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Any opinions contained herein are my own, and do not necessarily reflect the views of the City of Sedona or the Sedona City Council. Some of the content of this newsletter is taken directly from public documents. My highlights are not intended to be all inclusive - the public record is the final authority. If you have friends/neighbors that would like to get added to my newsletter send them to my campaign website (chisholm4council.com) where they can sign up. I have also posted my previous newsletters for download on the site. The document on the website is easier to read as current formatting options are minimal via the email distribution tool I am using.

You can reference greater detail and supporting documentation related to the city council meetings items via the following;

- <http://www.sedonaaz.gov/your-government/council-commissions-committees-boards/meetings-video-audio>
- <http://www.sedonaaz.gov/your-government/council-commissions-committees-boards/meetings-documents>
- <http://www.sedonaaz.gov/your-government/departments/city-clerk/council-commissions-committees-boards/city-council/meetings-agendas-packets-minutes>

Sign up for the city's e-Notify service to stay in touch with city events, functions, activities.

- <http://www.sedonaaz.gov/community/news-information/enotify-sign-up-for-news>

Snapshot of Key Activities Since Last Newsletter

- April 17, 2019 and April 18, 2019 – we conducted a two-day FY20 (July 1, 2019-June 30, 2020) Budget working session. Council participated in discussions with staff regarding the proposed FY20 budget. The FY20 budget process started in December of last year. The proposed FY20 budget has \$48.8M of expenses (\$7.9M of which is related to traffic mitigation capital projects). City Council also discussed an additional \$2.1M of 'decision package' (investments not in the base budget e.g. extra funds to Sedona Recycles, acquire Dump Truck/Snow plow, etc.) expenses. Approval of the TENTATIVE FY20 budget is on the city council agenda for May 28th. Adoption of the FY20 Budget is targeted for June 25th.
- April 23, 2019 – we discussed the process city staff recommended for the evaluation of a potential City of Sedona PBA (Permanent Base Adjustment) analysis. This was a hot topic during last years campaign when the Home Rule ballot issue was discussed.
- April 24, 2019 – we discussed the FY20 SCCTB (Sedona Chamber of Commerce & Tourism Bureau) \$2.4M proposal related to activities to be executed during the next fiscal year.
- May 14, 2019 – Swore in the new police Chief – Charles Husted
- May 14, 2019 – Discussed updates to the city's Development Impact Fees. Development Impact Fees (DIFs) are one-time charges applied to new development in order that new growth will pay its fair share of infrastructure improvements needed to provide municipal services, and to ensure that existing residents are not unduly burdened to pay for improvements and services needed to accommodate new development. The City of Sedona first adopted DIFs on May 18, 1998. A.R.S. § 9-463.05 is the state statute that enables municipalities to assess, collect, and spend development fees. The City's DIFs were last updated in 2014 and became effective on August 5, 2014. They are required by statute to be updated every five years.
- May 14, 2019 – Discussed possible changes to the current Community Development fees. The established fee schedule for the review processes associated with Community Development applications is intended to cover the costs and expenses associated with examining, processing, conducting field inspections, publishing legal notices, and meeting with developer and builder applicants. These fees were last updated in August 2003.

Summary of Above Highlights

April 17, 2019 and April 18, 2019 City Council Special Session

- For two days we discussed the proposed City budget & Capital Improvements (e.g. traffic mitigation projects, art in roundabouts, improvements at Ranger Station, etc.) Plan for FY20 (July 1, 2019 – June 30, 2020). Here are some highlights;
 - The 361-page FY20 PROPOSED Budget can be found at <http://www.sedonaaz.gov/home/showdocument?id=38088>.
 - It is estimated that the total of our fund balances will be \$51.0M as of July 1, 2019. We are estimating to bring in an additional \$43.9M in revenue during FY20. As such the total available for FY20 is \$94.9M. By policy we have set fund balance targets (a.k.a. rainy-day funds) totaling \$21.9M leaving \$73M 'available'. Since we are operating under Home Rule all of the \$73M is available to us.
 - The FY20 PROPOSED Budget expenditures are \$48.8M. Added to this would be whatever portion of the \$2.1 'decision packages' council selects.
 - \$7.9M of the proposed FY20 expenditures are related to Sedona In Motion (SIM) projects. Traffic mitigation is one of council's HIGH priority objectives. A lot of planning was done this year – shovels will start hitting the dirt soon. The SIM investment includes \$4M worth of Uptown roadway improvements which will start June 3, 2019.

