,514	\$ 823,598	\$ 765,977	\$ 954,363	\$ 130,765
SOURCE OF FUNDING:					
GENERAL FUND				\$ 782,105	
LIBRARY FUND				73,011	
HIGHWAY USER REVENUE FUND				36,023	
WATER AND WASTEWATER FUND				21,741	
STORMWATER FUND				7,910	
AIRPORT FUND				10,507	
ENVIRONMENTAL SERVICES FUND				23,066	
				\$ 954,363	
COMMENTARY:					
The Facilities Maintenance operating budget has increased 12% and capital expenditures total \$28,025 resulting in an overall net increase of 16%. Personal Services increases are due to market, merit, insurance, retirement contribution increases and the reinstatement of a Maintenance Worker I position previously eliminated through the workforce reduction program. Contractual and commodity increases are due to increased facility maintenance needs, particularly at City Hall. Major capital (> \$10,000) includes a replacment 1 ton vehicle.					

MISSION

The mission of the Parks and Recreation Division is to bring our community together by providing exceptional opportunities for families and individuals to enjoy our outdoor environment and to participate in programs valuable to sustaining a healthy lifestyle.

PROGRAM DESCRIPTION

Recreation staff is responsible for the management and operation of two community centers, an adult center, an ice arena, two swimming pools, and numerous sports fields. Special event and use permits are coordinated for organizations and individuals; "leisure learning" activities are programmed for all ages and abilities, and sports are facilitated for both adults and youth. All Parks and Recreation administrative functions and master plan management are also budgeted in this division.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: QUALITY OF LIFE****OBJECTIVES:**

- ❖ Enhance the quality of life for our community by providing comprehensive recreation resources, services and programs through:

- Identifying and completing equipment and facility upgrades to enhance recreation experiences and improve safety and accessibility.

RESULTS:

- Replaced roof at Cogdill
- Completed exterior painting of Cogdill and FRC.
- Replaced #3 chiller system at Ice Arena.
- Installed fire and security alarm systems at FRC, Adult Center, Ice Arena and Cogdill.
- Installed video monitoring system at Ice Arena.
- Purchased portable stage for Community Events.
- Replaced identified weight room equipment at FRC.
- Purchased defibrillators for pools.
- Replaced volleyball standards at FHS.
- Purchased portable scoreboards for Athletics and FRC.
- Replaced pool table at FRC.
- Implemented gymnasium lighting upgrades at FRC through APS Energy Audit.
- Upgraded Ice Arena chiller system, locker room heating, dehumidification, insulation and lighting system through APS Energy Audit.

- Purchased network color printer for administrative office to share with other departments.

- Developing new recreation programs.

RESULTS:

- Implemented new programs including Senior Olympics, Senior Balance Classes, Senior Walking Program and Tot Activity Days.
- Facilitated improvements to and expansion of existing programs including Soar Into Spring, Halloween Harvest and Band Jam.
- Implemented Council approved Special Events Packet updates.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

- ❖ Maintain self-sufficiency percentage.

RESULTS:

- Exceeded FY04 revenue estimate by \$20,278.
- Reduced FY04 operation and maintenance budget by \$151,996 from FY03.
- Reduced FY05 operation and maintenance budget by \$36,253 from FY04.
- Implemented City Council adjustments to fees and facilitated Fee Policy Task Force study of revenue generation and fee assessment.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Strengthen, and enhance recreation services through new and continuing partnerships with other community agencies that optimize the delivery of services to citizens

RESULTS:

- Continued participation with FUSD through Intergovernmental agreement to share facilities for community programming.
- Partnered with HASTC to provide a "Tennis in the Park" program, funded in part by USTA.
- Collaborated with the Peaks Senior Living Center to provide Senior Aqua Aerobics.
- Administered contracts with HASTC, CCCY, FUSD (FACTS) and FHA for provision of community services.
- Continued participation with Coconino County Nutrition Network to provide healthy eating education programs.
- Partnered with NAU Men's and Women's Basketball teams to provide mentoring and coaching opportunities through the Youth Basketball League.
- Partnered with NAU Track and Field team to facilitate Senior Olympics track and field competition.

GOAL: CAPITAL IMPROVEMENTS**OBJECTIVES:**

- ❖ Implement the Recreation Bond/BBB capital program by completing the design and construction of remaining projects.

RESULTS:

- Continued Thorpe Park 1996 Bond Project improvements processes.
- Assisted with completion of Thomas and Christensen School 1996 Bond Project field improvements.
- ❖ Prepare project data for future capital needs.

RESULTS:

- Participated in 2004 Bond Project process which realized voter approval of an Aquatics Center, Multi-Generational Center and Land Acquisition.
- Initiated public process for Aquatics Center/Multi-Generational Center by acquiring consulting firm and starting public hearings.

FY 06 GOALS AND OBJECTIVES**GOAL: QUALITY OF LIFE****OBJECTIVES:**

- ❖ Enhance the quality of life for our community by providing comprehensive recreation resources, services and programs through:
 - Identifying and completing equipment and facility upgrades to enhance recreation experiences and improve safety and accessibility.
 - Developing new and enhancing current recreation programs.

GOAL: FISCAL RESPONSIBILITY**OBJECTIVES:**

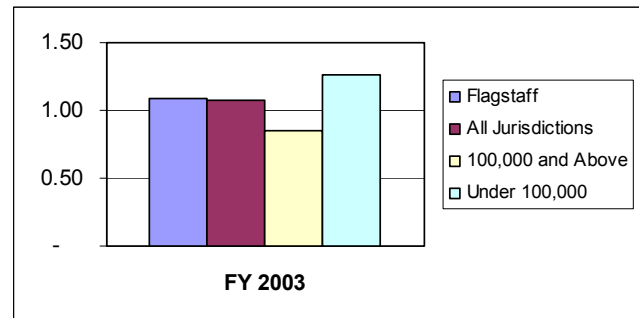
- ❖ Maintain self-sufficiency percentage.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Strengthen and enhance recreation services through new and continuing partnerships with other community agencies that optimize the delivery of services to citizens.

GOAL: CAPITAL IMPROVEMENTS**OBJECTIVES:**

- ❖ Implement the 1996 Recreation Bond/BBB capital program by completing the construction of remaining projects.
- ❖ Implement the 2004 Recreation Bond capital program by initiating design for Aquatic Center and Multi-Generational Center.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM**PARKS AND RECREATION***Parks and Recreation FTE's per 1000 Population*

This indicator is calculated on the basis of paid staff only (excluding golf staff in those jurisdictions with golf facilities) who are employed directly by the jurisdiction. It does not include contract or volunteer staff. Therefore, differences in the availability and use of contract and volunteer staff may account for some variation among jurisdictions. The level of service provided by an adjacent jurisdiction may also influence how many staff a reporting jurisdiction employs. For example, a city located within a county that offers a wide selection of parks and recreation programs may offer fewer programs itself, and hence, employ fewer staff than the county. Additionally, some variation may be attributable to differences in the proportion of nonresidents (tourists, other day time visitors) using the jurisdiction's parks and recreation services. This graph indicates that in FY 2003 Flagstaff had 1.09 FTE's per 1000 population to manage Parks and Recreation, much less than other populations under 100,000 with 1.26 FTE's per 1000.

PUBLIC WORKS**DIVISION 30****RECREATION**

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Implement new events	6	4	4
Improve gross revenue & self sufficiency percentage			
Revenue	\$586,892	\$572,800	\$528,000
Self sufficiency percentage	32%	33%	20%
Complete BBB/Recreation Bond projects	Thorpe Master Plan	Christensen & Thomas Field Improvements	Thorpe Park Improvements & BMX Park

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 1,205,562	\$ 1,325,521	\$ 1,281,883	\$ 1,403,670	\$ 78,149
CONTRACTUAL	368,158	425,165	432,036	426,845	1,680
COMMODITIES	159,475	195,135	203,253	208,585	13,450
CAPITAL	826,376	61,775	32,790	19,500	(42,275)
TOTAL	\$ 2,559,571	\$ 2,007,596	\$ 1,949,962	\$ 2,058,600	\$ 51,004
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 310,708	\$ 504,161	\$ 490,723	\$ 431,650	\$ (72,511)
ATHLETIC PROGRAMS	149,653	205,695	178,702	206,457	762
PARKS & RECR COMMISSION	-	2,170	1,400	2,070	(100)
AQUATICS	204,033	196,664	192,710	209,409	12,745
MURDOCK CENTER	26,992	-	-	-	-
LEISURE LEARNING	101,235	-	-	-	-
FLAGSTAFF RECREATION CNTR	269,276	280,413	331,264	285,440	5,027
ADULT CENTER	179,550	148,309	154,378	233,076	84,767
COGDILL CENTER	136,635	174,983	156,487	192,115	17,132
YOUTH COMMISSION	-	-	-	10,435	10,435
JAY LIVELY ACTIVITY CENTR	412,820	434,495	375,024	432,620	(1,875)
COMMUNITY SERVICES/EVENTS	50,111	60,706	61,687	55,328	(5,378)
RECREATION GRANTS	5,655	-	5,601	-	-
FACILITIES ADA COMPLIANCE	712,903	-	1,986	-	-
TOTAL	\$ 2,559,571	\$ 2,007,596	\$ 1,949,962	\$ 2,058,600	\$ 51,004
SOURCE OF FUNDING:					
GENERAL FUND				\$ 2,058,600	
				\$ 2,058,600	

COMMENTARY:

The Recreation operating budget has increased 5% and capital expenditures total \$19,500 resulting in an overall net increase of 3%. Personal Services increase is due to the increases for market, merits, health insurance, retirement contributions, and the addition of 3.43 FTE's. One-time expenditures for this division are \$1,600 MEMS chemical pump, \$13,700 FRC equipment, \$8,850 stepper & treadmill Adult Center, \$5,650 Cogdill carpet replacement and pool table, \$6,425 Jay Lively computer equipment and summer program supplies. Major capital (>\$10,000) is \$13,350 for Adult Center equipment and \$6,150 interior paint at Cogdill Center.

MISSION

The Streets Division dedicates its efforts to provide quality service for the ever-growing transportation needs of our community.

PROGRAM DESCRIPTION

The Street Division is responsible for maintenance to paved and unpaved streets within the City. Providing street sweeping, snow and ice control, striping, regulatory sign maintenance, pothole patching, drainage maintenance, streetlight and traffic signal maintenance.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVE:**

- ❖ Keep dirt streets graded and potholes patched before they deteriorate.
RESULT: Dirt streets maintained on a regular basis 95% of the time and potholes patched within 24 hours of notice 100% of the time.
- ❖ Shoulder asphalt streets without curbs to protect the integrity of the streets sub-base.
RESULT: Job duties restricted crew from completing.

GOAL: PUBLIC SAFETY**OBJECTIVE:**

- ❖ Developed a winter storm priority schedule where cinders cleaned up (cinders) within a 2-week priority – arterials, collectors & bike paths.
RESULT: Due to flooding and major storms only met 95%.

FY 05 ADDITIONAL ACCOMPLISHMENTS

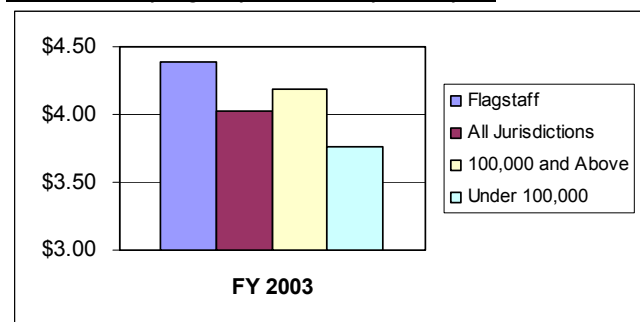
- ❖ Purchased end dump at a cost savings to the City.
- ❖ Streets Division along with other divisions collectively pooled resources to combat and control flood waters in second wettest year in history.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVE:**

- ❖ Keep dirt streets graded and potholes patched before they deteriorate.
- ❖ Shoulder asphalt streets without curbs to protect the integrity of the streets sub-base.

GOAL: PUBLIC SAFETY**OBJECTIVE:**

- ❖ Developed a winter storm priority schedule where cinders cleaned up (cinders) within a 2-week priority – arterials, collectors & bike paths.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPMStreet Sweeping Expenditures per Capita

Variations in street sweeping expenditures per capita may be attributed to differences in the types of streets swept, the number of miles each type of street is swept, and the frequency with which each type of street is swept. Climate and geography also significantly impacts sweeping schedules and expenditures, as evidenced by:

- The amount of rain received may influence the frequency with which streets need to be swept.
- The application of salt/sand/cinders may increase sweeping frequency
- The amount of fall foliage impacts both fall and spring clean up efforts in some areas.
- The amount of construction activity may increase street sweeping

The summertime level of street sweeping for Flagstaff is:
Immediate downtown – 5 days per week

Main arterials – Once per week

Collectors – Once every two weeks

Residential – Once every two weeks

Winter months vary due to snow removal, with the priority areas being downtown, bike lanes, and main arterials to clear cinders.

PUBLIC WORKS**DIVISION 32****STREET MAINTENANCE
AND REPAIRS**

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Perform routine street sweeping, using four sweepers operating 40 hours/week	95%	95%	100%
Have all dirt street graded on a regular schedule and apply dust abatement as needed to 14 miles of dirt streets	90%	90%	95%
Shoulder dirt streets-residential streets once per year and arterial streets twice per year.	80%	80%	90%
Patch potholes within 24 hours of notice	90%	95%	100%

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 1,508,371	\$ 1,874,495	\$ 1,796,318	\$ 1,955,048	\$ 80,553
CONTRACTUAL	384,248	448,554	462,400	476,687	28,133
COMMODITIES	509,202	709,690	662,156	728,190	18,500
CAPITAL	497,123	326,821	302,207	516,000	189,179
TOTAL	\$ 2,898,944	\$ 3,359,560	\$ 3,223,081	\$ 3,675,925	\$ 316,365
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 181,280	\$ 279,302	\$ 188,721	\$ 276,497	\$ (2,805)
STREET CLEANING	727,707	292,117	280,619	306,913	14,796
SNOW CONTROL	351,484	551,948	540,041	963,571	411,623
SIGN,SIGNAL,MARK & LIGHT	260,673	349,322	330,702	334,290	(15,032)
STREET MAINTENANCE	853,943	1,326,177	1,273,207	1,208,779	(117,398)
DRAINAGE WAY MAINTENANCE	122,478	67,740	154,537	134,439	66,699
TRAINING	1,179	1,900	1,327	1,900	-
STREET LIGHTS	269,927	283,140	261,036	282,770	(370)
TRAFFIC SIGNAL MAINTENANC	132,581	207,914	192,092	166,766	(41,148)
WESTRIDGE ROADS	552	-	799	-	-
REPAIR AND DEMOLITION	(2,860)	-	-	-	-
TOTAL	\$ 2,898,944	\$ 3,359,560	\$ 3,223,081	\$ 3,675,925	\$ 316,365
SOURCE OF FUNDING:					
HIGHWAY USER REVENUE FUND				\$ 3,675,925	
				\$ 3,675,925	

COMMENTARY:

The Streets Maintenance operating budget has increased 4% due to increase in personnel costs for market increases and other employee benefits such as medical and dental insurance increases. The Drainage operating program has increased due to large amounts of debris being cleared out of storm drains, thus resulting in increased landfill fees.

MISSION

The Airport Division dedicates its efforts to provide quality service for the ever-growing transportation needs of our community.

PROGRAM DESCRIPTION

The Airport Division operates and maintains Flagstaff Pulliam Airport. The Airport is certificated as a non-hub air carrier and general aviation airport by the Federal Aviation Administration (FAA). Responsibilities of the division include administration, safety, operations, and maintenance of all buildings and pavements with federal mandates to provide aircraft rescue/fire-fighting, medical response, and security. Other services are provided through lease agreements with the direct service providers, (i.e. airlines, car rental agencies, fixed base operators, and other concessionaires). The division is also developing the airport Business Park.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES:**

- ❖ Complete construction of additional hangars and shade hangars for aircraft storage.
RESULT: Though construction has been delayed due to severe winter weather, the project will be completed by June 30, 2005.
- ❖ Complete new Airport Master Plan and FAR Part 150 Noise Impact Study.
RESULT: Final meetings on both studies are complete and will be forwarded to Council for approval by June 30, 2005.
- ❖ Complete construction of new Airport Operations Building and acquire new fire fighting equipment.
RESULT: Though construction has been delayed due to severe winter weather, the project will be completed by June 30, 2005.
- ❖ Obtain Finding of No significant Impact from FAA for runway extension Environmental Assessment.
RESULT: FAA has asked for additional work to be done on this project. Still expect completion this summer.
- ❖ Secure FAA and ADOT grants for design and construction of runway extension.
RESULT: Due to additional work on environmental clearance this objective will carry over to next year.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue to develop public/private partnerships with airport tenants. Continue discussions with several prospects to develop additional business leases on the Airport and Airpark.

RESULT: Arizona land sale, FBI lease, ADOT right-of-way return.

- ❖ Lease property and develop consolidated rental car facility.

RESULT: Still in discussions with rental car companies on methods of finance/repayment.

GOAL: ECONOMIC DEVELOPMENT/REDEVELOPMENT**OBJECTIVES:**

- ❖ Continue dialog with airlines that might provide additional air service to Flagstaff.
RESULT: This is an ongoing objective. Success in this area may be dependent upon completion of a runway extension.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Airport commission began a rewrite of the "Aircraft Storage Permit".

FY 06 GOALS AND OBJECTIVES**GOAL: CAPITAL IMPROVEMENTS****OBJECTIVES:**

- ❖ Secure FAA and ADOT grants for design and construction of runway extension.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue to develop public/private partnerships with airport tenants. Continue discussions with several prospects to develop additional business leases on the Airport and Airpark.
- ❖ Lease property and develop consolidated rental car facility.

GOAL: ECONOMIC DEVELOPMENT/REDEVELOPMENT**OBJECTIVES:**

- ❖ Develop regional and state partnerships to enhance airline service.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Discuss options to remodel or build improved facility for DPS, secure funding, and begin the design.

COMMISSION GOALS

- ❖ Complete a rewrite of the "Aircraft Storage Permit".
- ❖ Work to secure public support and funding for planned runway extension.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
All aircraft Rescue and Firefighting (ARFF) and medical responses made in less than three minutes	100%	100%	100%
Snow and ice control operations are initiated and the airfield is open by 07:00	100%	100%	100%
All airfield facilities and equipment repairs are commenced within 24 hours of notification	100%	100%	100%
Show increase in revenues	+9%		

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 484,715	\$ 553,213	\$ 564,532	\$ 584,501	\$ 31,288
CONTRACTUAL	219,128	260,066	211,605	277,657	17,591
COMMODITIES	81,345	95,270	94,704	105,582	10,312
CAPITAL	104,426	585,607	585,607	-	(585,607)
TOTAL	\$ 889,614	\$ 1,494,156	\$ 1,456,448	\$ 967,740	\$ (526,416)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 448,136	\$ 405,528	\$ 413,945	\$ 430,823	\$ 25,295
SAFETY AND SECURITY	76,894	655,585	681,686	75,706	(579,879)
SNOW CONTROL	30,454	56,732	56,614	61,147	4,415
MAINT BLDGS AND GROUNDS	261,752	306,156	233,521	325,925	19,769
MAINT RUNWAY & TAXIWAY	72,378	70,155	70,582	73,039	2,884
AIRPORT COMMISSION	-	-	100	1,100	1,100
TOTAL	\$ 889,614	\$ 1,494,156	\$ 1,456,448	\$ 967,740	\$ (526,416)
SOURCE OF FUNDING:					
AIRPORT FUND				\$ 967,740	
				\$ 967,740	

COMMENTARY:

The Airport operating budget has increased 7% and there are no capital expenditures resulting in an overall net decrease of 35%. Personal Services increases are market, merits, retirement, insurance, and overtime. Contractuals and commodities increases are \$21,054 for cost related to new buildings and additional pavement, \$3,000 for equipment rental during heavy snow storms, \$1,100 for Airport Commission, and \$1,900 for annual replacement of equipment. Onetime expenditure for this division is \$9,000 for carryover of economic development/marketing of the Airport.

MISSION

The Environmental Services division is comprised of a valuable team of professionals committed to providing the greater Flagstaff community with progressive management strategies that emphasize customer service, environmental management, waste reduction, refuse and recycling correction, and sound landfill management. In partnership with citizens and agencies we embrace the concepts of sustainability, pollution prevention and conservation of energy and natural resources.

PROGRAM DESCRIPTION

The Environmental Services Division provides the citizens of Flagstaff the best refuse and recycling service; a progressive, community-based conservation program, and an Environmental Management and Landfill program that strive to be models in the industry. We accomplish our goals through a team of professionals committed to collaboration, excellent customer service, and the value of our community's quality of life.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVE:**

- ❖ Provide quality environmental assistance and direction as requested by departments on citywide projects.
RESULT: Performed multiple ESAS, asbestos surveys, IAQ inspections as requested by City staff.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Pursue IGA opportunities with additional communities to provide recycling and hazardous waste services.
RESULT: Completed extension of Prescott IGA, initiated discussions with Page and Holbrook.
- ❖ Continue operating landfill in full compliance with state and federal regulations.
RESULT: Successfully passed annual inspection with positive comments.
- ❖ Review expanding the Hazardous Waste Program to small quantity business generators.
RESULT: Review continues, process delayed by regulatory requirements.
- ❖ Continue efforts with Environmental Advisory Team, establishing clear direction and expanding citywide.
RESULT: Created work plan which involves representation from five departments.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Develop mail out survey for all collections customers encouraging comments on service.
RESULT: Work is continuing to include input on all service areas.
- ❖ Complete environmental services web pages to provide one stop access to all services.
RESULT: Web site is complete and updated quarterly.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Towed 152 junked or abandoned vehicles from private properties.
- ❖ Sponsored 65 voluntary clean-ups involving more than 900 volunteers.
- ❖ Increased residential recycling participation by 4%.
- ❖ Distributed 140 refurbished bikes to needy community members.
- ❖ H.H.P.C.C. provided service to 2442 customers, recycling or disposing of 48.20 tons of hazardous waste and 25.86 tons of electronic waste.
- ❖ Completed asbestos abatement projects at the Diamond T Trailer Park for the fourth street overpass project and the highway 89 Circle K for the Empire street project.
- ❖ Completed Phase I Site Assessments for Red Gap Ranch property, and transaction screens for FUTS alignments, safe to school projects, and fire Station relocation properties.
- ❖ Provided lead base paint surveys for the Thorpe Park project, USGS Buildings 2 and 3, and the Environmental Services Truck Garage.
- ❖ Effectively implemented emergency collection plan following the catastrophic truck garage fire.
- ❖ Completed purchase of 49 residential accounts from Waste Management.
- ❖ Completed the restructuring of commercial collection routes incorporating 138 new collections into existing routes.
- ❖ Completed 619 hours of driver cross training and technical training within the division.
- ❖ Completed Phase I through Phase 3 litter fence construction.
- ❖ Completed 750-acre litter clean up of landfill and forest service property.
- ❖ Implemented landfill safety training program.
- ❖ Installed color-coded directional sign system to assist customers at landfill.
- ❖ Completed materials recovery driveway entrance and intersection improvements.

FY 06 GOALS AND OBJECTIVES**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Continue efforts to provide assistance to departments' city wide with environmental consulting and project coordination, hazardous waste collection, and the pursuit of redevelopment opportunities through the Brownfields Program.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Continue research and feasibility study on a municipal composting program.
- ❖ Establish sales and marketing program to enhance participation in recycling programs.
- ❖ Create safety awareness program designed to reduce the number of accidents in all programs by 25%.
- ❖ Through funding from state and federal sources, the Brownfield Program will encourage infill development, revitalization of existing areas, and the creative recycling of vacant or underutilized lands within Flagstaff.
- ❖ Work with Brownfield Land Recycling Program staff to create list of potential residential brownfield sites
- ❖ Create community clean-up guidelines and application procedures
- ❖ Work with Flagstaff Police Department to develop transient camp clean-up projects

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

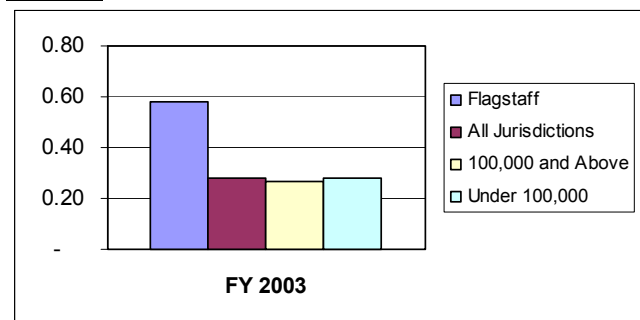
- ❖ Develop clean-up kits for volunteer groups to check out
- ❖ Implement one stop disposal program to provide user-friendly options at the Cinderlake Landfill. Services to include residential drop off area, hazardous waste collection, recycling services and waste tire collection.
- ❖ Update Flagstaff Recycling Brochure with new information on environmental service programs and mail to all Flagstaff households.
- ❖ Begin brownfield outreach efforts into neighborhood associations, development community, real estate community, and other stakeholders by doing public presentations, attending meetings, and writing articles for publication.

GOAL: FISCAL HEALTH**OBJECTIVES:**

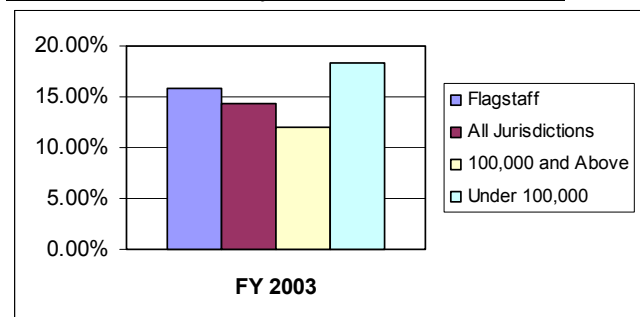
- ❖ Send appropriate brownfield staff to training regarding brownfield programs throughout the country, include the national brownfield conference, regional seminars, and visit other programs in state.

Also have staff attend grant writing workshops and seminars to increase the City's chances of receiving grant funding.

- ❖ Identify a pilot project and work through this project to learn issues related to receiving grant funding and completing a project.

PERFORMANCE MEASUREMENT THROUGH ICMA - CPM*Average Tons of Refuse Collected per Refuse Collection Account*

Some variance in tonnage collected may be due to differences in the composition of the refuse collected and from whom it is collected. For example, jurisdictions that collect bulk white goods, yard waste, and other refuse in addition to regular trash are likely to record higher tonnage values. Similarly, jurisdictions serving a high proportion of commercial and industrial customers may show greater tonnage figures than jurisdictions that serve only residential customers. The high tonnage collected in Flagstaff is influenced by all the factors previously noted.

Tons of Recyclable Material Collected as a Percentage of all Refuse and Recyclable Material Collected

The types of recyclable materials collected by a jurisdiction may significantly affect the tons of recyclable material collected. For instance, a jurisdiction that includes glass pickup in addition to plastic/paper/metal could realize a greater percentage diversion. Generally, this graph indicates that most smaller communities have greater success at converting refuse in recyclables than larger communities.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Operate household hazardous waste facility with zero accidents	0	100%	100%
Divert to recycling 50% of the hazardous waste received	Ongoing	100%	100%
Return all phone calls/respond to requests from citizens for environmental management information within 24 hours	100%	100%	100%
Respond to asbestos and indoor air quality information requests from City personnel within 24 hours. Where additional research is necessary, respond with answers within three days	96%	100%	100%
Complete Phase I environmental site assessment requests in six weeks or less	100%	100%	100%
Increase the number of business recycling by 10% annually	15% increase	5% increase	10% increase
Increase the volume of glass being recycled by 25 tons annually	276 tons	325 tons (+49)	350 tons (+25)
Increase the amount of green-waste diversion by 20% annually	22% increase	54% increase	100% increase*
Reduce accidents in the collection program by 25%	50%	Not Achieved	25%
Provide once per week container collection	100%	100%	100%
Respond to all customer inquiries within 24 hours	98%	100%	100%
Provide cross training to 25% of division Equipment Operators	Ongoing	10%	25%
Maximize use of alternative daily cover; limit use of dirt to 120cy per day	92%	98%	100%
Develop system for monitoring the effectiveness of new wind blown litter fences and a pay for daily placement	On hold	Phase 1,2 Completed	Phase 3 Completed
Respond to customer requests for asbestos disposal within 24 hours and within 48 hours for wastes requiring lab analysis	96%	100%	100%
Increase neighborhood sponsored clean-ups and activities by 25% in CY05	NA	NA	25% increase

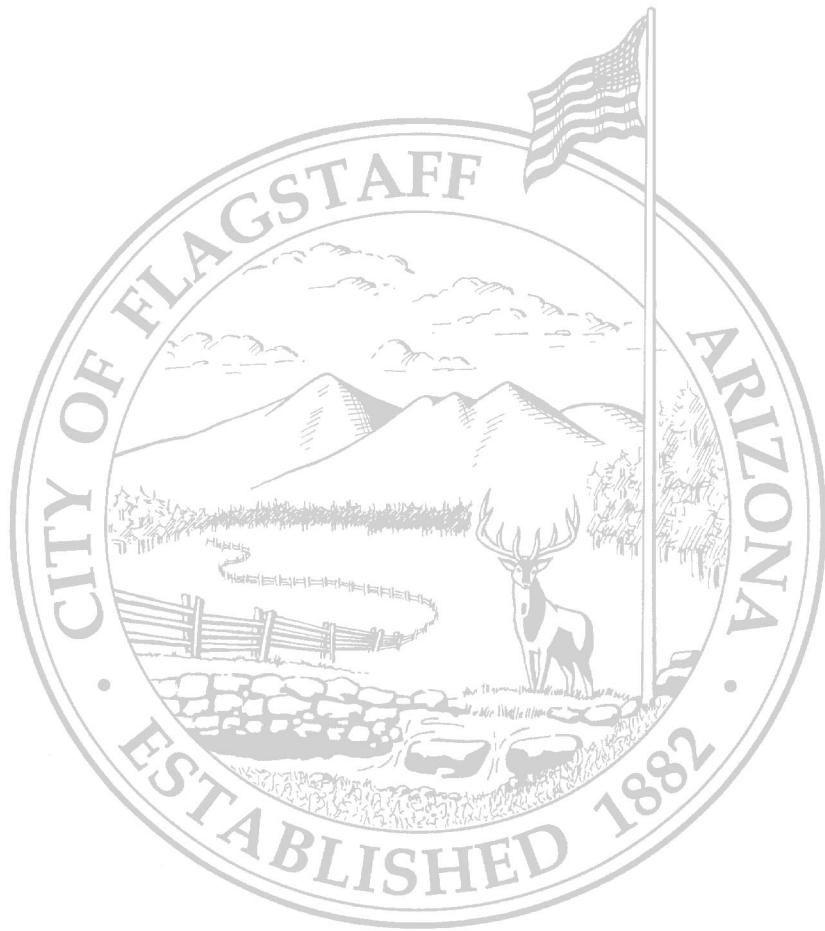
* Due to the limb removal program under Federal Disaster Restoration.

PUBLIC WORKS

DIVISION 41

ENVIRONMENTAL SERVICES

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 2,408,529	\$ 2,956,091	\$ 2,761,202	\$ 3,169,949	\$ 213,858
CONTRACTUAL	2,908,393	2,366,051	2,449,936	2,638,031	271,980
COMMODITIES	831,655	856,509	968,186	1,043,691	187,182
CAPITAL	1,083,295	2,350,385	1,922,241	3,087,620	737,235
TOTAL	\$ 7,231,872	\$ 8,529,036	\$ 8,101,565	\$ 9,939,291	\$ 1,410,255
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 277,858	\$ 544,829	\$ 546,074	\$ 778,519	\$ 233,690
RESIDENTIAL COLLECTION	1,424,273	1,583,104	1,592,970	1,659,323	76,219
COMMERCIAL COLLECTION	1,230,359	1,179,853	1,424,646	1,874,198	694,345
SANITARY LANDFILL	2,097,809	2,555,843	1,532,697	2,737,789	181,946
BIN MAINT-RESIDENTIAL	33,034	48,847	35,734	75,134	26,287
BIN MAINT-COMMERCIAL	53,946	68,213	67,084	103,754	35,541
HOIST & HAUL	316,313	209,373	235,162	276,634	67,261
RECYCLING-LANDFILL	203,440	92,137	93,785	97,608	5,471
HOUSEHOLD HAZ WASTE COLL	94,140	168,047	112,367	168,513	466
RECYCLING - CURBSIDE COLL	510,080	917,905	731,164	771,415	(146,490)
INERT MATERIAL LANDFILL	9,303	48,502	19,752	48,395	(107)
COMMERCIAL RECYCLING	585,630	422,521	425,607	660,104	237,583
BROWNFIELD	-	-	-	120,454	120,454
CONSERVATION EDUCATION	53,046	69,993	60,408	101,002	31,009
CLEAN & GREEN	3,747	-	(531)	-	-
ENVIRONMENTAL MANAGEMENT	153,464	282,915	187,005	247,415	(35,500)
ENVIRONMENTAL CODE ENFORC	65,428	73,611	73,167	110,974	37,363
COMMERCIAL SALES	4,934	8,210	6,803	8,060	(150)
COUNTY COMMERCIAL REFUSE	37	-	-	-	-
COUNTY - HOIST AND HAUL	973	-	856	-	-
CINDERLAKE ADMIN BLDG	(74)	-	-	-	-
PW YARD FIRE DAMAGE REPL	95,767	-	613,090	100,000	100,000
HH HAZARDOUS WASTE BUILD	8	-	-	-	-
MRF Entry Improvements	18,357	255,133	343,725	-	(255,133)
TOTAL	\$ 7,231,872	\$ 8,529,036	\$ 8,101,565	\$ 9,939,291	\$ 1,410,255
SOURCE OF FUNDING:					
ENVIRONMENTAL SERVICES FUND				\$ 9,939,291	
				\$ 9,939,291	
COMMENTARY:					
The Environmental Services operating budget has increased 11% and capital expenditures total \$3,087,620 resulting in an overall net increase of 17%. Personal Services increases are due to employee market, merit, health insurance and AZ State Retirement contributions. Contractual increases reflect expected increase in utilities for tonnage related costs (\$260,336). Commodities reflect an increase of 22% with the majority representing increases in fuel/biodiesel (\$104,360) and fleet related items such as shop labor and parts (\$98,966). Major capital (>\$10,000) includes capital equipment, as well as capital improvements ongoing at the landfill. Refer to Schedules 8 and 9 for a detailed listing.					



UTILITIES

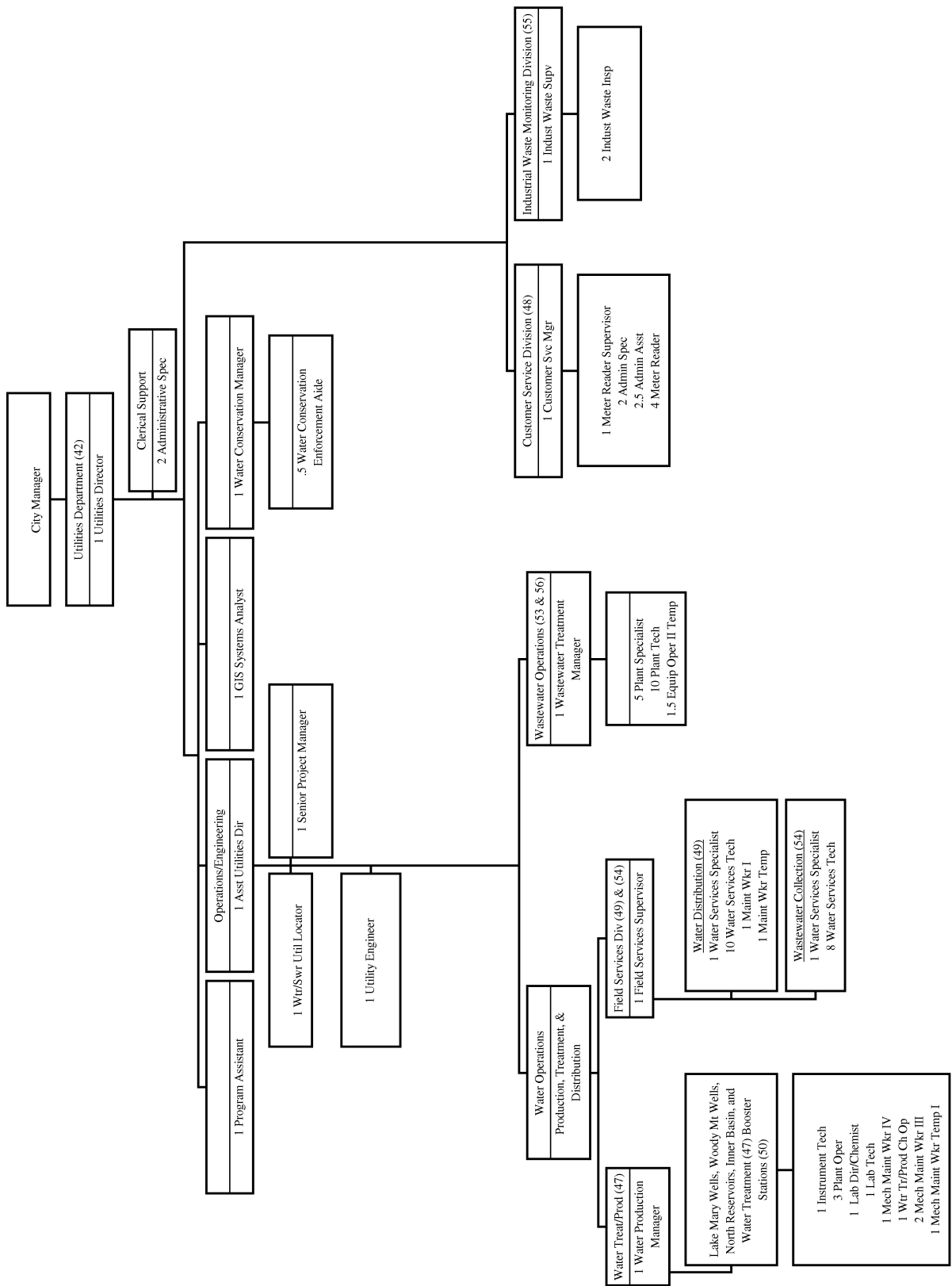
UTILITIES DEPARTMENT MISSION

The mission of the **Utilities Department** is to professionally and cost effectively provide water and wastewater services that meet the present and future environmental, health, and safety needs of the community and our co-workers.

We are committed to a goal of 100% customer satisfaction. This will be achieved by a dedication to exceed customer expectations by continuously improving our operations.

We value our co-workers and strive to maintain high motivation by providing an environment that encourages improvement and teamwork.

Utilities



MISSION

The mission of the Utilities Department is to professionally and cost effectively provide water and wastewater services that meet the present and future environmental, health, and safety needs of the community and our co-workers. We are committed to a goal of 100% customer satisfaction. This will be achieved by a dedication to exceed customer expectations by continuously improving our operations. We value our co-workers and strive to maintain high motivation by providing an environment that encourages improvement and teamwork.

This mission statement is applicable to all Utility divisions and will not be repeated at the beginning of each divisional section.

PROGRAM DESCRIPTION

Coordinates activities of the Utilities Department. Administers the department safety program, water conservation program, Water Commission activities, City Change Order Committee, and acts as Forest Service liaison. Provides representation for the City of Flagstaff to various planning groups such as the Technical Advisory Group for the Coconino Plateau Water Advisory Council and the Technical Advisory Committee for the National Park service/U.S. Forest Service Lake Mary Watershed planning group. Reviews pending water legislation and provides input to Council. Represents the City of Flagstaff on the Northern Arizona Water Users Association. Assesses Utilities capital improvements needs, prioritizes needs, and provides engineering services for capital improvement projects. Administers water and sewer computer modeling activities for the City and new developments. Provides Blue Stake locating services. Investigates customer, staff, and City Council inquiries and follows up on complaints. Provides permit administration for NPDES, APP, Reuse, and other permits as required. Reviews new developments and represents the department on a multitude of various committees. Provides all clerical services for the department.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PLANNING FOR GROWTH****OBJECTIVES:**

- ❖ Provide uninterrupted water and sewer service to the City of Flagstaff.
RESULT: Citizens approved a \$15,000,000 bond question for acquisition of future water sources to accommodate growth as well as an \$8,500,000 bond question to drill additional water wells. Both projects are presently being worked on. Council

considered the acquisition of the red Gap Ranch during the year and decided against it. Presently under consideration is the purchase of another water ranch and acquisition of surface water.

Water well siting is presently in progress. Initial results indicate a good site at Ft. Tuthill. Concerns have not been resolved regarding possible interference with Woody Mountain wells.

Voters also approved a \$23,100,000 bond question to upgrade the Wildcat Hill Treatment Plant. Design of the improvements to class A+ reclaimed water is in progress and construction is planned to start in 2005.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue to review rates and recommend changes where necessary.
RESULT: The Finance Division runs The City's rate model annually and recommended rate changes are presented to the City Council for consideration.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Exceed customer's water and wastewater service expectations.
RESULT: The Department keeps track of water system outage time. This includes the number of customer hours that service is off due to repairs or construction. For calendar year 2004 our customers experienced 1,724 outage hours for an average of 33 hours per week.
The Department also tracks sewer blockages as "private" and "public." For calendar year 2004 our customers experienced a total of 41 "public" sewer blockages for an average of .79 per week. An additional sewer maintenance crew has been requested in the FY06 budget.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ No permit violations.
RESULT: No permit violations occurred at the Rio de Flag Wastewater Plant during 2004.
No drinking water quality violations occurred during 2004. However, five monitoring violations occurred resulting from a pen recorder not tracking turbidity every 15 minutes. The water quality was not at risk. A second recorder has been installed as a "back up."
The Wildcat Hill Wastewater Plant experienced one permit violation during the year for Total Cyanide. A subsequent sample had no detectable Total Cyanide. The violation was an anomaly.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Updated the 10-year Capital Improvement Program for the Utilities Department.
- ❖ Installed the permanent reclaimed water line and new sewer connection to SCA Tissue.
- ❖ Replaced the water transmission line under I-40 in conjunction with ADOT Bridge Project.
- ❖ Revised the water conservation ordinance.
- ❖ Implemented the waterless urinal project for school district.
- ❖ Extended the reclaim system to Christensen School.
- ❖ Bid and constructed the NAU reclaim conversion project Phase II.

FY 06 GOALS AND OBJECTIVES
GOAL: PLANNING FOR GROWTH
OBJECTIVES:

- ❖ Plan for and pursue capital improvements necessary to meet future growth.

GOAL: FISCAL HEALTH
OBJECTIVES:

- ❖ Continue to review rates and recommend changes when necessary.

GOAL: CUSTOMER SERVICE
OBJECTIVES:

- ❖ Exceed customer's water and wastewater service expectations.
- ❖ Provide uninterrupted water and sewer service to the City of Flagstaff.

GOAL: PUBLIC SAFETY
OBJECTIVES:

- ❖ No permit violations.

PERFORMANCE INDICATORS	FY03	FY04	FY 05 EST.
Number of water and sewer impact studies done for private development	4	15	12
CIP expenditures verses budget	62%	56%	44%
O&M expenditures verses budget	91%	85%	94%
Number of water and sewer projects administered	18	17	17
Departmental operating efficiency ratio (total O&M/total population)	\$152	\$138	\$158
Ratio of projects completed per year to projects budgeted per year	75%	54%	62%
Bill stuffer survey (Positive customer service responses/total responses)	85%	86%	86%

UTILITIES
DIVISION 42
ADMINISTRATION

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 661,269	\$ 727,072	\$ 722,456	\$ 771,162	\$ 44,090
CONTRACTUAL	164,960	406,548	236,874	499,194	92,646
COMMODITIES	41,419	60,230	56,496	56,017	(4,213)
CAPITAL	3,000	33,075	23,294	10,780	(22,295)
TOTAL	\$ 870,648	\$ 1,226,925	\$ 1,039,120	\$ 1,337,153	\$ 110,228
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 526,852	\$ 729,219	\$ 538,320	\$ 749,537	\$ 20,318
WATER COMMISSION	-	2,575	2,600	3,055	480
CITY WTR SYSTEM ANALYSIS	10,352	12,100	12,100	5,816	(6,284)
FIXED ASSET INVENTORY	6,011	13,767	13,767	14,816	1,049
CITY SWR SYSTEM ANALYSIS	5,598	5,000	4,349	13,187	8,187
ENGINEERING	236,515	299,338	309,426	302,185	2,847
BLUE STAKE	(4,239)	12,951	13,644	(1,789)	(14,740)
WATER CONSERVATION	86,559	135,400	136,636	163,407	28,007
GIS-UTILITIES	-	-	-	76,159	76,159
WILDLIFE VIEWING AREA	3,000	16,575	8,278	10,780	(5,795)
TOTAL	\$ 870,648	\$ 1,226,925	\$ 1,039,120	\$ 1,337,153	\$ 110,228
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 1,337,153	
				\$ 1,337,153	
COMMENTARY:					
The Utilities Administration operating budget has increased 11% and capital expenditures total \$11,780 resulting in an overall increase of 9%. Personal Services increases are due to market, merits, retirement, and insurance. Contractuals increases are primarily due to consulting fees, building maintenance, calibration of sewer collection model, travel, and additional rebates for washing machines and pre-rinse spray valves. Commodities are decreasing due to prior year one-time items and increases for computer equipment and promotional materials. One-time items in this division are \$30,000 for rate study, \$43,000 for an endocrine study, \$15,500 for converting the Pine Cliff Booster Station to storage, \$10,000 for spray valve rebates, \$7,500 for promotional materials, and \$3,000 for a computer replacement. Capital is for a carryover of the Wildlife Habitat project.					

PROGRAM DESCRIPTION

The Lake Mary Water Treatment Plant provides conventional surface water treatment for waters from Upper Lake Mary. Staff is responsible for the operation of all other water production facilities including: Lake Mary Wellfield, Woody Mountain Wellfield, the Inner Basin wells and springs, local wells, and the Reservoir Filtration Plant. Staff also operates and maintains system water tanks and booster stations (Division 50). The lab provides water sampling and analysis for: process control and state compliance.

This Division cost effectively produces water that meets all Safe drinking Water Act requirements. It manages the quantity of water to provide adequate flows for customers and for fire fighting. It teaches public awareness of the water system through educational programs and demonstrations.

FY 05 GOALS, OBJECTIVES, AND RESULTS
GOAL: PUBLIC SAFETY
OBJECTIVES:

- ❖ Reduce the amount of (monitoring) violations.
RESULT: The quantity of monitoring violations are less that last year and will continue to be lowered as improvements are made to the SCADA system.

GOAL: CAPITAL IMPROVEMENT
OBJECTIVES:

- ❖ Design pumping facility for Rio well.
RESULT: Request for Proposal was out in February; well design is on schedule.
- ❖ Drill new well.
RESULT: New CSAMT (resistivity) technique was used in determining best site. Well construction to started in June.

GOAL: QUALITY OF LIFE
OBJECTIVES:

- ❖ Maximize the use of the least expensive source of water. Reduce cost by 5%.
RESULT: As of February 05, more surface water is being produced, which means less water from Lake

Mary wellfield and Woody Mountain wellfield. Cost savings could be greater that 5%.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Samples for new water mains are tested (109).
- ❖ Analyzed power cost for VFD installations using Shop well as model.
- ❖ Security covers for wellhead protection are manufactured in-house.
- ❖ New chlorine gas detectors are installed at Reservoir Filtration Plant.
- ❖ Lead & copper sampling completed, all parameters are being met.
- ❖ One-half mile of Inner Basin pipeline was installed.
- ❖ All Production Employees attend customer service training
- ❖ 14 Complaints are tracked and resolved.

FY 06 GOALS AND OBJECTIVES
GOAL: FISCAL HEALTH
OBJECTIVES:

- ❖ Implement new APSES strategies for power savings.

GOAL: PUBLIC SAFETY
OBJECTIVES:

- ❖ Meet Arsenic regulations, Jan 06. Add treatment option.
- ❖ Decommission 20 MG reservoirs to comply with State requirements.
- ❖ Watershed protection by installing a composting toilet in the Inner Basin.

GOAL: CAPITAL IMPROVEMENT
OBJECTIVES:

- ❖ Modifications at LMWTP by renovating decommissioned chlorine room and adding ADA approved bathroom facilities.
- ❖ Modify flat roof structure at the Reservoir Filtration due to water damage and potential mold site.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Number of gallons of water produced (millions)	2,806	2,688	3,000
Cost per thousand gallons of treated water	\$1.06	\$1.04	\$1.00
Number of Safe Drinking Water Act Violations	6	5	0
Number of water tests performed	1,254	1,256	1,300
Number of water quality complaints	14	22	10

UTILITIES
DIVISION 47
**LAKE MARY WATER
TREATMENT PLANT**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 633,438	\$ 680,730	\$ 675,858	\$ 715,493	\$ 34,763
CONTRACTUAL	1,557,163	2,163,230	2,088,512	2,144,320	(18,910)
COMMODITIES	265,390	260,434	273,351	283,313	22,879
CAPITAL	436,061	484,774	218,170	887,025	402,251
TOTAL	\$ 2,892,052	\$ 3,589,168	\$ 3,255,891	\$ 4,030,151	\$ 440,983
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 373,951	\$ 388,829	\$ 399,321	\$ 414,569	\$ 25,740
WATER TREATMENT OPERATION	262,637	228,386	228,154	267,924	39,538
CHEMICAL ANALYSIS	201,188	232,823	196,144	229,855	(2,968)
BLDGS & GROUNDS MAINT	53,158	79,778	90,679	272,190	192,412
EQUIPMENT MAINTENANCE	171,831	169,697	122,382	212,325	42,628
USFS LAKE MARY CONTRACT	8,860	8,860	8,860	8,860	-
UPPER LAKE MARY DAM IMP	10,523	21,000	23,650	21,000	-
SEDMNTION BASIN MODS (90)	8,224	15,000	15,000	15,000	-
SCADA TRACKING	12,098	34,350	40,209	25,350	(9,000)
LOCAL WELLS	317,752	516,505	519,135	543,416	26,911
LAKE MARY WELLFIELDS	324,988	687,236	502,649	614,244	(72,992)
WOODY MOUNTAIN WELLFIELD	1,059,947	817,750	932,987	834,597	16,847
NORTH RESERVOIRS	27,758	52,183	54,450	73,265	21,082
INNER BASIN DEVELOPMENT	36,235	93,991	79,392	135,524	41,533
INNER BASIN PIPELINE	22,902	242,780	42,879	362,032	119,252
TOTAL	\$ 2,892,052	\$ 3,589,168	\$ 3,255,891	\$ 4,030,151	\$ 440,983
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 4,030,151	
				\$ 4,030,151	
COMMENTARY:					
The Lake Mary Water Treatment Plant operating budget has increased 1% and capital expenditures total \$887,025 resulting in an overall increase of 12%. Personal Services increases are due to market, merits, retirement, and insurance. There is also \$11,000 budgeted for implementation of skill based pay for this division. Contractuals has increases for lab services and maintenance of equipment. Commodities increases are due to chemicals, various pieces of equipment, and materials for road repairs. One-time expenditures for this division are \$4,000 for a new server for the control system and \$5,000 for additional repairs to the Inner Basin road. Major capital (>\$10,000) includes \$301,001 for Inner Basin pipe replacement, \$160,500 for a power generator, \$45,750 for a two replacement vehicles, \$20,000 for the land acquisition fund, \$20,000 for Upper Lake Mary dam improvements, \$20,000 for a gas heater, \$200,000 for renovations, \$32,000 for an Inner Basin composting toilet, \$20,000 for a roof replacement, \$47,774 for a basin pump system, and \$15,000 for a chlorinator. The composting toilet is expected to receive grant funding of 60%.					

PROGRAM DESCRIPTION

Customer Service is responsible for meter reading, water and sewer billing, and collection of delinquent accounts including the disconnection and lock off of water service for unpaid billings and non-sufficient fund checks for the Utilities Department. Unusually high or low water consumption is investigated and inactive meters are monitored for possible consumption. This division is also responsible for cashiering operations for most City departments and for the calculation and collection of utility system fees for all new or added construction.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Offer additional payment options through the acceptance of credit and debit cards.
RESULT: Began offering the new payment option of debit or credit cards in January 2005.
- ❖ Install and implement Internet bill presentment and electronic payment acceptance.
RESULT: Due to required system upgrades we will carryover this goal to FY 2006.
- ❖ Send out timely and accurate utility and system fee billings.
RESULT: All Cycle bills ran on time. \$2.1 million was collected in new construction System Fees.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue to lower annual write-off and minimize delinquent accounts by sending on-time delinquency notices and performing follow-up turn-offs to non-payers.
RESULT: The write-off continues to be low for FY 05 due to increases in collections activity and billed deposits to delinquent payers.
- ❖ Continue program of billing extra deposits to frequent cut-off list accounts reducing write offs.

RESULT: This program has been successful in reducing annual write-offs.

- ❖ Continue, with the Water Distribution Division, the program to replace manually read meters with radio read meters.
RESULT: Programmed over 2,400 radio read meters installed by the Water Distribution Division.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Added a scanline to the utility billings and installed scanners for all CSRs.
- ❖ Automated the Winter Quarter Average sewer billing function for residential properties.
- ❖ Billing System upgraded and CSRs trained on additional functionality.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Order, install and train on Click2Gov, the CIS software internet product which will allow customers to view their billing and consumption history.
- ❖ Purchase and install a small version of JavaCard/RiTa that makes taking credit card payments over the internet (in conjunction with Click2Gov) possible.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Continue to lower annual write-off and minimize delinquent accounts by sending on-time delinquency notices and performing follow-up turn-offs to non-payers.
- ❖ Continue program of billing extra deposits to frequent cut-off list accounts reducing write offs.
- ❖ Continue, with the Water Distribution Division, the program to replace manually read meters with radio read meters.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Total billed including water/wastewater/other (millions)	\$22.6	\$20.9	\$21.0
Meter Reader Efficiency - impact of applied technologies (meters read per Reader per Quarter)	25,288	25,039	25,300
Division Efficiency (Division Base Cost/Meters Read)	\$3.20	\$3.22	\$3.21
Total System and Capacity Fees, Taps, Etc. collected (millions)	\$2.6	\$2.0	\$2.1
Collections Activity - Percent of Delinquent Accounts (Delinquent Accounts/Total Accounts)	4.7%	3.2%	3.3%
Percent of Estimated Reads	2.96%	2.93%	2.90%

UTILITIES
DIVISION 48
CUSTOMER SERVICE

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 442,907	\$ 479,575	\$ 481,111	\$ 508,437	\$ 28,862
CONTRACTUAL	117,742	147,490	147,418	171,690	24,200
COMMODITIES	25,686	87,395	41,595	99,695	12,300
CAPITAL	-	-	-	6,000	6,000
TOTAL	\$ 586,335	\$ 714,460	\$ 670,124	\$ 785,822	\$ 71,362
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 119,108	\$ 193,586	\$ 147,576	\$ 212,947	\$ 19,361
FIELD READING	157,314	181,904	183,196	202,934	21,030
COLLECTION	59,109	63,523	63,905	76,762	13,239
CUSTOMER SERVICE	250,804	275,447	275,447	293,179	17,732
TOTAL	\$ 586,335	\$ 714,460	\$ 670,124	\$ 785,822	\$ 71,362
SOURCE OF FUNDING:					
GENERAL FUND				\$ 28,757	
LIBRARY FUND				884	
HIGHWAY USER REVENUE FUND				3,289	
WATER AND WASTEWATER FUND				623,927	
STORMWATER FUND				8,167	
AIRPORT FUND				297	
ENVIRONMENTAL SERVICES FUND				120,501	
				\$ 785,822	
COMMENTARY:					
The Customer Service operating budget has increased 9% and capital expenditures total \$6,000 resulting in an overall net increase of 10%. Personal Services increases are due to market, merits, and insurance increases. Contractuals increases are for consulting fees, maintenance of equipment, and credit card fees. Commodities increases are for computer equipment, gas and oil, safety supplies, and computer software. The computer software is a carryover of \$55,000 for implementing credit card interfacing and web payments. One-time items are the software and \$5,000 for HTE bill programming. The capital is for a data collector.					

PROGRAM DESCRIPTION

The Water Distribution system operators safely and efficiently operate, maintain and repair all water distribution lines, fire hydrants, pressure reducing stations and meters, supplying each customer with a sufficient volume of water at adequate pressures, throughout our varying elevations and pressure zones.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Exceed customer service expectations.

RESULT: Our crews are trained to approach our customers in a more conscience manner, making sure all of their needs, questions and concerns have been addressed. Routine and emergency maintenance projects are completed in a timely manner.

GOAL: FISCAL HEALTH**OBJECTIVE:**

- ❖ Reduce accidents and maintain high safety standards.

RESULT: Our safety program continues to communicate the importance of safety and loss control. Employees are routinely trained on a wide variety of safety practices and procedures, reducing major accidents within the division.

GOAL: PLANNING FOR GROWTH**OBJECTIVE:**

- ❖ Maintain water pressures throughout our service area within American Water Works Association (AWWA) guidelines.

RESULT: Using a variety of pressure recording devices to pinpoint isolated or widespread distribution problems, we handled customer pressure complains in a timely manner building customer confidence in the Utilities Department and the City of Flagstaff.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVE:**

- ❖ Continue developing multi-skilled workforce through skill base pay.

RESULT: Skill base pay for the division was instituted, skill blocks developed and training criteria initiated. The development of a crew rotation-training schedule has strengthened the teamwork within the division.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Sunnyside Phase II, III & IIIA, Huntington/ 4th St. Railroad Crossing Phase I, Amberwood Booster Station And the Miller Ave/ Mobile Haven Reclaim Capital Improvement Projects: Worked with public and private engineers, contractors and customers, coordinating a wide variety of projects including: Valve installations, main line realignments, shutdowns, turn-ons, mainline flushing and emergency repairs to our water distribution system.
- ❖ Radio Read Meters: Exceeded our goal of installing 2000 radio read meters, by installing 2470 meters throughout the community. Enhancing customer service, by providing a safe, estimate free billing process. While increasing our overall efficiency and lowering operating costs.
- ❖ Instituted Skill Base Pay: Skill base pay for the division was initiated, skill blocks developed and training criteria initiated. We also had 40% of the individuals successfully completed an Arizona Department of Environmental Quality Operator training, testing and certification program. Continuing our effort to develop a multi-skilled workforce.
- ❖ Water and Wastewater Atlas Updates: Updating of our water and wastewater atlas, with all of the new lines constructed in the past several years. Giving city staff the most up to date information, when planning, designing and dealing with scheduled and emergency repair projects.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Exceed customer service expectations.

GOAL: FISCAL HEALTH**OBJECTIVE:**

- ❖ Reduce accidents and maintain high safety standards.

GOAL: PLANNING FOR GROWTH**OBJECTIVE:**

- ❖ Maintain water pressures throughout our service area within American Water Works Association (AWWA) guidelines.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVE:**

- ❖ Continue developing multi-skilled workforce through skill base pay.

UTILITIES
DIVISION 49
WATER DISTRIBUTION

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Number of complaints and responses	161	201	220
Number of meter replacements and repairs	557	546	600
Number of work orders completed	3,019	3466	3000
Cost per service/water distribution system	\$12.46	\$13.01	\$12.73

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 720,542	\$ 723,744	\$ 752,397	\$ 808,258	\$ 84,514
CONTRACTUAL	48,203	68,935	62,664	54,196	(14,739)
COMMODITIES	132,633	228,686	212,751	236,232	7,546
CAPITAL	92,905	45,800	215	112,150	66,350
TOTAL	\$ 994,283	\$ 1,067,165	\$ 1,028,027	\$ 1,210,836	\$ 143,671
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 102,416	\$ 154,348	\$ 157,531	\$ 134,601	\$ (19,747)
WATER SYS MAINT-OPERATION	151,219	149,699	155,475	187,675	37,976
MAIN & SERVICE LINE REPAIR	241,333	218,266	225,683	287,012	68,746
MAIN EXT-FIRE HYDR/VALVE	70,401	107,464	66,434	115,847	8,383
VALVE & FIRE HYDR MAINT	103,655	125,674	107,003	132,355	6,681
METER INSTALLATION	226,433	216,232	206,549	227,551	11,319
METER REPAIR & TESTING	98,826	95,482	109,352	125,795	30,313
TOTAL	\$ 994,283	\$ 1,067,165	\$ 1,028,027	\$ 1,210,836	\$ 143,671
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 1,210,836	
				\$ 1,210,836	

COMMENTARY:

The Water Distribution operating budget has increased 8% and capital expenditures total \$112,150 resulting in an overall net increase of 13%. Personal Services increases are due to market, merits, retirement, and insurance. The decrease in Contractuals is due to prior year one-time expenditures. Commodities increase is for a one-time purchase of two gas detectors (\$6,000). Major capital (>\$10,000) is \$66,350 for two replacement vehicles and the carryover of \$45,800 to replace a service truck.

PROGRAM DESCRIPTION

Provides for the operation and maintenance of booster stations that provide adequate volume and pressure for domestic and fire service outside of the normal pressure zones of the water distribution system. This Division manages the operation and maintenance of water storage tanks to mitigate any disruption in power and maintain adequate disinfection residuals.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ECONOMIC DEVELOPMENT / REDEVELOPMENT****OBJECTIVES:**

- ❖ Start-up and operate Kinlani II booster station.
RESULT: Developer has not broken ground on development. There are issues delaying the project.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Paint University Highlands tank.
RESULT: Painting contract is on schedule.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Amberwood BS online allowing pressure to be lowered in zone C.

FY 06 GOALS AND OBJECTIVES**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Clean and inspect Cheshire tank

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Landscape Kinlani Booster Station using Xeriscape methods.

PERFORMANCE INDICATORS

See Division 47.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 15,208	\$ 21,536	\$ 31,996	\$ 35,581	\$ 14,045
CONTRACTUAL	20,716	44,650	44,347	37,150	(7,500)
COMMODITIES	5,206	3,026	3,666	3,625	599
CAPITAL	-	8,000	8,000	-	(8,000)
TOTAL	\$ 41,130	\$ 77,212	\$ 88,009	\$ 76,356	\$ (856)
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 15,368	\$ 28,536	\$ 39,350	\$ 42,781	\$ 14,245
ZONE A	310	350	350	350	-
KINLANI	1,672	2,226	2,276	3,525	1,299
UNIVERSITY HIGHLANDS #1	4,786	9,300	9,650	1,800	(7,500)
AIRPORT BOOSTER	3,375	2,700	2,997	2,700	-
AMBERWOOD BOOSTER	105	11,350	11,836	3,550	(7,800)
RAILROAD SPRINGS BOOSTER	15,514	20,550	20,350	20,450	(100)
KINLANI II	-	2,200	1,200	1,200	(1,000)
TOTAL	\$ 41,130	\$ 77,212	\$ 88,009	\$ 76,356	\$ (856)
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 76,356	
				\$ 76,356	
COMMENTARY:					
The Booster Station operating budget has increased 10% and there are no capital expenditures resulting in an overall net decrease of 1%. The increase in Personal Services is based on amount of charges from other divisions. Contractuals decreased due to prior year one-time expenses and an increase for landscaping at the Kinlani Booster. Commodities increase slightly for landscape maintenance. The Kinlani landscaping is a one-time expenditure for \$1,000.					

PROGRAM DESCRIPTION

The Wildcat Hill Wastewater Plant is a 6 million gallon-per-day advanced treatment facility. This program is responsible for the day-to-day operation and maintenance, as well as the pumping of treated wastewater to the Fairfield golf courses and contractors. The plant operates a State-certified laboratory, which performs the majority of the required routine lab analysis.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Continue to develop multi-skilled workforce.
RESULT: Wildcat employees achieved 2 skill blocks related to skill based pay.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ Encourage the use of reclaimed water.
RESULT: Plant is currently under design to convert the plant to A+ water, which will result in an increase in availability of this quality of water.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Exceed customer service expectations.
RESULT: The plant had 0 complaints in calendar year 2004 from septage and reclaim water haulers.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ No permit violations within plant design.
- ❖ Maintained State Certified laboratory Standards.
- ❖ All required state and federal monitoring reports were submitted accurately and on time.
- ❖ North bio tower bearing replaced.
- ❖ Addition of pre-chlorination and pre-aeration to the influent during the summer months that has greatly reduced primary sludge problems.
- ❖ Implemented a stormwater program, including a spill prevention countermeasure and control plan.
- ❖ Implemented a Hazard Communication Program.
- ❖ Renewed several existing permits upon expiration.

FY 06 GOALS AND OBJECTIVES**GOAL: ORGANIZATIONAL SUPPORT****OBJECTIVES:**

- ❖ Continue to develop multi-skilled workforce.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ Operate facility within all regulatory permits.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Exceed customer service expectations.

PERFORMANCE INDICATORS (Wildcat Hill WWTP)	CY03	CY04	CY05 EST.
Gallons of influent treated (billions)	1.484714	1.35	1.4
Gallons of septage treated (millions)	1.181078	1.28	1.3
Gallons of reclaimed water sold (millions)	309.1327	447.347	450
Gallons of grease treated (thousands)	315.230	269.940	275
Gallons of commercial interceptor sludge (thousands)	60.45	49.550	60
Dry metric tons of solids/sludge injected	587.82	559.74	750
Cost per thousand to treat (influent)	\$1.04	\$1.20	\$1.15

UTILITIES
DIVISION 53
**WILDCAT WASTEWATER
TREATMENT PLANT**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 927,119	\$ 773,979	\$ 740,070	\$ 840,878	\$ 66,899
CONTRACTUAL	1,012,002	501,979	501,418	525,244	23,265
COMMODITIES	391,135	291,066	299,799	300,859	9,793
CAPITAL	40,993	37,990	28,457	7,900	(30,090)
TOTAL	\$ 2,371,249	\$ 1,605,014	\$ 1,569,744	\$ 1,674,881	\$ 69,867
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 176,081	\$ 168,934	\$ 114,875	\$ 260,357	\$ 91,423
WC-PLANT OPERATIONS	524,338	559,289	524,116	516,922	(42,367)
WC-PLANT MAINTENANCE	635,629	651,006	713,087	641,241	(9,765)
WC-LAB-PROC CNTRL-MONTR	94,841	126,766	108,487	145,702	18,936
WC-SEPTAGE	54,207	19,154	33,549	27,579	8,425
WC-WH RIO MAINTENANCE	2,085	6,714	4,160	6,112	(602)
WC-DRYING BEDS OPERATIONS	35	1,750	1,750	1,750	-
WC-SLUDGE INJECTION	60,066	71,401	69,720	75,218	3,817
RP-PLANT OPERATIONS	505,179	-	-	-	-
RP-PLANT MAINTENANCE	132,994	-	-	-	-
RP-LAB-PROC CNTRL-MONITOR	42,842	-	-	-	-
RP-RECLAIM CONNECTIONS	142,952	-	-	-	-
TOTAL	\$ 2,371,249	\$ 1,605,014	\$ 1,569,744	\$ 1,674,881	\$ 69,867
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 1,674,881	
				\$ 1,674,881	
COMMENTARY:					
The Wastewater Treatment Plant operating budget increased by 6% and capital totals \$7,900 resulting in an overall net increase of 4%. Personal Services increases are due to market, merits, retirement, insurance, and overtime. Contractuals increases are due to registration fees, utilities, maintenance of buildings and equipment, postage, advertising, and testing. Commodities increases are due to equipment, tools, horticultural supplies, office and safety supplies, and various operating supplies. One-time items in the division are \$9,455 for maintenance of the building, \$16,115 for maintenance of several pieces of equipment, \$7,000 for replacement pumps, \$4,989 for an expandable plug, \$3,000 for replacement effluent gate, \$4,000 for lab equipment, \$3,000 for the Waueksha, and \$8,000 for hoses and drive cables. The capital in this division is for a roll up door.					

PROGRAM DESCRIPTION

The Collection System Operators safely and efficiently operate and maintain and repair all wastewater collection and reclaim distribution mains and manholes. We strive to reduce or eliminate health hazards, system failures, customer complaints, and property damage throughout our wastewater collection system.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Exceed customer service expectations.
RESULT: Routine and emergency service call response time has been minimized. Our crews have been trained to identify and resolve our customers' problem, defuse at times hostile situations and initiate and expedite the claim and cleanup process. Building our customers confidence in the Utilities Department and the City of Flagstaff.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Reduce accidents and maintain high safety standards.
RESULT: Our safety program continues to communicate the importance of safety and loss control. Employees are routinely trained on a wide variety of safety practices and procedures, reducing major accidents within the division.

GOAL: PLANNING AND GROWTH**OBJECTIVES:**

- ❖ Encourage the use of reclaimed water throughout the community.
RESULT: We continue to expand our reclaim distribution system, installing water mains, service connections and fire hydrants throughout our community. We increased reclaim water usage and decreasing potable water use year after year.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Continue developing a multi-skilled workforce through skill base pay.
RESULT: Skill base pay for the division was instituted. Skill blocks developed and training criteria initiated. The development of a crew rotation-training schedule has strengthened the teamwork within the division.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Sunnyside Phase II, III & IIIA, Huntington/ 4th St. Railroad Crossing Phase I and Miller Ave/ Mobile Haven Reclaim Capital Improvement Projects: Worked with public and private engineers, contractors and customers, coordinating a wide variety of projects involving cleaning, locating manholes, customer complaints and T.V. inspections for pre and post construction of our collection system.
- ❖ Collection System Root Control Project: The collection personal has researched demonstrated and put into service a wide variety of sewer root cutting and cleaning equipment. Using the most efficient work practices possible, ensuring our preventative maintenance program is safe and cost effective.
- ❖ Instituted Skill Base Pay: Skill base pay for the division was initiated, skill blocks developed and training criteria initiated. We also had 40% of the individuals successfully completed an Arizona Department of Environmental Quality Operator training, testing and certification program. Continuing our effort to develop a multi-skilled workforce.
- ❖ Water and Wastewater Atlas Updates: Updating of our water and wastewater atlas, with all of the new lines constructed in the past several years. Giving city staff the most up to date information, when planning, designing and dealing with scheduled and emergency repair projects.

FY 06 GOALS AND OBJECTIVES**GOAL: CUSTOMER SERVICE****OBJECTIVES:**

- ❖ Exceed customer service expectations.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ Reduce accidents and maintain high safety standards.

GOAL: PLANNING AND GROWTH**OBJECTIVES:**

- ❖ Encourage the use of reclaimed water throughout the community.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Continue developing a multi-skilled workforce through skill base pay.

UTILITIES
DIVISION 54
WASTEWATER COLLECTION

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Miles of sewer cleaned or rodded	190	168	190
Number of blockages (City responsibility)	45	50	45
Number of feet of sewer televised	119,201	121,349	120,000
O & M cost per service account	\$8.62	\$8.61	\$8.62

EXPENDITURES BY CATEGORY:

	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 467,673	\$ 452,860	\$ 444,552	\$ 534,508	\$ 81,648
CONTRACTUAL	34,282	33,305	33,722	23,710	(9,595)
COMMODITIES	70,188	100,351	96,195	167,191	66,840
CAPITAL	-	255,000	252,133	423,050	168,050
TOTAL	\$ 572,143	\$ 841,516	\$ 826,602	\$ 1,148,459	\$ 306,943

EXPENDITURES BY PROGRAM:

GENERAL ADMINISTRATION	\$ 161,871	\$ 182,482	\$ 184,304	\$ 190,296	\$ 7,814
SERVICE CONNECTIONS	16,611	16,441	13,642	13,102	(3,339)
PREVENTIVE MAINTENANCE	214,049	456,248	450,695	546,406	90,158
TV INSPECT & HYDRO-CLEAN	88,350	91,894	93,975	316,512	224,618
CORRECTIVE MAINTENANCE	78,721	81,308	73,072	69,782	(11,526)
RECLAIMED WATER LINE	12,541	13,143	10,914	12,361	(782)
TOTAL	\$ 572,143	\$ 841,516	\$ 826,602	\$ 1,148,459	\$ 306,943

SOURCE OF FUNDING:

WATER AND WASTEWATER FUND

\$ 1,148,459
\$ 1,148,459

COMMENTARY:

The Wastewater Collection operating budget has increased 24% and capital expenditures total \$423,050 for a net increase of 36%. Personal Services increases are due to market, merit, and insurance increases and two additional Water Service Technicians. Contractuals decrease is due to prior year one-time expenditures. Increases in this division are for chemicals, two gas detectors, and expenses related to the new positions approved. One-time items are \$6,000 for the gas detectors. Major capital (>\$10,000) includes \$190,000 for a replacement hydro-vac vehicle and \$233,050 for a hydro-vac vehicle and equipment related to the new positions approved.

PROGRAM DESCRIPTION

This division provides monitoring, permitting, and reporting of industrial and commercial wastewater discharges into the City sewer system to assure compliance with Local, State and Federal mandated pre-treatment regulations and to prevent upset at the City's wastewater treatment plants. Other activities include administration of the City's cross-connection control program, wastewater monitoring, and seepage control.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Prevent bypass of the Public Owned Treatment Works (POTW).
RESULT: No bypasses occurred during calendar year 2004 at the Wildcat Hill Plant or the Rio de Flag Plant.
- ❖ Prevent backflow of contaminants into potable water system.
RESULT: No backflow incidents occurred in Flagstaff during calendar year 2004.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Encourage pollution prevention for business and industries.
RESULT: Pollution prevention was discussed with 1237 businesses during calendar year 2004 during business inspections.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Provide service to our internal and external customers, beyond their expectation.
RESULT: No complaints were received from customers during calendar year 2004.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Black & Veatch did an evaluation on the discharge from Joy Cone Manufacturing and their rates. New rates will be going into effect during 2005 that will reflect the new mass loading criteria in their permit and eliminate surcharges.
- ❖ Joy Cone was issued a new discharge permit in 2004 as a result of the expiration of their compliance schedule agreement.

FY 06 GOALS AND OBJECTIVES**GOAL: PUBLIC SAFETY****OBJECTIVES:**

- ❖ Prevent bypass of the Public Owned Treatment Works (POTW).

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Encourage pollution prevention for business and industries.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Provide service to our internal and external customers, beyond their expectation.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Number of businesses inspected for potential cross connection	1,200	1,237	1,300
Number of backflow device tests logged	1,462	1,561	1,600
Number of compliance samples analyzed	8,918	4,222	4,000
Number of pre-treatment business inspections	1,000	1,237	1,300
Percent of failed back flow tests	10%	10%	10%

UTILITIES
DIVISION 55
WASTEWATER MONITORING

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 176,245	\$ 190,654	\$ 188,491	\$ 204,516	\$ 13,862
CONTRACTUAL	59,895	154,517	71,192	252,548	98,031
COMMODITIES	14,051	22,607	21,047	15,457	(7,150)
CAPITAL	-	10,000	10,000	-	(10,000)
TOTAL	\$ 250,191	\$ 377,778	\$ 290,730	\$ 472,521	\$ 94,743
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 98,379	\$ 231,815	\$ 129,219	\$ 299,812	\$ 67,997
NPDES MONITORING	49,210	33,066	50,697	53,899	20,833
INDUSTRIAL WASTE MONITOR	73,565	82,357	80,168	86,037	3,680
HAZARDOUS WASTE	3,904	4,059	4,058	4,339	280
BACKFLOW X CONN. CONTROL	25,133	26,481	26,588	28,434	1,953
TOTAL	\$ 250,191	\$ 377,778	\$ 290,730	\$ 472,521	\$ 94,743
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 472,521	
				\$ 472,521	
COMMENTARY:					
The Wastewater Monitoring operating budget has increased 28% and there are no capital expenditures resulting in an overall net increase of 25%. Personal Services increases are due to market, merits, retirement, and insurance. Contractuals increases are related to lab testing and the local limits study. Commodities decrease is due to prior year one-time expenditures. One-time expenditures for this division are \$150,000 for consulting fees related to local limits and \$29,000 for sampling for local limits.					

PROGRAM DESCRIPTION

The Rio de Flag Water Reclamation Facility processes wastewater flow from the western half of the city and reclaims water for a variety of non-potable uses. Landscape irrigation is the principal use of reclaim water but water is also used for non-potable commercial and industrial uses. Excess reclaim water is released to the Rio de Flag wash for riparian enhancement. This semi-automated treatment facility uses advanced technology to produce non-potable water that is rated as Grade A+ by the state of Arizona. The program monitors product water quality as well as downstream water quality. Staff is also responsible for pumping the water into the citywide distribution system and maintaining the reclaim water storage facilities at Buffalo Park.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PLANNING FOR GROWTH****OBJECTIVES:**

- ❖ Encourage the use of reclaim water.
RESULT: By encouraging the use of reclaim water for non-potable uses we offset the demands on our drinking water system. The Rio de Flag facility provided more reclaim water this past year than any year in our history. Demand for reclaim water was 42% higher than last year and three times what it was in 2001.
- ❖ Minimize treatment cost per unit of water treated.
RESULT: By developing a cost conscious staff the Rio facility has been able to maintain our cost per unit of water treated at previous levels despite higher costs for almost all major expenses.
- ❖ Develop an ongoing performance improvement program.
RESULT: By developing an ongoing performance improvement program we are continually looking to enhance performance and minimize costs in a responsible manner.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Continue to develop a multi-skilled workforce.

RESULT: The Rio staff continues to enhance their current skills and develop new skills through training and work experience.

- ❖ Continue to foster a safe and healthy work environment.

RESULT: A safe and healthy work environment is essential to an efficient operation. The Rio de Flag facility continues to excel in this area as is clearly demonstrated in our exceptional safety record.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Continue commitment of 100% customers' satisfaction.

RESULT: Rio staff has made great effort to provide exceptional customer service to both internal and external customers.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Buffalo Park storage tank internal cleaning and inspection was completed this year.
- ❖ SCADA and other automation enhancements made this year will reduce overtime expenditures and improve operational reliability.

FY 06 GOALS AND OBJECTIVES**GOAL: PLANNING FOR GROWTH****OBJECTIVES:**

- ❖ Encourage the use of reclaim water.
- ❖ Minimize treatment cost per unit of water treated.
- ❖ Develop an ongoing performance improvement program.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ Continue to develop a multi-skilled workforce.
- ❖ Continue to foster a safe and healthy work environment.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Continue commitment of 100% customers' satisfaction.

PERFORMANCE INDICATORS	CY03	CY04	CY05 EST.
Gallons of wastewater treated (millions)	730.0	725.1	730.0
Gallons of reclaim water produced (millions)	697.4	692.7	700.0
Gallons of reclaim water reused (millions)	214.6	305.0	325.0
Cost to produce 1,000 gallons reclaim water	n/a	n/a	\$1.05

UTILITIES
DIVISION 56
RIO DE FLAG RECLAIM PLANT

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ -	\$ 237,221	\$ 250,526	\$ 276,083	\$ 38,862
CONTRACTUAL	-	499,491	481,065	535,526	36,035
COMMODITIES	-	86,600	74,284	118,450	31,850
CAPITAL	-	-	-	-	-
TOTAL	\$ -	\$ 823,312	\$ 805,875	\$ 930,059	\$ 106,747
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ -	\$ 42,781	\$ 25,004	\$ 54,782	\$ 12,001
PLANT OPERATIONS	-	435,844	462,240	471,871	36,027
PLANT MAINTENANCE	-	145,962	116,314	164,861	18,899
LAB-PROCESS CONTROL-MONTR	-	81,384	84,976	128,645	47,261
RECLAIMED CONNECTIONS	-	117,341	117,341	109,900	(7,441)
TOTAL	\$ -	\$ 823,312	\$ 805,875	\$ 930,059	\$ 106,747
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 930,059	
				\$ 930,059	
COMMENTARY:					
The Rio de Flag Treatment Plant operating budget increased by 13% and there are no capital expenditures. Personal Services increases is due to market, merit, retirement, insurance, and overtime. Contractuals increases are due to power, maintenance, postage, and services related to the AZPDES permit. Commodities increases are due to vehicle parts, chemicals, equipment, building materials, and safety supplies. One-time expenditures for this division are \$1,500 for vehicle repairs, \$16,000 for process blowers, \$7,500 for refinishing and painting the building, \$1,600 for influent pump repairs, \$9,500 for influent pump overhaul, and \$13,800 for a samplers.					

NON-DEPARTMENTAL

NON-DEPARTMENTAL

Non-Departmental accounts for all divisions which are not under the direct supervision of a department head or whose operations are contractual in nature. These include:

The mission of the **Council and Commission Division** of the City of Flagstaff is to enhance the quality of life of its citizens while supporting the values of its community.

The **Contributions to Other Agencies Division** accounts for contractual agreements with outside agencies that provide services to Flagstaff's citizens. The City is a major contributor to United Way, arts and cultural agencies whose activities benefit the citizens of Flagstaff, and other Alliance partnerships.

The **Non-Departmental Division** accounts for all expenditures that are not specifically allocable to individual divisions or programs, e.g. property and liability insurance, unemployment insurance, audit fees, and capital equipment that benefit various departments (mainframe computer). Costs of this division are allocated to the respective departments based on a cost-allocation formulation.

The **Firemen's Pension Division** accounts for the distribution of retirement benefits to beneficiaries covered under the Volunteer Firemen's Pension Trust Fund. Volunteer firefighters who are vested after 25 years and upon reaching retirement age or disabled receive a pension based on past volunteer service.

The **Economic Development Division** is responsible for the administration of economic development programs. The City contracts these services. Activities include development and implementation of strategies to recruit new basic sector employers to the community, retention and expansion of existing basic sector employers, and the promotion of the Flagstaff area as an excellent location for business relocation. Economic development is funded by the BBB tax.

The **Transit Division** collects the portion of the transportation tax that is earmarked for Transit activities. Coconino County administers the Transit program per the Intergovernmental Agreement (IGA) between the City and the County.

MISSION

The mission of the City of Flagstaff is to enhance the quality of life of its citizens while supporting the values of its community.

PROGRAM DESCRIPTION

This division is the legislative branch of the City of Flagstaff's Council-Manager form of Government. The City Council enacts local legislation, assesses community need; sets the tax rate; determines and develops policies for the City Manager to implement and adopts budgets. The Council appoints the City Manager, City Attorney, Court Magistrates and individuals to various boards, commissions, and committees.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: ECONOMIC DEVELOPMENT**

RESULT: With an eye toward economic development/redevelopment as a long-term goal, the city Council has continued its work with community partners, exploring grant funding options, providing economic development incentives, granting rezonings, and entering into agreements with employers for expansion/relocation.

GOAL: FISCAL HEALTH

RESULT: The City Council adopted a balanced budget for FY04/05 providing a strong foundation for continued fiscal health.

GOAL: PUBLIC SAFETY

RESULT: To provide a safe community by addressing issues affecting public safety, health, and quality of life, the council has explored numerous grant funding options, and entered into purchases to update integrated public safety systems; and supported the creation of the local emergency operations task force.

GOAL: AFFORDABLE HOUSING

RESULT: The City Council has enacted the "Traditional Neighborhood Design" Land Development Code Amendment for multi-use developments; actively pursued affordable housing grant funding, entered into development agreements for affordable housing projects, partnered with local agencies, created the Community Housing Policy Task Force to evaluate policies and regulations, and passed a resolution to urge the State Legislature to allow local jurisdictions to promote affordable housing for low and moderate income levels.

GOAL: CAPITAL IMPROVEMENTS

RESULT: The Huntington Road relocation (part of the 4th Street railroad crossing) was completed; the East Flagstaff Traffic Interchange is continuing to move forward, as is the mall expansion and auto mall projects; implementation of some of the 2004 bond projects and financing began; and forward momentum has been maintained on the Rio de Flag flood control project.

GOAL: CUSTOMER SERVICE

RESULT: An element of the customer service program includes the reorganization of the Community Development Department to more efficiently perform its services for the community; presentations have been made to the entire city concerning the importance of customer services and what it means to the employee and the community.

GOAL: PLANNING FOR GROWTH

RESULT: An example of planning for growth is the "Traditional Neighborhood Design" amendment to the Land Development Code, along with the rezoning of two properties targeted for higher density, mixed-used developments. In addition, the 2004 special bond program for water resource exploration and water and wastewater facility improvements was passed by the voters and will be a focus of future efforts.

GOAL: COLLABORATION

RESULT: Regional collaboration is evidenced, in part, by the quarterly schedule of joint meetings with the County Board of Supervisors, Coconino County Community College, Flagstaff Unified School District, and the Northern Arizona University and the multi-agency task force to deal with local and regional emergencies and crises.

GOAL: QUALITY OF LIFE

RESULT: quality of life issues are being addressed by such Council actions as the "Big Box" ordinance that will maintain the small town atmosphere of the community, opposing the resumption of nuclear testing in Nevada, conducting the American Dream Town Hall, and strengthening the smoking ordinance.

GOAL: ORGANIZATIONAL SUPPORT

RESULT: To better provide for organizational support, employees received a cost of living increase, along with a one-time payment; the Community Development Department was reorganized and resources and additional staff have been hired to begin succession planning.

FY 06 GOALS AND OBJECTIVES**GOAL: ECONOMIC DEVELOPMENT****OBJECTIVES:**

- ❖ The FY 05/06 budget strives to maintain and strengthen Flagstaff as a regional center for retail, employment and hospitality, while enhancing the quality of life for residents through technology and innovation and the attraction of employers who pay livable wages.

GOAL: FISCAL HEALTH**OBJECTIVES:**

- ❖ The FY05/06 budget is balanced. During FY05/06, cost recovery and fees will be explored as will the viability of enterprise funds, tax exemptions, special taxes on second homes. Joint partnerships and public/private ventures will be evaluated and entered into when it makes sense.

GOAL: PUBLIC SAFETY**OBJECTIVES:**

- ❖ While the FY05/06 does not contemplate meeting all the personnel needs of the Police Department and the Fire Department, it does begin to lay the foundation to be built on in future years. Three new dispatchers and an Assistant Fire Chief are included in the budget. Top priorities continue to be maintaining full staffing levels, overextension of current police employees; catastrophic forest fire, fuel reduction.

GOAL: AFFORDABLE HOUSING**OBJECTIVES:**

- ❖ This item is a carryover and continuation from FY04/05. It is the City Council's goal to assure that a variety of housing opportunities are available to a diverse population, especially those requiring entry-level housing. To that end, additional staff has been budgeted for, and focus has been placed on identifying regulatory changes; determining community needs, funding and program opportunities; work on a community land trust; alternatives to CDBG funding; and a five-year consolidated affordable housing plan.

GOAL: CAPITAL IMPROVEMENTS**OBJECTIVES:**

- ❖ As a carryover from the FY04/05 budget, capital improvement's goal is to create a built environment shaped through citizen involvement, reflecting community pride. To do this, public works and facilities capital improvements will be approached through a structured, efficient and transparent process that ensures the least amount of resource

expenditure for the greatest benefit to the community.

- ❖ The FY 2006 capital budget includes \$104 million to respond to recognize needs and voter authorized capital projects. Some of these needs include repair and reconstruction of existing streets; construction of new streets; renovation, and/or creation of new, parks, ball fields, urban trails, recreation and life centers; relocation of fire stations; Safe-To-School projects, multi-modal transportation alternatives, and stormwater projects.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Technology, performance standards, timely responses to requests, employee identification badges, additional staffing levels, and climate surveys will be tools to assist employees to better response to customer service needs.
- ❖ Not only are FY 04/05 service levels maintained, but the budget provides for funding through fee increases to a variety of services so that users of specific services pay a larger proportion of their share of the service.

GOAL: PLANNING FOR GROWTH**OBJECTIVES:**

- ❖ To achieve the shape of growth to our community in a manner that protects and preserves the natural environment and sense of community, the reorganization of the Community Development Department will be completed. Programs targeted for meeting this goal are neighborhood planning, reinvestment, implementation of the Urban Mobility Study, best approaches for annexations; reinvestment and infill policies, managing existing parking and providing for new parking, completion of the East Flag gateway project, and reinvestment of continued opportunities involving USGS, the downtown gateway, the Fourth Street and Route 66 corridor.

GOAL: COLLABORATION**OBJECTIVES:**

- ❖ Efforts at strengthening partnerships and developing collaborative goals will include the establishment of an NAU Rural Policy Institute and development of funding sources; identification of education issues for follow-up, creating a great presence in the determination of local and regional government interests through the engagement of public agency and elected officials; consolidating services with Alliance partners; joint community and regional partnership statements on mutual interests; and strategies for future redistricting.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVES:**

- ❖ The FY05/06 budget provides for a competency-based process to develop and enhance leadership competencies; a 5% market increase for city employee, increases in health insurance and retirement costs; and adequate resources to support City services.
- ❖ To meet this goal, the City Council has allocated \$4.1 million toward increasing compensation, retirement contributions, health insurance and additional positions.

GOAL: QUALITY OF LIFE**OBJECTIVES:**

- ❖ Specific focuses to help increase our community's quality of life include open space acquisition priorities and bond program initiatives approved by voters, water capacity development, water resource fees, and a public involvement process for voter-approved bond initiatives.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 72,821	\$ 124,018	\$ 109,432	\$ 117,034	\$ (6,984)
CONTRACTUAL	69,200	71,794	71,935	82,852	11,058
COMMODITIES	25,039	31,870	31,863	33,905	2,035
CAPITAL	-	-	-	-	-
TOTAL	\$ 167,060	\$ 227,682	\$ 213,230	\$ 233,791	\$ 6,109
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 161,771	\$ 224,297	\$ 209,324	\$ 229,881	\$ 5,584
BOARDS AND COMMISSIONS	5,289	3,385	3,906	3,910	525
TOTAL	\$ 167,060	\$ 227,682	\$ 213,230	\$ 233,791	\$ 6,109
SOURCE OF FUNDING:					
GENERAL FUND				\$ 95,112	
LIBRARY FUND				11,824	
HIGHWAY USER REVENUE FUND				49,268	
WATER AND WASTEWATER FUND				45,171	
STORMWATER FUND				2,001	
AIRPORT FUND				4,461	
ENVIRONMENTAL SERVICES FUND				25,954	
				\$ 233,791	
COMMENTARY:					
The Council and Commissions operating budget has increased 3% with no capital expenditures. There is no major capital (>\$10,000) for this division. Personal Services has decreased due to a member declining the proposed increase. Contractual increases reflect costs associated with travel (\$6,000) and registration (\$1,500) as well as membership costs (\$3,171). Commodities reflect a slight increase in gas and oil (\$528) as well as promotional materials (\$1,057).					

PROGRAM DESCRIPTION

This division accounts for contractual agreements with outside agencies that provide services to Flagstaff's citizens. The City is a major contributor to United Way, arts and cultural agencies whose activities benefit the citizens of Flagstaff, and other Alliance partnerships.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVES:**

- ❖ To support social service programs which help the disadvantaged, needy, or elderly populations through United Way contributions.
The United Way contribution totaled \$311,264 for FY 2005.
- ❖ To support not-for-profit organizations that enhance the organizational goals as established by the Council.
RESULT: Contributions totaling \$9,000 were made to the Arizona Heritage, sister Cities, and the Native American Festival.
- ❖ To support our alliance partners through Weed & Seed, After School Program, Coalition for Youth & Children, the High Altitude Sports Training Center, and NACOG.
RESULT: Contribution totaling \$378,772 were made to these partners.
- ❖ To support partnerships that enhances the quality of life in the community through the Canyon Forest

Partnership, Siler Homes, and the emergency housing assistance.

RESULT: Contributions totaling \$17,300 were made to these organizations.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Maintained or increased funding to agencies through prolonged period of fiscal restraint.

FY 06 GOALS AND OBJECTIVES**GOAL: COLLABORATION****OBJECTIVES:**

- ❖ To support social service programs which help the disadvantaged, needy, or elderly populations through United Way contributions.
- ❖ To support not-for-profit organizations that enhance the organizational goals as established by the Council.
- ❖ To support our alliance partners through Weed & Seed, After School Program, Coalition for Youth & Children, the High Altitude Sports Training Center, and NACOG. Contribution totaling \$378,772 were made to these partners.
- ❖ To support partnerships that enhances the quality of life in the community through the Canyon Forest Partnership, Siler Homes, and the emergency housing assistance.

NON-DEPARTMENTAL
DIVISION 64
**CONTRIBUTIONS TO
OTHER AGENCIES**

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
CONTRACTUAL	683,373	742,394	716,336	787,053	44,659
COMMODITIES	-	-	-	-	-
CAPITAL	-	-	-	-	-
TOTAL	\$ 683,373	\$ 742,394	\$ 716,336	\$ 787,053	\$ 44,659
EXPENDITURES BY PROGRAM:					
HEALTH & SOC SERVICES	\$ 296,852	\$ 311,264	\$ 311,264	\$ 311,264	\$ -
OTHER CONTRIBUTIONS	386,521	431,130	405,072	475,789	44,659
TOTAL	\$ 683,373	\$ 742,394	\$ 716,336	\$ 787,053	\$ 44,659
SOURCE OF FUNDING:					
GENERAL FUND				\$ 639,295	
LIBRARY FUND				9,540	
HIGHWAY USER REVENUE FUND				40,716	
WATER AND WASTEWATER FUND				63,866	
STORMWATER FUND				2,013	
AIRPORT FUND				7,437	
ENVIRONMENTAL SERVICES FUND				24,186	
				\$ 787,053	
COMMENTARY:					
The Contributions to Others operating budget has increased 6% and there are no capital expenditures. Contributions are as follows: United Way \$311,264; Greater Flagstaff Forest Partnership \$15,000; High Altitude Sports Training \$20,000; FACTS \$329,000; Weed & Seed \$7,000; Sister Cities \$3,000; Youth Coalition \$22,500; Emergency Housing \$25,000; NACOG Rural Transportation \$4,289, Starrier Future \$10,000, and Detox \$40,000.					

PROGRAM DESCRIPTION

This division accounts for all expenditures that are not specifically allocable to individual divisions or programs, e.g. property and liability insurance, unemployment insurance, audit fees, and capital equipment that benefit various departments (mainframe computer). Costs of this division are allocated to the respective departments based on a cost-allocation formulation.

FY 05 GOAL, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVE:**

- ❖ Continue work with the Alliance group on community debt management.
RESULT: Staff maintains good communications on what the other is doing and the financial impact to the community.

GOAL: FISCAL HEALTH**OBJECTIVE:**

- ❖ To fund those programs and activities that are not readily associated with a single department or division within the City.
RESULT: This division includes employee benefits, insurance, redevelopment, consultants, computer equipment and items such as the city auctions.
- ❖ Conduct an annual audit per City Charter by an Independent Certified Public Accountant.
RESULT: Audit received a clean opinion and not formal management letter.
- ❖ Update the OMB A87 study to implement in the next fiscal year.
RESULT: The new rate has been established and forwarded to the authorities.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVE:**

- ❖ Recognize outstanding employees through the City Manager's Award program.
RESULT: Numerous awards occurred throughout the year.
- ❖ Provide adequate computer and communication equipment to enable staff to perform at their highest level.
RESULT: Staff routinely repaired and replaced both network and desktop equipment.

FY 06 GOAL, OBJECTIVES, AND RESULTS**GOAL: COLLABORATION****OBJECTIVE:**

- ❖ Continue work with the Alliance group on community issues, such as funding for education.

GOAL: FISCAL HEALTH**OBJECTIVE:**

- ❖ To fund those programs and activities that are not readily associated with a single department or division within the City.
- ❖ Conduct an annual audit per City Charter by an Independent Certified Public Accountant.
- ❖ Update the OMB A87 study to implement in the next fiscal year.
- ❖ Work on renegotiation of the cable franchise agreement.

GOAL: ORGANIZATIONAL SUPPORT**OBJECTIVE:**

- ❖ Recognize outstanding employees through the City Manager's Award program.
- ❖ Provide adequate computer and communication equipment to enable staff to perform at their highest level.
- ❖ Continue the organization efforts to support succession planning and talent development

NON-DEPARTMENTAL

DIVISION 66

NON-DEPARTMENTAL

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ 65,310	\$ 70,762	\$ 72,994	\$ 79,020	\$ 8,258
CONTRACTUAL	1,653,669	2,172,100	1,601,156	2,474,350	302,250
COMMODITIES	220,718	856,576	647,636	1,019,000	162,424
CAPITAL	2,283,622	2,301,798	191,943	2,105,053	(196,745)
TOTAL	\$ 4,223,319	\$ 5,401,236	\$ 2,513,729	\$ 5,677,423	\$ 276,187
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 1,018,206	\$ 1,234,776	\$ 1,027,015	\$ 1,281,350	\$ 46,574
EMPLOYEE BENEFITS	59,485	49,000	47,954	49,000	-
INSURANCE	908,000	915,500	915,500	915,500	-
CONSULTANTS	256,405	446,000	274,904	518,000	72,000
COPY CENTER	(16,460)	51,662	28,719	16,520	(35,142)
REDEVELOPMENT	180,918	583,000	194,355	798,000	215,000
DOWNTOWN REDEVELOPMENT	1,816,765	2,100,053	4,037	2,099,053	(1,000)
HERITAGE SQUARE CANOPY	-	21,245	21,245	-	(21,245)
TOTAL	\$ 4,223,319	\$ 5,401,236	\$ 2,513,729	\$ 5,677,423	\$ 276,187
SOURCE OF FUNDING:					
GENERAL FUND				\$ 5,082,482	
LIBRARY FUND				44,958	
HIGHWAY USER REVENUE FUND				138,908	
WATER AND WASTEWATER FUND				230,611	
STORMWATER FUND				18,987	
AIRPORT FUND				46,545	
ENVIRONMENTAL SERVICES FUND				114,932	
				\$ 5,677,423	
COMMENTARY:					
The Non-Departmental operating budget has increased 15% and capital expenditures total \$2,105,053 resulting in an overall net decrease of 5%. Personal Services increases are due to the employee market, merit, insurance and retirement contribution increases. Contractual increases are due to the funding for legal expenses related to redistricting efforts and to funding set aside for economic development of \$715,000. Commodities increases are related to information services expenditures (software) that has been carried over into FY2006. Major capital (>\$10,000) includes a Xerox print module (\$10,000) and redevelopment (\$2,095,053).					

PROGRAM DESCRIPTION

This division accounts for the distribution of retirement benefits to beneficiaries covered under the Volunteer Firemen's Pension Trust Fund. Volunteer firefighters who are vested after 25 years and upon reaching retirement age or disabled receive a pension based on past volunteer service.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: FISCAL RESPONSIBILITY****OBJECTIVES:**

- ❖ Ensure that benefit distributions are made in a timely manner to all qualified recipients.

RESULT: Benefit checks were disbursed prior to the end of month for the three current recipients.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Staff began to look at increasing benefits for eligible recipients while maintaining adequate fund balance over the life of the fund.

FY 06 GOALS AND OBJECTIVES**GOAL: FISCAL RESPONSIBILITY****OBJECTIVES:**

- ❖ Ensure that benefit distributions are made in a timely manner to all qualified recipients.