- Every city department gave the city council a briefing on their FY20 'ask' and associated performance metrics.
- We moved \$1M into the cities existing affordable housing fund. The Affordable Housing Fund will then be at an estimated ~\$2M. This value is arrived at by taking the current balance plus the anticipated contribution being made as part of the Marriot Residence Inn development plus the additional \$1M transfer. Helping to mitigate our lack of affordable workforce housing in Sedona is also one of council's HIGH priority objectives. Next steps involve facilitating a "needs assessment", keeping an eye out for possible land acquisition(s), and understanding community impacts.
- I have received feedback that makes it clear to me that we need to define the terms 'workforce housing', 'affordable housing', and 'low income' housing. Many are using these terms interchangeably however these phrases have very different meanings and possible solutions.
- Capital Improvement Program (these investments are included in the overall expense numbers shared earlier) – investments totaling approximately \$14M per year for the next three years were discussed. Not all projects on the three-year list are 'approved' to be executed however they are in-place for planning purposes.
- The city council unanimously agreed to give city staff the flexibility to implement or postpone capital improvement projects planned during the next 3 years. This flexibility is designed to keep things moving as unforeseen project slow downs occur or as opportunities to accelerate projects become apparent. See the proposed budget packet for the list of projects.
- City Council is targeted to adopt the FY20 TENTATIVE Budget during the upcoming May 28, 2019 city council meeting. Adoption of the TENTATIVE budget **sets the spending cap for FY20**. The final step will be to adopt the FY20 BUDGET during the June 25th city council agenda.

April 23, 2019 City Council Regular Session

- We recognized the retirement of Interim Chief of Police Ron Wheeler and welcomed Chief Charles Husted to the team.
- We discussed the Permanent Base Adjustment topic. Specifically, what process should we go through to understand if there are any actions, we should take with regards to changing the value 'on record' at the state for our city. This topic has some nuances, but the short version is that the State of Arizona has rules related to the amount of money the city/town can spend in a given fiscal year. We are currently operating under the Home Rule model which in the simplest terms means the city can spend up to the amount of money we expect to bring in during the fiscal year plus any monies we have saved from previous years. The Permanent Base Adjustment topic is relevant in some keyways;
 - The PBA sets a city spending limit in the case the citizens choose not to allow Home Rule to be used. The Home Rule 'authorization' lasts for only 4 years. The current citizen approved Home Rule authorization expires in 2022.
 - An appropriately set PBA could put the citizens in a position to avoid the time, effort, and money associated with a Home Rule authorization discussion/vote every 4 years.
 - A citizen work group is being established to review this topic. We are targeting the kickoff meeting for this group in June 2019 and anticipate meeting every 4-6 weeks to present at a Council work session in January 2020
 - City Council will be asked to decide whether this topic should be on the 2020 ballot during March or April of next year.
 - For a more complete explanation regarding the PBA <http://www.sedonaaz.gov/Home/ShowDocument?id=38090>

April 24, 2019 City Council Special Session – We discussed the proposed FY20 Sedona Chamber of Commerce and Tourism Bureau (SCCTB) contract.

- The SCCTB outlined their proposed plan for FY20. The total amount of their proposed plan totals \$2,492,500.
- The plan's investment recommendations are broken down into six (6) categories;
 - \$1,171,950 for 'Quality of the Economy' a.k.a. advertising/marketing. This category is part of the 5 Year Sustainable Tourism Plan.
 - \$280,000 for 'Resident Quality of Life' note: \$108,000 of this amount is associated with the 401 Jordan property. This category is part of the 5 Year Sustainable Tourism Plan.
 - \$132,500 for 'Quality of the Environment' programs. This category is part of the 5 Year Sustainable Tourism Plan.
 - \$50,000 for 'Visitor Experience'. This category is part of the 5 Year Sustainable Tourism Plan.
 - \$511,000 to support the Visitor Center on Forest Road in uptown. Note: \$100,000 of this amount is targeted for upgrades to the open to the public restrooms located there.
 - \$347,050 for Operations/Administration a.k.a. overhead
- The SCCTB leadership team agreed to perform an annual audit. The SCCTB team had previously agreed to perform an audit at the request of council.

- There are still a few contract items to be discussed e.g. term and auto-renewal provision. It should be noted that there is a provision in the current contract which allows either party to terminate the agreement without cause with 60 days notice. This provision effectively reduces the operational impact of any contract term length or auto-renewal provision.
- The ownership status of the 401 Jordan property will be discussed later. Specifically, is it time for the city to take back the property along with the mortgage and maintenance responsibilities.

May 14, 2019 – City Council Regular Session

- Our new Police Chief, Charles Husted, was sworn in by Judge Mike Goimarac.
- Development Impact Fee (DIF) update - We heard feedback that since the last review that there has been no public feedback regarding the changes to the cities Development Impact Fees. These fees are intended to recover the impact of new development on our sewer, police, and parks infrastructure. The state of Arizona requires review of these fees and the associated assumptions every 5 years.