PERFORMANCE INDICATORS

No performance indicators at this time.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
CONTRACTUAL	7,200	7,200	7,200	14,400	7,200
COMMODITIES	-	-	-	-	-
CAPITAL	-	-	-	-	-
TOTAL	\$ 7,200	\$ 7,200	\$ 7,200	\$ 14,400	\$ 7,200
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 7,200	\$ 7,200	\$ 7,200	\$ 14,400	\$ 7,200
TOTAL	\$ 7,200	\$ 7,200	\$ 7,200	\$ 14,400	\$ 7,200
SOURCE OF FUNDING:					
FIREMEN'S PENSION FUND				\$ 14,400	
				\$ 14,400	
COMMENTARY:					
The Firemen's Pension operating budget increased by 100%. The State has approved legislation that allows municipalities to increase this benefit. Staff is considering increasing the benefits paid out to the three remaining beneficiaries.					

PROGRAM DESCRIPTION

This division, responsible for the administration of Economic Development programs, is a contracted service. Activities include development and implementation of strategies to recruit new basic sector employers to the community, retention and expansion of existing basic sector employers, and the promotion of the Flagstaff area as an excellent location for business relocation. Economic development is funded by the BBB tax.

FY 06 GOALS AND OBJECTIVES**GOAL: ECONOMIC DEVELOPMENT/REINVESTMENT****OBJECTIVES:**

- ❖ GFEC realizes that the implementation of high-speed telecommunication technology with the specific goal of access to this technology for all residents, business and public agencies in the Greater Flagstaff area is of primary importance.
- ❖ Begin an aggressive marketing campaign utilizing recent earned media (Expansion Management Magazine, Forbes, Milken Institute) to raise awareness about Flagstaff as a viable location

destination for bioscience, technology, and forest materials (small diameter) companies.

- ❖ Create policy to make economic development more attractive for our desired targets. Development action plans for specific areas of the community (i.e. the Airpark) in developing those qualities (labor, infrastructure, etc.) needed, and in preparation for, our target industries.
- ❖ Employment growth salary levels.
 - Identify opportunities for local companies to create jobs through the expansion of product sales and markets.
 - As sales and markets grow, so does the need for quality (high-paying) employees.
 - As new employees are added to the local workforce, the tax base (sales tax) grows as consumption of goods and services increases.
- ❖ Maximize economic opportunity through thoughtful analysis and policy formation.
- ❖ Entrepreneurial Development Contract with Northern Arizona Technology and Business Incubator to develop start-up technology businesses to provide higher paying jobs in the future.

PERFORMANCE INDICATORS

No performance indicators at this time.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
CONTRACTUAL	421,117	459,400	405,616	474,400	15,000
COMMODITIES	20	-	-	-	-
CAPITAL	-	-	-	-	-
TOTAL	\$ 421,137	\$ 459,400	\$ 405,616	\$ 474,400	\$ 15,000
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 321,537	\$ 330,000	\$ 380,000	\$ 398,000	\$ 68,000
CONTRIBUTIONS	4,400	7,400	4,400	4,400	(3,000)
TELECOM	95,200	100,000	21,216	50,000	(50,000)
PARTNERSHIP TRAINING	-	22,000	-	22,000	-
TOTAL	\$ 421,137	\$ 459,400	\$ 405,616	\$ 474,400	\$ 15,000
SOURCE OF FUNDING:					
ECONOMIC DEVELOPMENT FUND				\$ 474,400	
				\$ 474,400	
COMMENTARY:					
The Economic Development operating budget has increased 3% and there are no capital expenditures. The increase is due to additional funding for GFEC.					

PROGRAM DESCRIPTION

This division collects the portion of the transportation tax that is earmarked for Transit activities. Coconino County administers the Transit program per the Intergovernmental Agreement (IGA) between the City and the County.

FY 05 GOALS, OBJECTIVES, AND RESULTS**GOAL: PLANNING FOR GROWTH****OBJECTIVES:**

- ❖ Provide Saturday service on route 5.
RESULT: Implemented in FY 05
- ❖ Increase ridership to 350,000 per year.
RESULT: In FY 05 390,000 rides were provided.
- ❖ Complete downtown circulator study.
RESULT: Underway completion anticipated in August 2005.
- ❖ Install ten bus shelters.
RESULT: Eight bus shelters have been installed.
- ❖ Purchase a transit facility.
RESULT: We are in the negotiation process.

FY 05 ADDITIONAL ACCOMPLISHMENTS

- ❖ Transit Authority feasibility study completed.
- ❖ Peak service started at 6:15 am on routes 2 and 66.

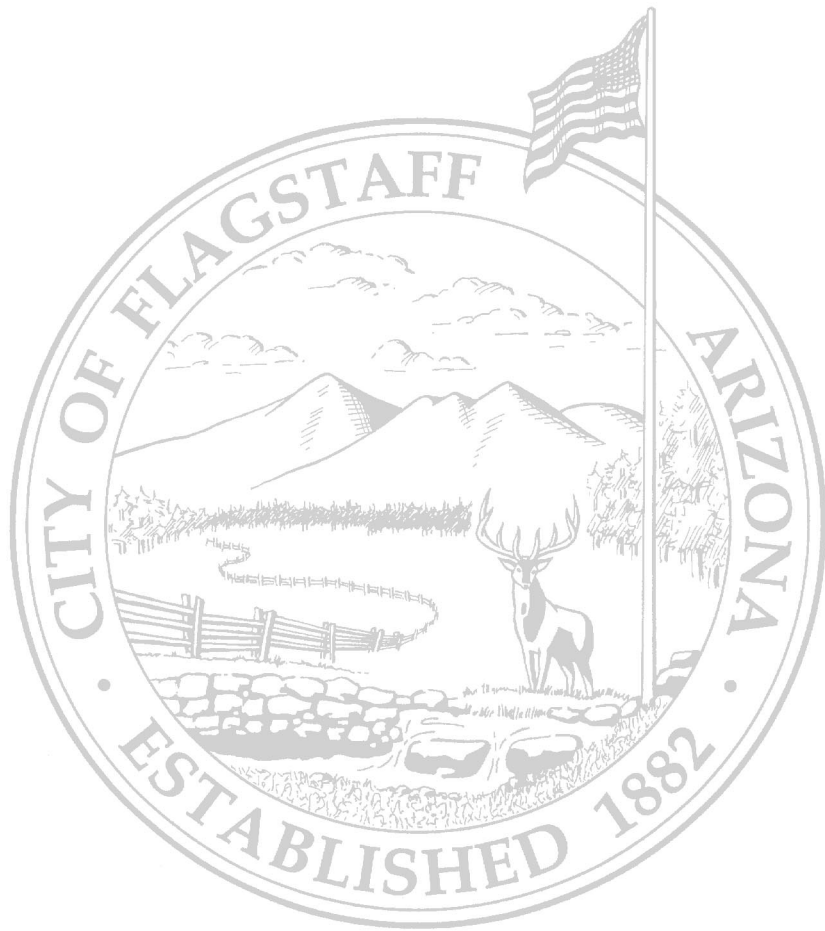
FY 06 GOALS AND OBJECTIVES**GOAL: PLANNING FOR GROWTH****OBJECTIVES:**

- ❖ Complete 5-year transit plan update.
- ❖ Move into new facility.
- ❖ Implement relative technology on Route 66.

GOAL: CUSTOMER SERVICE**OBJECTIVES:**

- ❖ Provide Sunday transit service.
- ❖ Provide 30-minute frequency on more routes.
- ❖ Improve VanGo service.

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2003-2004	Adopted Budget 2004-2005	Estimated Expenditures 2004-2005	Proposed Budget 2005-2006	Budget-Budget Variance
PERSONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -
CONTRACTUAL	1,676,965	2,267,779	2,267,779	2,630,156	362,377
COMMODITIES	-	-	-	-	-
CAPITAL	-	-	-	-	-
TOTAL	\$ 1,676,965	\$ 2,267,779	\$ 2,267,779	\$ 2,630,156	\$ 362,377
EXPENDITURES BY PROGRAM:					
TRANSIT IMPROVEMENTS	\$ 1,676,965	\$ 2,267,779	\$ 2,267,779	\$ 2,630,156	\$ 362,377
TOTAL	\$ 1,676,965	\$ 2,267,779	\$ 2,267,779	\$ 2,630,156	\$ 362,377
SOURCE OF FUNDING:					
TRANSPORTATION FUND				\$ 2,630,156	
				\$ 2,630,156	
COMMENTARY:					
The Transit budget has increased by 16% this fiscal year. This is due to increased costs including but not limited to liability insurance, rents and employee benefits. The City contracts with the County to run the Transit System. We contribute monthly based on the appropriated budget.					



CAPITAL IMPROVEMENTS

FY 2006 CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) for FY 2006 represents a \$109 million investment of public funds in infrastructure and public facilities. The project mix has changed from prior years to 44.5% of the funding being provided on the pay-as-you-go basis versus 50.5% in FY 2005. The major projects in this year's budget are Fourth Street overpass, Empire Avenue extension, East Flag Gateway, Fire Stations and the Rio De Flag project. This year's capital improvement program is funded 45.4% through debt financing including the Fourth Street bond program and Water and Wastewater projects authorized by voters in May 2004. The grant funding of 10.1% is primarily for airport expansion, beautification, and streets.

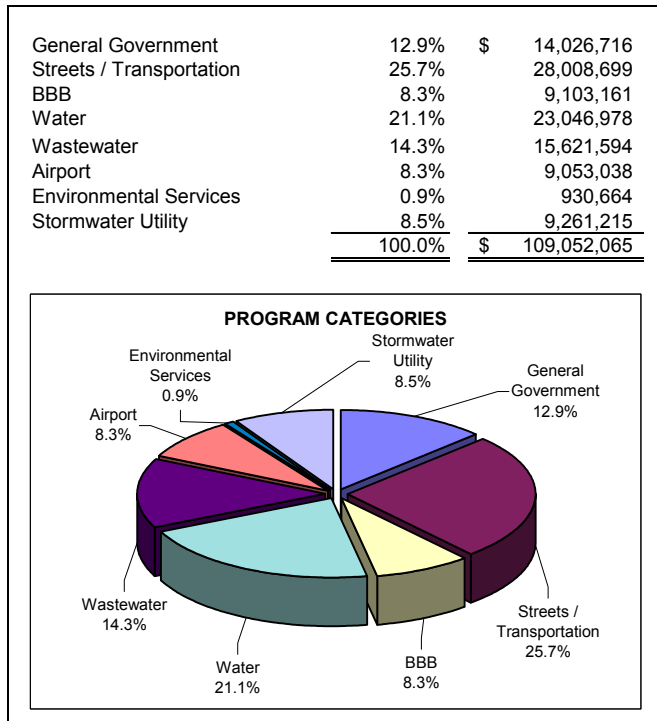
In May 2004 voters approved 10 bond projects totaling \$155.2 million. These projects will be phased in over a 10-year period and budgeted on a cash flow basis.

Expenditure totals may be shown as inflated or non-inflated costs depending on whether the scope of work or funding amount is the determining factor.

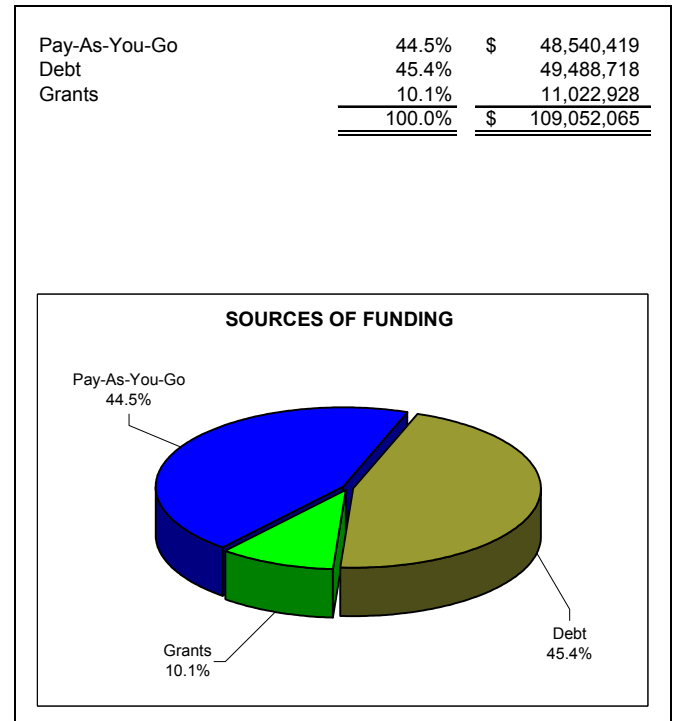
The Five-Year Capital Improvement Plan (multi-year, long-range study of construction and/or acquisition of high cost items with an extended useful life) is prepared separately from the Annual Budget and Financial Plan. The latest version of this plan can be found on the city website under Finance and Budget.

The following pages provided listing of the Capital Improvement projects along with a map to show the location of the improvements. The City Geographic Information System program provided the maps.

Funded projects in the five-year Capital Improvement Program fall into the following eight broad categories:



Sources of funding are categorized in three categories as shown below:



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

GENERAL GOVERNMENT

APPROPRIATIONS

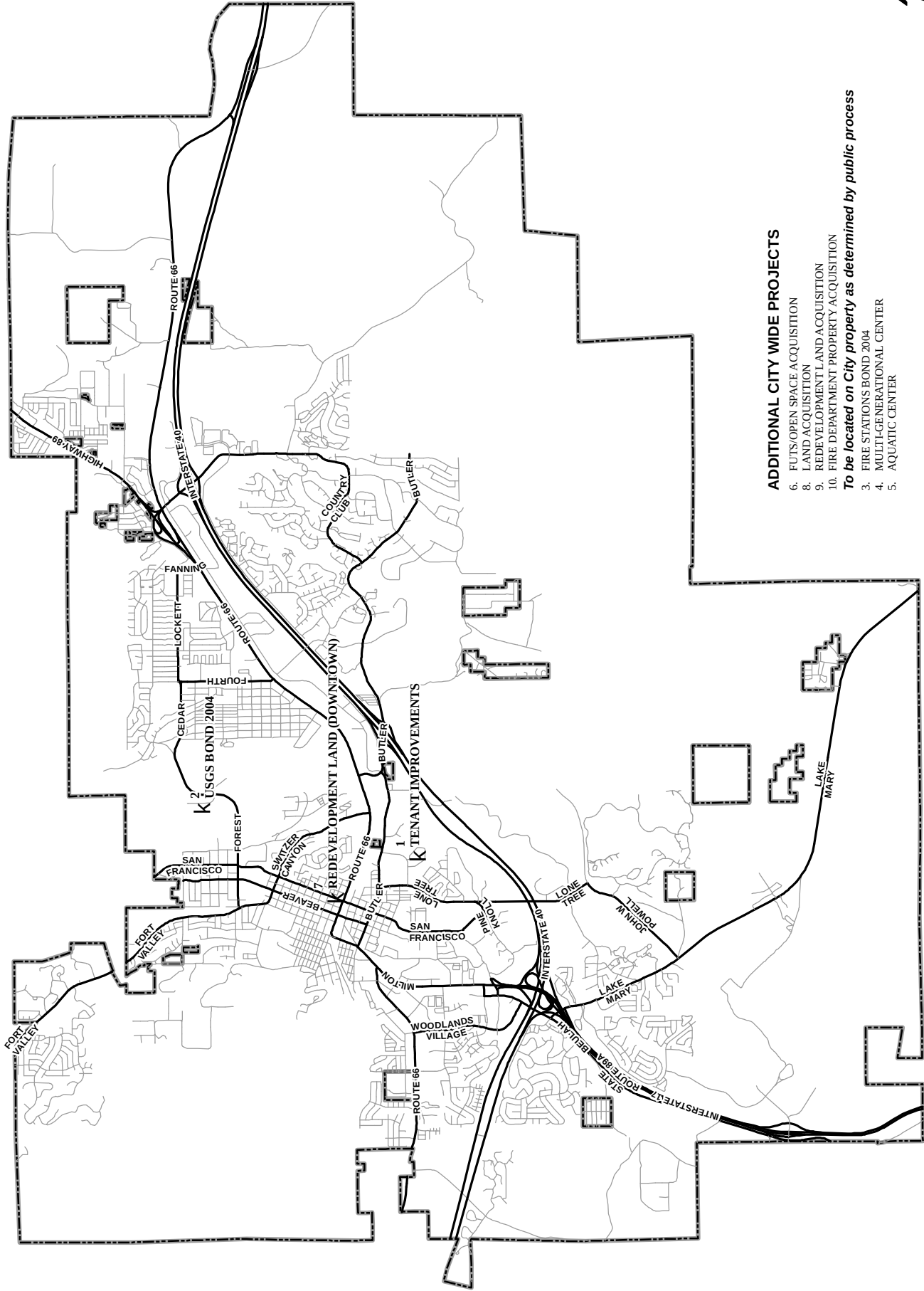
	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	22	TENANT IMPROVEMENTS	\$ -	37,243
2	24	USGS BOND 2004	500,000	829,956
3	24	FIRE STATIONS BOND 2004	973,851	4,946,489
4	24	MULTI-GENERATIONAL CENTER	10,360	877,981
5	24	AQUATIC CENTER	51,800	1,257,066
6	24	FUTS/OPEN SPACE ACQUISITION	-	1,481,028
7	66	REDEVELOPMENT LAND ACQUISITION	2,095,053	2,095,053
8	67	LAND ACQUISITION	675,000	1,175,900
9	67	REDEVELOPMENT LAND ACQUISITION	-	1,126,000
10	67	FIRE DEPARTMENT PROPERTY ACQUISITION	-	200,000
		TOTAL GENERAL GOVERNMENT	<u>\$ 4,306,064</u>	<u>14,026,716</u>

SOURCES OF FUNDING

	DIV	PROJECT	GENERAL FUND	BONDS	OTHER	TOTAL
1	22	TENANT IMPROVEMENTS	\$ 37,243	-	-	37,243
2	24	USGS BOND 2004	-	829,956	-	829,956
3	24	FIRE STATIONS BOND 2004	-	4,946,489	-	4,946,489
4	24	MULTI-GENERATIONAL CENTER	-	877,981	-	877,981
5	24	AQUATIC CENTER	-	1,257,066	-	1,257,066
6	24	FUTS/OPEN SPACE ACQUISITION	-	1,481,028	-	1,481,028
7	66	REDEVELOPMENT LAND ACQUISITION	2,095,053	-	-	2,095,053
8	67	LAND ACQUISITION	-	-	1,175,900	1,175,900
9	67	REDEVELOPMENT LAND ACQUISITION	-	-	1,126,000	1,126,000
10	67	FIRE DEPARTMENT PROPERTY ACQUISITION	-	-	200,000	200,000
		TOTAL GENERAL GOVERNMENT	<u>\$ 2,132,296</u>	<u>9,392,520</u>	<u>2,501,900</u>	<u>14,026,716</u>

GENERAL GOVERNMENT PROJECTS CAPITAL IMPROVEMENT PROGRAM FY 2005-2006

City of Flagstaff
June 2005



ADDITIONAL CITY WIDE PROJECTS

6. FUTURE OPEN SPACE ACQUISITION
 8. LAND ACQUISITION
 9. REDEVELOPMENT LAND ACQUISITION
 10. FIRE DEPARTMENT PROPERTY ACQUISITION
- To be located on City property as determined by public process*
3. FIRE STATIONS BOND 2004
 4. MULTI-GENERATIONAL CENTER
 5. AQUATIC CENTER

- K General Government Projects
- Minor Roads
- Interstates
- Major Roads
- Flagstaff City Limits

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

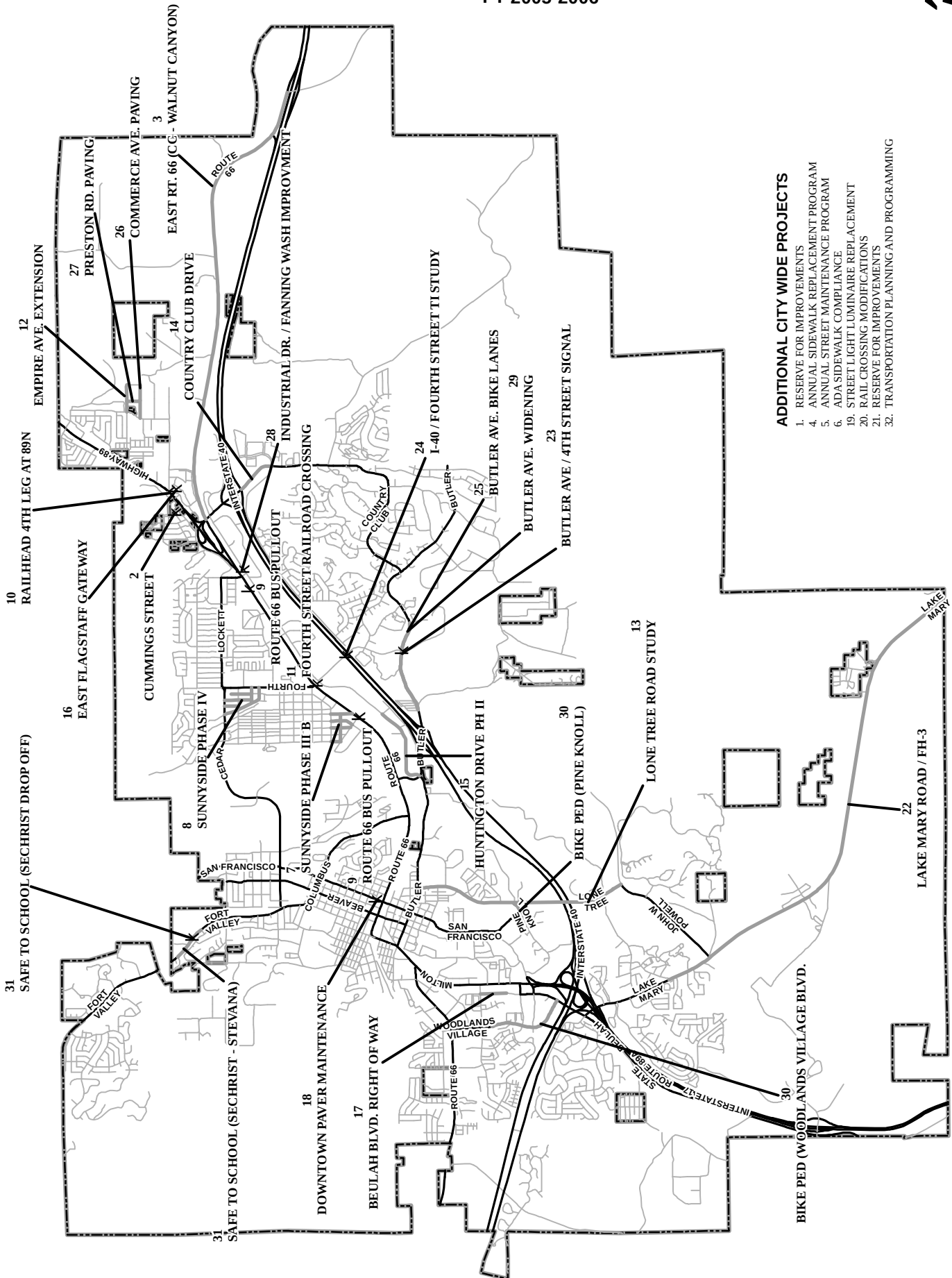
STREETS/TRANSPORTATION
APPROPRIATIONS

	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	33	RESERVE FOR IMPROVEMENTS	\$ -	50,000
2	33	CUMMINGS STREET	-	235,000
3	33	EAST ROUTE 66-CC TO WALNUT	-	75,000
4	33	ANNUAL SIDEWALK REPLACEMENT PGM	-	15,000
5	33	ANNUAL STREET MAINTENANCE PGM	536,394	2,134,630
6	33	ADA SIDEWALK COMPLIANCE	48,694	176,649
7	33	SUNNYSIDE PH III-B	-	1,449,667
8	33	SUNNYSIDE PH IV	-	429,507
9	33	ROUTE 66 BUS PULLOUTS	226,876	322,700
10	33	RAILHEAD 4TH LEG AT 89N	-	348,430
11	35	FOURTH ST RAIL CROSSING	1,192,352	10,121,685
12	92	EMPIRE AVE EXTENSION	-	278,835
13	92	LONE TREE RD STUDY	-	22,526
14	92	COUNTRY CLUB DRIVE	21,064	36,500
15	92	HUNTINGTON DRIVE IMPROVEMENTS PH II	428,884	848,888
16	92	EAST FLAGSTAFF GATEWAY	7,560,587	7,599,464
17	92	BEULAH BLVD R/W	450,000	583,000
18	92	DOWNTOWN PAVER MAINTENANCE	-	75,000
19	92	ST LIGHT LUMINAIRE REPLACEMENT	-	100,000
20	92	RAIL CROSSING MODIFICATIONS	-	128,175
21	92	RESERVE FOR IMPROVEMENTS	-	25,000
22	92	LAKE MARY RD/FH-3	-	60,707
23	92	BUTLER AVE/FOURTH ST SIGNAL	-	200,637
24	92	I-40/FOURTH STREET TI STUDY	-	58,375
25	92	BUTLER AVE BIKE LANES	-	395,321
26	92	COMMERCE AVE PAVING	-	469,794
27	92	PRESTON RD PAVING	-	171,727
28	92	INDUSTRIAL DRIVE/FANNING WASH IMPROV	-	406,815
29	92	BUTLER AVE WIDENING	-	401,263
30	92	MISC BIKE PED	130,037	406,839
31	92	MISC SAFE TO SCHOOL	-	219,894
32	92	TRANSPORTATION PLANNING AND PROGRAMMING	-	161,671
		TOTAL STREETS AND TRANSPORTATION	<u>\$ 10,594,888</u>	<u>28,008,699</u>

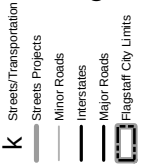
SOURCES OF FUNDING

	DIV	PROJECT	HURF	TRANS- PORTATION	GRANTS	BONDS	OTHER	TOTAL
1	33	RESERVE FOR IMPROVEMENTS	\$ 50,000	-	-	-	-	50,000
2	33	CUMMINGS STREET	235,000	-	-	-	-	235,000
3	33	EAST ROUTE 66 - CC TO WALNUT	75,000	-	-	-	-	75,000
4	33	ANNUAL SIDEWALK REPLACEMENT PGM	15,000	-	-	-	-	15,000
5	33	ANNUAL STREET MAINTENANCE PGM	1,934,630	200,000	-	-	-	2,134,630
6	33	ADA SIDEWALK COMPLIANCE	176,649	-	-	-	-	176,649
7	33	SUNNYSIDE PH III-B	1,449,667	-	-	-	-	1,449,667
8	33	SUNNYSIDE PH IV	429,507	-	-	-	-	429,507
9	33	ROUTE 66 BUS PULLOUTS	-	-	322,700	-	-	322,700
10	33	RAILHEAD 4TH LEG AT 89N	348,430	-	-	-	-	348,430
11	35	FOURTH ST RAIL CROSSING	-	-	-	10,121,685	-	10,121,685
12	92	EMPIRE AVE EXTENSION	-	278,835	-	-	-	278,835
13	92	LONE TREE RD STUDY	-	22,526	-	-	-	22,526
14	92	COUNTRY CLUB DRIVE	-	36,500	-	-	-	36,500
15	92	HUNTINGTON DRIVE IMPROVEMENTS PH II	-	848,888	-	-	-	848,888
16	92	EAST FLAGSTAFF GATEWAY	-	2,931,876	-	-	4,667,588	7,599,464
17	92	BEULAH BLVD R/W	-	583,000	-	-	-	583,000
18	92	DOWNTOWN PAVER MAINTENANCE	-	75,000	-	-	-	75,000
19	92	ST LIGHT LUMINARIES REPLACEMENT	-	100,000	-	-	-	100,000
20	92	RAIL CROSSING MODIFICATIONS	-	128,175	-	-	-	128,175
21	92	RESERVE FOR IMPROVEMENTS	-	25,000	-	-	-	25,000
22	92	LAKE MARY RD/FH-3	-	60,707	-	-	-	60,707
23	92	BUTLER AVE/FOURTH ST SIGNAL	-	200,637	-	-	-	200,637
24	92	I-40/FOURTH STREET TI STUDY	-	58,375	-	-	-	58,375
25	92	BUTLER AVE BIKE LANES	-	395,321	-	-	-	395,321
26	92	COMMERCE AVE PAVING	-	469,794	-	-	-	469,794
27	92	PRESTON RD PAVING	-	171,727	-	-	-	171,727
28	92	INDUSTRIAL DRIVE/FANNING WASH IMPROVE	-	406,815	-	-	-	406,815
29	92	BUTLER AVE WIDENING	-	401,263	-	-	-	401,263
30	92	MISC BIKE PED	-	406,839	-	-	-	406,839
31	92	MISC SAFE TO SCHOOL	-	219,894	-	-	-	219,894
32	92	TRANSPORTATION PLANNING AND PROGRAMMING	-	161,671	-	-	-	161,671
		TOTAL STREETS AND TRANSPORTATION	<u>\$ 4,713,883</u>	<u>8,182,843</u>	<u>322,700</u>	<u>10,121,685</u>	<u>4,667,588</u>	<u>28,008,699</u>

STREETS / TRANSPORTATION PROJECTS CAPITAL IMPROVEMENT PROGRAM FY 2005-2006



- ADDITIONAL CITY WIDE PROJECTS**
1. RESERVE FOR IMPROVEMENTS
 4. ANNUAL SIDEWALK REPLACEMENT PROGRAM
 5. ANNUAL STREET MAINTENANCE PROGRAM
 6. ADA SIDEWALK COMPLIANCE
 19. STREET LIGHT LUMINAIRE REPLACEMENT
 20. RAIL CROSSING MODIFICATIONS
 21. RESERVE FOR IMPROVEMENTS
 32. TRANSPORTATION PLANNING AND PROGRAMMING



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

BBB

APPROPRIATIONS

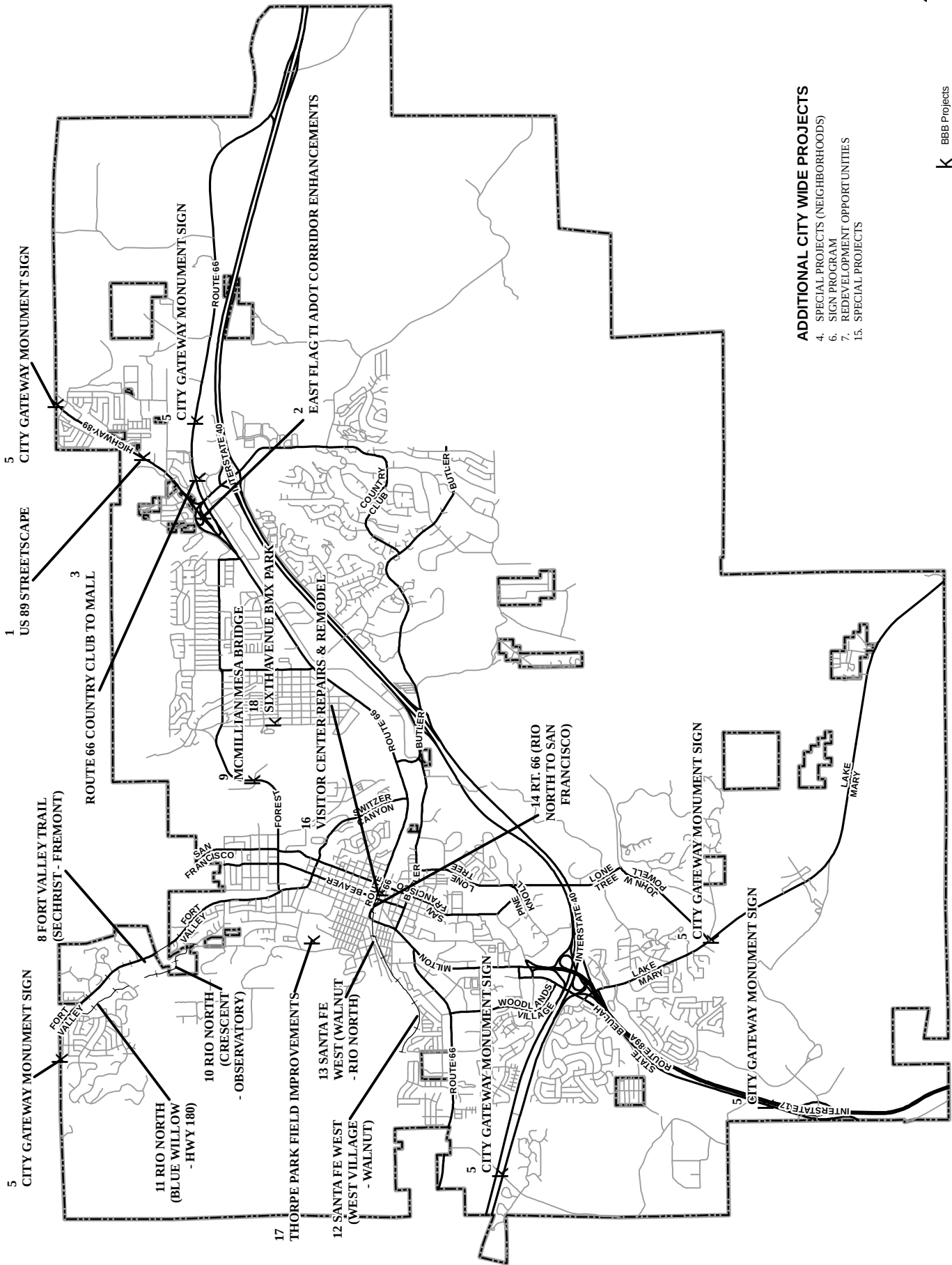
	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	74	US 89 STREETScape - RAILHEAD TO SNOWFLAKE	\$ 1,007,775	1,048,498
2	74	EAST FLAG TI CORRIDOR ENHANCEMENTS	-	1,175,000
3	74	ROUTE 66 COUNTRY CLUB TO MALL	-	79,072
4	74	SPECIAL PROJECTS (NEIGHBORHOODS)	-	198,650
5	74	CITY GATEWAYS	-	40,000
6	74	SIGN PROGRAM	-	30,000
7	74	REDEVELOPMENT OPPORTUNITIES	-	50,000
8	75	FT VALLEY TRAIL - SECHRIST TO FREMONT	761,328	893,360
9	75	MCMILLIAN MESA BRIDGE	177,984	540,737
10	75	RIO NORTH TRAIL - CRESCENT TO OBSERVATORY MESA	109,665	282,315
11	75	RIO NORTH BLUE WILLOW TO HWY 180	-	141,454
12	75	SANTA FE - WEST VILLAGE TO WALNUT BSNF	210,000	210,000
13	75	SANTA FE WEST - WALNUT TO RIO NORTH ADOT	-	214,135
14	75	RT 66 TRAIL - RIO NORTH TRAIL TO SAN FRANCISCO	45,000	76,152
15	75	SPECIAL PROJECTS	15,000	485,488
16	85	VISITOR CENTER REPAIRS/REMODEL	-	222,748
17	91	THORPE PARK FIELD IMPROVEMENTS	1,315,324	2,699,087
18	91	SIXTH AVENUE BMX PARK	232,136	716,465
		TOTAL BBB	<u>\$ 3,874,212</u>	<u>9,103,161</u>

SOURCES OF FUNDING

	DIV	PROJECT	BBB	TRANS- PORTATION	GRANTS	TOTAL
1	74	US 89 STREETScape - RAILHEAD TO SNOWFLAKE	\$ 248,498	300,000	500,000	1,048,498
2	74	EAST FLAG TI CORRIDOR ENHANCEMENTS	75,000	-	1,100,000	1,175,000
3	74	ROUTE 66 COUNTRY CLUB TO MALL	9,219	69,853	-	79,072
4	74	SPECIAL PROJECTS (NEIGHBORHOODS)	198,650	-	-	198,650
5	74	CITY GATEWAYS	40,000	-	-	40,000
6	74	SIGN PROGRAM	30,000	-	-	30,000
7	74	REDEVELOPMENT OPPORTUNITIES	50,000	-	-	50,000
8	75	FT VALLEY TRAIL - SECHRIST TO FREMONT	293,360	100,000	500,000	893,360
9	75	MCMILLIAN MESA BRIDGE	279,969	200,000	60,768	540,737
10	75	RIO NORTH TRAIL - CRESCENT TO OBSERVATORY MESA	282,315	-	-	282,315
11	75	RIO BULE WILLOW TO HWY 180	46,454	-	95,000	141,454
12	75	BNSF TRAIL - WEST VILLAGE TO WALNUT	-	210,000	-	210,000
13	75	BNSF TRAIL - WALNUT TO RIO	64,135	150,000	-	214,135
14	75	RT 66 TRAIL - RIO NORTH TRAIL TO SAN FRANCISCO	26,152	50,000	-	76,152
15	75	SPECIAL PROJECTS	167,744	150,000	167,744	485,488
16	85	VISITOR CENTER REPAIRS/REMODEL	222,748	-	-	222,748
17	91	THORPE PARK FIELD IMPROVEMENTS	2,699,087	-	-	2,699,087
18	91	SIXTH AVENUE BMX PARK	716,465	-	-	716,465
		TOTAL BBB	<u>\$ 5,449,796</u>	<u>1,229,853</u>	<u>2,423,512</u>	<u>9,103,161</u>

**BBB FUNDED PROJECTS
CAPITAL IMPROVEMENT PROGRAM
FY 2005-2006**

City of Flagstaff
June 2005



ADDITIONAL CITY WIDE PROJECTS

- 4. SPECIAL PROJECTS (NEIGHBORHOODS)
- 6. SIGN PROGRAM
- 7. REDEVELOPMENT OPPORTUNITIES
- 15. SPECIAL PROJECTS

- k BBB Projects
- FJTS
- Minor Roads
- Interstates
- Major Roads
- Flagstaff City Limits

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

WATER

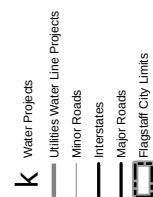
APPROPRIATIONS

		CARRYOVER	BUDGET
DIV	PROJECT	FY 2005	FY 2006
1 47	INNER BASIN PIPELINE	\$ 200,000	301,001
2 47	RENOVATION OF X-CHLORINE STORAGE AREA	-	200,000
3 47	SLOPED ROOF OVER CHLORINE STORAGE AREA	-	20,000
4 47	LAND ACQUISTION FUND	-	20,000
5 51	TALKINGTON/LYNN/ELIZABETH WL	259,275	700,144
6 51	SUNNYSIDE	354,269	1,285,689
7 51	RESERVE FOR IMPROVEMENTS	-	121,796
8 51	CC COLL/NAU WL	-	349,905
9 51	LM ROAD UTILITY RELOCATES	-	319,063
10 51	MALL WATERLINE	-	766,000
11 51	SUNNYSIDE PHASE IIIB	15,209	49,394
12 52	WATER WELLS	2,000,000	2,273,031
13 52	FUTURE WATER ACQUISITION	-	15,000,000
14 52	RAILROAD SPRINGS RESERVOIR	500,000	507,454
15 52	ARSENIC REMOVAL	-	448,501
16 52	EAST RESERVOIR DEMO	-	85,000
17 52	WELL HOUSE AND POWER FOR LM WELL #7	-	200,000
18 52	TOWN WELL #5	345,448	400,000
TOTAL WATER		<u>\$ 3,674,201</u>	<u>23,046,978</u>

SOURCES OF FUNDING

		OPERATING	BONDS	TOTAL
DIV	PROJECT			
1 47	INNER BASIN PIPELINE	\$ 301,001	-	301,001
2 47	RENOVATION OF X-CHLORINE STORAGE AREA	200,000	-	200,000
3 47	SLOPED ROOF OVER CHLORINE STORAGE AREA	20,000	-	20,000
4 47	LAND ACQUISTION FUND	20,000	-	20,000
5 51	TALKINGTON/LYNN/ELIZABETH WL	700,144	-	700,144
6 51	SUNNYSIDE	1,285,689	-	1,285,689
7 51	RESERVE FOR IMPROVEMENTS	121,796	-	121,796
8 51	CC COLL/NAU WL	349,905	-	349,905
9 51	LM ROAD UTILITY RELOCATES	319,063	-	319,063
10 51	MALL WATERLINE	766,000	-	766,000
11 51	SUNNYSIDE PHASE IIIB	49,394	-	49,394
12 52	WATER WELLS	-	2,273,031	2,273,031
13 52	FUTURE WATER ACQUISITION	-	15,000,000	15,000,000
14 52	RAILROAD SPRINGS RESERVOIR	507,454	-	507,454
15 52	ARSENIC REMOVAL	448,501	-	448,501
16 52	EAST RESERVOIR DEMO	85,000	-	85,000
17 52	WELL HOUSE AND POWER FOR LM WELL #7	200,000	-	200,000
18 52	TOWN WELL #5	400,000	-	400,000
TOTAL WATER		<u>\$ 5,773,947</u>	<u>17,273,031</u>	<u>23,046,978</u>

City of Flagstaff
June 2005



ADDITIONAL CITY WIDE PROJECTS

1. INNER BASIN PIPELINE
2. RENOVATION OF X-CHLORINE STORAGE AREA (LOCATION CONFIDENTIAL)
3. SLOPED ROOF OVER CHLORINE STORAGE AREA (LOCATION CONFIDENTIAL)
4. LAND ACQUISITION FUND
5. RESERVE FOR IMPROVEMENTS
6. RESERVE FOR IMPROVEMENTS
7. RESERVE FOR IMPROVEMENTS
8. WATER WELLS
9. FUTURE WATER ACQUISITION
10. ARSENIC REMOVAL
11. WELL HOUSE AND POWER FOR LAKE MARY WELL #7

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

WASTEWATER

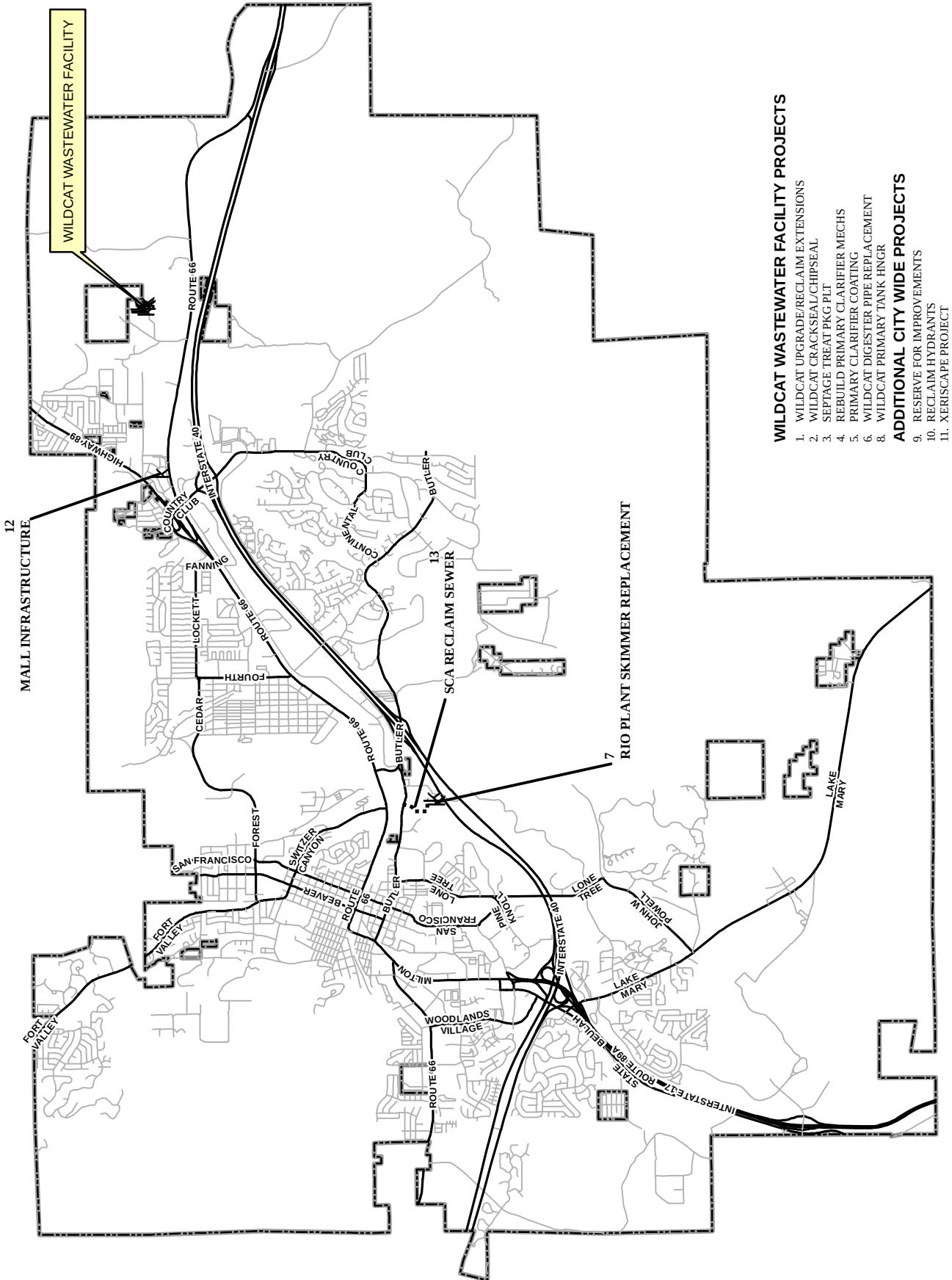
APPROPRIATIONS

	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	57	WC UPGRADE/RECLAIM EXTENSIONS	\$ 9,289,011	12,701,482
2	57	WC CRACKSEAL/CHIPSEAL	-	32,174
3	57	SEPTAGE TREAT PKG PLT	-	316,650
4	57	REBUILD PRIMARY CLARIFIER MECHS	-	374,427
5	57	PRIMARY CLARIFIER COATING	-	173,891
6	57	WC DIGESTER PIPE REPLACEMENT	-	725,883
7	57	RIO PLANT SKIMMER REPLACEMENT	100,000	100,000
8	57	WC PRIMARY TANK PIPE HNGR	60,000	60,000
9	58	RESERVE FOR IMPROVEMENTS	-	89,120
10	58	RECLAIM HYDRANTS	131,087	131,967
11	58	XERISCAPE PROJECT	50,000	50,000
12	58	MALL INFRASTRUCTURE	766,000	766,000
13	58	SCA RECLAIM SEWER	20,151	100,000
		TOTAL WASTEWATER	<u>\$ 10,416,249</u>	<u>15,621,594</u>

SOURCES OF FUNDING

	DIV	PROJECT	OPERATING	BONDS	TOTAL
1	57	WC UPGRADE/RECLAIM EXTENSIONS	\$ -	12,701,482	12,701,482
2	57	WC CRACKSEAL/CHIPSEAL	32,174	-	32,174
3	57	SEPTAGE TREAT PKG PLT	316,650	-	316,650
4	57	REBUILD PRIMARY CLARIFIER MECHS	374,427	-	374,427
5	57	PRIMARY CLARIFIER COATING	173,891	-	173,891
6	57	WC DIGESTER PIPE REPLACEMENT	725,883	-	725,883
7	57	RIO PLANT SKIMMER REPLACEMENT	100,000	-	100,000
8	57	WC PRIMARY TANK PIPE HNGR	60,000	-	60,000
9	58	RESERVE FOR IMPROVEMENTS	89,120	-	89,120
10	58	RECLAIM HYDRANTS	131,967	-	131,967
11	58	XERISCAPE PROJECT	50,000	-	50,000
12	58	MALL INFRASTRUCTURE	766,000	-	766,000
13	58	SCA RECLAIM SEWER	100,000	-	100,000
		TOTAL WASTEWATER	<u>\$ 2,920,112</u>	<u>12,701,482</u>	<u>15,621,594</u>

WASTEWATER PROJECTS CAPITAL IMPROVEMENT PROGRAM FY 2005-2006



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

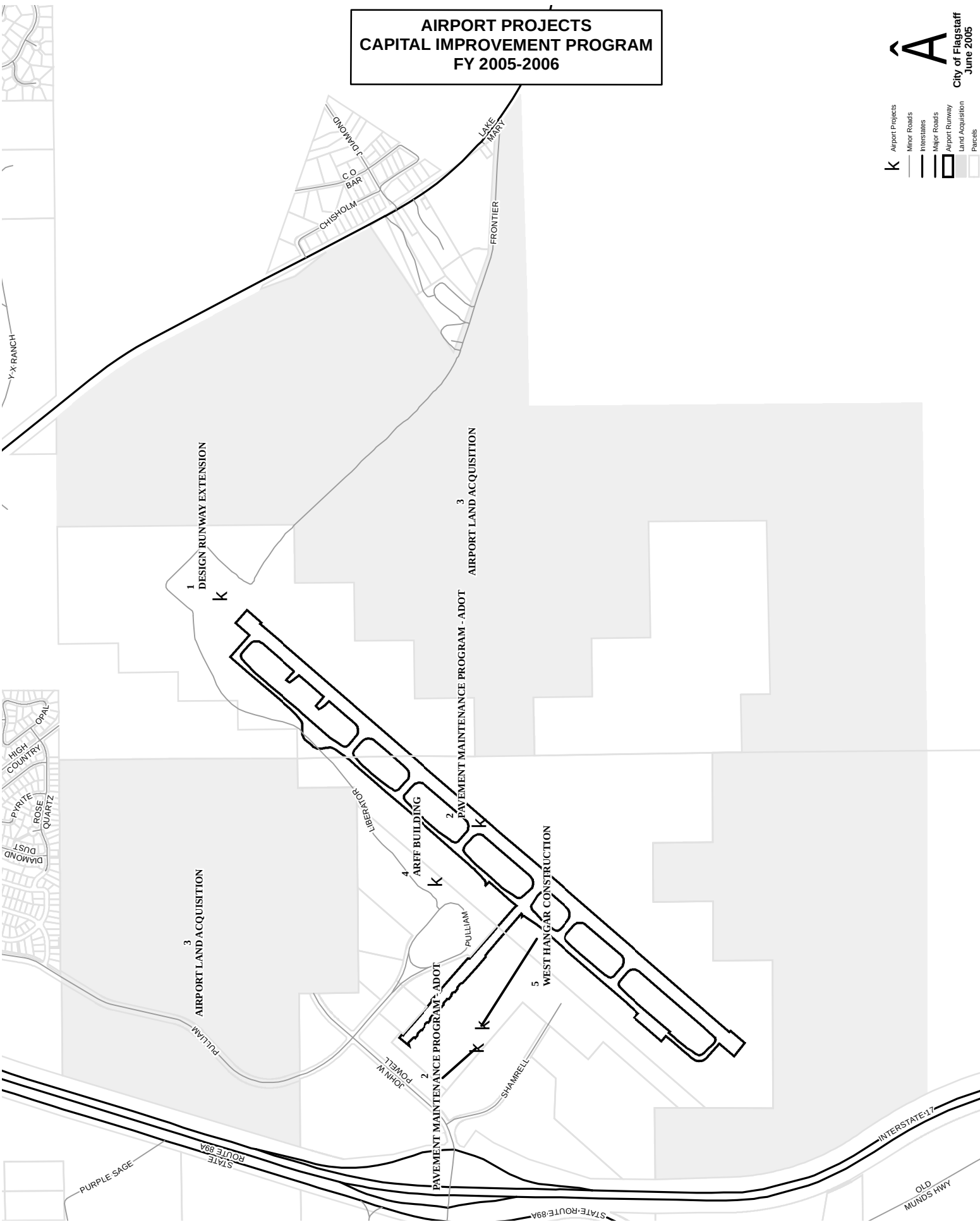
AIRPORT

APPROPRIATIONS

		CARRYOVER	BUDGET
		FY 2005	FY 2006
DIV	PROJECT		
1 37	DESIGN RUNWAY EXTENSION	\$ 4,309,695	6,174,581
2 37	PAVEMENT MAINTENANCE PROGRAM - ADOT	-	140,000
3 37	LAND ACQUISITION	1,140,000	2,280,000
4 37	ARFF BUILDING	7,332	169,589
5 37	WEST HANGAR	-	288,868
	TOTAL AIRPORT	<u>\$ 5,457,027</u>	<u>9,053,038</u>

SOURCES OF FUNDING

		OPERATING	GRANTS	OTHER	TOTAL
DIV	PROJECT				
1 37	DESIGN RUNWAY EXTENSION	\$ 119,127	6,055,454	-	6,174,581
2 37	PAVEMENT MAINTENANCE PROGRAM - ADOT	-	-	140,000	140,000
3 37	LAND ACQUISITION	-	2,052,000	228,000	2,280,000
4 37	ARFF BUILDING	327	169,262	-	169,589
5 37	WEST HANGAR	288,868	-	-	288,868
	TOTAL AIRPORT	<u>\$ 408,322</u>	<u>8,276,716</u>	<u>368,000</u>	<u>9,053,038</u>



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

ENVIRONMENTAL SERVICES

APPROPRIATIONS

	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	41	LANDFILL INFRASTRUCTURE PROJECT	\$ 400,000	500,000
2	41	RESIDENTIAL DROP OFF CENTER	-	130,664
3	41	COLLECTIONS BUILDING FIRE DAMAGE REPL	100,000	100,000
4	41	COLLECTIONS BUILDING REMODEL	-	200,000
		TOTAL ENVIRONMENTAL SERVICES	<u>\$ 500,000</u>	<u>930,664</u>

SOURCES OF FUNDING

	DIV	PROJECT	OPERATING	TOTAL
1	41	LANDFILL INFRASTRUCTURE PROJECT	\$ 500,000	500,000
2	41	RESIDENTIAL DROP OFF CENTER	130,664	130,664
3	41	COLLECTIONS BUILDING FIRE DAMAGE REPL	100,000	100,000
4	41	COLLECTIONS BUILDING REMODEL	200,000	200,000
		TOTAL ENVIRONMENTAL SERVICES	<u>\$ 930,664</u>	<u>930,664</u>

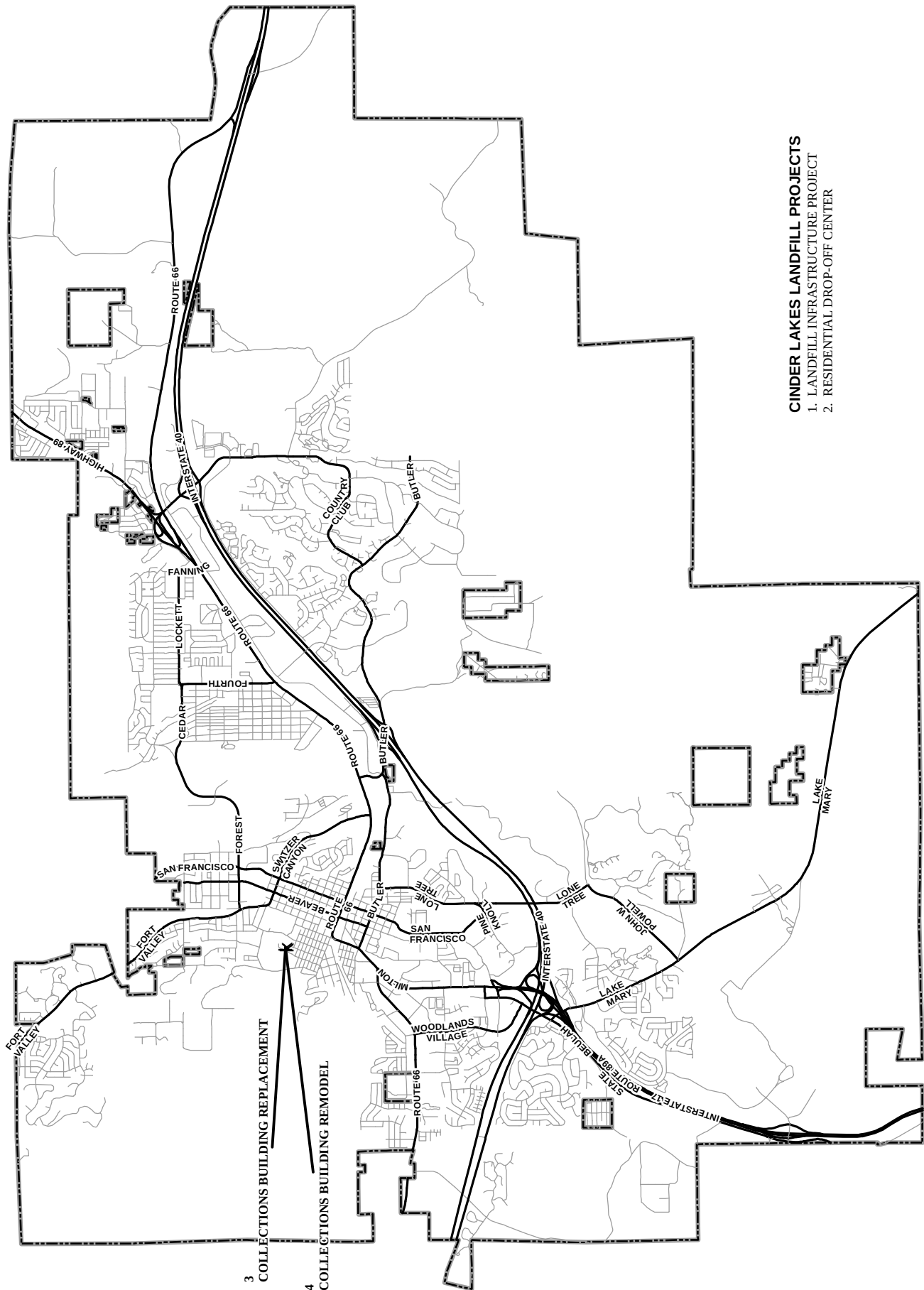
ENVIRONMENTAL SERVICES PROJECTS
CAPITAL IMPROVEMENT PROGRAM
FY 2005-2006

A

City of Flagstaff
June 2005

- K Environmental Services Projects
- Minor Roads
 - Interstates
 - Major Roads
 - Flagstaff City Limits

CINDER LAKES LANDFILL PROJECTS
1. LANDFILL INFRASTRUCTURE PROJECT
2. RESIDENTIAL DROP-OFF CENTER



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2005-2006

STORMWATER UTILITY

APPROPRIATIONS

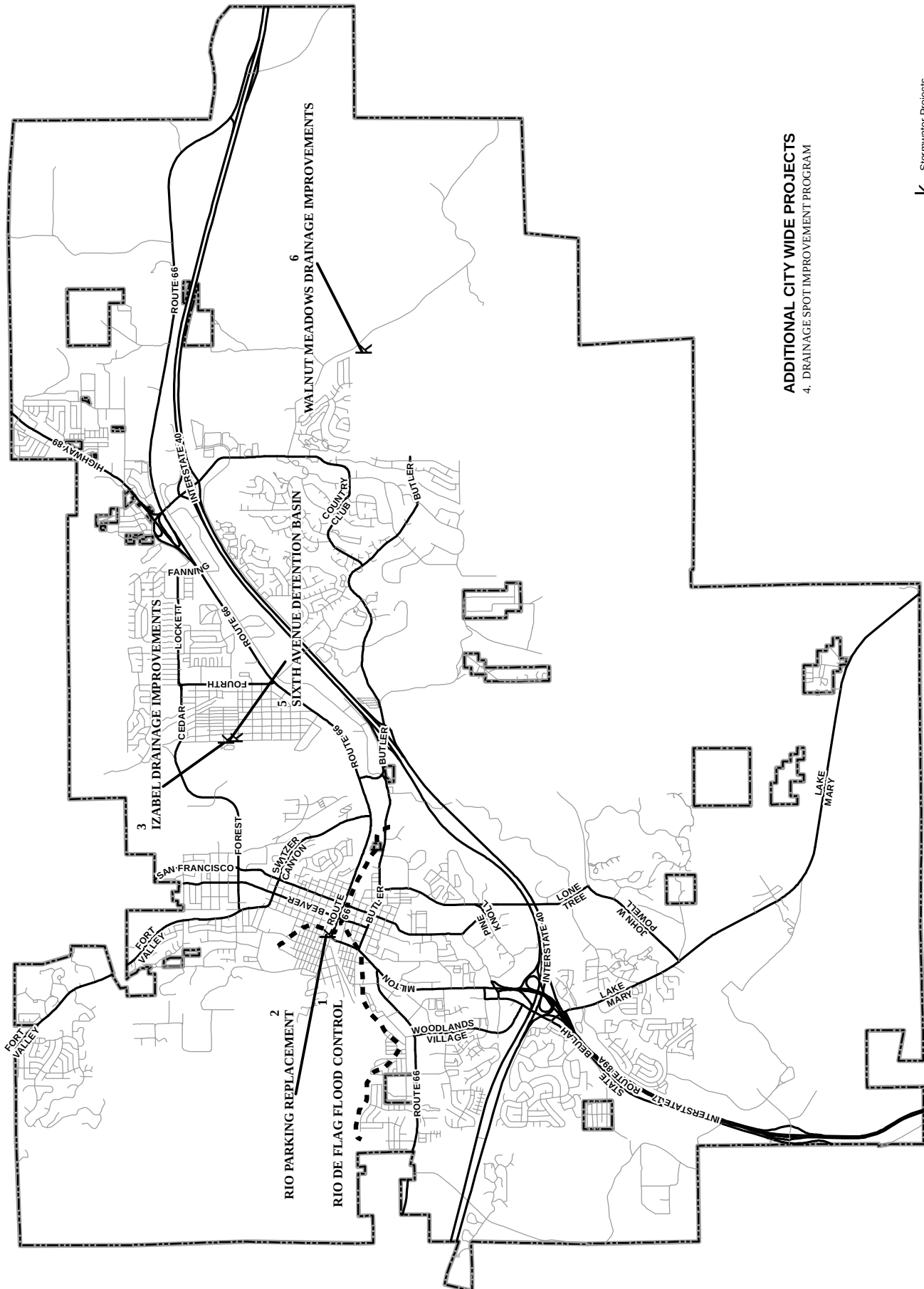
	DIV	PROJECT	CARRYOVER FY 2005	BUDGET FY 2006
1	34	RIO DE FLAG FLOOD CONTROL	\$ 6,184,438	7,107,239
2	34	RIO PARKING REPLACEMENT	1,200,000	1,200,000
3	99	ISABEL AFFORDABLE HOUSING DRAINAGE	-	157,546
4	99	DRAINAGE SPOT IMPROVEMENT PROGRAM	-	267,456
5	99	SIXTH AVE DETENTION BASIN	5,843	378,974
6	99	WALNUT MEADOWS	150,000	150,000
		TOTAL STORMWATER UTILITY	<u>\$ 7,540,281</u>	<u>9,261,215</u>

SOURCES OF FUNDING

	DIV	PROJECT	OPERATING	GEN FUND	OTHER	TOTAL
1	34	RIO DE FLAG FLOOD CONTROL	\$ -	7,107,239	-	7,107,239
2	34	RIO PARKING REPLACEMENT	-	1,200,000	-	1,200,000
3	99	ISABEL AFFORDABLE HOUSING DRAINAGE	-	-	157,546	157,546
4	99	DRAINAGE SPOT IMPROVEMENT PROGRAM	267,456	-	-	267,456
5	99	SIXTH AVE DETENTION BASIN	378,974	-	-	378,974
6	99	WALNUT MEADOWS	-	-	150,000	150,000
		TOTAL STORMWATER UTILITY	<u>\$ 646,430</u>	<u>8,307,239</u>	<u>307,546</u>	<u>9,261,215</u>

**STORMWATER PROJECTS
CAPITAL IMPROVEMENT PROGRAM
FY 2005-2006**

**City of Flagstaff
June 2005**



ADDITIONAL CITY WIDE PROJECTS
4. DRAINAGE SPOT IMPROVEMENT PROGRAM

- k** Stormwater Projects
- - -** Rio De Flag Flood Control
- - -** Minor Roads
- - -** Interstates
- - -** Major Roads
- - -** Flagstaff City Limits

FY 2006 PROJECT DESCRIPTIONS

GENERAL GOVERNMENT

1. **Tenant Improvements:** Three Improvements to the LEAF facility including and enclosed staircase, and outside enclosure, and a dumpster enclosure.
2. **USGS Bond 2004:** Construction of USGS Buildings that will in turn be leased back to GSA.
3. **Fire Stations Bond 2004:** Fire station relocation as authorized bond 2004 Bond Program.
4. **Multi-Generational Center:** Development of 50,000 +/- SF recreation center. This Building will include gymnasium, fitness components, meeting and activity rooms, and administrative space. Location to be determined via public input process.
5. **Aquatic Center:** Development of 45,000+/- SF Aquatic Center, to include leisure pool, play features and possible competitive pool. Location to be determined via public input process.
6. **FUTS/Open Space Acquisition:** Acquire approximately 750 acres of core open space for FUTS trails as well as for protection of critical open space lands.
7. **Redevelopment Land Acquisition:** Purchase of property for redevelopment opportunities.
8. **Land Acquisition:** Purchase of property from Real Estate Proceeds Fund.
9. **Redevelopment Acquisition:** Purchase of property from Real Estate Proceeds Fund for redevelopment.
10. **Fire Department Property Acquisition:** Purchase of property from sale of Knowles property for fire stations.

STREETS/TRANSPORTATION

1. **Reserve for Improvements:** Annual allocation for unprogrammed street improvements and/or City participation in projects of other agencies (i.e.: ADOT, BNSF, NAU).
2. **Cummings Street:** Improvements related to the East Flagstaff Interchange improvements made by ADOT.
3. **East Route 66-CC to Walnut:** Identification and assessment of future roadway improvements (capacity, safety, multi-modal accommodation and surfacing) at E. Route 66 from the Country Club Dr. overpass to Walnut Canyon T.I. as associated with

the route transfer from ADOT, the East Flag Gateway project and other potential development/redevelopment opportunities.

4. **Annual Sidewalk Replacement Program:** Provides replacement of curb, gutter and sidewalk in cases where property owners contribute 50% of replacement costs.
5. **Annual Street Maintenance:** Annual crack sealing, seal coating and asphalt overlay.
6. **ADA Sidewalk Compliance:** Replacement of non-conforming sidewalk and handicap ramps within public right of ways.
7. **Sunnyside PH III B:** Completion of street and drainage improvements between Maple Avenue and Arrowhead Avenue in the Southerly portion of the Sunnyside neighborhood.
8. **Sunnyside PH IV:** Street and drainage construction throughout Sunnyside neighborhood in conjunction with utility replacements. Annual O&M costs are estimated to be \$500.
9. **Route 66 Bus Pullouts:** Construction of Bus Pullouts, shelter pad, right of way as needed and reconstruction of sidewalks.
10. **Railhead 4th Leg at 89N:** Provide intersection improvements opposite the relocated mall entrance and access for existing business located at the northwest side of US 89 N.
11. **Fourth Street Rail Crossing:** The connections of the existing Fourth Street from Route 66 to Huntington/Industrial Drive via a grade separated crossing.
12. **Empire Ave Extension:** Extension of Empire to 89 North with new signalized traffic intersection.
13. **Lone Tree Road Corridor Study:** Identification and evaluation of potential arterial roadway alignments and features in accordance with the objectives of the regional land use and transportation plan. The preliminary study consists of a North South alignment between Route 66 on the North and John Wesley Powell Blvd on the South including the evaluation of a new traffic interchange at I-40 and an overpass at the BNSF mainline tracks.
14. **Country Club Drive:** Landscape improvement for the Country Club Drive median.
15. **Huntington Dr Improvements Phase II:** This project will provide curb, gutter and asphalt pavement for Huntington Drive. This project will complete improvements for Huntington Drive that existed between the Butler Enterprise and Fourth Street Railroad crossing projects.

16. **East Flagstaff Gateway:** New roadway and re-alignment construction complements the East Flagstaff Gateway area redevelopment. Connecting Dodge Avenue to old Route 66 and providing additional access to the Mall via a new “loop” road that provides major connectors between old Route 66 and US 89, enhances traffic flow and provides infrastructure improvements to the existing industrial park. Preliminary design, site assessment and construction costs have been developed in conjunction with the approval of a Letter of Agreement between the City of Flagstaff and the developer enacted March 2003.
17. **Beulah Blvd R/W:** Land and right-of-way acquisition for the future extension of Beulah Blvd from Forest Meadows Drive to Yale Street at University Avenue as authorized by Transportation Program 2000.
18. **Downtown Paver Maintenance:** Rework of pavers that have settled since original installation.
19. **Street Light Luminaire Replacement:** Citywide replacement of old luminaries with city lighting ordinance compliant fixtures.
20. **Rail Crossing Modifications:** Study to determine construction requirements necessary to eliminate train whistle noise pollution.
21. **Reserve For Improvements:** Annual allocation of transportation tax revenues for unidentified transportation related improvements and/or City participation in transportation related improvements of other agencies (i.e. ADOT, NAU, FMPD).
22. **Lake Mary Road/FH-3:** Interagency project including City, County and Federal highways to provide safety improvements at Lake Mary Road (Forest Highway 3) including reconstruction from Walapai Drive to southern city limits to provide pavement widening and shoulder improvements.
23. **Butler Ave/Fourth St Signal:** Installation of a new traffic signal at the intersection of Butler Avenue and south Fourth Street, expected to be warranted with the completion of the Fourth Street rail crossing project and proposed land development South of Butler Avenue.
24. **I-40/Fourth Street TI Study:** Traffic system modeling and feasibility study to identify traffic circulation advantages and benefits that may be associated with an I-40 traffic interchange at Fourth Street.
25. **Butler Ave Bike Lanes:** This project completed the connection of bike lines on Butler Avenue from Milton to Wakonda Street. This section proposed between Little America and Sinagua Heights is identified in the Regional Land Use and Transportation plan and supported by the Bicycle

Advisory Committee. Butler Avenue is a high-speed minor arterial and designated truck route. Widening of Butler to accommodate 4.5 feet wide bike lanes on side will enhance bike and pedestrian travel and safety. Coordination efforts with the Canyon Del Rio developers are on-going regarding their required offsite improvements on Butler Avenue and their proportionate contribution to the bike lanes.

26. **Commerce Avenue Paving:** Provide strip paving at existing Commerce Avenue east of Dodge Avenue I order to minimize maintenance costs associated with existing unpaved roadway. Surfacing of existing up-paved streets and roadways was included as an element of the transportation program 2000.
27. **Preston Road Paving:** Provide strip paving at Preston Avenue from Commerce Avenue to Empire Avenue I order to minimize maintenance costs associated with existing unpaved streets and roadways was included an element of the transportation program 2000.
28. **Industrial Drive/Fanning Wash Improvements:** In conjunction with the ADOT East Flagstaff Traffic Interchange Project, Identify and provide drainage facilities for the Fanning Drive wash at Industrial Drive to facilitate the conveyance of flood waters and surface drainage.
29. **Butler Ave Widening:** This is for widening of Butler Avenue between Little America Hotel and Sinagua Heights.
30. **Miscellaneous Bike Pedestrian Project:** Pedestrian improvements including Pine Knoll Drive and walk from Skydome Drive to Lone Tree Road and Woodlands Village Blvd sidewalk from West Route 66 to Forest Meadows Drive.
31. **Miscellaneous Safe to School:** As authorized by the transportation program 2000, generally includes traffic control and pedestrian improvements to enhance safety and accessibility in the vicinity of public school facilities. Some projects include City participation in F.U.S.D. projects that involve modifications and improvements located within the public right-of-way.
32. **Transportation Planning and Programming:** Review by the Capital Improvement Program Committee and the Citizens Transportation Advisory Committee allows for community wide transportation projects to be identified and prioritized based on needs assessment and public input. Transportation projects include pedestrian bikeways, urban trails and safe to school improvements. Projects that define the 5-year Capital Improvement Program have been identified and coordination process will be reviewed and updated on an annual basis.

BBB

1. **US 89 Streetscape – Railhead to Snowflake:** This project will provide approximately 6,500 linear feet of 10-foot wide concrete, multi-use path along US 89 N from Railhead Avenue to snowflake. The path is a joint project of the City of Flagstaff and ADOT.
2. **East Flag TI Corridor Enhancements:** Gateway, bicycle and pedestrian enhancements associated with ADOTS East Flag TI reconstruction.
3. **Route 66 Country Club to Mall:** Design and construct 10-foot wide multi-purpose path, minor landscaping and related improvements.
4. **Special Projects (Neighborhoods):** Annual program covering small projects, such as plant replacements as needed, miscellaneous projects, such as historic façade improvements, Twin Arrows sign, Route 66 street light design and partnered contributions throughout the City. Also includes some Clean and Green projects.
5. **City Gateways:** Design and construct gateway monument sign installations at major entries into City, and freeway corridor improvements as desired and approved.
6. **Sign Program:** Beautification portion of Route 66 neon signs.
7. **Redevelopment Opportunities:** Annual contribution for redevelopment projects, such as Route 66 or other redevelopment opportunities as identified by City Council.
8. **Ft Valley Trail – Sechrist to Freemont:** US 180, Northeast side, Sechrist school to Valley Crest.
9. **McMillan Mesa Bridge:** Provide a link for the FUTS as well as the portion of the Arizona Trail which overlays an alignment as it passes through the City boundaries. The bridge will be constructed over Cedar Avenue only.
10. **Rio North Trail - Crescent to Observatory Mesa:** This project will provide a link to the Blue Willow portion of the FUTS trail.
11. **Rio Blue Willow to Hwy 180:** This project will provide a link for the FUTS over the Rio de Flag canyon on the Museum of Northern Arizona property.
12. **BNSF Trail – West Village to Walnut:** New bike/pedestrian under crossing at Walnut and a new steel bridge on the north side of railroad at Sitgreaves.
13. **BNSF Trail – Walnut to Rio:** South side of BNSF west to railroad bridge to observatory mesa to west end of Rio north trail. Includes mitigations at railroad bridge.
14. **Rt 66 Trail - Rio North Trail to San Francisco:** Trail located along reconstruction realignment from Birth to San Francisco including a crossing under BNSF tracks.
15. **Special Projects:** Project located throughout the City related to the Urban Trail System.
16. **Visitor Center Repairs/Remodel:** Replace pavers along backside of Visitor Center and Amtrak Station. Current pavers are broken, chipped, uneven and a safety hazard.
17. **Thorpe Park Field Improvements:** Thorpe Park Master Plan, and Phase I renovation project to improve existing softball fields, restroom, parking, walkways, lighting, multi-purpose field, etc. (central section of park). It is anticipated that the majority of Phase I construction funds will be used to improve the lighting and ensure accessibility.
18. **Sixth Avenue BMX Park:** BMX park to be constructed within detention basin located at Sixth Avenue between Isabel and West Streets.

WATER

1. **Inner Basin Pipeline:** Replace approximately 14 miles of concrete pipe with iron pipe city crews replace approximately ½ mile each year.
2. **Renovation X-Chlorine Storage Area:** Storage area renovation.
3. **Sloped Roof Over The Chlorine Storage Area:** Roof replacement.
4. **Land Acquisition:** Property acquisition.
5. **Talkington/Lynn/Elizabeth Waterline:** Replace approximately 1,800 feet of 2 inch galvanized mains with 8 inch PVC main.
6. **Sunnyside:** Replacement of undersized waterlines in Sunnyside. Project includes drainage, sewer, sidewalks, and street improvements.
7. **Reserve for Improvements:** Annual reserve for unanticipated line replacements and over sizing that may occur.
8. **CC College/NAU Waterline:** Approximately 1,600 feet of 12 inch waterline from Coconino Community College to the NAU system to be located in Lone Tree Road.

9. **Lake Mary Road Utility Relocates:** Various utility relocates to accommodate Forest Service road widening project located between Lake Mary Road from water plant to cattle guard.
10. **Mall Waterlines:** This is the City's contribution to the Flagstaff Mall expansion.
11. **Sunnyside Phase IIIB:** Replacement of undersized waterlines in Sunnyside. Project includes drainage, sewer, sidewalk, and street improvements in locations where waterlines are being replaced.
12. **Water Wells:** Design, drilling, and equipping of additional water wells authorized by voters in the May 2004 general election.
13. **Future Water Acquisition:** Acquisition of water rights, water ranch, or development of the Redwall Aquifer.
14. **Railroad Springs Reservoir:** Participation with the developer of the Presidio Project to upsize the reservoir from 500,000 gallons to 1,000,000 gallons.
15. **Arsenic Removal:** Arsenic removal equipment for Woody Mountain Wells.
16. **East Reservoir Demo:** 50 million gallon reservoir modified to meet ADWR regulations.
17. **Well House and Power for Lake Mary Well #7:** Equip Lake Mary well number 7 and run power to it.
18. **Town Well #5:** Equipment for the Rio de Flag well.

WASTEWATER

1. **WC Upgrade/Reclaim Extensions:** Upgrade plant to include nitrogen removal. Class A reclaimed water, extend reclaim lines, change filters at Rio Plant, additional sludge digester and SSB at Wildcat.
2. **WC Crackseal/Chipseal:** Crackseal and chipseal access road to plant.
3. **Septage Treat Pkg PLT:** Replacement of sludge removal dredge. Used to remove sludge from stabilization basins. Annual O&M costs estimated to be \$4,000.
4. **Rebuild Primary Clarifier Mechs:** Upgrade of SCADA system for plant.
5. **Primary Clarifier Coating:** Apply protective coating to interior walls of two digesters. Includes raising the floating covers.
6. **WC Digester Piping Replacement:** Replacement of gas piping throughout the plant.

7. **Rio Plant Skimmer Replacement:** Modification of secondary clarifier skimmer mechanism to a conventional national Hydro mechanism.
8. **WC Primary Tank Pipe Hangar:** Replacement of rusted pipe hangars in the Primary clarifiers.
9. **Reserve for Improvements:** Annual reserve for unanticipated line replacements, over sizing, and development participation that may occur.
10. **Reclaim Hydrants:** Install five hydrants on the reclaimed water system for construction and fire fighting.
11. **Xeriscape Project:** Installation of low water use landscaping.
12. **Mall Infrastructure:** This is the City's contribution to the Flagstaff Mall expansion.
13. **SCA Reclaim Line:** To extend reclaim water lines to the SCA Tissue. SCA Tissue is a major water user in our community.

AIRPORT

1. **Design Runway Extension:** Construct new parallel taxiway north from terminal to the end of runway 21. Install appropriate lighting and marking, approximately 4,000 feet by 50 feet. Install new connecting taxiways and remove old taxiway pavements. Annual O&M costs estimated to be \$10,000.
2. **Pavement Maintenance Program – ADOT:** Crack sealing and maintenance of runway, taxiway, and taxi lanes.
3. **Land Acquisition:** Acquire land in proximity to the Airport.
4. **ARFF Building:** Construct airport rescue/fire facility with equipment bay administrative area, access road, and parking lot.
5. **West Hangar:** Construction of additional hangars.

ENVIRONMENTAL SERVICES

1. **Landfill Infrastructure Project:** Upgrade of infrastructure.
2. **Residential Drop Off Center:** Design and construction of a residential disposal area at Cinder Lake Landfill.
3. **Collections Building Fire Damage Repl:** This is for replacement of the collections building that was damaged during a fire.

4. **Collections Building Remodel:** Remodeling of facility.

STORMWATER

1. **Rio De Flag Flood Control:** In conjunction with the US Army Corps of Engineers, the project consist of design and construction of flood damage reduction improvements on the Rio de Flag and Clay Avenue wash as identified in the Feasibility Study and Environmental Impact Study.
2. **Rio Parking Replacement:** Replacement of parking spaces lost to the Rio Project.
3. **Isabel Affordable Housing Drainage:** Reconstruct existing open channel drainage to underground culvert(s) leading into the Sixth Avenue detention basin.
4. **Drainage Spot Improvement Program:** As the result of recent flooding citywide. Stormwater staff is proposing a spot improvement program to mitigate certain localized flooding problems.
5. **Sixth Ave Detention Basin:** Design and construction of a multi-use detention facility.
6. **Walnut Meadows:** This is for a settlement of a claim.

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM SUMMARY
FISCAL YEARS 2005-2011**

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Beginning Balance	\$ -	-	-	-	-	-	-	-	-
Resources									
Debt	37,007,476	-	49,488,718	8,548,679	-	1,953,800	10,184,100	11,000,000	81,175,297
Grants	10,869,385	9,366,994	11,022,928	6,868,600	4,258,460	3,728,176	2,836,800	3,000,000	41,081,958
Pay-as-you-go	48,873,837	26,425,501	48,540,419	42,647,054	32,925,121	18,992,857	23,888,746	7,897,630	201,317,328
Total Resources	96,750,698	35,792,495	109,052,065	58,064,333	37,183,581	24,674,833	36,909,646	21,897,630	323,574,583
Expenditures									
General Government	7,134,129	2,004,676	14,026,716	23,445,000	16,421,000	13,292,000	14,273,000	135,000	83,597,392
Streets/Transportation	35,777,423	17,565,816	28,008,699	4,131,300	6,277,000	5,095,000	8,065,000	3,490,000	72,632,815
BBB	8,587,715	2,385,770	9,103,161	3,481,719	1,093,000	1,255,000	770,000	1,382,000	19,470,650
Utilities: Water	8,695,777	3,243,465	23,046,978	4,002,500	4,816,348	1,230,700	1,789,100	1,173,200	39,302,291
Utilities: Wastewater	16,673,161	4,125,369	15,621,594	12,215,747	2,453,200	484,700	3,161,100	2,599,400	40,661,110
Airport	10,846,558	5,421,234	9,053,038	8,248,228	5,333,000	2,776,800	8,300,000	12,555,555	51,687,855
Environmental Services	718,265	403,725	930,664	-	30,000	-	-	-	1,364,389
Stormwater Utility	8,317,670	642,440	9,261,215	2,539,839	760,033	540,633	551,446	562,475	14,858,081
Total Expenditures	96,750,698	35,792,495	109,052,065	58,064,333	37,183,581	24,674,833	36,909,646	21,897,630	323,574,583
Ending Balance	\$ -	-	-	-	-	-	-	-	-

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2005-2011**

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
General Government									
General Fund									
Parks and Recreation	-	-	-	135,000	135,000	135,000	135,000	135,000	675,000
Guadalupe	200,000	200,000	-	-	-	-	-	-	200,000
Other projects									
USGS Improvements	30,000	-	-	-	-	-	-	-	-
Police/ Sheriff Facility	37,243	-	37,243	-	-	-	-	-	37,243
Non-Departmental									
Redevelopment	2,095,053	51,943	2,095,053	-	-	-	-	-	2,146,996
General Fund Bond Fund									
USGS Bond 2004	3,797,539	6,915	829,956	9,880,000	11,249,000	-	12,167,000	-	34,132,871
Fire Stations	-	871,168	4,946,489	4,776,000	2,150,000	2,007,000	471,000	-	15,221,657
Multi-Gen Center	-	36,008	877,981	5,190,000	-	-	-	-	6,103,989
Aquatic Center	-	58,250	1,257,066	1,514,000	1,237,000	4,500,000	-	-	8,566,316
FUTS/Open Space Acquisitions	-	-	1,481,028	1,000,000	500,000	-	1,500,000	-	4,481,028
Observatory Mesa	-	-	-	-	-	5,500,000	-	-	5,500,000
Parks Acquisition	-	-	-	800,000	1,000,000	1,000,000	-	-	2,800,000
Library									
Flagstaff Branch Remodel	18,394	-	-	-	-	-	-	-	-
Air Conditioner	240,000	-	-	-	-	-	-	-	-
Remodel Bathrooms - Main	40,000	-	-	-	-	-	-	-	-
Real Estate Proceeds									
Land Acquisition	-	-	1,175,900	150,000	150,000	150,000	-	-	1,625,900
Redevelopment Land Acquisition	675,900	-	1,126,000	-	-	-	-	-	1,126,000
Fire Department Land Acquisition	-	-	200,000	-	-	-	-	-	200,000
Total General Government	\$ 7,134,129	2,004,676	14,026,716	23,445,000	16,421,000	13,292,000	14,273,000	135,000	83,597,392

**CITY OF FLAGSTAFF
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	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Streets/Transportation									
Streets									
Cummings Street	\$ -	42,300	235,000	-	-	-	-	-	277,300
Railhead 4th Leg at 89N	-	250	348,430	-	-	-	-	-	348,680
E. Route 66 - CC to Walnut	-	-	75,000	-	-	-	-	-	75,000
Curb, Gutter, Sidewalk	15,000	14,710	15,000	15,000	15,000	15,000	15,000	15,000	104,710
ADOT Turnbacks	2,000,000	-	-	-	-	-	-	-	-
Overlay	1,522,720	986,326	2,134,630	1,250,000	1,250,000	1,250,000	1,750,000	1,750,000	10,370,956
Enterprise/Butler Reconstruction	8,536	26,085	-	-	-	-	-	-	26,085
Southside Traffic Improvements	-	-	-	200,000	300,000	-	-	-	500,000
ADA Compliance	143,513	95,119	176,649	125,000	125,000	125,000	125,000	125,000	896,768
Kiltie Lane	-	2,940	-	-	-	-	-	-	2,940
Sunnyside	235,102	369,469	-	1,098,300	1,044,000	965,000	900,000	-	4,376,769
Sunnyside Phase III-B	300,000	182,668	1,449,667	-	-	-	-	-	1,632,335
Sunnyside Phase 4	-	1,000	429,507	-	-	-	-	-	430,507
Signal Scychron system design	-	13,320	-	-	-	-	-	-	13,320
Bus Pullouts	292,575	25,158	322,700	-	-	-	-	-	347,858
Reserve for Improvements	50,000	25,000	50,000	25,000	25,000	25,000	25,000	25,000	200,000
Transportation									
4th Street Overpass	15,387,200	9,760,864	10,121,685	-	-	-	-	-	19,882,549
Misc Safe to School	961,742	694,245	219,894	-	-	-	-	-	914,139
Thomas Drive Urban Link	-	-	-	-	150,000	-	-	-	150,000
Misc Bike/Ped	755,340	398,827	406,839	-	-	-	-	-	805,666
Soliere Avenue	85,969	184,326	-	-	-	-	-	-	184,326
Country Club Drive	25,961	4,905	36,500	-	-	-	-	-	41,405
Dirt Streets Program	787,931	510	-	-	-	-	-	-	510
Transportation Planning	598,054	443,271	161,671	75,000	75,000	75,000	75,000	75,000	979,942
East Flagstaff Gateway	8,417,588	857,001	7,599,464	-	-	-	-	-	8,456,465
Empire Avenue Extension	1,906,821	1,978,311	278,835	-	-	-	-	-	2,257,146
Lone Tree Road Study	142,960	153,720	22,526	-	-	-	-	-	176,246
Beulah Blvd. Extension	950,000	500,000	583,000	450,000	350,000	350,000	850,000	1,100,000	4,183,000
Reserve for Improvements	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	175,000
Downtown Pavers	75,000	75,000	75,000	-	-	-	-	-	150,000
Street Light Luminaire Replacement	100,000	118,687	100,000	-	-	-	-	-	218,687
Downtown Rail Crossing Modifications	10,262	17,500	128,175	-	-	-	-	-	145,675
Ped-Xing Equipment	-	33,900	-	-	-	-	-	-	33,900
Lake Mary Rd/FH 3	-	2,500	60,707	-	-	-	-	-	63,207
Annual Maintenance	-	-	-	200,000	200,000	200,000	250,000	250,000	1,100,000
Brannen Ave Paving	-	-	-	-	191,000	-	-	-	191,000
Butler Ave/4th Street Signal	-	-	200,637	-	-	-	-	-	200,637
Butler Ave Bike Lanes	-	-	395,321	-	-	-	-	-	395,321

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Gabel Street Paving	-	-	-	-	54,000	-	-	-	54,000
Streets/Transportation (continued)									
Hunington Drive Improvements	\$ 980,149	511,904	848,888	-	-	-	-	-	1,360,792
I-40 TI Planning Studies	-	-	58,375	-	-	-	-	-	58,375
Lake Mary Road Bike Lanes	-	-	-	172,700	-	-	-	-	172,700
Lone Tree Road Reconstruction	-	-	-	-	1,500,000	-	-	-	1,500,000
New Traffic Signal PGM	-	-	-	125,000	-	125,000	-	125,000	375,000
Street Paving	-	-	-	-	250,000	-	-	-	250,000
Commerce Ave. Paving	-	2,500	469,794	-	-	-	-	-	472,294
Preston Road Paving	-	-	171,727	-	-	-	-	-	171,727
Industrial Drive/Fanning Wash	-	18,500	406,815	-	-	-	-	-	425,315
Butler Ave Widening	-	-	401,263	-	-	-	-	-	401,263
Penstock Avenue Paving	-	-	-	268,000	-	-	-	-	268,000
Route 66 Bike Lanes - East	-	-	-	102,300	137,200	-	-	-	239,500
Route 66 Bike Lanes - West	-	-	-	-	235,800	-	-	-	235,800
Thorpe Road Edge Improvements	-	-	-	-	-	90,000	-	-	90,000
Country Club - Oakmont	-	-	-	-	-	600,000	-	-	600,000
West Arrowhead Improvements	-	-	-	-	350,000	-	3,650,000	-	4,000,000
Steves Blvd. - Lakin Realign	-	-	-	-	-	1,000,000	-	-	1,000,000
Traffic Signal Synchronization	-	-	-	-	-	250,000	-	-	250,000
W. Rt 66 Widening at Woodlands Village	-	-	-	-	-	-	400,000	-	400,000
Total Streets/Transportation	\$ 35,777,423	17,565,816	28,008,699	4,131,300	6,277,000	5,095,000	8,065,000	3,490,000	72,632,815

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	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
BBB									
Beautification									
Special Projects (Neighborhoods)	\$	25,625	198,650	25,000	25,000	25,000	25,000	25,000	348,650
City Gateways	-	-	40,000	40,000	40,000	40,000	40,000	40,000	240,000
Openspace Restoration	30,000	30,000	-	-	-	30,000	30,000	30,000	120,000
Sign Program	-	-	30,000	-	-	-	-	-	30,000
Route 66 - Elden To San Francisco (Incl 2 Spot)	-	29,160	-	-	-	-	-	-	29,160
Route 66 East - Country Club to Mall Trail	-	-	79,072	554,860	-	-	-	-	633,932
Route 66 - Enterprise To Arrowhead	214,141	-	-	-	-	-	-	-	-
US 89 Railroad to Snowflake	1,042,293	29,481	1,048,498	-	-	-	-	-	1,077,979
Redevelopment Opportunity Fund	28,500	40,000	50,000	50,000	50,000	50,000	50,000	50,000	340,000
E Flag TI ADOT Corridor	76,212	23,778	1,175,000	-	-	-	-	-	1,198,778
Enhancements	-	-	-	-	75,000	75,000	75,000	75,000	300,000
Rio Wetlands and Public Access	-	-	-	650,000	-	-	-	-	650,000
FUTS-Special Projects	-	-	485,488	-	-	-	-	-	485,488
FUTS-Right of Way & Open Space Opportunity	80,000	80,000	-	-	-	-	-	-	80,000
FUTS-Rio North-Crescent To Observatory Mesa Tr	121,607	5,056	282,315	-	-	-	-	-	287,371
FUTS-Bow & Arrow CCC to Az Trail	-	612	-	-	-	-	-	-	612
FUTS-Fort Valley Trail (Sechrist to Fremont)	800,000	50,004	893,360	-	-	-	-	-	943,364
FUTS-Mc Millian Mesa (Bridge)	436,371	252,931	540,737	-	-	-	-	-	793,668
FUTS-Rt 66 Trail Rio North to San Francisco	50,000	5,000	76,152	550,000	-	-	-	-	631,152
FUTS-Lonetree Tr - Sawmill Rd Sinclair Wash Tr	453,701	211,628	-	-	98,000	-	-	-	309,628
FUTS- Santa Fe - West Village to Walnut BNSF	674,221	53,245	210,000	625,000	620,000	460,000	-	-	1,968,245
FUTS-Lake Mary Rd; Beulah to Ponderosa Tr.	300,204	302,295	-	-	-	-	-	-	302,295
FUTS-Santa Fe West - Walnut to Rio North - ADOT	-	119,695	214,135	650,000	-	-	-	-	983,830
FUTS- Hospital Rim Trail	35,900	-	-	-	-	-	-	-	-
FUTS-Rio North - Blue Willow to Hwy 180	100,000	-	141,454	203,000	-	-	-	-	344,454
FUTS- Little A - Az Trail to Herold Ranch Rd	-	-	-	133,859	-	-	-	-	133,859
FUTS-Lone Tree Sinclair to Arroyo Park Trail	-	-	-	-	185,000	-	-	-	185,000
FUTS-Lake Mary Zuni Trail to JWP	-	-	-	-	-	575,000	-	-	575,000
FUTS-Bow and Arrow CCC to Az Trail	-	-	-	-	-	-	550,000	-	550,000
FUTS-JWP Lone Tree To Az Trail	-	-	-	-	-	-	-	-	826,000
FUTS-JWP Spur JWP to Bow and Arrow Trail	-	-	-	-	-	-	-	-	336,000

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
BBB (continued)									
Tourism									
Building Improvements-Visitor Center	\$ 70,000	55,408	222,748	-	-	-	-	-	278,156
Recreation									
Thorpe Park	1,640,455	266,444	2,699,087	-	-	-	-	-	2,965,531
Christensen	419,693	440,694	-	-	-	-	-	-	440,694
Thomas	332,212	312,474	-	-	-	-	-	-	312,474
Foxglenn Park	-	-	-	-	-	-	-	-	-
Lake Mary Land Acquisition	1,025,000	71	-	-	-	-	-	-	71
Aquatic Center Design Work	-	-	-	-	-	-	-	-	-
BMX Park - Sixth Avenue	631,580	52,794	716,465	-	-	-	-	-	769,259
Total BBB	\$ 8,587,715	2,385,770	9,103,161	3,481,719	1,093,000	1,255,000	770,000	1,382,000	19,470,650

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	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Water/Wastewater									
Water									
Purch of Property Rights-Watershed	\$ 20,000.00	20,000	20,000	20,000	20,000	20,000	20,000	20,000	140,000
Inner Basin Pipeline	200,000	-	301,001	101,500	-	-	-	-	402,501
Renovation of Chlorine Storage	-	-	200,000	-	-	-	-	-	200,000
Roof Replacement - Chlorine Storage	-	-	20,000	-	-	-	-	-	20,000
Amberwood Booster	7,000	58,285	-	-	-	-	-	-	58,285
Humphreys Waterline (ADOT)	-	153	-	-	-	-	-	-	153
Mail Infrastructure	805,878	34,000	766,000	-	-	-	-	-	800,000
Waterline Relocations	352,121	262,993	319,063	-	-	-	-	-	582,056
Black Barts/Sinagua Hts Waterline	1,234,898	1,138,925	-	-	-	-	-	-	1,138,925
Foxglen/Skyview Waterline	1,173,277	1,022,112	-	-	-	-	-	-	1,022,112
Sunnyside Improvements	792,850	323,140	1,335,083	1,695,600	-	-	-	-	3,353,823
Mohawk Dr Waterline	-	-	-	-	72,200	-	-	-	72,200
Elm Street Waterline	-	-	-	-	117,800	-	-	-	117,800
CC College/NAU Waterline	-	-	349,905	-	-	-	-	-	349,905
Ponderosa Trails to Airport W/L	-	-	-	-	-	405,700	-	-	405,700
Talkington/Lynn/Elizabeth Waterline	313,282	10,000	700,144	-	-	-	-	-	710,144
Benton/SF Alley/Elden Waterline	-	-	-	-	189,500	-	-	-	189,500
Franklin Waterline (Beaver/Lone Tree)	-	-	-	-	210,700	-	-	-	210,700
N. San Francisco Alley Waterline	-	-	-	-	-	69,500	-	-	69,500
Park Street Waterline (Santa Fe/Dale)	-	-	-	-	-	301,200	-	-	301,200
Aspen Waterline (Sitgreaves/Aztec)	-	-	-	-	-	301,200	-	-	301,200
Beaver Street WL	-	-	-	-	-	-	-	319,600	319,600
RFP/Turquoise Waterline	-	-	-	-	-	-	1,632,000	-	1,632,000
Pinal/Papago Alley Waterline	-	-	-	-	-	-	-	157,700	157,700
Reserve	119,405	25,001	121,796	125,400	129,200	133,100	137,100	141,200	812,797
Town Wells 3 & 4	-	5,071	-	-	-	-	-	-	5,071
Town Well #5	397,566	152,000	400,000	-	-	-	-	-	552,000
East Reservoir Demolition	50,000	15,000	85,000	-	-	-	-	-	100,000
Railroad Springs Reservoir	500,000	-	507,454	-	-	-	-	-	507,454
Water Production Wells	2,575,000	90,000	2,273,031	2,060,000	4,076,948	-	-	-	8,499,979
Woody Mtn Arsenic Removal	154,500	6,001	448,501	-	-	-	-	-	454,502
LM Wellfield-LM#2 12" Pipeline	-	-	-	-	-	-	-	438,400	438,400
Gas Chromatograph	-	-	-	-	-	-	-	96,300	96,300
Future Water Rights	-	80,784	15,000,000	-	-	-	-	-	15,080,784
LM Well #7 Bldg and Power	-	-	200,000	-	-	-	-	-	200,000
Total Water	8,695,777	3,243,465	23,046,978	4,002,500	4,816,348	1,230,700	1,789,100	1,173,200	39,302,291
Wastewater									
Primary Tank Pipe Hnge-W/C	60,000	-	60,000	-	-	-	-	-	60,000
WC Treatment Upgrade/Rec	12,149,694	1,501,025	12,701,482	10,530,647	-	-	-	-	24,733,154
Wildcat Loadout Replacement	50,000	33,385	-	-	-	-	-	-	33,385

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
	\$								
Replacement Dredge	-	-	-	-	195,600	-	-	-	195,600
Rio Plant Clear/Skim Modifier	100,000	-	100,000	-	-	-	-	-	100,000
Wildcat Primary Clarifier Coating	-	-	173,891	-	-	-	-	-	173,891
Wildcat Crackseal	-	2,938	32,174	-	-	-	-	46,400	81,512
Wildcat Digester Pipe Replacement	-	-	725,883	-	-	-	-	-	725,883
Wildcat Pipe Replacement	-	-	-	119,400	253,400	-	-	-	372,800
Wildcat Primary Rebuild	-	-	374,427	-	-	-	-	-	374,427
Wildcat Septage Treatment	-	-	316,650	-	-	-	-	-	316,650
Wildcat Blast and Mortar Wash	-	-	-	-	153,700	-	-	-	153,700
Rio Plant SCADA	-	-	-	-	-	-	179,100	-	179,100
Rio Plant Chipseal	-	-	-	-	-	31,700	-	-	31,700
Wildcat Crackseal & SSB	-	-	-	-	-	62,600	-	-	62,600
Coat Wildcat Digester	-	-	-	-	-	145,700	154,600	-	300,300
Paint Buffalo Park Reservoir	-	-	-	-	-	-	-	98,500	98,500
Wildcat Landscaping	-	-	-	-	63,700	-	-	-	63,700
Primary Pump Station Replacement	-	-	-	-	106,100	-	-	-	106,100
Second Street Sewer	-	15,841	-	-	-	-	-	-	15,841
Mall Infrastructure	808,929	34,000	766,000	-	-	-	-	-	800,000
Christensen Reclaim Ext	957,629	433,121	-	-	-	-	-	-	433,121
SCA Reclaim/Sewer	513,383	493,232	100,000	-	-	-	-	-	593,232
Xeriscape Projects	100,000	-	50,000	-	-	-	-	-	50,000
Siler Homes Reclaim Ext	-	950	-	-	-	-	-	-	950
Arrowhead/Mt. View Sewer	258,429	295,592	-	-	-	-	-	-	295,592
Reclaim Hydrants	151,899	18,108	131,967	-	-	-	-	-	150,075
NAU Reclaim Expansion	707,219	598,621	-	721,000	-	-	-	-	1,319,621
Huntington/Old Pit Sewer Update	-	-	-	309,000	-	-	-	-	309,000
Rio Outfall	726,425	698,556	-	-	742,600	-	787,900	-	2,229,056
Continental Outfall Sewer	-	-	-	241,200	-	-	-	-	241,200
Mike's Pike Sewer	-	-	-	-	214,000	-	-	-	214,000
Terrace/Birch Sewer	-	-	-	202,700	332,000	-	-	-	534,700
Circle View Sewer	-	-	-	-	-	-	-	313,800	313,800
San Francisco Sewer Replacement	-	-	-	-	-	-	-	122,300	122,300
Hillside Sewer Replacement	-	-	-	-	-	-	-	114,200	114,200
Cherry Hill Sewer Replacement	-	-	-	-	-	-	-	463,700	463,700
N. Sunnyside Sewer Replacement	-	-	-	-	-	-	-	1,337,200	1,337,200
Lower Greenlaw Sewer	-	-	-	-	297,600	-	-	-	297,600
Phoenix Sewer (Beaver/SF)	-	-	-	-	-	147,300	-	-	147,300
South Beaver Street Sewer	-	-	-	-	-	-	159,900	-	159,900
Upper Greenlaw Phase II	-	-	-	-	-	-	759,000	-	759,000
West Side Interceptor Improvements	-	-	-	-	-	-	1,020,300	-	1,020,300
Reserve	89,554	-	89,120	91,800	94,500	97,400	100,300	103,300	576,420
Total Wastewater	16,673,161	4,125,369	15,621,594	12,215,747	2,453,200	484,700	3,161,100	2,599,400	40,661,110
Total Water and Wastewater	\$ 25,368,938	7,368,834	38,668,572	16,218,247	7,269,548	1,715,400	4,950,200	3,772,600	79,963,401

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	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Airport									
Master Plan Update	\$ 252,261	513,106	-	-	-	-	-	-	513,106
Design & Constr Taxi lane/Apron-GA	-	-	-	-	-	500,000	-	-	500,000
Design/Constr JWP/Pulliam Widening	-	-	-	1,052,632	-	-	-	-	1,052,632
Design/Constr ARFF & Snow Equip	2,497,145	2,405,772	169,589	-	-	-	-	-	2,575,361
New Parallel Taxiway North	-	2,984	-	-	-	-	-	-	2,984
Land Acquisition	1,140,000	-	2,280,000	-	-	-	-	-	2,280,000
Runway Extension	4,315,695	8,741	6,174,581	6,395,596	-	-	-	-	12,578,918
West Hangar Area	2,516,457	2,396,964	288,868	-	-	-	-	-	2,685,832
Perimeter Road Construction	-	-	-	800,000	4,800,000	-	-	-	5,600,000
Airpark Utility Improvements	-	93,667	-	-	-	-	-	-	93,667
Pavement Crack Seal Overlay	125,000	-	140,000	-	-	-	-	-	140,000
Future Projects-ADOT	-	-	-	-	-	-	-	555,555	555,555
Loop Taxiway Overlay	-	-	-	-	533,000	1,276,800	-	-	1,809,800
East Parallel Taxiway South	-	-	-	-	-	1,000,000	7,000,000	-	8,000,000
East Parallel Taxiway North	-	-	-	-	-	-	1,300,000	12,000,000	13,300,000
Total Airport	\$ 10,846,558	5,421,234	9,053,038	8,248,228	5,333,000	2,776,800	8,300,000	12,555,555	51,687,855

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Environmental Services									
Maintenance Building	\$ 400,000	-	500,000	-	-	-	-	-	500,000
Office Building Improvements	-	-	200,000	-	-	-	-	-	200,000
Cinderlake Landfill Residential Dropoff	65,000	60,000	130,664	-	-	-	-	-	190,664
MRF Entry Improvements	253,265	343,725	-	-	-	-	-	-	343,725
Landfill Fencing - 98 Carryover	-	-	-	-	30,000	-	-	-	30,000
Collections Building - Fire Damage	-	-	100,000	-	-	-	-	-	100,000
Total Environmental Services	\$ 718,265	403,725	930,664	-	30,000	-	-	-	1,364,389

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2005-2011**

	Budget 2004-2005	Estimate 2004-2005	Budget 2005-2006	Budget 2006-2007	Budget 2007-2008	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Total Plan
Stormwater Utility									
Sixth Avenue Drainage Detention	\$ 91,945	13,134	378,974	-	-	-	-	-	392,108
Walnut Meadows	150,000	-	150,000	-	-	-	-	-	150,000
Izabel Affordable Housing Drainage	-	-	157,546	-	-	-	-	-	157,546
Drainage Spot Improvement	-	-	267,456	519,640	530,033	540,633	551,446	562,475	2,971,683
Rio de Flag	6,875,725	629,306	7,107,239	2,020,199	230,000	-	-	-	9,986,744
Rio Parking Replacement	1,200,000	-	1,200,000	-	-	-	-	-	1,200,000
Total Stormwater Utility	\$ 8,317,670	642,440	9,261,215	2,539,839	760,033	540,633	551,446	562,475	14,858,081

FINANCING THE CAPITAL PLAN

The major sources of financing capital improvements in the upcoming fiscal year are:

Operating Funds	44.5%
Debt Financing	45.4%
Grants	10.1%

The rating agencies (Standard and Poors' Corp. and Moody Investors, Inc.) view 15% from operating funds as highly favorable. The City currently is financing 44.5% of its CIP out of operating funds. However, because of large funding requirements, debt financing still continues to be the major source of financing for capital improvements. A brief description of the major types of financing available and limitations as to use is presented below.

GENERAL OBLIGATION (G.O.) BONDS

Bonds issued as general obligations of the City are secured by the full faith and credit of the City through its power to tax. In order for bonds to be issued, voter authorization must be obtained. Debt service (payment of principal and interest) is to be paid from the proceeds of ad valorem taxes, i.e., property taxes. The Arizona Constitution and State Statutes limit the indebtedness that a jurisdiction may incur by the type of project constructed. The City can issue G.O. bonds up to 20% of the secondary assessed valuation for projects involving water, sewer, artificial lighting, parks, open space, and recreational facilities. For all other general-purpose improvements, the City may issue up to 6% of its secondary assessed valuation. \$21 million was outstanding on July 1, 2005, and the City has \$32.1 million in available capacity at the 6% debt margin and \$132.8 million in available capacity at the 20% debt margin as of July 1, 2005.

HIGHWAY USER REVENUE (HURF) BOND

The State distributes a share of the motor vehicle fuel tax to cities based partially on population (50% of allocation) and partially on jurisdiction of origin. This special revenue source can only be used for maintenance or construction of streets and highways. Special revenue bonds can be issued for construction of street projects, with the gas tax revenues pledged as a source of debt repayment. The annual total debt service, both principal and interest, cannot exceed 50% of the HURF distribution received for the most recent twelve month period by the City.

JUNIOR LIEN BONDS PAYABLE FROM HIGHWAY USER TAX REVENUES

In order for the City to issue junior lien bonds, the City must have received Highway Users Tax Revenues in the twelve months preceding the issuance of the bonds in an amount equal to 1.5 times the highest annual debt service requirements (principal and interest) on all HURF bonds outstanding. Additionally, if coverage is not at least two times the highest debt service requirements, then the proposed bonds must bear a rating at the time of the issuance of "A" or better by one of the nationally recognized rating agencies. The City issued \$5.6 million of junior lien bonds in FY 1993 and \$5.2 million is outstanding as of July 2, 2005. The City may issue any combination of junior and senior lien bonds as long as the coverage requirements are satisfied. Approximately \$26.4 million in capacity is currently available in junior lien bonds or as senior lien bonds.

WATER AND SEWER REVENUE BONDS

In addition to water/sewer G.O. bonds, the City can sell bonds that pledge utility revenues. Debt service requirements are paid from the net revenue derived by the City from the operations of its water and sewer system after provision has been made for the payment from such revenues of the reasonable and necessary expenses of the operation and maintenance of such systems. Therefore, there is no legal limitation on indebtedness that can be incurred; rather, there is only the practical limitations imposed by what the utility rate structures will support.

The \$40.7 million authorized by voters in November 1990 can be either G.O. bonds or revenue bonds. G.O. bonds accounted for \$33.9 million of the issuance. The \$6.8 million remaining authorization was sold in FY 2003 through the Water Infrastructure Financing Authority (WIFA). The City is pledging the revenue of its water and wastewater system.

SPECIAL IMPROVEMENT/ASSESSMENT DISTRICTS

Special improvements/assessments are a means of financing services or capital improvements that benefit specific property owners more than the general public. Majority consent must be obtained from the property owners within the designated geographic assessment district. These property owners are then levied a supplemental property tax assessment for their share of the costs of the improvements. The City is currently assessing two districts.

MUNICIPAL FACILITIES CORPORATION (MFC) BONDS

The Flagstaff Municipal Facilities Corporation, Inc. (MFC) is a not for profit corporation over which the City exercises significant oversight authority. It was formed to assist the City in acquiring land and constructing improvements thereon, constructing and acquiring improvements upon land owned by the City, and in any other way incurring expenses to improve the use of presently owned facilities, or as they may be expanded in the future. The City Charter requires that to construct projects, with the exception of utilities, public safety and street facilities in excess of \$1 million require voter approval. The \$1 million limit is adjusted annually by the consumer price index at July 1 of each year. The estimated amount July 1, 2005 is \$2 million.

The Corporation finances various projects for the benefit of the City by issuing MFC bonds. Bonds may be issued without voter approval and without limitation as to interest rate or amount. The City enters into a rental lease agreement with the corporation sufficient to service the debt on the MFC bonds. The bonds are made marketable by assuring, prior to entering into any lease agreement with the MFC, the City will maintain an excise, transaction privilege, and franchise tax base at least three times the maximum annual debt service.

Most municipalities in Arizona have utilized this method of financing to construct major public projects such as municipal complexes, civic centers, and sports complexes. In September 1997, voters approved \$4.7 million in MFC Bonds for the construction of a facility to be leased by USGS. The City issued these bonds in FY 2001 and \$3.9 million is still outstanding. In May 2000, the City received voter authorization to issue \$25 million in bonds for the construction of an overpass at 4th Street. The City issued these bonds in FY 2004.

CERTIFICATES OF PARTICIPATION

This type of financing is often used for lease purchases and is very similar to bond financing. An official statement for the certificates is prepared, which very closely resembles bond-offering statements. Proceeds from the certificates are remitted through a trust and per the lease agreement to the lessor. Lease payments are made to the trustee who then remits the appropriate funds to the certificate holders. Additionally, the trust holds an assignment agreement with the lessor to protect the investors. Certificates of Participation are often brokered through private placements to hold down issuance costs.

LEASE FINANCING

Under this type of debt financing, a governmental entity enters into a contractual arrangement with the issuer to construct or otherwise acquire facilities and/or equipment that is needed by the entity. Ordinarily, all

operation and maintenance costs are the responsibility of the lessee (borrower).

The lease terms are generally structured such that the rental payments are sufficient to meet debt service costs as well as any administrative expenses. Usually a reserve fund is set-aside at inception as security to obtain a competitive interest rate.

Typically, lease financing is used for acquisition of major capital equipment, e.g., computer systems, fire apparatus, which are very expensive and have a useful life greater than five years but typically are not expected to have a useful life as long as the terms of bonds issued.

GRANTS

Grants are contributions of cash or other assets from another governmental entity to be used or expended for a specified purpose, activity, or facility. Grants can be either capital grants or operating grants. Capital grants are for the acquisition or construction of fixed assets and usually require some local effort match. All other grants are considered operating grants. Grants have specific compliance requirements including prescribing the activities allowed and not allowed, eligibility requirements, matching level of effort or earmarking requirements, reporting requirements, and special provisions to be taken into consideration.

The current expansion at Pulliam Airport is being financed with proceeds from the sale of airport property and ADOT and FAA grants. Major funding for the City's various affordable housing programs is provided through HOME and Community Development Block grants. The City has also received major funding for a streetscape project under the ISTEA (Intermodal Surface Transportation Efficiency) grant.

Block Grant Programs: The Federal government distributes grant funds under eight omnibus block grant programs. With the 1995 Census, HUD designated Flagstaff as an Entitlement Community. This designation allows the City to receive funding directly from HUD. These funds will be used primarily for low income housing repair and construction and infrastructure in low-income neighborhoods.

INTERGOVERNMENTAL AGREEMENTS (IGA)

Infrastructure needs may, at times, overlap different jurisdictional boundaries. Jurisdictions then often enter into an IGA for the construction and proportionally shared payment of the project. One jurisdiction will act as primary lead agent for project management purposes. The Transportation Regional Plan and Storm Drainage Master Plan, in particular, may often require coordinated efforts between the City, Arizona Department of Transportation (ADOT) and Coconino County.

STATE REVOLVING LOAN FUND

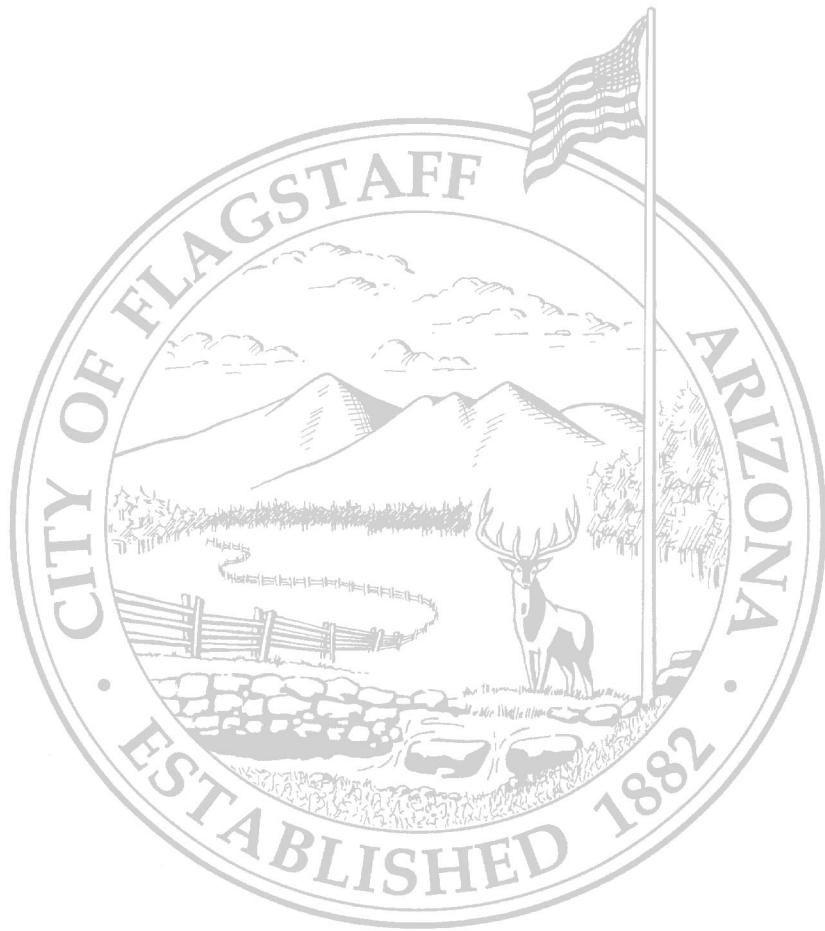
Arizona has established a revolving fund empowered to accept Federal capitalization grants for publicly owned wastewater treatment projects pursuant to the Federal Water Pollution Control Act and Water Quality Act. In order to qualify for the Federal monies, the State must match a 20% contribution into the fund. The WIFA that issues bonds that are then lent to different governmental entities to finance projects, manages Arizona's fund. Projects are submitted to WIFA for review, and prioritization. Based on this compilation, projects are then eligible for funding. The City previously received a \$6 million loan from these funds for the reclaimed water distribution system. The WIFA board approved an additional loan of \$6.8 million in water improvements. The City has applied for funding on the May 18 capital project ballot items.

Another loan program available through the State is the Arizona State Transportation Board's Airport Revolving Loan Program. The loans are provided for airport-related construction projects not eligible for federal funding or under other programs and are designed to improve airport self-sufficiency. The City received a \$600,000 loan from these funds for the construction of an additional hangar.

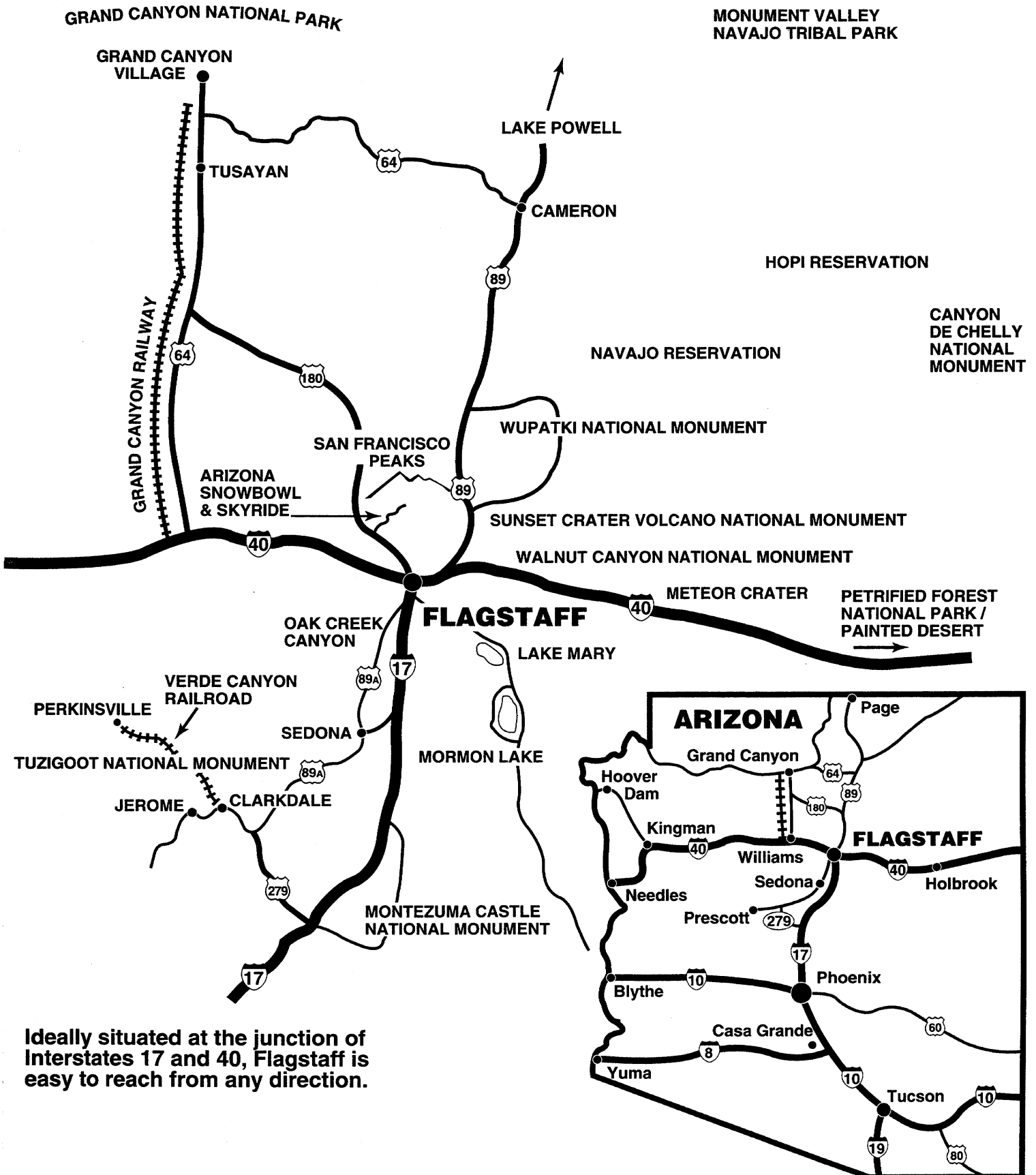
PAY AS YOU GO FINANCING

Projects funded on a pay as you go basis derive their financing from current revenue streams or prior savings that have been kept in fund balance. This method of financing eliminates the need for borrowing and thereby preserves debt capacity for other purposes. Costs are lower because non-debt financing does not incur interest costs. The major drawbacks of pay as you go financing include inadequacy of funds available (taxes, reserves); erratic impact on rate structures (water/sewer rates); legislative approval (formation of improvement district); and political difficulties (impact fees or other exactions).

The City is currently funding 44.5% of capital improvements on a pay as you go basis. Capital improvements that are considered ongoing improvements and maintenance required expenditures are built into the rate structure of the two enterprise funds (Utilities and Environmental Services). Additionally, the City has sinking reserve funds for landfill closure.



Flagstaff Arizona



Flagstaff Community Profile

Flagstaff, Arizona is located at the intersection of Interstate 17 and Interstate 40, and is the largest city in Northern Arizona. The city is also the regional center and county seat for Coconino County, the second largest county in the 48 contiguous states. The City of Flagstaff, becoming a town in 1894, incorporated as a city in 1928, and currently comprising of just over 64 square miles, is nestled at the base of the San Francisco Peaks and surrounded by one of the largest pine forests on earth. Flagstaff drew its name from a very tall pine tree made into a flagpole in 1876 to celebrate our nations centennial. At nearly 7,000 feet, Flagstaff is also one of the highest elevation cities in the United States. The city is a year-round mecca for visitors and many Arizonans maintain second homes here.

History

In 1855 Lieutenant Beale, in surveying a road from the Rio Grande in New Mexico to Fort Tejon in California, passed over the spot where Flagstaff now stands. While camping at the Eastern extremity of the present town, the lieutenant had his men cut the limbs from a straight pine tree in order to fly the United States flag.

The town's first recognized permanent settler, Thomas F. McMillan, arrived in 1876 and built a cabin at the base of Mars Hill. During the 1880's Flagstaff began to grow, opening its first post office and welcoming the booming railroad industry. The town had timber, sheep and cattle and by 1886 Flagstaff was the biggest city on the main line between Albuquerque and the West Coast.

In 1894, Dr. Percival Lowell chose Flagstaff, due to its great visibility, as the site for the now famous Lowell Observatory. Thirty-six years later, Pluto was discovered through the observatory's telescopes. The Arizona Teacher's College began in 1899, later becoming Northern Arizona University (1966). During the 1920's, Route 66 was built and passed right through town making Flagstaff a popular tourist stop. Flagstaff was incorporated as a city in 1928.

Today, Flagstaff is a community rich with cultural diversity, beauty and history, as well as amazing educational, recreational and scientific opportunities.

Weather

Flagstaff enjoys four distinct seasons. Moderate summer temperatures average twenty degrees less than Phoenix, and are punctuated with afternoon rain showers in July and August. The winter brings an average annual snowfall of 99.5 inches, much to the enjoyment of skiers, ice skaters and snowboarders. As the snow thaws into spring, blooming wildflowers are abundant and fragrant along Flagstaff's many hiking trails. Autumn is highlighted with the changing of the aspen leaves that transform the surrounding mountains into a golden tapestry of color. Flagstaff averages 283 days without precipitation each year, so it is not

surprising that our residents love the great outdoors, and the mild climate encourages year-round outdoor activities.

Climate	Average Temperature		Average
	Daily Max.	Daily Min.	Precipitation
Month			
January	42.6	15.9	1.97
February	45.2	18.0	2.07
March	49.9	21.8	2.21
April	58.1	27.1	1.29
May	67.7	33.8	0.69
June	78.0	41.1	0.49
July	81.8	50.3	2.46
August	79.1	49.1	2.87
September	73.9	41.3	1.97
October	63.6	31.0	1.60
November	51.0	22.0	1.75
December	43.7	16.4	1.96
Year (average)	61.2	30.7	21.34

Source: Western Regional Climate Center (Jan. 1950-Dec. 2004)

Economic Information

Flagstaff is a governmental, educational, transportation, cultural and commercial center. Government is one of the largest employment sectors. Tourism is also a large employer as the city sees over 5,000,000 visitors a year. In addition, the City houses Northern Arizona University and other scientific and high tech research and development industries.

NAU, the largest employer in the City, has a major economic impact annually. The campus is used year-round and hosts many professional athletes, e.g., Arizona Cardinals and Phoenix Suns, and Olympic athletes that choose Flagstaff as training site because of the climate, altitude, and available facilities. The University, in partnership with the City of Flagstaff and the State of Arizona, has institutionalized this with the development of the High Altitude Sports Training Center. The Center invites athletes worldwide to train at our 7,000 feet elevation, which has proven to offer a competitive advantage. The Center offers facilities, health assessments, and other services to these international athletes.

Population	1990	2000	2004
Flagstaff	45,857	52,894	61,270
Coconino County	96,591	116,320	129,570
Arizona	3,665,228	5,130,632	5,832,150

Sources: Arizona Department of Economic Security and U.S. Census Bureau

Five business and industrial parks are situated with excellent access to the Interstates (I-40 and I-17). One additional site resides within 15 miles of the City limits. Major manufacturers include W.L. Gore & Associates (of Gortex renown), manufacturer of medical equipment; Nestle Purina Petcare Products, manufacturer of pet

food; SCA Tissue, manufacturer of tissue paper; and Joy Cone, manufacturer of ice cream cones.

Business Licenses		June 2005
Misc. Retail		1,934
Construction Contracting		1,713
Service Related (Business Licenses)		1,462
Rentals		799
Home Furnishings		418
BBB		381
Auto Sales, Parts, etc.		336
Advertising, Publishing, and Printing		162
Food Stores		156
Building Materials		131
Franchise Accounts		114
Clothing Stores		77
Drug and Liquor Stores		18
General Merchandising Stores		15
Total		7,716

Source: City of Flagstaff, Tax, Licensing, and Revenue Division

Total sales generated by Flagstaff businesses reached \$2.75 billion in FY 2005.

Tourism is a year-round industry attracting skiers in the winter, vacationers in the summer, and sightseers viewing the aspen turning gold in the fall. Non-city residents provided an estimated 50% of the sales tax revenue. The City has 381 licensed businesses generating BBB tax revenues (an additional 2% sales tax).

Major private employers in the Flagstaff area are Nestle Purina, W. L. Gore & Associates, SCA Tissue, Sturmer and Klien, Walgreens Distribution, and Joy Cone. Major public employers in the Flagstaff area are Coconino County, Northern Arizona University, City of Flagstaff, Flagstaff Unified School District, and the U.S. Forest Service.

Labor Force Data	1990	2000	2004
(Annual Average)			
Civilian Labor Force	26,111	34,589	37,051
Unemployed	1,604	1,582	1,773
Unemployment Rate	6.1%	4.6%	4.8%

Source: Arizona Department of Economic Security

Growth Indicators	1990	2000	2004
Business Licenses	4,000 (est.)	5,440	7,475
Retail Sales	631,835,742	1,238,195,104	1,593,931,781
Primary Net Assessed Value	223,050,141	399,244,815	488,393,289

Sources: AZ Department of Revenue; City of Flagstaff

Education

Flagstaff Unified School District #1 has 9 elementary schools, 3 middle schools, 2 alternative schools, 5 magnet schools, and 3 high schools. In addition to the public school system, there are 10 charter schools run

by private parties. These schools provide educational opportunities for children in kindergarten to high school. The schools specialize in everything from specific learning styles to programs focused on the Arts.

Coconino County Community College offers 33 associate degrees, 29 certificate programs, continuing education, and special programs for small businesses. In the fall of 2004, enrollment was 4,380 students (3,540 of which were enrolled at the two Flagstaff campuses).

Flagstaff's commitment to education is enhanced by Northern Arizona University's contribution to the community. Established in 1899, NAU is one of Arizona's three state universities. In the fall of 2004, NAU offered 95 Bachelor, 47 Master, 8 Doctorate, and 1 Professional degrees along with 30 Undergraduate and 12 Graduate certificates. Top enrollment for its 19,147 students (12,980 of which were enrolled at the Flagstaff campus) are Elementary Education, Business Preparation, Hotel & Restaurant Management, Criminal Justice, and Psychology.

Cultural Opportunities and Scenic Attractions

Flagstaff serves as the cultural hub of Northern Arizona. Because arts and cultural activities enhance the quality of life and have an economic impact, the City supports these endeavors. Funding support for these activities comes from the Bed, Board and Booze tax, and the General Fund. The Arts and Science Commission will disburse these funds. Throughout the year, there are art shows, festivals, live theater performances, and Native American arts and crafts exhibits to satisfy the most ardent enthusiast.

The Flagstaff Symphony Orchestra is a non-profit corporation dedicated to bringing world-class musical performances to their audiences, and to providing innovative programs in music education for youth across northern Arizona. The FSO conducts six concerts from September through April form the core of the Symphony's season, with additional Young People's Concerts for children in the Flagstaff Unified School District, and a Lollipop concert in December for families with young children. Regular concerts are held in 1500-seat Ardrey Auditorium on the campus of Northern Arizona University.

Lowell Observatory was founded in 1894 by Boston mathematician Percival Lowell. Best known for the discovery of Pluto, Lowell Observatory is also where astronomer V.M. Slipher gathered the first evidence that the universe is expanding. The Observatory also maintains a vigorous education and outreach program, headquartered in the Steele Visitor Center on Mars Hill. Each year, about 70,000 people visit the Observatory to learn about astronomy by participating in multimedia programs, private and school programs, special events, and other educational activities. The Observatory offers daily-guided tours and evening programs.

The Museum of Northern Arizona offers internationally recognition exhibits in archeology, ethnology, geology, biology, and fine art of the Colorado Plateau. Four especially notable exhibitions, which attract national and international visitors, include the annual Zuni, Hopi, Navajo, and Hispanic Exhibitions with contemporary and traditional pottery, weaving, jewelry, and sand paintings, as well as native artist demonstrations and traditional dance.

Known as the “City of Seven Wonders,” Flagstaff attracts millions of tourists each year due to its easy access to such scenic destinations as the Grand Canyon, Sunset Crater, Oak Creek Canyon, Meteor Crater, Walnut Canyon, Wupatki National Monument, and the San Francisco Peaks.

Community Facilities

Flagstaff offers a wide range of community and cultural facilities, including:

City Recreational Facilities:		Other Facilities:	
Recreation Centers	3	Museums	5
Parks-Developed	27	Art Galleries	12
Parks-Undeveloped	4	Libraries	3
Tennis Courts	17	Swimming Pools	2
Racquetball Courts	4	Bowling Alleys	1
Ramadas	11	Symphony Orchestra	1
Softball/Baseball Fields	17	Ski Resort	1
Ice Rink/Activity Center	1	Movie Screens	12
Playgrounds	20		
Skate Tracks	2		
Soccer Fields	4		
Disc Golf Course	2		
Basketball Courts	19		
Volleyball Courts	6		
Horseshoe Courts	12		
Off Leash Areas-Bark Parks	2		

Transportation

Flagstaff is a major crossroads for the west. Interstates 17 and 40 provide road access to major west coast markets, including San Francisco, Las Vegas, Albuquerque, El Paso, Los Angeles, San Diego, parts of Mexico, and of course, Phoenix and Tucson. US Highway 89 provides access to the states north of Arizona and Highway 180 provides access to the Grand Canyon.

Approximate Drive Times from Flagstaff:	
Grand Canyon, AZ	2 Hours
Lake Powell, AZ	3 Hours
Nogales, AZ	4 1/2 Hours
Phoenix, AZ	2 1/4 Hours
Sedona, AZ	1 Hour
Tucson, AZ	3 1/2 Hours
Albuquerque, NM	5 Hours
El Paso, TX	9 Hours
Las Vegas, NV	4 Hours
Los Angeles, CA	7 1/2 Hours

Burlington Northern Santa Fe Railway serves the city of Flagstaff with more than 100 trains passing through town daily. Amtrak also services Flagstaff twice daily connecting with Los Angeles and Chicago. Bus services are available for within the city (Mountain Line), intra and interstate (Greyhound), and several tour guide companies provided service around Northern Arizona. In addition, there are several taxicab companies.

Flagstaff Pulliam Airport, located four miles south of downtown Flagstaff on I-17, provides frequent daily flights to and from Phoenix Sky Harbor International Airport, where national and international connections can be made.

Additionally, the City is committed to the development of a non-motorized urban trail network (FUTS), which will interconnect virtually all areas of the City when completed and will serve as an important transportation element as well as a recreation amenity. The current draft of the proposed City/County regional plan shows an estimated 55 miles of FUTS. The City has completed approximately 32.8 miles to date.

Medical

Flagstaff has an extensive array of medical facilities and resources in the areas of traditional, integrative and alternative healthcare. Flagstaff Medical Center is the Northern Arizona Regional referral center for trauma, cancer, rehabilitation, cardiac care, high-risk maternal/fetal, MRI/CT scan, and more. More than 148 physicians are on active staff at the hospital, representing 36 medical specialties.

Recreation

The City is surrounded within and without by coniferous forests, which allow for an array of outdoor sports and camping and backpacking opportunities. Downhill skiers enjoy 32 runs down the San Francisco Peaks, just 14 miles from downtown Flagstaff. Groomed trails at a nordic center provide over 40 kilometers of cross-country skiing. Endless miles can be skied on the hundreds of miles of forest service roads. Flagstaff even sponsors the annual Winter Festival that includes dog sled races.

Hikers, joggers, and mountain bikers will find miles of trails, which range from gentle grades to extremely difficult terrain. The outdoor sportsman will find opportunities for hunting and fishing. The individual committed to an exercise routine, which includes running, or walking will find a 2-mile track complete with a 20-station Vita Course at Buffalo Park, a woodland area atop a mesa with spectacular views of the San Francisco Peaks.

For those who enjoy organized team sports, the City has adult and youth leagues for softball, baseball, basketball, soccer, ice hockey, and volleyball throughout the year. Additional recreation amenities include the skateboard park and disc golf course, which provide year-round recreational opportunities.

Environmental Focus

Flagstaff citizens realize that the quality of life enjoyed in this mountain community is intricately related to the preservation of our environment. The City has dedicated considerable resources to a variety of environmental issues and local conservation efforts. The Environmental Services Division works to ensure that all residents of Flagstaff are provided with a clean, safe, and ecologically sound environment. More specifically, the programs are focused on waste management strategies that emphasize waste reduction and recycling, composting, and environmentally sound landfill management to meet the City's long-term disposal needs. In addition, several new programs are embracing the concepts of sustainability, restoration, conservation and participation., such as renewable energy and fuels, Brownfield Land Recycling, and sustainable building.

Water conservation programs include a reclaim water treatment plant and related distribution lines to transport water to large irrigation water users, as well as a low-flow toilet rebate program. The city initiated a year round water use policy that restricts the times and day outside irrigation is allowed. The toilet rebate program has been extended to commercial and industrial users as well as residential customers. In addition, the city is considering incentives for installation of waterless urinals, hot water re-circulators, turf reduction, washing machines and pre-rinse spray valves. The City has also initiated a program for the use of rain barrels. Additionally, the City provides funding support to not-for-profit organizations such as the Resource Center for Environmental Education and the Museum of Northern Arizona.

City of Flagstaff, Arizona Principal Taxpayers Tax Year 2004			
Taxpayer	Type of Business	Net Assessed Valuation	As a Percentage of the City Total Secondary Assessed Valuation
Arizona Public Service Company	Utility	\$ 10,357,999	2.06%
W L Gore & Associates Inc.	Manufacturer	9,724,306	1.94%
Qwest Corporation	Utility	9,633,860	1.92%
Tucson Electric and Power Co. (T&D)	Utility	6,487,177	1.29%
Little America Refining Co.	Hotel/Tourism	4,218,039	0.84%
Ralston Purina	Manufacturer	3,840,863	0.77%
Flagstaff Mall Associated Ltd. Partnership	Shopping Center	3,250,000	0.65%
SACO Management Inc.	Property Management	2,369,850	0.47%
Flagstaff Medical Center	Health Care	2,292,480	0.46%
Cone Company George & Thomas DBA	Manufacturing	3,155,380	0.63%
Total Principal Taxpayers		55,329,954	11.03%
Other Taxpayers		446,325,486	88.97%
Total Secondary Assessed Valuation		\$ 501,655,440	100.00%
Source: Arizona Department of Revenue, Central Information Services			

**City of Flagstaff, Arizona
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Tax Year	City	School District	Community College	County	State	Total
1995	2.0823	6.3778	0.3706	1.1622	0.4700	10.4629
1996	1.7983	6.7903	0.3728	1.1472	0.4700	10.5786
1997	1.8283	6.5237	0.3784	1.1386	-	9.8690
1998	1.7127	6.6634	0.3869	1.1168	-	9.8798
1999	1.7127	6.5477	0.3952	1.1094	-	9.7650
2000	1.7127	6.5585	0.5947	1.1444	-	10.0103
2001	1.7127	6.6885	0.5724	1.1336	-	10.1072
2002	1.7127	6.6741	0.5717	1.0951	-	10.0536
2003	1.7127	6.7590	0.5809	1.1941	-	10.2467
2004	1.7127	6.3679	0.5775	1.2369	-	9.8950

Note: Tax rates are per \$100 assessed valuation.

**City of Flagstaff, Arizona
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

June 30	City Sales Tax	City Transportation Tax	City BBB Tax	County Sales Tax	State Sales Tax	Total
1996	1.0000	-	2.0000	0.5000	5.0000	8.5000
1997	1.0000	-	2.0000	0.5000	5.0000	8.5000
1998	1.0000	-	2.0000	0.8000	5.0000	8.8000
1999	1.0000	-	2.0000	0.8000	5.0000	8.8000
2000	1.0000	-	2.0000	0.8000	5.0000	8.8000
2001	1.0000	0.5100	2.0000	0.8000	5.6000	9.9100
2002	1.0000	0.5745	2.0000	0.8000	5.6000	9.9745
2003	1.0000	0.5745	2.0000	0.9250	5.6000	10.0995
2004	1.0000	0.6010	2.0000	0.9250	5.6000	10.1260
2005	1.0000	0.6010	2.0000	0.9250	5.6000	10.1260

**City of Flagstaff, Arizona
Miscellaneous Statistics**

Date of Incorporation
May 26, 1894

Date Charter Adopted
October 3, 1958

Date of Latest Charter Amendment
June 29, 1998

Form of Government
Council, City Manager

Area - Square Miles
June 2005 - 64.66

Infrastructure

Miles of Streets	213.72
Miles of Alleys	10.15
Miles of Sidewalks	152.40
Miles of Waterlines	365.03
Miles of Reclaim Waterlines	14.77
Miles of Sewer	
Storm	41.96
Sanitary	247.21
Number of Street Lights	2,980
Number of Fire Hydrants	2,539
Number of Manholes	6,402

Employees as of June 30, 2004

Merit System	545
Exempt	134
Temporary	214
Elected Officials	7

Total Payroll for the Year Ending 2004: \$ 33,653,013

Fire Protection

Number of Stations	6
Number of Employees (FTE)	97.75

Police Protection

Number of Employees (FTE)	160
Number of Calls for Service per	
Annual Report-12/31/05	55,464
Ave. Patrol Officers for 24 hour period	19.5
Vehicular Patrol Units	26
Coconino County Jail Prisoner Capacity	562

Pulliam Airport

Fixed Base Operators	1
Locally Based Aircraft	130
Tiedowns	18
Enclosed Hangars	61
Open Hangars	48

Elections

Last Municipal Election May 2004	
Number of Registered Voters	29,068
Number of Votes Cast	11,650
% of Registered Voters that Voted	40.08%
Last Special Election May 2005	
Number of Registered Voters	28,704
Number of Votes Cast	17,182
% of Registered Voters that Voted	59.86%

Parks and Recreation

Number of Developed Parks	27
Number of Un-developed Parks	4
Park Acreage	702.34
Flagstaff Urban Trail System-Miles	33.83

Number of Other Facilities:

Recreation Centers	3
Tennis Courts	17
Racquetball Courts	4
Ramadas	11
Softball/Baseball Fields	17
Ice Rink/Activity Center	1
Playgrounds	20
Skate Tracks	2
Soccer Fields	4
Disc Golf Course	2
Basketball Courts	19
Volleyball Courts	6
Horseshoe Courts	12
Off Leash Areas-Bark Parks	2
Swimming Pools (School Owned)	2

Education

Number of Schools:

Public Elementary	9
Public Middle School	3
Public High School	3
Alternative Schools	2
Magnet Schools	5
Charter Schools	10
Private Schools	6
Community College (Coconino)	1
University (Northern Arizona)	1

Number of Students (Fall 2004):

Flagstaff Unified School District	11,547
Charter	1,527
Private (Fall 2001)	315
Northern Arizona University	
Flagstaff Campus	12,980
All Locations	19,147
Coconino Community College	
Flagstaff Campuses (2)	3,540
All Locations	4,380

**City of Flagstaff, Arizona
Miscellaneous Statistics**

Sales Tax		
Retail Sales Last 10 Fiscal Years:		
2004	\$	1,593,931,781
2003		1,458,775,346
2002		1,404,232,492
2001		1,324,735,136
2000		1,238,195,104
1999		1,117,197,604
1998		1,065,133,746
1997		1,016,570,260
1996		965,100,588
1995		905,801,130
Total Sales Tax Revenue for Fiscal Year 2004		
	\$	11,544,443

Utility Enterprise		
Total Active Accounts on June 30, 2005		
Water		17,872
Average Gallons/Household/Month		
		5,488
Plants Capacity (Million Gallons per Day):		
Water Treatment Plant		7
Reservoir Filtration Plant		2
Wildcat Hill Plant		6
Rio de Flag Reclaim Plant		4
Wells		24
Reservoirs		8
Reclaimed Reservoirs		1

Population		
Census Population Count-Last Five Censuses:		
2004**		61,270
2003**		61,030
2002**		59,160
2001**		57,700
2000		52,894
1995*		52,701
1990		45,854
1985*		38,247
1980		34,743
*Special Census		
**Estimate		

2000 Census Information:		
Age Distribution of Population for Urbanized Areas Only		
1-4 Years		3,546
5-17 Years		9,288
18-24 Years		11,487
25-44 Years		16,111
45-64 Years		8,309
65+ Years		4,153
		<u>52,894</u>
Number of Housing Units		
		21,396
Average Persons per Housing Unit		
		2.59
Average Family Size		
		3.13
Median Household Income	\$	37,146
Per Capita Income (2000)	\$	18,637

2000 Census information available at the following websites:
<http://www.census.gov/census2000/states/az.html>
<http://www.de.state.az.us/links/economic/webpage/index.html>

City of Flagstaff, Arizona
Bonded Debt
Interest/Coupon Rate by Issue and Year

Fiscal Year	1991 CAB's Sewer	1992 Revenue Street and Highway	1997 G.O. Public Safety, Parks, Water	1999 Special Assessment Bow & Arrow	2001 G.O. Parks & Rec
2006	6.300	-	4.800	4.900	-
2007	6.750	-	-	4.900	-
2008	-	9.500	-	4.900	4.375
2009	-	7.750	-	4.900	4.500
2010	-	5.900	-	4.900	4.500
2011	-	5.900	-	-	4.500
2012	-	5.500	-	-	4.500
2013	-	-	4.500	-	4.650
2014	-	-	-	-	4.750
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2018	-	-	-	-	-
2020	-	-	-	-	-

Fiscal Year	2001 G.O. Water, Sewer Airport	2001 Certificates of Participation USGS	2003 G.O. Parks, Water	2003 Revenue Street and Highway	2003 Revenue 4th Street
2006	3.625	4.000	3.000	3.000	2.250
2007	5.000	4.000	3.000	3.000	2.250
2008	5.000	4.150	3.250	3.250	5.000
2009	5.000	4.350	3.250	3.250	3.000
2010	-	4.550	3.250	-	3.250
2011	-	4.550	3.250	-	3.750
2012	-	4.600	3.250	-	4.000
2013	-	4.625	3.250	-	4.000
2014	-	4.750	-	-	4.000
2015	-	4.750	-	-	4.000
2016	-	4.750	-	-	5.000
2017	-	-	-	-	5.250
2018	-	-	-	-	5.250
2018	-	-	-	-	5.250
2020	-	-	-	-	5.250

City of Flagstaff, Arizona
Percent of Net General Bonded Debt to Secondary Assessed Value
and Net General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Secondary Assessed Value (2)	Gross Bonded Debt	Less Current Portion	Net Bonded Debt	Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995	52,701 *	284,954,647	44,029,701	4,270,000	39,759,701	14%	754.44
1996	53,966	294,100,721	39,830,151	3,595,000	36,235,151	12%	671.44
1997	55,885	310,066,911	53,809,898	4,371,000	49,438,898	16%	884.65
1998	58,145	340,743,258	49,470,273	4,170,000	45,300,273	13%	779.09
1999	59,945	362,625,557	45,333,746	4,465,000	40,868,746	11%	681.77
2000	52,894 **	385,566,202	40,904,461	4,405,000	36,499,461	9%	690.05
2001	57,700	408,592,733	36,537,570	2,805,000	33,732,570	8%	584.62
2002	59,160	429,030,400	36,873,231	2,888,505	33,984,726	8%	574.45
2003	61,030	464,257,886	34,012,849	3,570,000	30,442,849	7%	498.82
2004	61,270	501,655,440	30,967,902	3,920,000	27,047,902	5%	441.45

(1) Arizona Department of Economic Security projected population increases except 1995 and 2000, which are official census figures.

(2) From County Assessors Office.

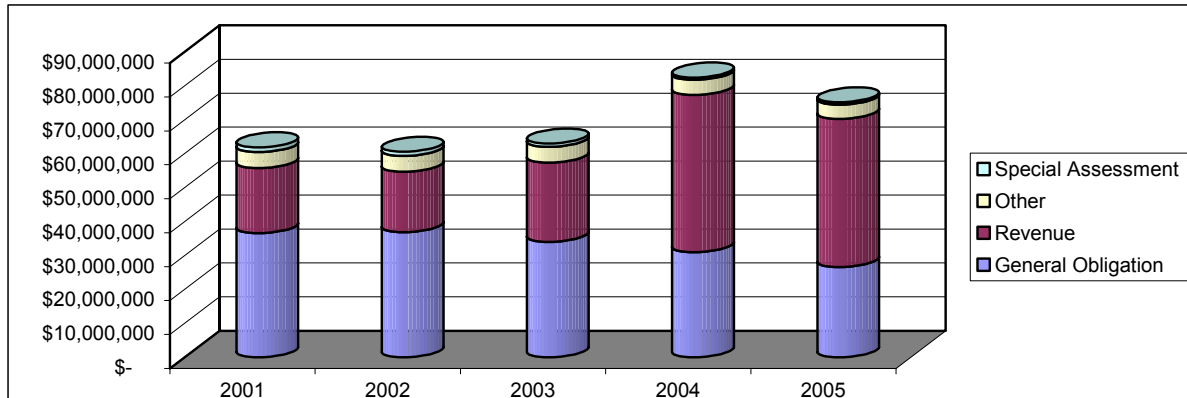
* 1995 Special Census.

** Census estimates exceeded actual 2000 census results.

FY2000 adjusted to reflect population per U.S. Census official results

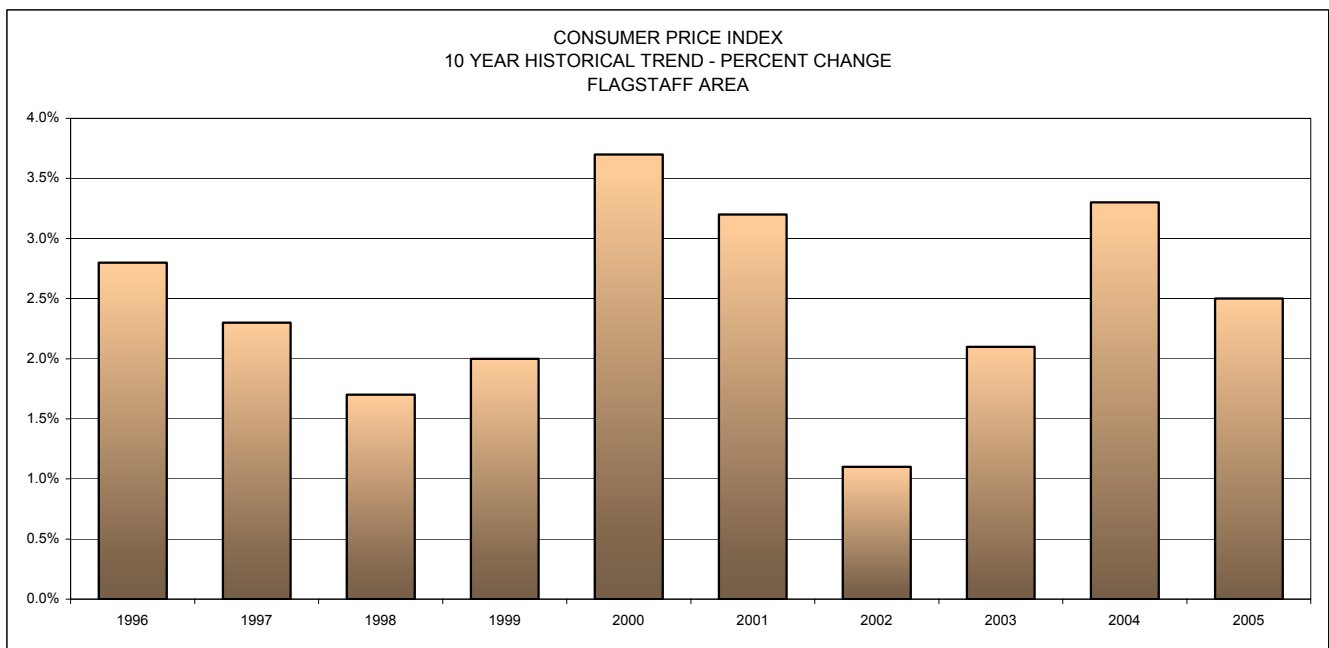
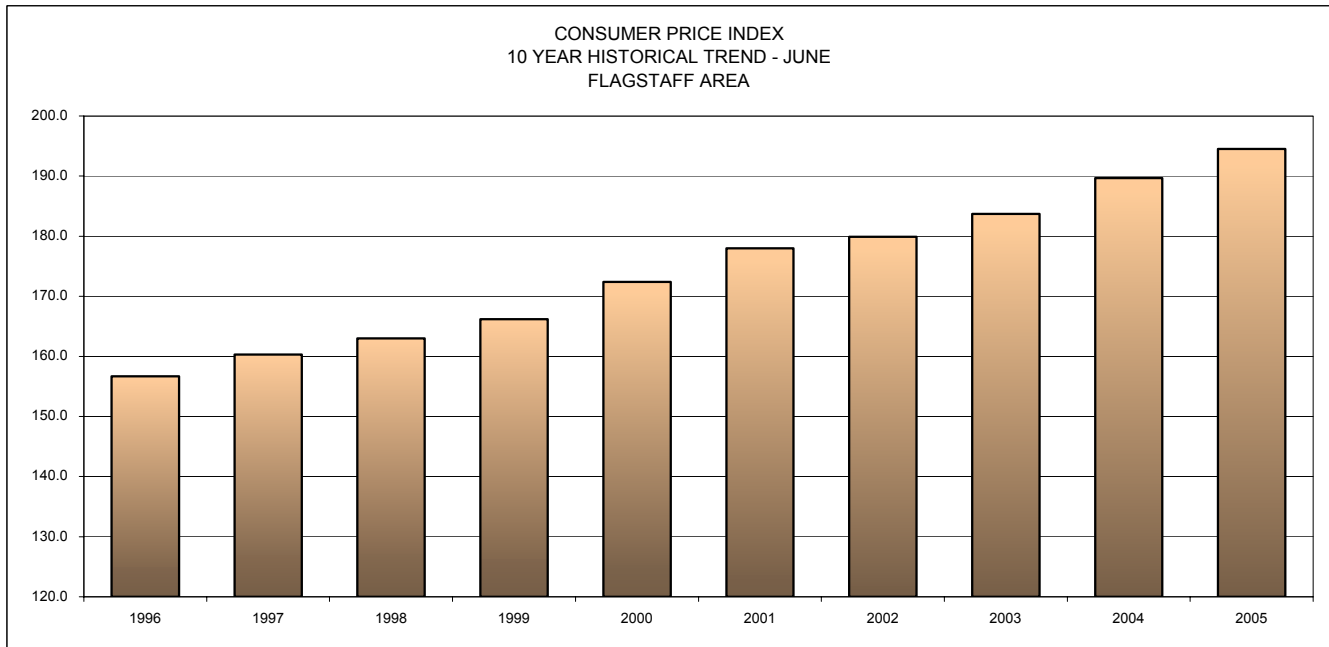
City of Flagstaff, Arizona
Total Bonds Payable
Last Five Fiscal Years

	2001	2002	2003	2004	2005
General Obligation	\$ 36,537,570	36,873,231	34,012,849	30,937,849	26,580,000
Revenue	19,180,000	17,760,000	23,295,760	46,327,329	43,660,440
Other	4,700,000	4,700,000	4,700,000	4,445,000	4,180,000
Special Assessment	1,417,000	1,188,000	944,000	685,000	685,000
Total Bonds Payable	\$ 61,834,570	60,521,231	62,952,609	82,395,178	75,105,440

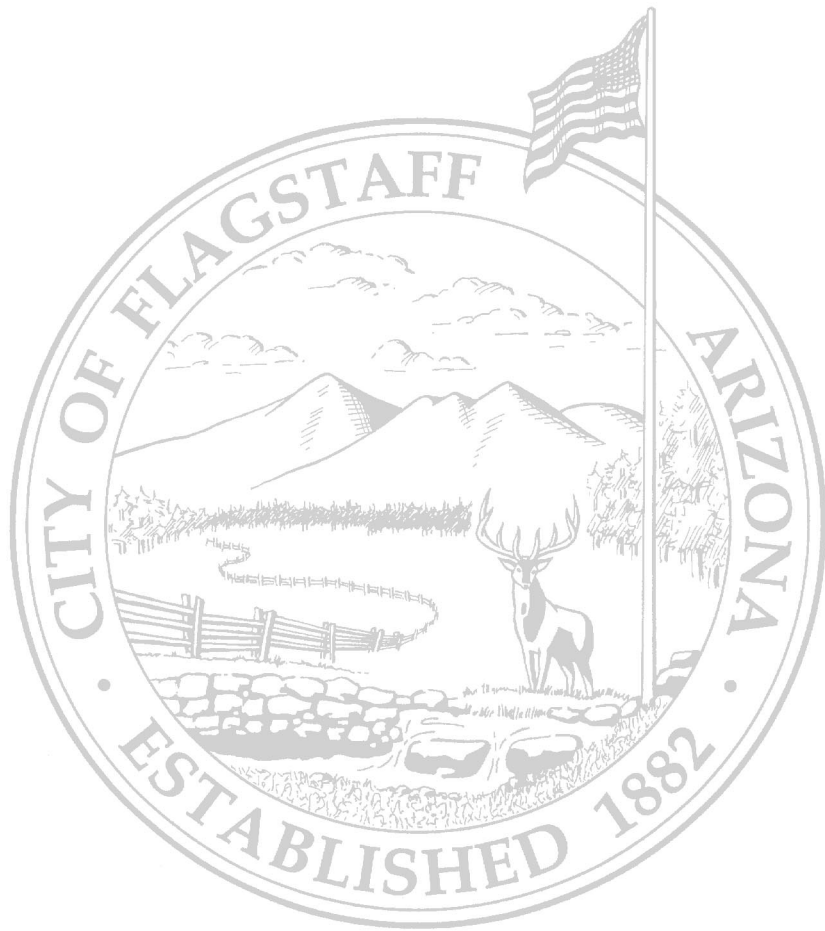


City of Flagstaff, Arizona
United States Consumer Price Index
10-Year Historical Trend - June Versus June
Flagstaff Area, Non-Seasonally Adjusted

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
June	156.7	160.3	163.0	166.2	172.4	178.0	179.9	183.7	189.7	194.5
Percent Change	2.8%	2.3%	1.7%	2.0%	3.7%	3.2%	1.1%	2.1%	3.3%	2.5%



Source: Tax, Licensing, and Revenue Division



Appendix A – Authorized Personnel/Position Summary

City of Flagstaff
Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
CITY MANAGER							
Alliance Staff	0	0	0	0	0	1	0
City Manager	1	1	1	1	1	0	1
Deputy City Manager	2	2	2	2	2	0	2
Executive Admin Assistant	1	1	1	1	1	0	1
Executive Assistant	1.25	1.25	1	1	1	0	1
Intern	0.75	0	0	0	0	0	0
Management Assistant-PIO	1	1	1	1	1	0	1
Total	7	6.25	6	6	6	1	6
CITY CLERK							
City Clerk	1	1	1	1	1	0	1
Deputy City Clerk	1	1	1	1	1	0	1
Executive Admin Assistant	1	1	1	1	1	0	1
Total	3	3	3	3	3	0	3
CAPITAL IMPROVEMENTS							
Admin Spclst	1	1	1	1	0	0	0
CIP Director	1	1	1	0	0	0	0
Capital Improvements Engineer	2	2	2	2	2	0	2
Eng Project Manager I	2	3	3	2	2	0	2
Eng Project Manager II	2	2	2	3	3	0	3
Engineering Technician III	1	0	0	0	0	0	0
Engineering Technician IV	3	2	1	1	1	0	1
Intern	0	0.5	0.5	0.5	0.5	0	0.5
Management Assistant -PIO	1	1	0	0	0	0	0
Senior Project Manager	6	6	5	5	5	0	5
Total	19	18.5	15.5	14.5	13.5	0	13.5
HUMAN RESOURCES							
Admin Assistant	1	1	1	1	1	0	1
Admin Specialist	1	1	1	1	1	0	1
Human Resources Analyst	0.75	0.75	0.75	1	0.5	0.5	0.5
Human Resources Director	0	0	0	0	0	0	1
Human Resources Manager	1	1	1	1	1	0	0
Human Resources Specialist	1	1	1	1	1	0	1
Human Resources Supervisor	0	0	0	1	1	0	1
Risk Management Assistant	0.5	Transfer	0	0	0	0	0
Risk Manager	1	Transfer	0	0	0	0	0
Total	6.25	4.75	4.75	6	5.5	0.5	5.5
RISK MANAGEMENT							
Risk Management Assistant	Transfer	1	1	0	0	0	0
Risk Manager	Transfer	1	1	1	1	0	1
Safety/Risk Management Specialist	0	0	0	1	1	0	1
Total	0	2	2	2	2	0	2
LAW							
Admin Asst	1	1	1	1	1	0	1
Admin Spclst	2	2	2	2	2	0	2
Asst City Attny-Chief Prosecutor	1	1	1	1	1	0	0
Asst City Attorney-Civil I	2	2	2	2	2	0	0
Asst City Attorney-Civil II	1	1	1	1	1	1	0
Asst City Attny-Prosecution	4	4	4	4	4	0	4
City Attorney	1	1	1	1	1	0	1
Deputy City Attorney	0	0	0	0	0	0	1
Executive Assistant/Paralegal	0	0	0	0	0	1	1
Intern	0.25	0.25	0.25	0.25	0.25	0	0.25
Senior Ass't City Attorney	0	0	0	0	0	0	3
Total	12.25	12.25	12.25	12.25	12.25	2	13.25

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
INFORMATION SYSTEMS							
Client Service Administrator	1	1	1	1	1	0	1
Computer Tech I	1	1	1	2	2	0	2
Computer Tech II	1	1	1	1	1	0	1
Computer/Data Ent Operator-temp	0.5	0	0	0	0	0	0
Data Base Analyst	1	1	1	1	1	0	1
Data Base Technician	0	0	0	0	0	1	0
E Server I5 System Administrator	0	0	0	0	1	0	1
GIS Manager	1	1	1	1	1	0	1
GIS System Analyst	1	1	1	1	1	0	1
GIS Technician	0	1	1	1	1	0	1
GIS Temporary	1.5	0	0	0	0	0	0
Info. Sys. Customer Svc. Rep.	1	1	1	1	1	0	1
Information Systems Mgr.	1	1	1	1	1	0	1
Intern	0.75	0.75	0	0	0	0	0
Network Analyst	1	1	1	1	1	1	2
Programmer/Analyst I	1	1	1	1	0	0	0
Senior GIS Technician	1	1	1	1	1	0	1
Total	13.75	12.75	12	13	13	2	14
MANAGEMENT SERVICES							
Admin Asst	1.5	1.5	1.5	1.5	1.5	0	2.5
Admin Spclst	2	2	2	1	1	0	1
Buyer	3	1	1	1	1	0	1
Contracts Assistant	2	1	0	0	0	0	0
Contract Specialist	0	0	1	1	1	0	1
Financial Services Director	1	0	0	0	0	0	0
Grants/Contract Manager	1	Transfer	0	0	0	0	0
Mail/Duplication Aide	1	1	1	1	1	0	0
Management Services Director	1	1	1	1	1	0	1
Purchasing Director	1	1	1	1	1	0	1
Real Estate Manager	1	1	1	1	1	0	1
Senior Buyer	0	2	2	2	2	0	2
Storekeeper	1	1	1	1	1	0	0
Warehouse Technician	0	0	0	0	0	0	1
Total	15.5	12.5	12.5	11.5	11.5	0	11.5
SALES TAX							
Account Clerk II	1	1	1	1	1	0	0
Accounts Receivable Specialist	0	0	0	0	0	0	1
Admin Assistant	2.25	2.5	2.5	2.5	2.5	0	2.5
Auditor II	2	2	2	2	2	0	2
Revenue Collector	2	2	2	2	2	0	2
Tax Licensing & Revenue Adm	1	1	1	1	1	0	1
Total	8.25	8.5	8.5	8.5	8.5	0	8.5
LIBRARY - CITY/GRANTS							
Admin Specialist	1.5	1.5	1.5	1.5	1.5	0	1.5
Librarian	1	1	1	1	1	0	1
Library Assistant I	12.75	12.75	13	13.5	13.5	0	13.5
Library Assist. I (temp)	2.25	2.75	2.75	2.75	2.75	0	2.75
Library Assistant II	2	2	2	3	3	0	3
Library Cataloging Assistant	1	1	1	1	1	0	1
Library Clerk I	5.75	6.25	6.5	5.5	4.5	1	5.5
Library Clerk I (temp)	1.75	1.5	1.5	2	2	0	2
Library COE Aide	0.25	0.25	0.25	0.25	0.25	0	0.25
Library Director	1	1	1	1	1	0	1
Library Inf. Syst. Coord.	2	2	2	2	2	0	2
Library Manager	2	2	2	2	2	0	2
Library Page	2	2	1.5	1.5	1.5	0	1.5
Library Page (temp)	1.5	1.5	1.5	1	1	0	1
Library Supervisor	2	2	2	2	2	0	2
Total	38.75	39.5	39.5	40	39	1	40

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
FINANCE							
Account Clerk I	0	0	0	2	2	0	2
Account Clerk II	0	0	0	0	0	1	0
Account Clerk III	1	0	0	0	0	0	0
Accountant I	1	1	1	1	1	1	1
Accountant II	4	4	4	4	4	0	4
Acct. Clrk/Switchbd Oper.	2	2	2	0	0	0	0
Accts Payable Specialist	0	1	1	1	1	0	1
Grants Manager	Transfer	1	1	1	1	0	1
Finance/Budget Manager	1	1	1	1	1	0	1
Payroll Assistant	1	1	1	1	1	0	1
Payroll Specialist	1	1	1	1	1	0	1
Total	11	12	12	12	12	2	12
MPO							
Intern	0.25	0.25	0.25	0.25	0	0.25	0.25
Metro Planning Org Manager	0	0	0	0	0	0	1
Multi modal Planner	0	0	0	0	1	0	1
Transportation Planner	1	1	1	1	1	0	0
Total	1.25	1.25	1.25	1.25	2	0.25	2.25
COMMUNITY DEVELOPMENT ADMIN							
Admin Spcialist	2	2	2	2	1	0	1
Community Development Dir.	1	1	1	1	1	0	1
Deputy Community Development Dir	0	0	0	1	0	0	0
Development Services Rep	2	2	Transfer	0	0	0	0
Development Services Supv	0	1	0	0	0	0	0
Switchboard Operator	1	1.25	0	0	0	0	0
Total	6	7.25	3	4	2	0	2
DEVELOPMENT SERVICES							
Admin Asst	0	0.75	0.75	0	0	0	0
Admin Spclst	1	1	1	1	2	0	2
Associate Planner	0	0	0	Transfer	2	0	2
Building & Develp Services Dir	0	0	0	Transfer	1	0	1
Building and Safety Manager	0	0	0	Transfer	1	0	1
City Engineer	1	1	1	1	1	0	1
Clerk Typist	0.75	0	0	0	0	0	0
Construction Manager	1	1	1	1	1	0	1
Development Review Planner	0	0	0	Transfer	1	0	1
Development Services Director	0	0	0	Transfer	1	0	1
Development Services Rep	0	0	0	Transfer	2	0	2
Engineering Project Manager I	0	0	0	Transfer	2	0	2
Engineering Project Manager II	0	0	0	Transfer	1	0	1
Engineering Technician I p-time	0.5	0.5	0.5	0.5	0.5	0	0.5
Engineering Technician II	2	1	1	1	1	0	1
Engineering Technician III	transfer	1	1	1	1	0	1
Engineering Technician IV	2	2	2	2	1	0	1
Inspector I	4	4	4	4	9	0	9
Inspector II	2	2	2	1	4	0	4
Inspection Supervisor	0	0	0	1	1	0	1
Material Tech I (temp)	0.75	0.75	1.5	1.5	1.5	-1	0.5
Materials Tech. I	1	1.75	1	1	1	1	2
Materials Tech. II	1	1	1	1	1	0	1
Planner	0	0	0	Transfer	2	0	2
Plans Examiner	0	0	0	Transfer	3	1	4
Private Dev. Eng.	1	1	1	1	Transfer	0	0
Project Mgr. I	4	4	2	2	Transfer	0	0
Project Mgr. II	2	2	1	1	Transfer	0	0
Stormwater Manager	1	1	Transfer	0	0	0	0
Survey Party Chief	1	1	1	0	0	0	0
Survey/Mapping Superv.	1	1	1	0	0	0	0

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
Traffic Eng. Mgr.	1	1	1	1	Transfer	0	0
Traffic Projects & R/W Mgr.	1	1	1	1	Transfer	0	0
Zoning Code Enf Official	0	0	0	Transfer	1	0	1
Zoning Enforcement Officer	0	0	0	Transfer	1	0	1
Total	29	29.75	25.75	23	43	1	44
COMMUNITY IMPROVEMENTS							
Admin Spclst	1	1	1	1	1	0	1
Building & Safety Manager	1	0	1	1	Transfer	0	0
Building & Develp Services Dir	1	1	1	1	Transfer	0	0
Community Improvement Director	0	0	0	Transfer	1	0	1
Development Services Rep	0	Transfer	2	2	Transfer	0	0
Engineering Project Manager	0	0	0	0	0	0	1
Engineering Tech IV	0	0	0	Transfer	1	0	1
Inspector I	4	4	4	5	Transfer	0	0
Inspector II	3	3	3	3	Transfer	0	0
Traffic Eng. Mgr.	0	0	0	Transfer	1	0	1
Traffic Projects & R/W Mgr.	0	0	0	Transfer	1	0	0
Transportation Intern	0	0	0	0	0	0.25	0.25
Plans Examiner	3	3	3	3	Transfer	0	0
Total	13	12	15	16	5	0.25	5.25
COMMUNITY INVESTMENT							
Admin Spclst	1	1	1	1	2	0	2
Associate Planner	3	3	3	3	1	0	1
Code Administrator	0	0	0	0	0	1	1
Community Investment Director	0	0	0	Transfer	1	0	1
Current Planner	1	1	1	1	Transfer	0	0
Development Review Planner	1	1	1	1	Transfer	0	0
Housing Manager	0	0	0	1	1	0	1
Housing Planner	1	1	1	1	1	0	1
Housing and CD Specialist	1	1	1	1	1	0	1
Land Trust Manager	0	0	0	0	0	1	1
Long Range Planner	1	1	1	1	1	0	1
Planner	2	2	2	2	Transfer	0	0
Planning Director	1	1	1	1	Transfer	0	0
Planning Technician	0	1	1	0	0	0	0
Redevelopment Program Mgr.	1	1	1	1	1	0	1
Senior GIS Technician	1	0	0	0	0	0	0
Zoning Enforce. Officer	1	1	1	1	Transfer	0	0
Zoning Code Enf Official	1	1	1	1	Transfer	0	0
Total	16	16	16	16	9	2	11
FIRE							
Admin Asst	1	1	1	1	1	0	1
Admin Spclst	1	1	1	1	1	0	1
Asst. Fire Chief	2	2	2	2	1	1	2
Asst. Fuel Mgr.	1	1	1	1	1	0	1
Fire Battalion Chief	3	3	3	3	3	0	3
Fire Captain	21	21	21	21	21	0	21
Fire Chief	1	1	1	1	1	0	1
Fire Engineer	21	21	21	21	21	0	21
Fire Fighter	36	36	36	36	36	6	36
Fire Inspector II	2	2	2	2	2	0	2
Fire Support Services Technician	0	0	0	0	0	1	0
Fire Training Officer	1	1	1	1	1	0	1
FireWise Coordinator	0	0	0	0	0	1	1
Fuel Management Officer	1	1	1	1	1	0	1
Fuel Mgt. Crew Member	2.75	2.75	2.75	2.75	2.75	0	2.75
Fuel Mgt. Leadworker	3	3	3	1	1	0	1
Fuel Management Technicians	0	0	0	2	2	0	2
Fuel Mgmt Student Intern	0.5	0	0	0	0	0	0
Total	97.25	96.75	96.75	96.75	95.75	9	97.75

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
POLICE							
Admin Asst	9	9.5	10	10	10	0	10
Admin Spclst	4	4	4	4	4	0	4
Animal Control Officer	2	2	2	2	2	0	2
Assist. Records Clerk-COE	0.5	0.5	0	0	0	0	0
COE Aide (clerical)	0.75	0.75	0	0	0	0	0
Deputy Police Chief	1	2	2	2	2	0	2
Emerg Comm Specialist	20	23.5	22	22	22	3	25
Emerg Comm Specst - Idwkr	3	3	4	4	4	0	4
Evidence Clerk	1	1	0	0	0	0	0
Evidence Technician	1	1	2	2	2	1	2
Parking Control Officer	1	1	1	1	1	0	1
Police Captain	1	0	0	0	0	0	0
Police Caseworker	1	1	1	0	0	0	0
Police Chief	1	1	1	1	1	0	1
Police Clerk	1	0	0	0	0	0	0
Police Communications Mgr	0	1	1	1	1	0	1
Police Corporal/Det.	17	17	17	17	17	0	17
Police Infor. Sys.Coar.	1	0	0	0	0	0	0
Police Info System Tech	2	2	2	0	0	0	0
Police Lieutenant	3	3	3	4	4	0	5
Police Officer	61	58	61	64	61	6	65
Police Records Leadworker	1	1	1	1	1	0	1
Police Sergeant	11	11	11	11	12	0	12
Police Special Serv. Sup	1	1	1	1	1	0	1
Police Support Serv. Mgr.	1	1	1	1	1	0	1
Property Control Coord	1	1	1	1	1	1	1
Total	146.25	146.25	148	149	147	11	155
POLICE GRANTS							
Admin Spclst	1	1	1	1	1	0	1
Police Officer	0	0	0	Transfer	2	1	3
Police Seargent	1	1	1	1	1	0	1
Total	2	2	2	2	4	1	5
PUBLIC WORKS ADMINISTRATION							
Admin Spclst	1	1	1	1	1	0	1
Public Works Director	1	1	1	1	1	0	1
Senior Project Manager	0	Transfer	1	1	1	0	1
Total	2	2	3	3	3	0	3
PARKS							
Maintenance Worker	8.75	6.25	5	7	7	0.75	6.75
Maintenance Worker I	6	7	6	6	6	1	7
Maintenance Worker II	7.5	8	8	8	8	1	9
Maintenance Worker III	1	1	1	1	1	0	1
Maintenance Worker III Leadworker	1	1	1	1	1	0	1
Inventory Mgmt Specialist	0	0	0	0	0	1	0
Parks Supt.	1	1	1	1	1	0	1
Plant Inventory Crew Member	1.25	0	0	0	0	0	0
Total	26.5	24.25	22	24	24	3.75	25.75
FLEET SERVICES							
Buyer I	0	1	1	1	1	0	1
Fleet Mgmt. Supt.	1	1	1	1	1	0	1
Fleet Supervisor	1	1	1	1	1	0	1
Mechanic Aide	1	1	1	1	1	0	1
Mechanic I	3	3	2	2	2	0	2
Mechanic II	6	6	6	6	6	0	6
Service Writer	1	1	1	1	1	0	1
Sr. Equipment Parts Spec.	1	0	0	0	0	0	0
Welder	1	1	1	1	1	0	1
Total	15	15	14	14	14	0	14

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
FACILITIES MAINTENANCE							
City Hall Attendant	0.5	0	0	0	0	0	0
Custodian/Attendant	1	1	1	1	1	0	1
Facility Maint. Supt.	1	1	1	1	1	0	1
Maintenance Worker	0.25	0	0	0	0	0	0
Maintenance Worker I	1	1	1	1	1	1	2
Maintenance Worker II	2	4	4	3	3	0	3
Maintenance Worker III	3	2	2	2	2	0	2
Recreation Mech. Maint. Worker	1	1	1	0	0	0	0
Total	9.75	10	10	8	8	1	9
RECREATION							
Admin Asst	0.75	0.75	0.75	0	0	1	1
Admin Spclst	1	1	1	1	1	0	1
Intern	0.5	0.25	0.25	0.25	0.25	0	0.25
Parks & Recreation Manager	0	0	0	0	1	0	1
Parks & Recreation Director	1	1	1	1	0	0	0
Parks Project Manager	1	1	Transfer	0	0	0	0
Recreation Coord. I	7	7	7	6.5	6.5	0	6.5
Recreation Coordinator II	2	2	2	2	2	0	2
Recreation Supt.	1	1	1	1	1	0	1
Recreation Temporaries	29.5	27.25	24.75	20.2	18.6	2.43	21.03
Senior Recreation Coordinator	8	8	7	7	7	0	7
Total	51.75	49.25	44.75	38.95	37.35	3.43	40.78
STREET MAINTENANCE & REPAIRS							
Admin Spclst	1	1	1	1	1	1	1
Cemetery Maint. Specialist	1	1	1	1	1	0	1
Equip. Oper. III LDWKR	1	1	1	1	1	-1	0
Equip. Oper. various temps	2.5	2.5	5.5	5.5	5.5	0	5.5
Equipment Operator I	6	6	3	3	3	0	3
Equipment Operator II	8	8	8	8	8	0	8
Equipment Operator III	3	3	3	3	3	0	3
Leadworker/Training Coord.	1	1	1	1	1	0	1
Maint. Wkr. I	4	4	4	4	4	0	4
Maint. Wkr. II	2	2	2	2	2	0	2
Maint. Wkr. III	2	2	2	2	2	0	2
Maint. Wkr. III LDWKR	1	1	1	1	1	0	1
Maint. Worker temp	0.75	0.75	0.75	0.75	0.75	0	0.75
Project Manager	0	0	0	0	0	1	0
Signal Tech II	0	0	0	0	0	1	0
Street Superintendent	1	1	1	1	0	1	0
Street Supervisor	1	1	1	1	1	0	1
Supervisor of Operations	0	0	0	0	0	1	1
Traffic Signal Technician	0	1	1	1	1	0	1
Transportation and Maint Mgr	0	0	0	0	1	0	1
Total	35.25	36.25	36.25	36.25	36.25	4	36.25
AIRPORT							
Admin Spclst	1	1	1	1	1	0	1
Airport Manager	1	1	1	1	1	0	1
Airport Operations Supv	0	1	1	1	1	0	1
Airport Service Leadworker	1	0	0	0	0	0	0
Airport Service Worker I	3	3	3	3	3	0	3
Airport Service Worker II	3	3	3	3	3	0	3
Equip. Operator II temp	0.5	0.5	0.5	0.5	0.5	0	0.5
Total	9.5	9.5	9.5	9.5	9.5	0	9.5

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
ENVIRONMENTAL SERVICES							
Admin Asst	2	2	2	2	2	0.5	2.5
Admin Spclst	2	2	2	2	2	0	2
Bin Maint./Equip. Oper.	1	1	1	1	1	1	2
Brownfield Operations	0	0	0	2	0	0	0
Brownfield Specialist	0	0	0	0	1	0	1
Brownfield Technician	0	0	0	0	1	0	1
Conservation Coordinator	1	1	1	1	0	0	0
Conservation Manager	0	0	0	0	1	0	1
Environmental Code Officer	1	1	1	1	1	0	1
Enviro Code/Ed Aide	1	0	0	0	0	0	0
Environ Operations Manager	0	0	0	1	1	0	1
Environ Program Manager	0	1	1	1	1	0	1
Environ Supervisor	0	1	1	1	1	0	1
Environ Svcs Collection Super	0	0	0	0	0	0	1
Environ Svc Equip Oper I	2	2	2	2	2	0	2
Environmental Assistant	0	0	0	1.5	1.5	0	1.5
Environmental Program Specialist	1	1	1	1	1	0	1
Environmental Project Specialist	1	1	1	1	1	0	1
Environmental Services Director	1	1	1	1	1	0	1
Environmental Services Mgr	3	3	3	2	2	0	2
Environmental Technician	1.5	0.5	1	1	1	0	1
Equipment Oper. I - Temp.	1	1	1	1	1	0	1
Equipment Operator II	1	0	0	0	0	0	0
ES Equip. Oper. II	16	9	9	11	11	0	11
ES Equip. Oper. III-Commercial	0	8	8	8	8	1	9
ES Training & Safety Coord	0	1	1	1	1	0	0
Landfill Equip Operator I	1	1	1	2	2	-1	1
Landfill Equip Operator II	1	1	1	1	1	0	1
Landfill Equip Operator III	3	3	3	3	3	0	3
Landfill Maint Operator	1	1	1	1	1	0	1
Program Asst	1.5	1.5	1.75	1.75	1.75	0.25	2
Project Manager II	1	1	1	1	1	0	1
Public Works Engineer	1	0	0	0	0	0	0
Total	45	45	45.75	52.25	52.25	1.75	54
UTILITIES ADMINISTRATION							
Admin Spclst	2	2	2	2	2	0	2
Assistant Utilities Director	1	1	1	1	1	0	1
GIS System Analyst	0	0	0	1	1	0	1
Plant Supervisor	0	1	1	1	1	0	0
Program Asst	1	1	1	0	0	0	0
Utilities Director	1	1	1	1	1	0	1
Utilities Engineer	2	1	1	1	1	0	1
Utilities Program Assistant	0	0	0	1	1	0	1
Utilities Senior Project Manager	0	0	0	0	0	0	1
Water Conservation Manager	0	0	1	1	1	0	1
Water Conservation Enforcement Aic	0	0	0	0.5	0.5	0	0.5
Water/Sewer Util. Locator	1	1	1	1	1	0	1
Total	8	8	9	10.5	10.5	0	10.5
LAKE MARY WATER PLANT							
Instrument Tech	1	1	1	1	1	0	1
Lab Director/Chemist	1	1	1	1	1	0	1
Laboratory Tech	1	1	1	1	1	0	1
Mech. Maint. Wkr I (temp)	1	1	1	1	1	0	1
Mech. Maint. Wkr. III	2	2	2	2	2	0	2
Mech. Maint. Wkr. IV	1	1	1	1	1	0	1
Plant Operator	3	3	3	3	3	0	3
Plant Supervisor	1	1	1	1	1	0	0
Water Production Manager	0	0	0	0	0	0	1
Water Treat/Prod Chf Operator	1	1	1	1	1	0	1
Total	12	12	12	12	12	0	12

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
CUSTOMER SERVICE							
Admin Asst	3.25	4	3.5	2.5	2.5	0	2.5
Admin Spclst	1	1	1	2	2	0	2
Customer Srvc Manager	1	1	1	1	1	0	1
Meter Reader	4	4	4	4	4	0	4
Meter Reader Supervisor	0	0	1	1	1	0	1
Meter Reader Supervisor/Collections	1	1	0	0	0	0	0
Total	10.25	11	10.5	10.5	10.5	0	10.5
WATER DISTRIBUTION SYSTEM							
Field Services Supervisor	0	0	0	0	0	0	1
Maintenance Worker - Temp	1	1	1	1	1	0	1
Maintenance Worker I	5	5	5	1	1	0	1
Maintenance Worker II	1	1	1	0	0	0	0
Maintenance Worker III	4	4	4	0	0	0	0
Maintenance Worker III-LDWKR	1	1	1	0	0	0	0
Meter Service Tech.	1	1	1	0	0	0	0
Utility Service Supr.	1	1	1	1	1	0	0
Water Services Specialist	0	0	0	1	1	0	1
Water Services Tech	0	0	0	10	10	0	10
Total	14	14	14	14	14	0	14
WASTEWATER TREATMENT PLANT							
Equip. Operator II temp	1.5	1.5	1.5	1.5	1.5	0	1.5
Instrument Technician	1	1	0	0	0	0	0
Lab Director/Chemist	1	1	0	0	0	0	0
Lab Technician	1	1	0	0	0	0	0
Mech. Maint. Wkr II	1	1	0	0	0	0	0
Mech. Maint. Wkr III	1	1	0	0	0	0	0
Mech. Maint. Wkr. IV	1	1	0	0	0	0	0
Mech. Maint. Worker I	2	2	0	0	0	0	0
Plant Operator	2	2	0	0	0	0	0
Plant Specialist	0	0	5	4	4	0	4
Plant Supervisor	1	1	1	1	1	0	0
Plant Tech-Multi-Skilled Wrk	0	0	10	7	7	0	7
Senior Plant Operator	1	1	0	0	0	0	0
Wastewater Treatment Manager	0	0	0	0	0	0	1
Total	13.5	13.5	17.5	13.5	13.5	0	13.5
WASTEWATER COLLECTION							
Maintenance Wkr. I	3	3	3	0	0	0	0
Maintenance Wkr. II	1	1	1	0	0	0	0
Maintenance Wkr. III	2	2	2	0	0	0	0
Maintenance Wkr. III-Leadworker	1	1	1	0	0	0	0
Utilities Service Supr.	1	1	Transfer	0	0	0	0
Water Services Specialist	0	0	0	1	1	0	1
Water Services Tech	0	0	0	6	6	2	8
Total	8	8	7	7	7	2	9
WASTEWATER MONITORING							
Industrial Waste Inspector	2	2	2	2	2	0	2
Industrial Waste Supervisor	1	1	1	1	1	0	1
Total	3	3	3	3	3	0	3
RECLAIMED WASTEWATER TREATMENT PLANT							
Instrument Technician	1	1	Transfer	0	0	0	0
Lab Technician	1	1	Transfer	0	0	0	0
Mech. Maint. Wkr. III	1	1	Transfer	0	0	0	0
Plant Operator	1	1	Transfer	0	0	0	0
Plant Specialist	0	0	0	1	1	0	1
Plant Tech Multi-Skilled Wrk	0	0	0	3	3	0	3
Senior Plant Operator	1	1	Transfer	0	0	0	0
Total	5	5	0	4	4	0	4

Appendix A – Authorized Personnel/Position Summary

DIVISION	2001-2002	2002-2003	2003-2004	2004-2005	REORG/VRC's 2005-2006	New Requested 2005-2006	Total Proposed 2005-2006
CITY COURT							
Admin Asst	11	10	10	10	10	2	9
Admin Spclst	2	2.25	2.25	2.25	2.25	0	3.25
Court Administrator	1	1	1	1	1	0	1
Court Collection Admin.	1	0	0	0	0	0	0
Court Collection Specialist	1	1	1	1	1	0	1
Court Info Systems Spec	0	1	1	1	1	0	1
Court Interpreter	1	1	1	1	1	0	1
Court Training Specialist	1	1	1	1	1	0	1
Deputy Court Administrator	0	2	2	2	2	0	2
Magistrate	1.75	1.75	1.75	1.75	1.75	1	1.75
Presiding Magistrate	1	1	1	1	1	0	1
Probation Officer	1	0.75	2	2	2	1	2
Pro-Tem Magistrate	0.5	0.5	0.5	0.5	0.5	0	0.5
Warrant Officer	2	2	2	2	2	0	2
Total	24.25	25.25	26.5	26.5	26.5	4	26.5
BEAUTIFICATION							
Urban Design Planner	1	1	1	1	1	0	1
Total	1	1	1	1	1	0	1
TOURISM							
Admin Spclst	1	1	1	1	1	0	1
Convention/Visitor Bur. Dir	1	0	0	0	0	0	0
CVB Communications Coord	1	0	0	0	0	0	0
CVB Director	0	0	0	1	1	0	1
CVB Manager	0	1	1	0	0	0	0
Domestic Travel Coord	1	0	0	0	0	0	0
Marketing Assistant	1	0	1	1	1	0	1
Publications Associate	0	0	0	0	1	0	1
Public Relations Associate	0	1	1	1	0	0	0
Public Relations Manager	0	0	0	1	1	0	1
Sales Marketing & Associate	0	2	1	2	2	0	2
Sales & Marketing Manager	0	1	1	1	1	0	1
Travel Industry Mgr.	1	0	0	0	0	0	0
Total	6	6	6	8	8	0	8
TOURISM-VISITOR CENTER							
Admin Asst	0	0	3.25	3.25	3.25	0	3.25
Admin Spclst	0	0	1.5	1.5	1.5	0	1.5
Visitor Center Supervisor	0	0	1	1	1	0	1
Total	0	0	5.75	5.75	5.75	0	5.75
STORMWATER							
Clerical Temp	0	0	0.25	0	0	0	0
Floodplain Inspector	0	0	0	0		1	1
Intern	0	0	0.5	0	0	0.5	0.5
Project Manager I	0	0	2	2	2	0	2
Project Manager II	0	0	1	1	1	0	1
Stormwater Manager	0	0	1	1	1	0	1
Stormwater Service Analyst	0	0	1	1	1	0	1
Total	0	0	5.75	5	5	1.5	6.5
GRAND TOTALS	<u>745.25</u>	<u>741.25</u>	<u>739.00</u>	<u>743.45</u>	<u>739.10</u>	<u>54.43</u>	<u>768.03</u>

2005-2006 City of Flagstaff Pay Plan

			Min												Mid 1-4			Mid 5-11			Mid 12+		
Range	Pos #	Position Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13								
7 B-2-3	10744	N Accounts Receivable Specialist	14.33	14.88	15.42	15.96	16.52	17.05	17.61	18.14	18.69	19.24	19.78										
	10741	N Airport Service Worker II	1146.40	1190.40	1233.60	1276.80	1321.60	1364.00	1408.80	1451.20	1495.20	1539.20	1582.40										
	10742	N Brownfield Technician	2483.87	2579.20	2672.80	2766.40	2863.47	2955.33	3052.40	3144.27	3239.60	3334.93	3428.53										
	10735	N Court Collections Specialist	29806.40	30950.40	32073.60	33196.80	34361.60	35464.00	36628.80	37731.20	38875.20	40019.20	41142.40										
	10714	N Development Svs Rep																					
	10731	N Engineering Tech III																					
	10739	N Environmental Assistant																					
	10732	N Environmental Code Officer																					
	10737	N Env Svcs Equip Oper III - Commercial																					
	10705	N Evidence Tech																					
	10740	N Executive Admin Asst																					
	10738	N Firefighter Fuel Mgt. Tech																					
	10721	N Laboratory Technician																					
	10728	N Landfill Equip Oper II																					
	10709	N Library Cataloging Asst																					
	10706	N Marketing Assistant																					
10700	N Mechanic I																						
10710	N Meter Service Tech																						
10734	N Payroll Assistant																						
10704	N Planning Tech																						
10703	N Plant Operator																						
10725	N Police Emerg Comm Spec																						
10717	N Program Assistant																						
10727	N Recr Mech Maint Wkr																						
10713	N Revenue Collector																						
10743	N Warehouse Technician																						
10702	N Water/Sewer Utility Locator																						
10711	N Zoning Enforce Officer	14.33					17.20						20.07										
		1146.40					1376.00						1605.60										
		2483.87					2981.33						3478.80										
		29806.40					35776.00						41745.60										
8 B-2-4	10834	N Accounts Payable Specialist	16.82	17.45	18.09	18.72	19.36	19.99	20.63	21.27	21.90	22.54	23.21										
	10827	N Buyer	1345.60	1396.00	1447.20	1497.60	1548.80	1599.20	1650.40	1701.60	1752.00	1803.20	1856.80										
	10839	N Cemetery Maint Specialist	2915.47	3024.67	3135.60	3244.80	3355.73	3464.93	3575.87	3686.80	3796.00	3906.93	4023.07										
	10830	N Computer Tech II	34985.60	36296.00	37627.20	38937.60	40268.80	41579.20	42910.40	44241.60	45552.00	46883.20	48276.80										
	10835	N Court Info Systems Specialist																					
	10831	N Court Interpreter																					
	10826	N Database Analyst I																					
	10836	N Deputy City Clerk																					
	10805	N Engineering Tech IV																					
	10820	N Environmental Tech																					
	10800	N Equip Oper III																					
	10812	N Industrial Waste Insp																					
	10810	N Inspector I																					
	10802	N Instrument Tech																					
	10828	N IS Customer Service Rep																					
	10822	N Landfill Equip Oper III																					
10807	N Library Assistant II																						
10804	N Maintenance Wkr III																						
10808	N Mechanic II																						
10801	N Mech Maint Wkr III																						
10837	N Meter Reader Supervisor																						
10825	N Police Info Systems Tech																						
10809	N Probation Officer																						
10841	N Publications Associate																						
10838	N Sales and Marketing Associate																						
10814	N Sr GIS Technician																						
10829	N Sr Recreation Coordinator																						
10824	N Software Support Tech																						
10940	N Utilities Program Assistant																						
10803	N Welder																						
10819	N Zoning Enforce Official	16.82					20.18						23.54										
20801	E Executive Asst	1345.60					1614.40						1883.20										
20800	E Public Relations Associate	2915.47					3497.87						4080.27										
		34985.60					41974.40						48963.20										

2005-2006 City of Flagstaff Pay Plan

			Min													Mid 1-4			Mid 5-11			Mid 12+		
Range	Pos #	Position Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13									
9 B-2-5	10909	N Accountant I	17.83	18.51	19.19	19.88	20.56	21.24	21.92	22.61	23.29	23.96	24.60											
	10911	N Associate Planner	1426.40	1480.80	1535.20	1590.40	1644.80	1699.20	1753.60	1808.80	1863.20	1916.80	1968.00											
	10937	N Brownfield Specialist	3090.53	3208.40	3326.27	3445.87	3563.73	3681.60	3799.47	3919.07	4036.93	4153.07	4264.00											
	10922	N Client Service Analyst	37086.40	38500.80	39915.20	41350.40	42764.80	44179.20	45593.60	47028.80	48443.20	49836.80	51168.00											
	10931	N Contract Specialist																						
	10923	N Court Training Specialist																						
	10920	N Database Analyst II																						
	10935	N eServer i5 System Administrator																						
	10936	N Environmental Program Specialist																						
	10907	N Fire Inspector II																						
	10924	N Fuel Management Leadworker																						
	10921	N Housing and CD Specialist																						
	10925	N Human Resources Specialist																						
	10900	N Inspector II																						
	10938	N Landfill EOIII Leadworker																						
	10934	N Network Analyst I																						
10 B-3-1	10902	N Payroll Specialist																						
	10904	N Plans Examiner																						
	10919	N Police Caseworker																						
	10915	N Police Emerg Comm Spec Ldwkr																						
	10903	N Police Officer																						
	10914	N Police Records Leadworker																						
	10926	N Programmer/Analyst I																						
	10933	N Safety/Risk Mgt Specialist																						
	10918	N Senior Buyer																						
	10929	N Traffic Signal Technician																						
	10916	N Warrants Officer																						
	20903	E Librarian	17.83	18.51	19.19	19.88	20.56	21.24	21.92	22.61	23.29	23.96	24.60											
			1426.40	1480.80	1535.20	1590.40	1644.80	1699.20	1753.60	1808.80	1863.20	1916.80	1968.00											
			3090.53	3208.40	3326.27	3445.87	3563.73	3681.60	3797.60	3907.60	4027.60	4147.60	4267.60											
			37086.40	38500.80	39915.20	41350.40	42764.80	44179.20	45593.60	47028.80	48443.20	49858.80	51268.80											
	11011	N Airport Operations Supervisor	18.67	19.38	20.11	20.82	21.54	22.25	22.96	23.68	24.39	25.12	25.76											
11003	N Equip Oper III Ldwkr	1493.60	1550.40	1608.80	1665.60	1723.20	1780.00	1836.80	1894.40	1951.20	2009.60	2060.80												
11012	N Env Svcs Collection Supervisor	3236.13	3359.20	3485.73	3608.80	3733.60	3856.67	3979.73	4104.53	4227.60	4354.13	4465.07												
11002	N Ldwkr/Training Coord	38833.60	40310.40	41828.80	43305.60	44803.20	46280.00	47756.80	49254.40	50731.20	52249.60	53580.80												
11004	N Maint Worker III Ldwkr																							
11008	N Materials Tech II																							
11000	N Mech Maint Wkr IV																							
11010	N Water Treat/Prod Chf Op																							
21005	E Environmental Supervisor	18.52	19.23	19.94	20.65	21.36	22.07	22.78	23.49	24.20	24.91	25.62	26.48											
21008	E Lab Director/Chemist	1481.60	1542.40	1603.20	1664.00	1724.80	1785.60	1846.40	1907.20	1968.00	2028.80	2089.60	2118.40											
21002	E Library Supervisor	3210.13	3321.26	3432.39	3543.52	3654.65	3765.78	3876.91	3988.04	4099.17	4210.30	4321.43	4389.87											
		38521.60	39632.73	40743.86	41854.99	42966.12	44077.25	45188.38	46299.51	47410.64	48521.77	49632.90	55078.40											
11 B-3-2	11105	N Assistant Fuel Manager	20.64	21.42	22.22	23.00	23.78	24.56	25.35	26.12	26.92	27.70	28.49											
	11100	N Detective/Corporal	1651.20	1713.60	1777.60	1840.00	1902.40	1964.80	2028.00	2089.60	2153.60	2216.00	2279.20											
	11101	N Fleet Supervisor	3577.60	3712.80	3851.47	3986.67	4121.87	4257.07	4394.00	4527.47	4666.13	4801.33	4938.27											
	11104	N Inspection Supervisor	42931.20	44553.60	46217.60	47840.00	49462.40	51084.80	52728.00	54329.60	55993.60	57616.00	59259.20											
	21108	E Police Spec Services Supervisor	20.30	21.01	21.72	22.43	23.14	23.85	24.56	25.27	25.98	26.69	27.40	29.04										
	21107	E Visitor Center Supervisor	1624.00	1684.00	1744.00	1804.00	1864.00	1924.00	1984.00	2044.00	2104.00	2164.00	2224.00	2323.20										
		3518.67	3578.67	3638.67	3698.67	3758.67	3818.67	3878.67	3938.67	3998.67	4058.67	4118.67	5033.60											
		4224.00	4284.00	4344.00	4404.00	4464.00	4524.00	4584.00	4644.00	4704.00	4764.00	4824.00	6003.20											

2005-2006 City of Flagstaff Pay Plan

			Mid 1-4 Mid 5-11 Mid 12+													
			Min													
Range	Pos #	Position Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	
C-4-1	21246	E Accountant II	21.20	22.22	22.95	23.69	24.43	25.17	25.90	26.64	27.38	28.12	28.85	29.59	30.27	
	21245	E Auditor II	1696.00													2458.40
	21235	E Building and Safety Manager	3674.67													5326.53
	21239	E City Clerk	44096.00													63918.40
	21233	E Client Service Administrator		1718.40	1777.60	1836.00	1895.20	1954.40	2013.60	2072.00	2131.20	2190.40	2249.60	2308.00	2367.20	2421.60
	21248	E Conservation Manager	3723.20	3851.47	3978.00	4106.27	4234.53	4362.80	4489.33	4617.60	4745.87	4874.13	5000.67	5128.93	5246.80	5375.07
	21243	E Database Analyst III	44678.40	46217.60	47736.00	49275.20	50814.40	52353.60	53872.00	55411.20	56950.40	58489.60	60008.00	61547.20	62961.60	64500.80
	21234	E Deputy Court Administrator														
	21209	E Engineering Project Manager I														
	21230	E Environ Project Specialist														
	21232	E Environ Services Manager														
	21241	E GIS Systems Analyst														
21204	E Grants Manager															
21225	E Human Resources Analyst															
21247	E Human Resources Supervisor															
21201	E Industrial Waste Supv															
21203	E Library Info Sys Coord															
21207	E Library Manager															
21216	E Management Asst - PIO															
21231	E Network Analyst II-D162															
21222	E Parks Superintendent															
21208	E Planner															
21242	E Programmer/Analyst II															
21240	E Public Relations Manager															
21223	E Recreation Superintendent															
21236	E Sales and Marketing Manager															
21237	E Stormwater Services Analyst															
21200	E Streets Supervisor															
21238	E Water Conservation Manager															
13	11301	N Police Sergeant	23.38	24.17	24.97	25.76	26.57	27.35	28.15	28.94	29.75	30.53	31.33	32.12	32.96	
C-4-2	21330	E Asst City Atty - Prosecutor	1870.40	1933.60	1997.60	2060.80	2125.60	2188.00	2252.00	2315.20	2380.00	2442.40	2506.40	2569.60	2636.80	
	21301	E Construction Manager	4052.53	4189.47	4328.13	4465.07	4605.47	4740.67	4879.33	5016.27	5156.67	5291.87	5430.53	5567.47	5713.07	
	21326	E Current Planner	48630.40	50273.60	51937.60	53580.80	55265.60	56888.00	58552.00	60195.20	61880.00	63502.40	65166.40	66809.60	68556.80	
	21301	E Customer Service Manager	23.08							26.92						33.45
	21328	E Engineering Project Manager II	1846.40							2153.60						2676.00
	21303	E Engineering Project Manager II (E)	4000.53							4666.13						5798.00
	21305	E Facilities Maint Supt	48006.40							55993.60						69576.00
	21321	E GIS Manager														
	21319	E Housing Planner														
	21320	E Client Service Administrator														
	21322	E Network Administrator														
	21324	E Real Estate Manager														
21323	E Risk Manager															
21331	E Traffic Engineering Project Mgr															
21327	E Urban Design Planner															
21325	E Utility Service Supervisor															

2005-2006 City of Flagstaff Pay Plan

City of Flagstaff

2005-2006 City of Flagstaff Pay Plan

		Min														
		Mid 1-4														
		Mid 5-11														
		Mid 12+														
Range	Pos #	Position Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	
20 D-7-1	22001	E Deputy CD Director	36.16						43.74						55.70	
			2892.80						3499.20						4456.00	
			6267.73						7581.60						9654.67	
			75212.80						90979.20						115856.00	
21 E-8-1	22103	E Community Dev Director	38.17						46.71						59.92	
			3053.60						3736.80						4793.60	
			6616.13						8096.40						10386.13	
			79393.60						97156.80						124633.60	
22 E-8-2	22200	E City Attorney	42.23						51.68						66.31	
			3378.40						4134.40						5304.80	
			7319.87						8957.87						11493.73	
26 F-10-2	22601	E City Manager	87838.40						107494.40						137924.80	
			49.23						60.95						78.76	
			3938.40						4876.00						6300.80	
						8533.20							10564.67			13651.73
						102398.40							126776.00			163820.80

2005-2006 City of Flagstaff Pay Plan - 2912 Hours

Range		Pos #	Position Title	Mid 5-11 Mid 12+											
				Min	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
8	10813 N	Firefighter		12,014.3	12,464.3	12,921.4	13,371.4	13,828.6	14,278.6	14,735.7	15,192.9	15,642.9	16,100.0	16,578.6	
				13,456.0	13,960.0	14,472.0	14,976.0	15,488.0	15,992.0	16,504.0	17,016.0	17,520.0	18,032.0	18,568.0	
				29,154.7	30,246.7	31,335.6	32,444.8	33,555.7	34,664.9	35,775.8	36,886.8	37,996.0	39,069.3	40,233.0	
				34,985.6	36,296.0	37,627.2	38,937.6	40,268.8	41,579.2	42,910.4	44,241.6	45,552.0	46,883.2	48,276.8	
				12,735.7	13,221.4	13,707.1	14,200.0	14,685.7	15,171.4	15,657.1	16,150.0	16,635.7	17,114.3	17,571.4	
9	10905 N	Fire Engineer		14,264.0	14,808.0	15,352.0	15,904.0	16,448.0	16,992.0	17,536.0	18,080.0	18,632.0	19,168.0	19,680.0	
				30,905.3	32,084.0	33,262.7	34,451.8	35,637.3	36,816.0	37,994.7	39,191.0	40,369.3	41,537.0	42,640.0	
				37,086.4	38,500.8	39,915.2	41,350.4	42,764.8	44,179.2	45,593.6	47,028.0	48,443.2	49,836.8	51,168.0	
				16,700.0	17,264.3	17,835.7	18,400.0	18,978.6	19,557.7	20,107.1	20,671.4	21,250.0	21,807.1	22,378.6	
				18,704.0	19,333.6	19,977.6	20,608.0	21,256.0	21,888.0	22,520.0	23,152.0	23,800.0	24,424.0	25,064.0	
13	11300 N	Fire Captain		40,525.3	41,894.7	43,281.3	44,650.7	46,054.7	47,406.7	48,793.3	50,162.7	51,566.7	52,918.7	54,305.3	
				48,630.4	50,273.6	51,937.6	53,580.8	55,265.6	56,888.0	58,522.0	60,195.2	61,880.0	63,502.4	65,166.4	

5% Add Pay
2005-2006

Range		Pos #	Position Title	Mid 5-11 Mid 12+											
				Min	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
9	10905 N	Fire Engineer		13,372.5	13,882.5	14,392.5	14,910.0	15,420.0	15,930.0	16,440.0	16,957.5	17,467.5	17,970.0	18,450.0	
				14,977.2	15,548.4	16,119.6	16,699.2	17,270.4	17,841.6	18,412.8	18,992.4	19,563.6	20,126.4	20,666.4	
				32,450.6	33,688.2	34,925.8	36,181.6	37,419.2	38,656.8	39,894.4	41,152.0	42,387.8	43,607.2	44,772.0	
				38,940.72	40,425.84	41,910.96	43,417.92	44,903.04	46,388.16	47,873.28	49,380.24	50,865.36	52,328.64	53,726.40	
				18,721.5	19,435.5	20,149.5	20,874.0	21,588.0	22,302.0	23,016.0	23,740.5	24,454.5	25,158.0	25,830.0	
B-2-5	10903 N	Police Officer		14,977.2	15,548.4	16,119.6	16,699.2	17,270.4	17,841.6	18,412.8	18,992.4	19,563.6	20,126.4	20,666.4	
				32,450.6	33,688.2	34,925.8	36,181.6	37,419.2	38,656.8	39,894.4	41,152.0	42,387.8	43,607.2	44,772.0	
				38,940.72	40,425.84	41,910.96	43,417.92	44,903.04	46,388.16	47,873.28	49,380.24	50,865.36	52,328.64	53,726.40	

2005-2006 City of Flagstaff
Pay Plan - Skill Based Pay

\$1.31 \$1.58 \$1.58 \$1.84 \$2.10

Range	Pos #	Position Title	1 (L1#1)	2 (L1#2)	3 (L1#3)	4 (L1#1)	5 (L1#2)	6 (L1#3)	7 (Max)
SBI	10930 N	Plant Technician - MSW	13.10	14.41	15.99	17.56	19.40	21.50	24.60
	11106 N	Water Services Technician - MSW	1048.00	1152.80	1278.80	1404.80	1551.80	1719.80	1968.00
			2270.67	2497.73	2770.73	3043.73	3362.23	3726.23	4264.00
			27248.00	29972.80	33248.80	36524.80	40346.80	44714.80	51168.00

City of Flagstaff Pay Plan - Broad Banding
2005-2006

Band	Pos #	Position Title	Zone 1													Zone 2			Zone 3			Maximum
			Minimum	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15				
B1	80101	N Admin Assistant	9.67	10.15	10.62	11.10	11.58	12.05	12.53	13.01	13.48	13.96	14.43	14.91	15.39	15.86	16.34					
	80102		773.60	811.71	849.83	887.94	926.06	964.17	1002.29	1040.40	1078.51	1116.63	1154.74	1192.86	1230.97	1269.09	1307.20					
	80103		1676.13	1758.71	1841.30	1923.88	2006.46	2089.04	2171.62	2254.20	2336.78	2419.36	2501.94	2584.52	2667.10	2749.69	2832.27					
			20113.60	21104.57	22095.54	23086.51	24077.49	25068.46	26059.43	27050.40	28041.37	29032.34	30023.31	31014.29	32005.26	32996.23	33987.20					
Band	Pos #	Position Title	Zone 1													Zone 2			Zone 3			Maximum
			Minimum	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15				
B2	80201	N Admin Specialist	12.71	13.22	13.72	14.23	14.73	15.24	15.74	16.25	16.75	17.26	17.76	18.27	18.77	19.28	19.78					
	80202		1016.80	1057.20	1097.60	1138.00	1178.40	1218.80	1259.20	1299.60	1340.00	1380.40	1420.80	1461.20	1501.60	1542.00	1582.40					
	80203		2203.07	2290.60	2378.13	2465.67	2553.20	2640.73	2728.27	2815.80	2903.33	2990.87	3078.40	3165.93	3253.47	3341.00	3428.53					
			26436.80	27487.20	28537.60	29588.00	30638.40	31688.80	32739.20	33789.60	34840.00	35890.40	36940.80	37991.20	39041.60	40092.00	41142.40					
Band	Pos #	Position Title	Zone 1													Zone 2			Zone 3			Maximum
			Minimum	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15				
B3	80301	N Plant Specialist	17.83	18.59	19.35	20.11	20.88	21.64	22.40	23.16	23.92	24.68	25.44	26.21	26.97	27.73	28.49					
	80302		1426.40	1487.31	1548.23	1609.14	1670.06	1730.97	1791.89	1852.80	1913.71	1974.63	2035.54	2096.46	2157.37	2218.29	2279.20					
	80303		3090.53	3222.51	3354.50	3486.48	3618.46	3750.44	3882.42	4014.40	4146.38	4278.36	4410.34	4542.32	4674.30	4806.29	4938.27					
	80401	N Water Services Spec	37086.40	38670.17	40253.94	41837.71	43421.49	45005.26	46589.03	48172.80	49756.57	51340.34	52924.11	54507.89	56091.66	57675.43	59259.20					
	80402																					
	80403																					

RESOLUTION NO. 2005-75

**A RESOLUTION FOR THE ADOPTION OF THE BUDGET FOR FISCAL YEAR 2005-2006; AND
DECLARING AN EMERGENCY**

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1 - 5, A.R.S., the City Council did, on June 21, 2005 make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Flagstaff; and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on June 21, 2005, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on July 19, 2005, in the Council Chambers at City Hall for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in A.R.S. 42-17051 (A);

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced or changed be and the same are hereby adopted as the budget of the City of Flagstaff for Fiscal Year 2005-2006.

SECTION 2. Emergency Clause and Effective Date. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health, and safety of the City. Therefore, an emergency is hereby declared to exist, and this Resolution is enacted as an emergency measure and will be in full force and effect from and after its passage and adoption by the Council of the City, as required by law. This Resolution shall take effect on July 5, 2005.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 5th day of July, 2005.

/s/ Joseph C. Donaldson
MAYOR

ATTEST:

/s/ Margie Brown
CITY CLERK

APPROVED AS TO FORM:

/s/ Patricia J. Boomsma
CITY ATTORNEY

ORDINANCE NO. 2005-18

AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2006, AND DECLARING AN EMERGENCY.

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2005-2006 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Flagstaff as follows:

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of .7861 for the fiscal year ending on the 30th day of June, 2006. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of .8766 for the fiscal year ending June 30, 2006.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgement of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. Emergency Clause and Effective Date. The immediate operation of the provisions of this Ordinance is necessary for the preservation of the public peace, health and safety of the City. Therefore, an emergency is hereby declared to exist, and this Ordinance is enacted as an emergency measure and will be in full force and effect from and after its passage and adoption by the Council of the City, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona. The tax levies imposed by this Ordinance shall take effect July 19, 2005.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 19th day of July, 2005.

/s/ Joseph C. Donaldson
MAYOR

ATTEST:
/s/ Margie Brown
CITY CLERK

APPROVED AS TO FORM:
/s/ Patricia Boomsma
CITY ATTORNEY

Full-Cost Plan Summary of Allocation Basis

Building Use:

City Hall-Gross square feet of assigned spaces.
Coconino Warehouse- Gross square feet of assigned spaces.
Single Use-Value of building utilized.

Equipment Use:

General-Inventory value of assigned equipment.
Computers-Inventory value of assigned equipment.
Vehicles-Inventory value of assigned equipment.
ND Computer-Number of personal computers.

ND General Admin:

Personal-Number of permanent full-time equivalent positions served.
Fiscal-Total expenses, capital at 10%, of units served.
Consultants-Direct allocation to City Manager or GF-Other.
Other-Direct allocation to ND General Admin-Other.

ND Employee Benefits:

Services-Number of permanent full-time equivalent positions served.

ND Insurance:

General Liability-Total expense less capital of units served.
Auto Liability-Premium by department.
Property Liability-Premium by department.
Contractor Equipment-Premium calculation by item of equipment.
Data Processing-Number of personal computers supported.
Employee Related-Number of full time equivalent positions served.
City Hall-Gross square feet of assigned space.
City Liability-Total expense, capital at 10% of units served.
Single Items-Actual cost per premium schedule.

ND Consultants:

Audit & Fiscal-Total expenses expenditures of units served.
Other Services-Direct allocation to ND Consultants-Other.

Council & Commissions:

Council-Total expenses, capital at 10% of units served.
Boards-Total expenses of units served.

City Manager:

City Admin Personnel-Personal services of units supervised or served.
City Admin Fiscal-Total expenses, capital at 10%, of units served.
Deputy Personnel-Personal services of units supervised or served.

Deputy Fiscal-Total expenses, capital at 10%, of units served.

PIO-Personal services of units supervised or served.

City Clerk:

Agenda Process-Direct allocation to City Council.
Records Management-Number of boxes stored.
Elections-Direct allocation to elections.
Other Services-Total expenses, capital at 10%, of units served.

City Attorney:

Civil Division-Total expenses, capital at 10%, of units served.
Criminal & Other-Direct allocation to City Attorney-Other

Human Resources:

Recruitment-Number of FTE's served, Fire & Police weighted.
Training/Benefits-Number of full-time equivalent positions served.

Risk Management:

Safety-Number of full-time equivalent positions served.
Claims-Total expenditures, capital at 10%, of units served.

Management Services Admin:

Department Admin-Personal services of units supervised or served.

Management Services Purchasing:

General Purchases-Number of encumbrances per division.
Large Projects-Estimated effort expended on larger projects.
Contract Admin-Expenditures of contract administered.

Management Services Mail Services:

Services-Number of minutes processing mail.

Management Services Warehouse:

Services-Cost of items issued through warehouse.

Management Services Property Mgmt:

Services-Estimated effort spent on projects.

Management Services Financial Services:

Services- Total expenses, capital at 10%, of units served.

ND Copy Center:

Services-Actual copy center charges for twelve months.

Information Systems:

General Support-Number of personal computers supported.
GIS- Total expenditures less capital of units served.

Finance:

Accounting/Budget-Number of adjusting journal entries.
Accounts Payable-Number of Accounts Payable transactions.
Payroll-Number of payroll checks issued.
Switchboard- Number of full-time equivalent positions served.
Grants-Number of grants with Federal grants weighted at 1.5.

Sales Tax & Licensing:

Collections-Estimated level of effort provided by Collections.
Accounts Receivable-Estimated level of effort provided by Accounts Receivable.
Other-Direct allocation to General Fund-Other.

Public Works Administration:

Director-Estimated effort expended by Public Works Director.
Secretary-Estimated effort expended by Public Works Director's Secretary.

Public Facilities Maintenance:

City Hall Custodial-Gross square feet of assigned space.
Other Custodial-Number of restrooms maintained.
Preventive Maintenance-Gross square footage of assigned space maintained.
Special Maintenance-Planned hours spent on various projects.
City Hall Maintenance-Gross square feet of assigned space.
Other Maintenance-Planned hours spent on Recreation and other departments.
City Hall Utilities-Gross square feet of assigned space.
Beaver Street Annex-Direct allocation to Other.
Milligan House-Direct allocation to Tourism.

Mechanical Shop:

Services-Charges for services provided by Public Works Mechanical Shop.

Customer Services:

City Support-Total expenses, capital at 10%, of units served.
Deposit Assistance-Estimated minutes of support.
Enterprise-Budgeted revenue of Utilities, Environmental Services, and Stormwater.
Field Reading-Direct allocation to Utilities.

Community Development Admin:

Departments Served-Personal services of units supervised or served.

Engineering:

Traffic Engineer-Direct allocation to Highway User Fund.
General Fund Other-Percentage of hour spent on projects.
Building Permit-Direct allocation to General Fund- Other.
Other-Dollar value of permits fees.

Planning:

Planning Services- Total expenses, capital at 10%, of units served.
Housing-Direct allocation to Planning-Other.

Contributions:

United Way-Total expenses by fund, less capital.
Others-Direct allocation to Contributions

GLOSSARY

ACCRUAL BASIS OF ACCOUNTING – A method of accounting in which revenues are recorded when measurable and earned, and expenditures (or expenses) are recognized when a good or service is used.

ACTIVITY – The purpose/activity or group of sub-activities within a function/program for which the city is responsible.

ADA – Americans with Disabilities Act

ADOPTED BUDGET – Formal action made by City Council that sets the spending limits for the fiscal year.

ADOT – Arizona Department of Transportation

ALLOCATION – Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

ANNUALIZED COSTS – Operating costs incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.

AOT – Arizona State Office of Tourism

APP – Aquifer Protection Permit

APPROPRIATION – An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

ARB – Accident Review Board – A committee comprised of City Employees from various departments designated to review employee accidents that result in property damage.

ASSESSED VALUATION – A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes. (Primary or Secondary)

ATP – Administrative/Technical Personnel

AWWA – American Water and Wastewater Association

BALANCED BUDGET – A budget in which current revenues equal current expenditures. The State or local government may set the legal requirements for a balanced budget.

BBB – Revenue derived from a two percent (2%) excise tax on hotels (bed), restaurants (board) and, bar receipts (booze), therefore, the "BBB" tax.

BNSF – Burlington Northern Santa Fe Railroad Company

BOND – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate.

BOND FUNDS – Are used to account for the purchase or construction of major capital facilities that are not financed by other funds. The use of bond funds is necessary to demonstrate that bond proceeds are spent only in amounts and for purposes authorized.

BONDS PROCEEDS – Debt issuances derived from the sale of bonds for the purpose of constructing major capital facilities.

BUDGET – A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

BUDGETARY CONTROL – The control of management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

BUDGET MESSAGE – The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the coming period.

CAPITAL – Those items valued over \$5,000 with a life expectancy of at least three years.

CAPITAL IMPROVEMENT PROGRAM BUDGET – The appropriation of bonds or operating revenue for improvements to city facilities including buildings, streets, water and sewer lines, and parks.

CAPITAL OUTLAY – Expenditures that result in the acquisition of or addition to fixed assets.

CAPITAL PROJECT – Any project having assets of significant value and having a useful life of three years or over. Capital projects include the purchase of land for design, engineering and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital projects are permanent attachments intended to remain to the land.

CARRYFORWARD – Any equipment, contractual, commodity, or capital project that has been previously approved by the Mayor and Council but for various reasons has not been implemented on schedule. Under the State laws and generally accepted accounting principals only those costs relating to work actually done

on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, a violation of State budget law, such project and the associated projected costs are included in the subsequent year's budget.

CCC – Coconino Community College

CDBG – Community Development Block Grant – A source of grant funding for housing projects and other redevelopment projects.

CIP – Capital Improvement program

COMMODITIES – Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

COMMUNITY DEVELOPMENT DEPARTMENT – Refers to the following group of Divisions: Community Development Administration, Building Inspection, Engineering, Planning, Urban Design, Housing and Community Services, Metropolitan Planning Organization, Arts & Science, Drainage and Transportation.

CONTINGENCY – Monies set aside as carryover to the following fiscal year, but which can be used to finance unforeseen expenditures of the various operating funds.

CONTRACTUAL SERVICES – Contracted service used for operating or construction activities. Examples include Legal Fees, Postage & Freight, Rents, Utilities, and Debt Service costs.

COST CENTER – An organizational budget and/or operating unit within each City division or department.

CSR – Customer Service Representative

CTAC – Citizens Transportation Advisory Committee

DEBT SERVICE – Payment of principal, interest, and related service charges on obligations resulting from the issuance of bonds.

DEBT SERVICE FUND REQUIREMENTS – The amounts of revenue that must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

DEPARTMENT – A major administrative division of the City that indicates overall management responsibility for an operation or group of related operations within a functional area.

DOJ – Department of Justice

DPS – Department of Public Safety – The enforcement division of the Arizona State Highway department.

DRB – Development Review Board

EMT - Executive Management Team - Team members selected from throughout the organization to participate in process improvement regarding organizational development.

ENCUMBRANCES – Obligations in the form of purchase orders, or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbered when the obligations are paid or otherwise liquidated.

ENTERPRISE FUND – An Accounting entity established to account for the acquisition, operation and maintenance of governmental facilities, and services which are entirely or predominately self-supporting.

ESTIMATED REVENUE – The amount of projected revenue to be collected during the fiscal year.

EXPENDITURE/EXPENSE – This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

EXPENDITURE LIMITATION – The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission based on population growth and inflation sets this limit.

FAA – Federal Aviation Administration

FCP – Flagstaff Cultural Partners – Created by the Alliance to establish local arts, cultural and science programs.

FHWA – Federal Highway Administration

FISCAL YEAR – A 12-month period of time to which the Annual Budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. For the City of Flagstaff, it is July 1, through June 30.

FIT – Flagstaff Interagency Taskforce for Safe Housing – an interagency team with the purpose of identifying and correcting unsafe housing and living conditions in the Flagstaff area.

FIXED ASSETS – Assets of a long-term character that is intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FMLA – Family Medical Leave Act

FMPO – Flagstaff Metropolitan Planning Organization

FTA – Federal Transit Administration

FTE – Full-Time Equivalent – A position, permanent or temporary, based on 2,080 hours per year. Part-time positions are converted for budget purposes to a decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part time employee working 520 hours would be equivalent to .25 of a full time position.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

FUND BALANCE – Fund balance is the excess of assets over liabilities and reserves and is, therefore, also known as surplus funds.

FUNDS CARRIED FORWARD – The balance of operating funds brought forward from prior years.

FUTS – Flagstaff Urban Trail System – A multi-modal trail system used by pedestrian commuters, runners, bicyclists, hikers, and cross-country skiers. The interconnected trails link virtually every area of the city and will provide a continuous link to the Arizona Trail, connecting the borders of Mexico and Utah.

GAAP - Generally Accepted Accounting Principles – Financial accounting and reporting conventions, rules, and procedures that a business entity must use in preparing external financial statements.

GENERAL ADMINISTRATION DEPARTMENT – Refers to the following group of Divisions: City Manager, City Clerk, Capital Management, Law, City Court, Tourism Administration, and Visitor Services.

GENERAL FUND – A fund used to account for all general-purpose transactions of the City that do not require a special type of fund.

GENERAL GOVERNMENT REVENUE – The revenues of a government other than those derived from and retained in an enterprise fund.

GENERAL OBLIGATION BONDS – (G.O.) Bonds that finance a variety of public projects such as streets, buildings, and improvements. The repayment of these bonds is usually made from secondary property taxes.

GOAL – A statement of broad direction, purpose or intent based on the needs of the community. A goal is

general and timeless; that is, it is not concerned with a specific achievement in a specific time period.

GRANT – A contribution by the state or federal government or other agency to support a particular function.

HURF – Highway User Revenue Fund – Highway user revenues are a gasoline tax collected by the state and distributed to counties and cities based on the county of origin and population. These revenues are to be used for Highways and Streets maintenance and construction.

INTERFUND TRANSFER – Amounts transferred from one fund to another.

JCEF – Judicial Collection Enforcement Fund

LEAF – Law Enforcement Administrative Facility – A shared facility between Coconino County and the City of Flagstaff.

LERRDS – Corps of Engineers acronym for, “Lands, Easements, Rights-of-way, Relocations, and Disposals.”

LMWTP – Lake Mary Water Treatment Plant

MANAGEMENT SERVICES DEPARTMENT – Refers to the following group of Divisions: Human Resources, Information Services, Management Services Administration, Finance/Budget, Sales Tax & Licensing, and Library division.

MIS – Management Information Systems

MODIFIED ACCRUAL ACCOUNTING – Basis of accounting required for use by governmental funds in which revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred.

MPO – Metropolitan Planning Organization

MRF – Materials Recovery Facility – A processing operation to sort, process and resale bulk recyclable materials collected from residential and commercial customers. The facility opened in 1998 through a public-private partnership.

NAPEBT – Northern Arizona Public Employees Benefit Trust – A joint venture combining the purchasing power for health insurance; members include the City of Flagstaff, Coconino County, Flagstaff Unified School District, and Coconino Community College.

NAU – Northern Arizona University

NFPA – National Fire Protection Association

NON-DEPARTMENTAL – Refers to the following Divisions: Contributions to Other Agencies, G.O.B.-Debt Service, Council & Commissions, Non-Departmental, Real Estate Proceeds, Firemen's Pension, Special Assessments and Transit.

NON-RECURRING REVENUE – Revenue which is a one-time receipt or which is not received on a continual basis.

NPDES – National Pollutant Discharge Elimination System

NRFP – North Reservoir Filtration Plant

OBJECTIVES – A statement of specific measurable outcomes that contribute toward accomplishing the departmental mission.

OPERATING BUDGET – A budget for general expenditures such as salaries, utilities, and supplies.

OPERATING REVENUE – Resources derived from recurring revenue sources used to finance recurring operating expenditures and pay-as-you-go capital expenditures.

OSHA – Occupational, Safety, and Health Administration

OUTSIDE AGENCIES – Refers to organizations, which are not associated with or can be allocated to any particular Department.

PERFORMANCE INDICATORS – Measures used to evaluate the performance of a program or activity. Effectiveness and efficiency are two types of "outcome" performance indicators.

PERSONAL SERVICES – All employers costs related to compensating employees of the City of Flagstaff, including employee fringe benefit costs such as City portion of retirement, social security, and health and industrial insurance.

PERSONNEL SERVICES – Expenditures for salaries, wages and fringe benefits of a government's employees.

PFAC – Ponderosa Fire Advisory Council

PIT – Project Implementation Team – A team comprised of City employees to ensure that the Capital Improvement Project process is expedient with the goal of getting work done in a timely manner and within the appropriated budget.

POLICE DEPARTMENT – Refers to both Police and Police Grant Divisions.

PRIMARY TAXES & VALUES – Primary or "limited" values are used to calculate primary property taxes which are collected to fund the maintenance and operation of school districts, community college districts, counties, cities and state government. Primary values and taxes are both "limited" as to how much they can increase if no changes have been made to the property.

PROGRAM – A group of related functions or activities performed by a division where there is a desire to budget and identify expenditures independently of other activities within the division.

PROPERTY TAX LEVY – The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

PRV – Pressure reduction valve

PUBLIC WORKS DEPARTMENT – Refers to the following Divisions: Airport, Facilities Maintenance, Cemetery, Mechanical Shop, Parks and Recreation, Environmental Services and Streets.

PURCHASED CAPITAL OUTLAY – Acquisition of any item of capital that is complete in and of itself when it is purchased.

RECURRING REVENUES – Revenue sources available on a constant basis to support operating and capital budgetary needs.

RESERVES – Account that records a portion of the fund equity that must be segregated for some future use and that is, therefore, not available for further appropriation or expenditure.

RESTRICTED REVENUES – Are legally restricted for a specific purpose by the Federal, State, and local government.

RFP – REQUEST FOR PROPOSAL – A request for an offer, by one party to another, based on a requested scope of services.

RSL – REVISED SERVICE LEVEL – A request for appropriation above the targeted base budget of the division. These may be for one-time purchases or ongoing expenditures.

REVENUES – Amounts estimated to be received from taxes and other sources during the fiscal year.

SCADA – Supervisory and Control Data Acquisition. This is a program used by the Utilities Department.

SECONDARY PROPERTY TAXES – Ad valorem taxes or special property assessments used to pay the principal and interest charges on any bonded

indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a municipality.

SECONDARY TAXES & VALUES – Secondary, or "full cash" values are synonymous to market values. They are used to calculate secondary property taxes to support voter-approved budget overrides, bond issues and other debt service, such as special districts.

SID – Special Improvement District

SPECIAL REVENUE FUND - Fund used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government.

STREET AND HIGHWAY BONDS – Bonds that are secured by the City's Highway User Revenues and used for the construction of street, highway and related capital projects.

STS – Safe To School.

TAX LEVY – The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

TAX RATE – The amount of tax levied for each \$100 of assessed valuation.

TEA-21 – Transportation Equity Act for the 21st Century

URBAN DESIGN – Refers to the following group of Divisions: Beautification-General Administration, Streetscape, Flagstaff Urban Trails System, Rehabilitation Projects, and Reserve-Beautification.

USDOT – United States Department of Transportation

USFS – United States Forest Service

USGS – United States Geological Survey

UTILITIES DEPARTMENT – Refers to the following Divisions: Betterments & Improvements Water District, Betterments & Improvements Water Production, Debt Service-Sewer, Debt Service-Water, Lake Mary Water Plant, Meter Reading, North Reservoirs, Utilities Administration, Wastewater Collection, Wastewater Collection Improvements, Wastewater Monitoring, Wastewater Treatment Improvements, Wastewater Treatment Plant, Water Distribution System, Woody Mountain Wells, and Reclaimed Plant.

WIFA – Water Infrastructure Financing Authority

ACRONYMS

<u>Acronym</u>	<u>Description</u>
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
AOT	Arizona State Office of Tourism
APSES	Arizona Public Service Environmental Services
ARS	Arizona Revised Statutes
ATP	Administrative/Technical Personnel
ATV	All Terrain Vehicle
BBB	Bed, Board, and Booze Tax
BNSF	Burlington Northern Santa Fe Railroad Company
CAD	Computer Assisted Drafting
CAFR	Comprehension Annual Financial Report
CCC	Coconino Community College
CCSO	Coconino County Sheriff's Office
CD	Community Development
CDBG	Community Development Block Grant
CID	Capital Improvement Division
CIP	Capital Improvement Plan/Projects
COL	Cost of Living
CPM	Center for Performance Measurement
CSR	Customer Service Representative
CVB	Convention and Visitor Bureau
CY	Calendar Year
DBA	Downtown Business Alliance
DES	Department of Economic Security
DOJ	Department of Justice
DPS	Department of Public Safety
DRB	Development Review Board
DUI	Driving Under the Influence
EAC	Employee Advisory Committee
EOC	Emergency Operations Center
ERU	Equivalent Runoff Unit
FAA	Federal Aviation Administration
FAM	Familiarization Tour
FBI	Federal Bureau of Investigation
FCP	Flagstaff Cultural Partners
FEMA	Federal Emergency Management Agency
FHA	Flagstaff Housing Authority
FHWA	Federal Highway Administration
FMLA	Family Medical Leave Act
FMPO	Flagstaff Metropolitan Planning Organization
FPD	Flagstaff Police Department
FRC	Flagstaff Recreation Center
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FUSD	Flagstaff Unified School District
FUTS	Flagstaff Urban Trail System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GFEC	Greater Flagstaff Economic Council
GFFP	Greater Flagstaff Forest Partnership
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GO	General Obligation
GREAT	Gang Resistance Education and Training
GSA	Government Services Administration

ACRONYMS

<u>Acronym</u>	<u>Description</u>
HASTC	High Altitude Sports Training Complex
HHPCC	Household Hazardous Products Collection Center
HIPAA	Health Insurance Portability and Accountability Act
HRM	Hotel/Restaurant Management
HUD	Housing and Urban Development
HURF	Highway User Revenue Fund
ICMA	International City/County Management Association
IGA	Intergovernmental Agreement
ISO	Insurance Service Organization
IT	Information Technology
JCEF	Judicial Collection Enhancement Fund
LAN	Local Area Network
LDC	Land Development Code
LEAF	Law Enforcement Administrative Facility
LERRDS	Lands, Easements, Rights-of-way, Relocations, and Disposals
LLEBG	Local Law Enforcement Block Grant
LMWTP	Lake Mary Water Treatment Plant
LTAF	Local Transportation Assistance Funds
MFC	Municipal Facilities Corporation
MIS	Management Information Systems
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MRF	Materials Recovery Facility
MSW	Municipal Solid Waste
NAPEBT	Northern Arizona Public Employees Benefit Trust
NAMC	Northern Arizona Marketing Coalition
NAU	Northern Arizona University
ND	Non-Departmental
NFPA	National Fire Protection Association
NPDES	National Pollutant Discharge Elimination System
O&M	Operations and Maintenance
OD	Organizational Development
OMB	Office of Management and Budget
OSHA	Occupational, Safety, and Health Administration
P&Z	Planning and Zoning
PC	Personal Computer
PFC	Passenger Facility Charge
PIO	Public Information Officer
PR	Public Relations
PW	Public Works
RFP	Request for Proposal
ROW	Right of Way
RPI	Rural Policy Institute
RSL	Revised Service Level
SCADA	Supervisory and Control Data Acquisition
SID	Special Improvement District
STS	Safe-to-School
SUV	Sport Utility Vehicle
TEA-21	Transportation Equity Act for the 21st Century
USDOT	United States Department of Transportation
USGS	United States Geological Survey
VC	Visitor Center
VRC	Vacancy Review Committee
WIFA	Water Infrastructure Financing Authority

Council Goals

The City of Flagstaff Council undertook a tremendous effort in FY 2002 to develop citywide goals. The goals are reviewed and updated annually at the Council Fall Retreat by staff and Council.

Cross-departmental teams identify specific objectives from the goals that develop work programs to set the base from which all divisions develop their FY 2006 budget. All divisions had to identify their objectives within one of the goal areas.

The following list highlights the ten major areas established by Council and the complete work plan ensues.

- **Economic Development /Redevelopment**
- **Fiscal Health**
- **Public Safety**
- **Affordable Housing**
- **Capital Improvements**
- **Customer Service**
- **Planning for Growth**
- **Collaboration**
- **Quality of Life**
- **Organizational Support**

ECONOMIC DEVELOPMENT/REDEVELOPMENT

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Maintain and strengthen Flagstaff as the regional center for retail, employment and hospitality while enhancing the quality of life for our residents.	Job Creation: The Greater Flagstaff Economic Council (GFEC) seeks to create and maintain quality jobs (those positions that pay greater than the County median wage and offer benefits) through not only the recruitment and retention of quality employers, but also by assisting start-up companies through the Northern Arizona Technology and Business Incubator. FY2005 Status Update: Pending local expansion projects: \$32 million in new capital investment 430 new full time jobs, average wage \$18.77 per hour • Likely recruiting projects: \$25 million in new capital investment 203 new full time jobs, average wage \$25.80 per hour • Future home of NATBI secured on NAU campus in 2006 via \$2.8 million EDA grant MOU from NAU to contribute \$130k per year to operate NATBI beginning in 2006	GFEC
	Technology Plans: GFEC realizes that the implementation of high-speed telecommunication technology with the specific goal of access to this technology for all residents, business and public agencies in the Greater Flagstaff area is of primary importance. Primary concerns are lack of redundancy in/out of Flagstaff (outages), fiber at airpark, and downtown Wi-Fi project, dedicated capital funding source for rural telecom infrastructure FY2005 Status Update: • Final Northern Arizona Telecommunications Plan completed September 2004 • Recommend Alliance Group to include Rural Broadband legislation in state briefing documents • Recommend Alliance Group members to include capital line item for individual entity needs in 2005-2005 and beyond. • Recommend city/GFEC telecom contract be altered, remaining identified budget be used to contract with CSA to enact Rural Broadband Authority legislation.	GFEC

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Strategy Statement: Shift dependence to less recession-prone industries Research top recession-proof industries such as medical services; pharmaceuticals, government, and food services Develop action steps for attracting such businesses to the Greater Flagstaff area. FY2005 Status Update: • Research and focus group meetings completed in 2004, new strategies developed based on Flagstaff portion of 10-year statewide economic development plan. Developed an updated marketing plan to attract identified industries 2005 (see below)	GFEC
	Strategy Statement: Economic Development Marketing Begin an aggressive marketing campaign utilizing recent earned media (Expansion Management Magazine, Forbes, Milken Institute) to raise awareness about Flagstaff as a viable location destination for bioscience, technology, and forest materials (small diameter) companies FY2005 Status Update: • Seasoned sales representative hired in January 2005 • Additional funds are required to launch a successful heightened awareness campaign to include increased advertising in niche market specific trade magazines, increased attendance at trade shows, and direct sales calls to target markets such as Southern California. Recommended a city budget increase of \$45,000 to run an effective campaign. (Total GFEC marketing resources amount to \$31k annual)	GFEC
	Strategy Statement: Create policy to make economic development more attractive for our desired targets. Development action plans for specific areas of the community (i.e. the Airpark) in developing those qualities (labor, infrastructure, etc.) needed, and in preparation for, our target industries. FY2005 Status Update: • Improvements made to streamline city incentives • Request made to community development director to utilize planning staff to complete one action plan per year for comprehensive economic development planning (i.e. W Route 66, Parcel # 4 at airpark, etc.) beginning with 2005-2006 work program • Pending land exchange decision to add BPI inventory to Airpark	GFEC

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Strategy Statement: Demonstrate connectedness of economic development, redevelopment, and growth strategies. Support redevelopment plans within the community by ensuring that complementary economic development occurs in those areas. Participate in all land-use planning activities to ensure that proper inventory is available for complementary economic development within the community. FY2005 Status Update: • Weekly meetings with C.D. and GFEC for on-going communication. Bi-weekly meetings between city manager and GFEC director • GFEC referring appropriate leads to Redevelopment Director. • Recommend city adoption of an overall redevelopment plan to build consensus, consistency, and to leverage marketing opportunities from media attention	GFEC
	Strategy Statement: Employment growth salary levels. Identify opportunities for local companies to create jobs through the expansion of product sales and markets. As sales and markets grow, so does the need for quality (high-paying) employees. As new employees are added to the local workforce, the tax base (sales tax) grows as consumption of goods and services increases. FY2005 Status Update: • Per capita income in 2003 and 2004 has risen faster in Flagstaff than the state and USA (Milken Institute). Stay on course with BR&E program that is producing excellent results.	GFEC

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Strategy Statement: Maximize economic opportunity through thoughtful analysis and policy formation. Analyze our workforce needs as an economic development asset and create strategies for improvements by: - Promoting our underemployed (overqualified) workforce as available labor resources. - Participate with FUSD CAVIAT Program to promote entry level career interest in manufacturing and to develop workforce training resources - Strategize with the Community College and University to address identified workforce training deficits. FY2005 Status Update: - Underemployed Data Base launched October 2003 to identify skill/education level of underemployed persons. - Outcome based strategic BR&E plan adopted in 2004 to address industry issues identified in local focus groups. - GFEC represented on FUSD CAVIAT steering committee	GFEC
	Strategy Statement: Entrepreneurial Development Contract with Northern Arizona Technology and Business Incubator to develop start-up technology businesses to provide higher paying jobs in the future. FY2005 Status Update: - EDA grant awarded 2004 to NAU/NATBI for Applied Research Building, NATBI to be a primary tenant - MOU with NAU to begin operational contribution of 130k per year to operate NATBI - NATBI imbedded in research culture at NAU, formal participation with ERDENE, SABRE, and Prop 301 efforts. Seminars/ brown bag series established to foster commercialization opportunities with profs, researchers, and students - Need to elevate NATBI president from part time to full time status to improve effectiveness. A one time 50k request from 04/05 BBB economic development funds has been made to the city manager, as well as a 50k request for 05/06 budget to bridge operations for arrival on NAU campus in 2006. Matching private donations are also being sought.	GFEC

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Strategy: Redevelopment Marketing Begin an aggressive marketing campaign in national trade magazines to raise awareness about the advantages of our community to potential developers, lenders, investors and tenants. A lifestyle theme will be used to appeal to specific retailers and corporations. FY2005 Status Update: • Ad campaign continues highlighting various projects in Shopping Centers Today and Urban Land. • Staff attended the annual International Shopping Center Conferences in Las Vegas and Palm Springs.	CI
	Strategy: East Flagstaff Gateway Area Complete a Redevelopment Area Plan for this area that can serve as an anchor and gateway for the City. The plan will include stabilization and rebuilding of the existing industrial area into a more “park like” setting. The Mall expansion may include additional retail offerings, housing, and possibly an auto mall. All of this will strengthen the community’s tax base while serving as an economic engine for additional redevelopment in the area. Work towards an expansion opening in late 2004 or early 2005. FY2005 Status Update: • Mall expansion and Auto Park Tentative Plat approved by the Planning and Zoning Commission and City Council • We currently have space reservations for the entire Auto Park. • Finalizing tenant mix and final Auto Dealer layouts • Working with the Auto Dealers/Manufacturers in cooperation with the CCC on a training facility	CI
	Strategy: Stone Container Work with the developer to create plans for a mixed-use neighborhood center that may also include some regional business or headquarters. Project should serve as an anchor on Butler Avenue and eventual link and Gateway to the Southside and NAU. FY2005 Status Update: • Property purchased by private developer • Agreement reached on future Lone Tree Road alignment • Mixed-use TND development approved with rezoning • Anticipate that infrastructure will begin in late 2005	CI

GOAL STATEMENT ECONOMIC DEVELOPMENT/ REDEVELOPMENT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Strategy: Downtown Gateway East Explore opportunities for redevelopment of this prominent and highly visible section of the Downtown that should serve as a multi-modal link along Aspen Avenue. FY2005 Status Update: • Memorandum of Understanding terminated with Hines • New RFP to be issued for mixed-use development	CI
	Strategy: Milton Road Work with the Urban Mobility Study to identify future redevelopment opportunities along this corridor that may allow us to create a better entry experience for visitors along Milton Road and adjacent streets. FY2005 Status Update: • Take the Urban Mobility Study to the next level and work with property owners on access and designs of frontages to create an overall development theme for the road	CI
	Strategy: USGS Continue to address new employment base opportunities and fund campus Master Plan improvements. FY2005 Status Update: • Work with the GSA on future development of the Campus • Issue RFP for the private Science and Technology Park	CI

FISCAL HEALTH

GOAL STATEMENT FISCAL HEALTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
The City of Flagstaff shall maintain good fiscal health through sound financial management and fiscal integrity. The City shall maintain written policies that provide for a balanced budget that meets the vast array of community needs, that ensure that resources are available to meet future need, allows for community infrastructure to be maintained at adequate levels and other sound financial practices. Discussion: The Council recognizes that the vision and intentions of the policy makers exceeds the economic realities. In order to accomplish the plans of shaping a Flagstaff that stays true to it's quality of life interests, the strategy must include the creation of community wealth through economic development, redevelopment, the creation of new revenues and the leveraging of financial assets.	Capital Improvements – work with CIP to develop comprehensive plan of infrastructure needs FY2005 Status Update: • Five year CIP published. • Mapped all projects • Completed database for division input and reporting	CIP, PW, Finance, Utilities
	Expenditure control – consider development of incentives versus penalties relative to year-end expenditures. FY2005 Status Update: - Same for FY2005 • Efforts to develop will be ongoing.	Finance/Budget team
	Fee Policies – Develop a policy of mandatory fee reviews including frequency and responsibility. FY2005 Status Update: • Initial policy completed by 6-30-03 • Policy yet to be reviewed by internal committee	Finance
	Work Smarter –In an effort to reduce redundant work and paper work, explore electronic opportunities, i.e., online contracts, faxing of purchase orders. FY2005 Update: With new iSeries box, will reinstate ability to fax purchase orders. Online RFP's currently available. Currently looking at LaserFiche, Rec Trac, and Click 2 Gov.	EMT coordinating committee
	New Revenues – Implement fee recommendations from 2002 user fee study. FY2005 Status Update: DRB fees implemented. Cable franchise and liquor license are still under review/development.	Finance
	Impact fees – Implement impact fee recommendations as desired. FY2005 Status Update: The impact fee analysis will be updated in those areas determined to be feasible to pursue an impact fee including library, parks & recreation.	Planning
	Leverage grants – Find grants for the Rio de Flag project and other projects as may be desirable. FY2005 Status Update The City budgeted \$17,756,771 for 67 grants for FY2005.	Finance

GOAL STATEMENT FISCAL HEALTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Stormwater Utility – Finalize the policies and fee structure for implementation in December 2002. FY2005 Status Update: The rate model is in process of being updated to determine future fee increase needs.	Engineering, Utilities, Finance
	Cost allocation – Implement new cost allocation methodology and start process of including overhead recovery in grants. FY2005 Status Update: Both the full cost and OMB A 87 cost plans are updated on an annual basis based on the previous years actual numbers as shown on the CAFR.	Finance
	Public Private Partnerships – look for ongoing opportunities to coordinate infrastructure development to meet the needs of both parties. – In process with NAU and reclaimed line construction on the campus FY2005 Status Update: Ongoing progress with NAU and the Mall	PW, Utilities, engineering
	Utilities Optimization program - Continue implementation, a program designed to reduce job redundancy and incorporate better technology. FY2005 Status Update: Implementation extended to appropriate divisions.	Utilities
	ICMA benchmarking- formalize budget and decision process to consider comparative data. FY2005 Status Update: The City continues to participate in the ICMA benchmarking project and continues to look for ways to utilize both the Flagstaff base information and the available comparative data	Budget team
	Credit Cards – Implement the credit card program citywide to reduce cost of processing. FY2005 Status Update The City now accepts credit cards at the Customer Service Desk at City Hall for utility payments. This is the initial test group. After the test period, credit card acceptance may be offered to recreation, building, and other City services. A rate adjustment may need to be made to accommodate the additional bank fees. In addition, the credit card committee will evaluate ways to accept credit cards online, in conjunction with the development of other online service.	Purchasing

GOAL STATEMENT FISCAL HEALTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Bond Program – based on an unfunded needs develop a bond program and financing alternatives. FY2005 Status Update: Ten projects total \$155 million were adopted by the voters in May 2004.	Finance, CIP, PW, Fire
	Sales Tax – remove the expiration clause on the City 1% Sales Tax to create revenue stability FY2005 Status Update: The Revenue and Licensing division will be reviewing all current sales tax exemptions, determining the financial impact to remove and making a presentation to Council as part of the budget process. In addition, City finance staff will evaluate the timeframes associated with general elections to determine an appropriate time to take this issue to the public.	Finance
	Maintenance -- Incorporate reduced maintenance as capital criteria. Example is the radio read meter program on the inner basin pipe replacement FY2005 Status Update: All capital projects continue to be reviewed to assess increased or reduced maintenance expenditures	CIP, PW, Utilities, Finance
	Investments - Invest excess City fund and achieve a rate higher than the Arizona State Treasurer's Pool, current funds outside the pool earn 3.95% outside the fund, LGIP at 2.16% FY2004 Status Update: - Approximately 35% of the City's funds are in the LGIP, realizing an average year to date return of 1.49% - The remaining 65% of the City's funds are invested in other government-backed securities, with an average rate of return of 3.2%.	Finance
	Software -- Integrate software systems with the financial mainframe to the extent possible. FY2005 Status Update: Efforts ongoing	Courts, Recreation, Finance
	Sustainability -- Identify operational impacts of capital projects and other decisions to incorporate a sustainability analysis. FY2005 Status update: Efforts ongoing	All departments, Finance

GOAL STATEMENT FISCAL HEALTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Bond ratings -- Maintain accounting standards and reporting to ensure good bond ratings. FY2005 Status Update: • Bond ratings maintained at A or A+ by Standard and Poor's • Bond ratings maintained at Aaa3 or A-1 by Moody's Investor Services	Finance.
	Tax base – Consider policies that increase the tax base through annexation and redevelopment	
	BBB Tax – extend the BBB tax beyond the current 2013 expiration	
	Tax increase strategies – Pursue strategies to fund current and/or future City services through: ☐ Sales tax ☐ 2nd home property tax ☐ Property transfer tax	
	Bond issues – Time capital projects approved May 2004 so that bond issuances are timed resulting in no overall increase to the secondary property tax rate.	
	Census – Pursue corrections to the 2004 DES-POPTAC estimates for Flagstaff.	

PUBLIC SAFETY

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
The goal is to promote and maintain a safe community through an integrated public safety system that addresses underlying issues affecting public safety, health and quality of life. Discussion: The City Council recognizes that the role of public safety encompasses a broad array of interrelated activities. Public order and quality of life issues must be addressed on a broad front through a partnership of shared responsibility and trust between Police, Fire, other city departments, civic organizations and community. Community safety and well-being must be built from within each neighborhood and cannot be imposed from the outside. The integrated approach of using all available resources of private enterprise, government, civic organizations and neighborhoods, each accepting shared responsibility in the optimal use of public safety services that will result in an enhanced quality of life for the community.	Continue to improve upon the coordination and team approach of focusing Police, Fire, Planning & Zoning, Environmental Management, Legal and Health Services to efficiently address safety and health needs. FY2005 Status Update: • The primary connectivity method for remote sites is being converted to cable modems. Some wireless connections will remain in place as redundant connectivity mechanisms. T-1 lines will be removed to save the monthly charges and or distributed to other city remote sites. • Groupwise accounts were established for remaining fire department program managers and key individuals. All fire personnel involved with managing programs or key projects have been issued GroupWise. • The Police and Fire joint communications committee met throughout the year to enhance emergency dispatch and technical operations of the 911 Center. • The Police and Fire Department as well as Environmental Management participated in several disaster exercises. Participants included members of all City departments as well as other governments agencies • The Police Department encouraged all City departments to participate in Block Watch forums to better enhance the partnership between City government and community members. • Police Department members have been asked to address officers at the squad level to coordinate City efforts.	All
	Clean & Green to continue the abandoned vehicle and litter control programs in partnership with block watch and neighborhood organizations. FY 2005 Status Update: • Participated with Clean and Green in neighborhood clean-ups, within budget restrictions, in the Sunnyside & Old Town neighborhoods. • Officers completed a 2-day project and returned nearly 100 shopping carts to local stores. • Environmental Code Enforcement (Clean & Green) continues to coordinate the abandoned vehicle and litter control programs in cooperation with Police.	Clean & Green Police

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Push decision-making down to the lowest competent level to increase efficiency. The City Manager's office leads the effort to communicate with all the staff current issues facing the City. FY2005 Status Update: • The Fire Department established an internal fire station design team staffed with operational personnel to establish and implement training initiatives. • The Fire Department established an internal fleet deployment team to assess apparatus bay space needs for the fire station design team. • The Fire Department is participating in a Capital Improvement Chartering Team to increase communication effectiveness for the procurement and development of the first three fire stations approved under the May 2004 bond program. • Beat meetings attended by police officers & supervisors where employees identify neighborhood issues and concerns and develop strategies to solve problems. • Police communication shift meetings are used as a conduit for in-service training and problem identification.	All
	Promote the PRIDE Block Watch Program as a forum for the promotion and nurturing of a partnership of shared responsibility and trust with Police, Fire, government and residents, to identify and address those issues that are adverse to public safety and quality of life. FY 2005 Status Update: • Approximately 118 Block Watch meetings were held by the Police Department. Fifty-eight Block Watch Groups participated. • Quarterly Block Watch Captains Meetings were held. • Two Citizen Police Academies were held, with approximately 80 people graduating. • The Department participated with the Sheriff's Office in the Community Emergency Response Team Training (CERT) conducting three different training sessions with 87 persons graduating. Quarterly CERT meetings are being held to ensure graduates remain prepared.	All

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Continue participation in after school programs as well as those during school hours that offer opportunities for education, mentoring and value building. FY2005 Status Update: • The Fire Department Public Education clown program completed fire safety shows to 12 of 13 elementary schools. • The Dare and Great programs continue as the primary prevention programs in the public schools. • Police are in the process of developing a partnership with the YMCA in conducting after school and summer time programs. • Two summer camps were presented to Junior High Students through the GREAT Summer Camp Program.	Police Fire Parks & Recreation
	Continue partnering of Police, Fire and Parks & Recreation in joint ventures such as Teen Night, the Teen Leadership Academy, GREAT Camp, and other positive youth programs. FY2005 Status Update: • The Police and Fire Department served on the Victims Witness DUI Impact Panel, sponsored by Coconino County. • GREAT CAMP, Jam Zones, Celebrate Youth Day, and National Night Out were examples of programs completed while with other City Departments.	Parks & Recreation Police Fire
	Review Park security issues, as well as the impact of alcohol on Park Use and Permit Policies. FY 2005: • Parks are constantly monitored for violations and compliance. • Permits are scrutinized to ensure adequate security and compatibility.	Police Parks & Recreation Fire
	Continue participation in United Way partnerships such as the Sunnyside and Southside Neighborhood Associations, Success by Six, and Weed & Seed, to address social issues and foster neighborhood responsibility FY 2005 Status Update: • Efforts are ongoing	All

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Use every opportunity and community forum to educate residents of their responsibility to contribute to the well being of their neighborhood, community and country, by participating in the identification and resolution of those social and economic issues that adversely affect crime, the fear of crime, public health and overall quality of life. FY2005 Status Update: • The Fire Department conducted approximately 341 wildfire safety home assessments in University Heights (the first targeted neighborhood) using light duty employees and fuel management employees. The ability to follow-up with homeowners has been comprised by the loss of a Fuel Management Lead worker position in the recent Vacancy Reduction cutbacks. The Fire Department has assessed this impact and will now be doing home assessments on a request only basis. • The Police Department continues to offer an array of forums, or are willing participate in such, to communicate the Mission of the Department and of the City. • Homeland Security and related issues continue to be a priority of the Police and Fire Departments.	All
	FY2005 Status Update: • The Fire Department completed 2000 commercial occupancy inspections. • While 341 wildfire home assessments were conducted last year, the effort has been reduced due to personnel reductions necessitated through budget cuts. • The Fire Department will continue to pursue wildfire grants, however the 50% match requirement must be assessed in light of budget constraints. • The Fuel Management Division of the Fire Department completed: 1. Planning - 834 Acres 2. Thinning - 606 Acres 3. RX Burns - 823 Acres • The Fire Department tested and maintained 3000 City fire hydrants to insure operability and compliance with ISO standards.	Fire

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Staff, train and equip City Public Safety to contend with the realized demand for service within the community. FY2005 Status Update: • The Fire Department sponsored a local Hazardous Material Technician Training class with nine (9) department personnel becoming certified.. • The Fire Department placed in service a Special Operations truck that was provided by a Homeland Security Grant from Coconino County. Mobile Data Computers (MDC's) have been installed in most police and fire vehicles and are operational. This allows data transmission of response information and improves the ability to track response times and on-scene activities more accurately. • Two new Police Officer positions were obtained as part of the COPS grant.. • The Communication Center is still understaffed per the Consultants recommendation. • Police created an additional Lieutenant and Sergeant's position to provide better supervision and management of resources and personnel.	Fire Police
	Adequately respond to realize demand for emergency services and prepare for the potential demands associated with disaster management. FY2005 Status Update: • The Emergency Operations Center (EOC) has been activated twice during recent winter storms/flooding events. • A 100% funded grant was obtained to develop a joint city-county hazardous mitigation plan. The contract has been finalized and a draft plan has been received for final review. • A weapons of mass destruction (WMD) drill was conducted March 2003 at Flagstaff High School. • The Police Department is working in concert with the Ponderosa Fire Advisory Council (PFAC) to develop a Wildland Fire Emergency Operation Plan for the Great Flagstaff area. • Police Officer's obtained personal protective equipment through a grant and additional training was conducted on homeland defense.	All

GOAL STATEMENT PUBLIC SAFETY	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Improve the City's drainage conveyance system to mitigate the effects of stormwater flooding and to remove our citizens from the Regulatory Floodplain. • A database has been established to track and document flooding complaints received by city staff in order to identify potential drainage conveyance system upgrades. • Staff is conducting the comprehensive Stormwater Master Plan that will result in a prioritized Capital Improvement Program designed to mitigate flooding and remove our citizens from the Regulatory Floodplain. • The Stormwater Section also participates in the FEMA Flood Insurance Program, providing services to the community and making Flood Insurance available to the community. • The Stormwater Section provides services to new development in our community to insure that flooding will not occur throughout the development and insure that downstream impacts of stormwater runoff are mitigated. • Compliance with the federally mandated Nation Pollutant Discharge Elimination System (NPDES) Program, comply with the requirements of the City's NPDES Permit to improve stormwater quality in the community.	Community Improvements; Stormwater Management Section

AFFORDABLE HOUSING

GOAL STATEMENT AFFORDABLE HOUSING	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Maintain current data on housing market conditions, trends and issues. Ensure the full benefit of such data is available to the City and the general public for use in market studies, grant applications and petitions for national and state policy changes. Ensure housing plans remain current, accurate and in concert with all other City plans including the Regional Plan.	Write and obtain HUD approval of the 2006-2011 Consolidated Plan. FY2005 Status Update: Planning started. Submission deadline May 15, 2006.	City of Flagstaff Community Investment Division
	Maintain a close working/planning relationship with the new Arizona Department of Housing FY2005 Status Update: Efforts ongoing	City of Flagstaff Community Investment Division
	Update Affordable Housing Gap Analysis in Arizona Department of Housing Format. FY2005 Status Update: Target completion for submittal of 2006-2011 Consolidated Plan in 2005	City of Flagstaff Community Investment Division
	Revise Sunnyside Neighborhood Revitalization Strategy per HUD direction to include more social service and economic development strategies and investigate new staff needs associated with a higher level of neighborhood services. FY2005 Status Update: Work with the Sunnyside Neighborhood Association continues to complete the Revitalization Strategy.	City of Flagstaff Community Investment Division
Develop policy recommendations to City Council for addressing identified affordable housing problems. Successfully Implement affordable housing policy as mandated by Council.	Successfully implement the LDC based affordable housing incentive Ordinance (No. 2001-14) Through the Affordable Housing Policy Task Force, explore regulatory revisions and options. Present findings to City Council. FY2005 Status Update: - Rio Homes, public/private partnership utilized the incentive Ordinance in 2004/2005. - Outreach and promotion of the LDC based incentive policy is ongoing. - Affordable Housing Policy Task Force created in December 2004. Meetings commenced in 2005.	City of Flagstaff Community Investment Division
Maintain current knowledge of state of the art housing program and policy initiatives undertaken successfully by other jurisdictions. Develop new private for-profit and non-profit resources.	Through the formation of the Community Land Trust for Affordable Housing, incorporate successful strategies employed by existing land trusts. FY2005 Status Update: Technical assistance through the Institute for Community Economics obtained and paid by HUD.	City of Flagstaff Community Investment Division
	Research successful housing initiatives conducted by municipalities with similar housing market conditions. FY2005 Status Update: Successful programs from other cities being explored for feasibility	City of Flagstaff Community Investment Division

GOAL STATEMENT AFFORDABLE HOUSING	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Identify additional funding resources and secure additional funding for the expansion of existing programs and the creation of new programs.	Successfully obtain multiple grant resources from the Arizona Department of Housing to augment CDBG funds. FY2005 Status Update: • Funding both from HOME and Housing Trust Fund awarded to expand housing rehabilitation program and start new emergency repair program. • Support the expansion of non-profit housing agency resources. • Letters of support supplied to agencies applying for additional funding to support affordable housing.	City of Flagstaff Community Investment Division
Increase the supply of affordable rental housing for extremely low and low income households	Proactively cultivate the interest of multiple Low Income Housing Tax Credit developers for the construction of new and the rehabilitation of existing rental housing developments. FY2005 Status Update: • Three applications for tax credit projects in Flagstaff were submitted for the 2004 funding round	City of Flagstaff Community Investment Division
	Make City land available for affordable rental housing developments where appropriate. FY2005 Status Update: • Sandstone Highlands Senior Community and Timber Trails Apartments located on previously City owned property awarded tax credits and under development • RFP published for Thorpe property adjacent to Clark Homes for the development of senior housing.	City of Flagstaff Community Investment Division
Significantly reduce the substandard housing stock	Continue to fund and coordinate owner occupied housing rehabilitation programs FY2004 Status Update: • 5 emergency repairs and 3 minor rehabilitation completed • 5 emergency repairs and 3 minor repairs underway • Contract and funding for 14 emergency repair and 8 minor repair	City of Flagstaff Community Investment Division
Increase the supply of entry level owner occupied homes available to low, moderate and middle income households	Partner with both private and non-profit buildings to build entry level homes FY2005 Status Update: • 4 completed fall 2004, planning, engineering and construction plans complete for 16 unit subdivision. • Planning for units to be built near 6th and West St. started	City of Flagstaff Community Investment Division

GOAL STATEMENT AFFORDABLE HOUSING	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Coordinate partnerships with private developers to build residential and mixed use subdivisions on City owned with a variety of housing types and a minimum of 20% being entry level affordable FY2005 Status Update: • Rio Homes construction underway • Sandstone Highlands Senior Community and Timber Trails Apartments located on previously City owned property awarded tax credits and under development	City of Flagstaff Community Investment Division
	Develop a Community Land Trust for Affordable Housing to increase supply of entry level owner occupied homes available to low, moderate, and middle income households. FY2005 Status Update: • Staff trained in creation of a land trust • Technical assistance approved by HUD 8/31/04 • Community education campaign launched • Working groups formed and meeting • Recommendations made to City Council in April and May	City of Flagstaff Community Investment Division
Increase the amount of homeownership among low and moderate income households in Flagstaff	Continue to fund and coordinate: • Non-profit homebuyers assistance programs providing education and loans for down payment and closing costs • Non-profit acquisition/rehabilitation programs converting vacant and renter occupied homes into home ownership FY2005 Status Update: • Homebuyer assistance programs continue to assist Flagstaff residents with first time home ownership • Acquisition/rehabilitation project complete and sold	City of Flagstaff Community Investment Division
Commit appropriate parcels of City land as a resource for affordable housing. Purchase new parcels of land with proceeds received from land sales. Ensure land purchases cover a wide geographic area preventing segregation of affordable housing to one area and integrating worker housing close to existing and prospective job markets.	Complete development agreement with developers of Ponderosa Homes and Rio Homes resulting in the construction of 33 affordable homes and 134 affordable apartments. FY2005 Status Update: • Rio Homes construction underway • Sandstone Highlands Senior Community and Timber Trails Apartments located on previously City owned property awarded tax credits and under development	City of Flagstaff Community Investment Division
	Use the sale proceeds from Ponderosa Homes and Rio Homes to purchase more property for affordable housing. FY2005 Status Update: • Property identification underway	City of Flagstaff Community Investment Division
Incorporate affordable housing components in appropriate redevelopment projects using excellent design and maximizing the livability of area functions.	Incorporate a variety of housing types and affordability in the residential portion of redevelopment projects FY2005 Status Update: • Efforts ongoing	City of Flagstaff Community Investment Division

CAPITAL IMPROVEMENTS

GOAL STATEMENT CAPITAL IMPROVEMENTS	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Plan, program, design and construct public works infrastructure and facilities improvements through a structured, efficient and transparent process ensuring scarce public resource expenditure for the greatest benefit to the community; creating a built environment shaped though citizen involvement and reflecting community pride. <u>Discussion:</u> The City Council realizes the importance of delivering all Capital Improvement projects on time and on budget through a structured program ensuring public funds are leveraged, through partnerships when appropriate, for the greatest benefit of the community. Programmed capital infrastructure expenditures facilitate a planned growth, economic development and protect existing community investments. Allocating resources through a coordinated planning and engineering process with high levels of public involvement assures our community is shaped in alliance with citizen support. Partnerships with other public and private entities enhance our ability to leverage resources.	Plan: Define each project's elements and costs through a concept-level engineering and planning effort, which engages our citizens. FY2005 Status Update: • Lone Tree Rd and West/ Arrowhead Corridor studies in progress • Continued project prospectus/definition development • Completed Rio de Flag Flood Control project scooping • Rail Crossing Quiet Zones	Capital Improvements Community Development Stormwater Mgmt Traffic Engr. Public Works Utilities FMPO Other City Departments
	Program: Provide clear information and rationale to match available revenues with prioritized projects funded through the adopted 5-Year Capital Improvements Program. FY2005 Status Update: • Published 5-year CIP 2005 - 2009 • Developed funding scenario for 2004 Bond Projects • Coordinate 5-year CIP Update for 2006 - 2010 • Assist with FUTS 5-year program definition and priority	Capital Improvements Financial Services FMPO Traffic Engr. Stormwater Utility CIP Committee Budget Committee Citizens Transportation Advisory Committee
	Design: Develop project plans with continued involvement of the community and project partners striving to enhance the built environment. FY2005 Status Update: • Fourth St. Phase II design complete • FUTS West Village to Rio de Flag design in progress • Soliere Ave Bikelanes, Pine Knoll and Tucson Ave Sidewalks design in progress • Sixth Ave Detention/BMX Park design in progress • Thorpe Park Improvements design in progress • Preliminary program and design for 2004 Fire Stations and Aquatic/Multi-Generational Facilities • ADOT E. Flag TI Coordination • Rio de Flag Flood Control – Main Stem • Sunnyside Neighborhood Impvmts. Ph IV • US 89N Streetscape – Railhead to Snowflake • Talkington/Lynn/Elizabeth Watermain Replacement	Capital Improvements Funding Dept. Maintaining Department Community Development Contract Administration Real Estate Mgmt Environmental Services

GOAL STATEMENT CAPITAL IMPROVEMENTS	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Construct: Deliver a final product that is cost effective with a quality of workmanship that ensures a lasting value for our citizens. FY2005 Status Update: • Fourth St Rail Crossing Phase I completed • Sunnyside Phase II and III-A completed • Lake Mary Rd FUTS completed • Fourth Street Rail Crossing Phase II in construction • Christensen and Thomas School Fields completed • FUTS Lone Tree Rd completed • Butler Ave Transmission Mains in construction • Rio de Flag Flood Control – Clay Basin scheduled for construction • Empire Ave Extension in construction • Weitzel and S Beaver Safe-to-School	Capital Improvements Funding Department Inspection Services Purchasing Contracts Management
	Public Involvement: Engage citizens through meaningful public dialogue and involvement ensuring consideration of their input and providing a full understanding of project impacts. FY2005 Status Update: • Continued public forums and open house meetings for West/Arrowhead and Lone Tree Rd Corridor Studies, Sixth Ave Detention/BMX Park, Sunnyside, Rio de Flag and Thorpe Park Improvements • Weekly reports provide on-going status of all CID projects • Capital Improvements web page updates • Public notice and media releases of traffic impacts	Capital Improvements Funding Depts. Public Information Officer FMPO CTAC
	Process Improvements: Continuous improvement of our internal process to ensure the most rapid delivery of projects while ensuring compliance to all legal/policy requirements. FY2005 Status Update: • Prospectus document development • Schedule-based work program • Continuous monitoring of schedule and cost • Comprehensive 5-year CIP and annual updates • Thorough project scope development • Team chartering • Project Manager's Manual • Internal project review process • Quarterly Project Financial Reports • Alternative project delivery methods	Contracts Administration Capital Improvements Risk Management Attorney's Office Purchasing Real Estate Mgmt Env. Services

CUSTOMER SERVICE

GOAL STATEMENT CUSTOMER SERVICE COMMITTEE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Continue to instill a positive customer service culture throughout the organization and with each employee of the City in the delivery of service both externally and internally. Discussion: The City Council recognizes the importance of partnership with the citizens of our community, specifically in staff providing good customer service, while building positive working relationships with the community. The Customer Service Committee implements, revises, and/or reviews internal policies and practices to ensure, improve and strengthen customer service and relationships with the citizens.	Training: Continue to provide ongoing customer service training for all employees to ensure they understand and demonstrate good customer service and that they are aware they are always in the public eye. FY 2005 Status Update: - The Customer Service Committee completed the “ART of Customer Service” training to all employees. FY 2006 Goals: - The Customer Service Committee will continue to provide the “ART of Customer Service” training to all new employees on a quarterly basis since this is now mandatory training.	Human Resources, Customer Service Committee
	Employee Services: Provide information on HR services to current employees and applicants through the use of technology. FY 2005 Status Update: - Job descriptions were updated to include a statement that excellent customer service is a job requirement - All applicants that are interviewed for any and all positions at the City are asked a question regarding customer service. - All Human Resource policies have been placed on the intranet so employees have easy access to them. - The “Flagstaffer” has been placed on the intranet. FY 2006 Goals: - Place all City job descriptions on the City web site so that potential as well as current employees have access to these documents. - Place all Human Resources forms on the intranet. - Place all benefit information on the intranet.	Human Resources

GOAL STATEMENT CUSTOMER SERVICE COMMITTEE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Performance Evaluations: The current performance evaluation form now includes a section that addresses customer service. This holds supervisors and employees accountable for providing good customer service both externally and internally. Training has been provided to supervisors on an ongoing basis to ensure that employees are properly rated in this area. FY 2005 Status Update: • The evaluation form was modified so that when the “Late Evaluation” report is generated, supervisors get a more timely and accurate report, which lets them know which employee has not received a timely performance evaluation. • The evaluation forms for the Fire Department were modified slightly and training was provided to supervisors to assist them in completing the form so that it is more informative and provides the employee a better understanding of his/her performance. FY 2006 Goals: • Continue to provide training to new supervisors so they complete timely and informative performance evaluations.	Human Resources, Customer Service Committee
	New Employee Orientation: Provide all new employees with an overview of expectations regarding customer service. FY 2005 Status Update: • New employees are receiving the “ART of Customer Service” training. This is being done on a quarterly basis. FY 2006 Goals: • Create a video that will promote customer service to show all new employees during new employee orientation. • Emphasize and promote during new employee orientation the importance of wearing the nametag. • Update the “Supervisor’s New Employee Orientation Checklist” form so that the supervisor, also, emphasizes to the new employee the importance of wearing his/her nametag.	Human Resources Department Heads

GOAL STATEMENT CUSTOMER SERVICE COMMITTEE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Determine the “Climate” of the City: Survey employees in order to get a base line regarding employee opinions on topics related to career opportunities, commitment, job satisfaction, pay and benefits, supervision, etc. FY 2005 Status Update: - Conducted a “Climate” survey. This survey was sent out to all employees and a third party collected the information and provided the feedback in statistical format so that employee responses were confidential. FY 2006 Goals: - Use the information learned from the survey to identify areas of organizational strengths and weaknesses. - Conduct a follow-up survey next year for comparison purposes.	Customer Service Committee, Public Relations
	Complaint Tracking: Establish a uniform process so that complaints are tracked to ensure resolution in a timely manner. FY 2005 Status Update: - Community Development continues to monitor complaints. FY 2006 Goals: - Continue to track complaints. - Research and implement a computerized system to track complaints.	Customer Service Committee, Department Heads, City Manager
	Recognition/Award Program: Annually recognize annually employees who have provide outstanding customer service. FY 2005 Status Update: - The City Manager’s Excellence Award program was completely revised and the awards are now tied to the City’s mission and values statement. - A 7 K award was developed to recognize employees who have received written recognition from co-workers, citizens, and supervisors for exhibiting excellent customer service. FY 2006 Goals: - Determine the effectiveness of the program.	Customer Service Committee, Human Resources, Manager’s Award Committee
	Annual Renewal Celebration: Celebrate each year to remind all employees of the importance of good customer service as well as highlighting accomplishments and successes related to good customer service. FY 2005 Status Update: - Quarterly events were planned to let employees know they are valued. These were events such as the Halloween party, winter holiday celebration, the annual City Manager’s Excellence picnic, etc. FY 2006 Goals: - Continue to promote employee events which foster a positive working environment.	Human Resources

GOAL STATEMENT CUSTOMER SERVICE COMMITTEE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Ethics: Develop guidelines so that employees understand the importance of maintaining the highest standards of personal integrity, truthfulness, honesty, and fairness in carrying out their public duties. FY 2005 Status Update: - Developed an Ethics Policy so that employees understand the ethical standards of conduct so that they may fulfill their commitment to the community in providing the best service. FY 2006 Goals: - Provide ethics training to all employees.	Customer Service Committee, City Manager, Deputy City Managers, Department Heads, EAC

PLANNING FOR GROWTH

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
To shape growth, with the involvement of the community, in a manner that preserves our region's natural environment, livability and sense of community.	Regional Plan Policies—Neighborhood & Area Planning: Adhere to the policies in the Regional Plan that contain growth and promote the creation of quality traditional neighborhoods. Prepare area and/or master plans for various districts and neighborhoods to assist in implementing mixed-use developments, affordable housing, higher densities and walkable neighborhoods. FY2005 Status Update: ➤ Southside area consultant retained in 2004. Several open houses and meetings have been held with completion of plan expected in winter 2005. ➤ Comprehensive approach to planning involving Southside consultant, NAU master plan consultant, and Lone Tree Corridor consultant with staff is underway. ➤ The Presidio was approved as a Traditional Neighborhood Design project. Furtherance of Goals FY2006: ➤ Continue comprehensive planning for neighborhoods and areas of the city. ➤ Use NAU Department of Planning classes to assist in preparation of neighborhood and area plans using the Regional Plan smart growth principles.	• Community Investment Division
	Identify & Enhance Neighborhoods: Through implementation of Design Review Guidelines and the development of a comprehensive Gateways program, identify and enhance neighborhoods and build a higher quality and more livable community. Furtherance of Goals FY2006: ➤ Design and construct community gateways to help promote, preserve and maintain the livability of our neighborhoods. ➤ Implement a Property Maintenance Ordinance.	• Development Services Division • Community Investment Division • Community Development Department

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Visual Quality of Community: Enhance and improve the function and appearance of the community and continue to support local non-profits who strive to develop their outreach and build our community's dynamic cultural base. FY2005 Status Update: ➤ Several designs for streetscapes, gateways, and Rio de Flag underway: • A gateway sign has been designed for Hwy 89 North and is currently out to bid for construction. • US Hwy 89 streetscape/ city limits to East Flag TI. ➤ Acquisition of Public Art proposed to City Council for placement at CCC, Foxglenn Park and Airport ➤ Public art is displayed at City Hall, Airport and Visitors Center ➤ Rio de Flag Open Space land acquisitions from T. Atwood and MNA underway. ➤ Preparation of McMillan Mesa Area Plan was to be undertaken if McMillan Mesa question in 2004 Bond Election was approved by voters; it was not. Furtherance of Goals FY2006: ➤ Design Review administration ongoing. ➤ Continue to improve the visual quality of Flagstaff's environment through a variety of enhancement projects. ➤ Urban Open Space Monument/Enhancements to be continued. ➤ Flagstaff Cultural Partners is provided an operating budget and arts project budget to support a variety of public art projects throughout the community. ➤ Prepare McMillan Mesa Area in collaboration with Parks & Recreation and Open Spaces Commissions subcommittee ➤ Streetscape 5-year capital program budgeted and scheduled.	• Community Investment Division • Community Improvements Division • Development Services Division • FMPO • Parks & Recreation Division

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Continued growth pressures in Flagstaff require the need to better manage and control development. Addressing inefficient land use patterns. Flagstaff will continue to grow. The community's natural resources and its growing economy make it reasonable to believe that growth is an inexorable force. Consideration of how to shape it is the most productive way to harness the positives of growth and minimize the negatives. Clarity about what we want the community to become as it grows and proactive adoption of policies to guide it in that direction are the primary tools. Flagstaff residents have very strong views about the future of Flagstaff and must be consulted and engaged as partners in shaping that future.	Regional Plan Policies--Redevelopment: Continue to use the Regional Plan as a decision-making guide to support reinvestment and redevelopment in the city's established areas. FY2005 Status Update: ➤ Reinvestment and redevelopment projects underway: ➤ East Gateway/Mall Expansion, including an Auto Park, approved by City Council ➤ Proposed Conference Center and Hotel in Downtown proposed as mixed-use project that will serve as eastern anchor ➤ Downtown Gateway West Redevelopment Plan in marketing stages ➤ USGS facilities expansion plans completed; voters approved funding for expansion of facility. USGS Science and Technology Park RFQ issued. Furtherance of Goals FY2006: ➤ USGS Phase 1 Construction ➤ USGS Development Agreement with developer for Science & Technology Park ➤ Development Agreement with Conference Center developer ➤ Issuance of Gateway West RFQ	• Community Investment Division • Development Services Division • Planning & Zoning Commission • City Council
	Regional Plan Policies—Historic Properties: Protect our historic properties and actively work to preserve historic sites so that future generations will better understand and appreciate our rich heritage. FY 2005 Status Update: ➤ Southside Neighborhood Plan with a historic preservation component is underway. ➤ City's Historic Preservation Grants Program commenced in spring of 2004. ➤ One historic preservation grant has been approved by the Historic Preservation Commission for façade and signage restoration work at Hong Kong restaurant Downtown. Furtherance of Goals FY2006: ➤ Explore the possibility of expanding the Downtown Historic District or the creation of new districts to help protect historic resources in our neighborhoods. ➤ Continue use of Historic Preservation Grants Program.	• Community Investment Division

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Regional Plan Policies--Open Spaces: Protect the urban and regional open spaces. Pursue a Regional Open Space program to protect state and federal lands beyond the growth boundaries. Through continued streetscape landscaping, preservation of public spaces and protection of important views whenever possible, preserve the essence of our mountain community. FY2005 Status Update: ➤ The City Council and Board of Supervisors passed a joint resolution Dec 2002 requesting federal authorization for a special resources and land management study of lands surrounding Walnut Canyon. ➤ API petitions submitted to the State Land Department ➤ Observatory Mesa Open Space voter bonding approved for land acquisition from State Land Department ➤ Supporting state-wide effort to reform state land department and set aside state trust lands ➤ Awaiting legislative action for a voter referendum or action through an initiative for comprehensive state land reform. ➤ Voters approved the 2004 Bond election for regional and neighborhood open spaces. Furtherance of Goals FY2006: ➤ Continue to assist in a state-wide initiative or legislative referendum to protect identified state trust lands from development. A group consisting of environmentalists, cattlegrowers, developers and education entities has been developing a comprehensive state land reform. Part of the reform calls for protection of state trust lands in and around Flagstaff. ➤ Continue active participation with the US Forest Service, National Parks Service, Coconino County, and state agencies to pursue Congressional support and funding for a study to protect lands adjacent to Walnut Canyon. Request for Walnut Canyon area federal study submitted to Congressional delegation. Senator McCain and Representative Renzi are sponsoring a bill seeking such a study and funding for the study	• Community Investment Division • Coconino County

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Open Spaces/FUTS: Through open space retention, reclamation and planned acquisition, continue to preserve the natural environment and heritage for our residents and future generations. Use various means to protect open spaces. Obtain designated open spaces through land exchanges, fee title acquisitions, regulatory provisions, conservation easements, and development incentives. FY2005 Status Update: ➤ Council approved three proposed open space components for 2004 Bond for placement on ballot and two were approved by voters: Observatory Mesa and Neighborhood/FUTS. ➤ Open Space Bond Program implemented in 2005. ➤ On-going development projects with FUTS components: • San Francisco de Asis • Switzer Village • Elden Heights • Hospital Rim • Farmhouse Estates • Flagstaff Market Place/Auto Park • Pine Canyon	• Community Investment Division • Development Services Division

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	FUTS: Continue to work towards the completion of the FUTS primary spine and expand neighborhood links. Use of bond funds to purchase links. FY2005 Status Update: Flagstaff Urban Trail Projects: ➤ Bow and Arrow Trail--Phase I completed. ➤ Lone Tree Trail--Bow & Arrow Trail to Arroyo Park Trail completed ➤ Tunnel Springs Trail--Construction underway ➤ Rio de Flag/Cheshire Trail--Fort Valley Road annexation under negotiation ➤ Fort Valley Road Trail-- ROW acquisition underway for Phase I. Design underway for Phase II. ➤ Route 66/Hwy 89 Trail--Design underway in conjunction with Mall expansion ➤ Santa Fe West Trail--West Village to Rio de Flag: Design underway. Various secondary neighborhood connectors underway: ➤ Bow and Arrow Trail--Phase I completed ➤ Lone Tree Trail--Bow & Arrow Trail to Arroyo Park Trail completed ➤ Tunnel Springs Trail--Construction underway Primary Flagstaff Urban Trail Projects prioritized: ➤ Rio North Trail--Coconino Estates to Grand Canyon Trust ➤ Lone Tree Trail--Sinclair Wash Trail to Arroyo Park Trail ➤ Rio North Trail--Blue Willow to Hwy 190 ➤ Lone Tree Trail--Butler to Sinclair Wash Trail ➤ Little A Trail--AZ Trail to Herold Ranch Rd ➤ Lake Mary Trail--Zuni Trail to JWP Trail ➤ Route 66 East Trail--Country Club Trail to The Mall Trail ➤ Bow & Arrow Trail--Coconino Community College to AZ Trail ➤ Santa Fe West Trail--West Village to Walnut ➤ Santa Fe West Trail--Walnut to Rio North Trail ➤ JWP Trail--Lone Tree Trail to AZ Trail ➤ AZ Trail--Route 66 East Trail to Switzer Mesa Trail Secondary FUTS Projects prioritized: ➤ Hospital Rim Trail ➤ JWP Spur Trail--JWP Trail to Bow & Arrow Trail ➤ Southside Rio Trail ➤ Switzer Mesa Trail--Turquoise to Ponderosa Park Furtherance of Goals FY2006: A FUTS staff group has been formed to develop a FUTS Master Plan with maps, trail segments; types of trail; miles completed; ownership; classification; design, right-of-way and construction status; funding allocations; and maintenance costs.	• Community Investment Division • Community Improvements Division • Development Services Division • Management Services Department • Public Works Department

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
With a finite supply of land, we have to provide for the region's growth in a manner that balances growth and conservation.	Annexation: Through the development plan review process, regulatory controls, and creation and establishment of appropriate programs, master plans and incentives, and the pursuit of private/public partnerships, adhere to the policies in the Regional Plan. Proceed with land planning and annexation process as feasible, to include lands in Urban Growth Boundary limits FY2004 Status Update: ➤ Westside annexation petition not forwarded. Awaiting new petitioners. ➤ Fort Valley annexation under development.	• Development Services Division
Delivery of public facilities and services more effectively.	Public Facility Needs: Finance public facility needs created by new development. FY2005 Status Update: Fee report submitted to City Council October 2002; awaiting direction. Furtherance of Goals FY2006: Develop an Impact Fee program for consideration by City Council.	○ Community Investment Division
	Development Review Process: Implementation of a revised Development Review Process. FY2005 Status Update: Revision of the Development Review Process, which includes the concept for a single point of contact underway since June 2004 Furtherance of Goals FY2006: Finalize the proposed Development Review Process and implement it in 2005.	○ Development Services Division
	Land Development Code: Amend as needed for compliance with the Regional Plan, including development of Traditional Neighborhood Design guidelines, development criteria and standards for the Business Park Zoning District and Mixed use zoning, and additional lighting standards for Astronomical Zone. FY2005 Status Update: TND incentive and Business Park zoning district revisions completed. Administration on-going. Furtherance of Goals FY2006: Pursue development of Smart Code Form-based Coding for the Southside as a tool to shape the physical form of development and provide regulatory standards using coding by building type.	• Community Investment Division • Development Services Division

PLANNING FOR GROWTH	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Multi-modal Transportation System: Adhere to the policies in the Regional Plan that advance a multi-modal transportation system. Examine and evaluate existing transportation conditions and needs and future growth and development impacts on the city's transportation system. FY2005 Status Update: ➤ 5-year Transit Plan nearly implemented; plan update in 2005/06. ➤ Safe-to-School projects nearly completed. Sechrist addressed in 2005/06. ➤ Fourth Street and East Flagstaff T.I. in or nearing construction phase ➤ West Street and Lone Tree Corridor studies underway. Furtherance of Goals FY2006: ➤ Update the FMPO Regional Transportation Plan and Transportation Element of the Flagstaff Regional Land Use and Transportation Plan in collaboration with the Community Investment Division. ➤ 5-Year Transit Plan Update Study.	Community Improvements Division, FMPO

COLLABORATION

GOAL STATEMENT COLLABORATION	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Strengthen the community by strengthening partnerships with sovereign nations, public, non-profit and private agencies. Develop collaborative goals, through all levels of the organization, based upon common interests with these agencies to optimize the use of community resources and the delivery of services to the citizens of Flagstaff.	External relations: Department Heads/Division Heads to seek and strengthen ties with other agencies to obtain benefits for the community from shared resources, ideas, and funding. FY2005 Status Update: - Developed new and strengthened existing relationships with State and Federal agencies including: ADWR, AOT, ADOT, ADEQ, ADOC, USFS, and Interior among others. - Developed community approach to affordable housing including non-profit agencies, NAU, State Housing Dept, Policy Task Force and Land Trust.	CM, DCMs, DHs
	Internal relations: Develop internal process for the review and discussion of potential interdepartmental, inter-division relationships to support collaborative efforts. Integrate the collaborative process into the routine work of the organization by developing processes and time frames during the budgetary and legislative cycles. FY2005 Status Update: Implementation has resulted in successes including: bond program; organizational budget and structure development; economic development (including tourism and arts); redevelopment.	CM, DCMs DHs
	Policy development: Develop resources, through entities such as NAU, to identify strategies that address rural and regional issues on a broad scale. Encourage other agencies with common goals, such as other cities, Sovereign Nations, counties, and state and federal agencies to discuss and/or negotiate various issues using these strategies. FY2005 Status Update: - Development and annual update of Alliance Policy statement. - Continued pursuit of funding for Rural Policy Institute; NAMWUA; Forest Partnership; workforce housing; workforce development; education.	CM, DCMs, DHs
	Alliance Work Program: Strengthen the commitment to the existing collaborative structure of the Alliance to obtain maximum benefits in areas such as telecommunications, health care for employees, after-school programs and community mediation services. FY2005 Status Update: Strengthened relationships and refined objectives to update or develop policy positions; address broader community and regional issues; identified and analyzed service purchase and consolidation opportunities e.g. IS/IT; maintenance; Parks, Recreation and Open Space; criminal justice; workforce development; housing; telecom.	CM, DCMs, DHs

GOAL STATEMENT COLLABORATION	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Municipal Policy Statement: Refine policy statement development for internal and external use. FY2005 Status Update: • Policy statement updated and adopted annually.	Council, CM, DCMs
	Relationships with regional partners: Formalize meetings and development of policies, as well as clarify outcome expectations with regional partners. FY2005 Status Update: • Continuing to develop relationships as the basis for future work program formalization: water; transportation; tourism, housing; forest health.	CM, DCMs, DHs

QUALITY OF LIFE

GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
To enhance the quality of life for our community, we will assure comprehensive programs that allow for balanced resource development and protection, that include cultural components that cross generational boundaries and strive to create cost effective and proactive approaches to meet the social, physical and economic needs of our citizenry as we celebrate Flagstaff's heritage, diversity and vast aesthetic appeal. Consideration will be given to quality of life preservation and enhancement in all City actions and appropriations towards open space, neighborhood and historical preservation, land acquisition, facility and park development, environmental impact and controls, view shed retention and other community identified values in order to retain the essential and appropriate balance when considering issues related to growth and development and the related economic implications.	Environment: Through funding from ADEQ we will implement a permanent household hazardous waste program, which will be available to residents year round. Expand the HHW program to include conditionally exempt small businesses. FY 2005 Status Update: Staff is continuing to review regulatory requirements and ADEQ conditions for opening the HHPCC to conditionally exempt small quantity generators (CESQG) of hazardous waste.	Environmental Services
	Environment: Continue to support and expand our successful community wide recycling program and increase the number of businesses participating in the program. Increase the materials being diverted from the landfill by expanding the types of materials accepted for recycling as markets are developed and development of a municipal composting program. FY 2005 Status Update: The recycling program continues to grow with 14 new businesses signing up for service in the last year. In addition, the IGA with the City of Prescott was renewed for another 10-year period. The MRF is averaging 1,200 tons of recyclables per month. Preliminary work has begun to research the viability of a municipal composting effort, including feedstock and marketability studies and operation options.	Environmental Services
	Environment: Continue to support and fund the fuel management efforts in cooperation with our regional partners. FY 2005 Status Update: See Public Safety	Fire Department

GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
Discussion: The City will incorporate the responsibility for enhancing quality of life as a component of every policy decision, appropriation, and governmental initiative and will always strive for a balance between growth, economic development and quality of life.	Environment: Continue to develop water resources in a manner consistent with long-term needs and resource sustainability as well as continue to develop and implement cooperative agreements with regional partners. Expand the use of reclaimed water resources throughout the community and continue to educate our community of the value of our water resources so that we can all make educated resource decisions. FY 2005 Status Update: • Voters approved a bond program in 2004 that included \$15,000,000 for future water acquisition, \$8,500,000 for additional wells, and \$23,100,000 for wastewater treatment upgrades to provide additional reclaimed water. • Red Gap Ranch was examined as a possible location for future water development. • SCA Tissue successfully converted to reclaimed water use in 2004.	Utilities
We will recognize the diversity of our community both culturally and generationally and will strive to preserve the aesthetic values and well as our environment while promoting citizen awareness and participation.	Environment: Through open space retention, reclamation and planned acquisition, we will continue to preserve our natural environment and heritage for our residents and future generations. Continue to work towards the completion of the FUTS Trail primary spine and expand neighborhood links. Use of bond funds to purchase links. FY 2005 Status Update: Open Space Commission created a 2003 work program underway. • FUTS 5-year capital program budgeted and scheduled. • Open Space Bond developed in May 2004 election • Design Review Guidelines in second year of implementation. • Gateways design for 89 and East Flag TI underway.	This is the responsibility of the Community Development Department. Public Works maintains FUTS trails and other public spaces.
	Neighborhoods: Through implementation of Design Review Guidelines and the development of a comprehensive Gateways program, we will identify and enhance our neighborhoods and help to build a better quality and more livable community. Implement a Property Maintenance Ordinance, Design Review Guidelines as well as design and construct community gateways to help promote, preserve and maintain the livability of our neighborhoods. FY 2005 Status Update: This strategy should be in the Planning for Growth Goal being addressed by Community Development.	This strategy should be in the Planning for Growth Goal being addressed by Community Development.

GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Neighborhoods: Through the Clean & Green Committee, we will continue to listen to our citizen representatives and develop on-the-ground neighborhood conservation programs. FY 2005 Status Update: • Another substantial increase in community participation was realized this fiscal year, with the addition of 22 new volunteer groups and organizations. In addition, the Clean & Green Committee and Conservation staff worked closely with several neighborhood groups and associations to promote City programs and develop revitalization efforts. These partnerships will prove to be an integral component in the development of the new Brownfield Program.	Environmental Services
	Events and Image: Continue to improve the quality of special events for residents and visitors that are in alignment with the goals of marketing Flagstaff as presented in a well-organized, designed cohesive image. <i>This will be accomplished by:</i> • Working in conjunction and in coordination with other City of Flagstaff departments. • Staff serving on Image committee. • Developing a community events program and carrying over any funds that are available to establish such a program. • Exploring cultural and historic signature opportunities (such as Route 66) in defining the City of Flagstaff's attributes and characteristics. • Initiating new events consistent with year-round promotion of Flagstaff as a destination; as well as, assisting in the establishment of the existing themed events in Flagstaff to draw higher participation from visitors and residents. • Effectively communicating with stakeholders and coordinating our efforts to be more powerful. FY 2005 Status Update: • City Manager's Office - Deputy City Manager. This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth Goal.	City Manager's Office - Deputy City Manager. This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth Goal.
	Cultural Heritage: Through Public Art Advisory Committee we will continue to support a variety of public art projects throughout the community. FY 2005 Status Update: • This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal.	This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal.

GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Cultural Heritage: Through the Historic Preservation Commission we will actively work to preserve historic sites within our community so that future generations will better understand and appreciate our rich heritage. Explore the possibility of expanding the Downtown Historic District or the creation of new districts to help protect historic resources in our neighborhoods. FY 2005 Status Update: This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal.	This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal.
	Cultural Heritage: Continue to serve as a repository for our community's media based historic materials. FY 2005 Status Update: Staff continues to add historic materials to the library collections.	Library
	Youth & Elderly: Continue to invest in out-of-school services and programs for children; preteen and teen service opportunities, skill development, and diversion, adaptive recreation programs, inclusive recreation programs, and services for senior citizens. Pursue multi-use/multi-generational recreation facility construction and program enhancement to meet citizen needs as established in the Master Plan and future bond initiatives. FY 2005 Status Update: - Core programming continues with additional opportunities for partnerships explored to supplement offerings. Senior Olympics was added to Adult Center programming with a successful first event. - Multi-Use/Multi Generational recreation Facility forwarded to Bond Advisory Task Force for 2004 bond package.	Parks & Recreation
	Youth & Elderly: Continue to provide a wide variety of youth and elderly services and will continue to develop it technical, multi-media format of service delivery. Staff will work to secure grant funding to improve the technology based information systems. FY 2005 Status Update: - Funding has been secured to provide after school and Family Place programs. - Outreach Services is developing a project to provide more services to the elderly.	Library

GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Parks & Recreation: Through completion of the '96 bond initiative, residents and visitors benefit from parks and recreation facilities, which offer improved amenities that promote quality of life through physical, social, and instructional programming. Community-wide priorities will be reviewed and selected through Master Plan updates for development and inclusion in future bond initiatives. FY 2005 Status Update: Projects receiving voter approval in May 2004 include: • Aquatic Center • Multi-Generational Center • Lake Mary Park – Phase II land acquisition (and two other smaller parcels). The Thorpe Park Improvement Project is the last of the 1996 Bond projects. Construction is slated to begin in spring/summer 2005. The Christensen and Thomas Elementary school projects have been completed.	Parks & Recreation & Community Development
	Aesthetics: Continue to improve the visual quality of Flagstaff's environment through a variety of enhancement projects. Through continued streetscape landscaping, preservation of public spaces and protection of important views whenever possible, we will preserve the essence of our mountain community. FY 2005 Status Update: • This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal. Aesthetics: A suggested strategy for Public Works is the one the department is currently developing to provide landscape standards for rights-of-way, street medians, and parkways.	This strategy is the responsibility of the Community Development Department and should be in the Planning for Growth goal.

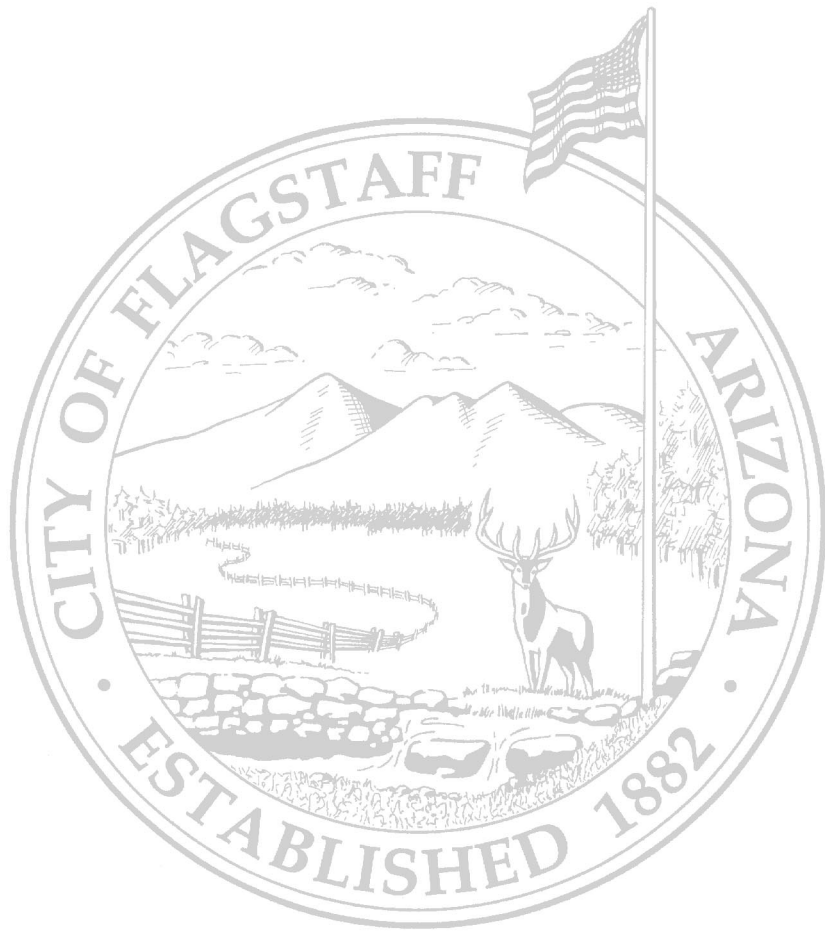
GOAL STATEMENT QUALITY OF LIFE	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Events and Image: Continue to improve the quality of special events for residents and visitors compatible with the image and marketing of Flagstaff as a home and destination. Staff will continue teamwork with community partners to market and produce seasons of celebration, consistent with appropriate Flagstaff images. FY 2005 Status Update: • Parks and Recreation continue to provide year-round special events through the Community Events program area. This office also processes special event permits for outside organizations to provide special events. • Staff will continue to serve on image and event committee. • Fees for banner display in the Downtown area have been discontinued. Staff continues to provide the service of hanging and removing the banners from outside organizations.	Parks & Recreation CVB Planning
	Parks and Recreation: Continue to improve and protect outdoor public recreation resources through education and interaction with park and trail users. Explore the possibility of park ranger program through use of both paid staff and volunteers. FY 2005 Status Update: • Park Ranger programs would still be beneficial to meet this goal. No paid positions have been pursued due to budget conditions.	Parks & Recreation
	Parks and Recreation: Through the use of available technology, manage botanical and archeological park resources. Expand use of GIS/GPS technology to create and maintain resource databases and adopt strategic management plans for tree, weed, and archaeological programs. FY 2005 Status Update: • All tree and weed inventory databases were lost in the hardware “crash”. Staffing levels are not such that regeneration of this information is possible at this time.	Parks & Recreation

ORGANIZATIONAL SUPPORT

GOAL STATEMENT ORGANIZATION SUPPORT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
To ensure that the City of Flagstaff has the necessary organizational structure and staff who are trained to achieve the goals of the City, now and in the future. To develop and maintain compensation and benefits systems that allow the City as an employer to hire and retain a workforce that is recognized by the Council and public as committed public servants. Discussion: The City Council recognizes the importance of positioning the City as a quality employer within the community to enhance recruitment and retention of employees. To do so requires providing a compensation and benefit package to attract and retain qualified employees. The City further recognizes that to accomplish established goals requires a well-trained staff. An outcome of providing an excellent integrated and comprehensive level of service, and to ensure the continued long-term viability given that	Succession Planning: Develop a “competency based” process that develops a group of high potential employees who can assume leadership roles as needed across a broad spectrum of the organization. FY 2005 Status Update: • Implemented Phase I of succession planning which was to identify the appropriate set of competencies through an employee survey, external benchmarking survey of other municipalities, and through an interactive work session with Department Heads. • Competencies were defined into concepts that can be measured and taught through workshops entitled “Setting a Climate for Development.” • Started presenting “Setting a Climate for Development” workshops to departments. FY 2006 Goals: • Completed “Setting a Climate for Development” workshops to departments. • Based on competency profiles an assessment instrument will be designed and administered to identify high potential employees. The instrument will assess the individuals; provide feedback to them and a process for individual development training. • Competency profiles will be integrated into the recruitment and interviewing process for new employees.	City Manager Department Heads Human Resources

GOAL STATEMENT ORGANIZATION SUPPORT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
20% of top management is eligible for retirement, succession planning will be implemented. Succession planning will be pursued to ensure the continuity of the City's leadership talent by identifying and developing potential individuals so that excellent performance is preserved as well as enhanced, individual advancement is strengthened, and the City has the right leaders prepared for the right positions at the needed time.	Compensation: Maintain a compensation and benefits system that is internally equitable and externally competitive within the financial capability of the City. This will include conducting a market survey annually to ensure the City's salaries are within the market. FY 2005 Status Update: • A \$500 one-time payment to all benefit eligible employees was approved. • Retiree Health Savings Account was implemented as a way for employees to save dollars (tax free) for health related expenses when they retire. • Eliminated the "maximum 15 years" requirement for retirees to keep their health insurance coverage with the City. A retiree may now retain his/her health insurance coverage until he/she reaches age 65. • Enhanced the process in conducting market surveys to ensure an accurate reflection of the labor market. • Reduced the steps in the Broad Banding Pay Plan. FY 2006 Goals: • Establish a dual career path for Ranges 10 and 11 in order to provide more flexibility in classifying positions. • Reduce the number of steps in the Broad Banding Pay Plan. • Broad Band Project Manager positions.	Human Resources, Department Heads, City Manager, Budget Team
	Professional Development: In conjunction with succession planning, identify and develop training plans to enhance the employees' knowledge, skills and abilities, potential for career growth, and leadership development. FY 2005 Status Update: • Revised the "Tuition Reimbursement Policy" to a "Continuing Education Policy" so that it is more flexible and allows for more training and development opportunities for employees. FY 2006 Goals: • As part of succession planning, training will be developed so that employees will be able to ascertain the training needed for future leadership positions and then obtain the appropriate training.	Human Resources, Department Heads, Budget Team

GOAL STATEMENT ORGANIZATION SUPPORT	FY 2006 AND FUTURE WORK PROGRAM STRATEGIES	RESPONSIBILITY
	Employee Support: Evaluate current and proposed programs to ensure adequate financial and organizational support to successfully accomplish the goals. Also ensure that employees understand and support the mission and values of the City. FY 2006 Goals: • Ensure there are funds to support training needs as part of succession planning. • Add a statement to all job descriptions that employees will “actively support and uphold the City’s stated mission and values.”	Department Heads, Budget Team Human Resources
	Organizational Structure: Review the current organizational structure to determine relationships, organizational efficiency and effectiveness. Identify potential improvements considering new and existing programs. Review to include appropriate staffing levels and skill requirements. FY 2005 Status Update: • Community Development was reorganized and CID was integrated into Community Development. Three new director positions were established (Community Investment Director, Development Services Director, Community Improvements Director). • Public Works was also reorganized to support Brown Fields, and Fleet, Facilities, and Streets were combined into one division. FY 2006 Goals: • Continue to review the organizational structure as part of succession planning to capitalize on organizational effectiveness and efficiency.	City Manager, Deputy City Manager for Operations, Human Resources





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