Sedona Development Impact Fee (DIF) Adoption Process Schedule

- December 3, 2018 - provide notice of public hearing on Land Use Assumptions document (LUA) and Infrastructure Improvements Plan (IIP) and publish draft on municipal website – Minimum 60-day comment period
- February 12, 2019 - public hearing on LUA & IIP – Minimum 30-day comment period to follow
- March 26, 2019 - adopt LUA & IIP, provide notice of public hearing on development fees, and publish draft fee report on municipal website – Minimum 30-day comment period to follow
- May 14, 2019 - public hearing on fees – Minimum 30-day comment period to follow
- June 25, 2019 adopt fees – Minimum 75-day wait until fees can take effect
- September 9, 2019 - fees become effective
- Community Development fees - The established fee schedule for the review processes associated with Community Development applications is intended to cover the costs and expenses associated with examining, processing, conducting field inspections, publishing legal notices, and meeting with developer and builder applicants. These fees were last updated in August 2003. In 2018, the Assistant Director of Community Development embarked upon an effort to update these fees. The City's Finance Department provided support in conducting a cost of service study to quantify the staff hours and costs associated with each application/review. Average time spent on various applications/processes was identified and associated personnel costs were calculated based on a percentage (typically 80%) of the maximum hourly rate from the FY19 salary schedule plus the average fringe benefit rate for each position involved. Program-specific overhead costs were calculated based on the percentage of the FY19 program-specific supplies and services budget to the FY19 program-specific personnel budget and applied the percentage to the total personnel costs identified above. Indirect costs related to the citywide central services departments were calculated based on the percentage of the FY19 program-specific internal charges budget to the FY19 program specific personnel budget and applied to the total personnel costs identified above. A benchmark study was also completed to assess what other communities are charging for the various types of applications/reviews. The benchmark data is included as Exhibit B. Exhibit A includes a matrix of application/review type, actual cost of service, current fee for service, percent of cost recovery based on current fees, what the fees would be if simply adjusted for inflation (2003 to 2019), percent of cost recovery based on that that fee, proposed fee for service, and percent of cost recovery based on the proposed fees. Staff is seeking policy guidance from the City Council regarding the appropriate levels of cost recovery and fee adjustments moving forward. Once Council identifies the desired cost recovery thresholds for the various fee categories, a schedule of proposed fees will be publicly posted for a minimum of 60 days in accordance with state statute and brought back to City Council for final adoption.

Did You Know

- City FAQ: The city is now publishing one-page fact sheets on various topics. You can easily access and view or download: sedonaaz.gov/faq. These documents are not intended to be exhaustive discussions, but brief, readable answers to the questions we hear most often, particularly about major council actions. Fact sheets will be continuing to be added to this page, and the documents will be updated as needed. The latest addition is about tourism promotion. The next addition will be about changes to water rates.
- From our new Chief of Police Charles Husted via the Nextdoor app “Poll: Were you aware that Community Crime Mapping is available on the city's website? <http://www.sedonaaz.gov/your-government/departments/police/community-crime-mapping> Community Crime Mapping is a web-based program developed to help law enforcement agencies provide residents with information about recent crime activity in their neighborhood. The program uses crime data extracted from the Sedona Police Department record system. You can view up to 180 days of crime data using different search parameters such as date range and

crime type. The location listed shows an address range of plus or minus 100, for example 200 Main St. is between 100 Main St. and 300 Main St. Most of the crimes reported in Sedona will be listed on this map except cases involving deaths, sexual offenses, juvenile offenses, business and residential alarms, and traffic related offenses except for DUI. At the end of each year, your Sedona Police Department will publish a list of the year's Nature of Incidents, a compilation of types of calls for service and total calls reported for the year."

Key Upcoming Events

- Community Pool opens May 25 ... The pool will be open Monday through Thursday, 8 a.m. to 8 p.m.; Saturdays and Sundays 8:30 a.m. to 4 p.m. The facility is closed on Fridays for maintenance. Admission prices are \$3 for adults, \$2 for children 17 and under and seniors 55 and over. Children under the age of two are free.
- May 27th – Memorial Day (holiday created to honor soldiers who have died in military service) ceremony to be conducted at the Sedona Military Service Park starting at 9am and lasting approximately 1 hour.
- May 28, 2019 Executive Session (closed to the public) - Discussion/consultation with staff and the City Attorney regarding potential negotiations for the acquisition of real property for the siting of a transit hub in the vicinity of the "Y" intersection in the City of Sedona. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(7).
- May 28, 2019 City Council Regular Meeting – covering several topics including; Public hearing/discussion/possible action regarding approval of the Tentative City Budget for Fiscal Year 2019-2020, and Discussion/possible direction regarding the Sedona Chamber of Commerce and Tourism Bureau's (SCC&TB) Destination Services Plan, plan of work, contract, and preliminary FY20 budget.
- May 29, 2019 City Council Special Meeting - Discussion/possible action related to the Sedona In Motion transportation program including a focus on the final feasibility report of the Forest Road Connection project and approval of the Construction Manager at Risk (CMAR) contract for the Uptown Roadway Improvements project.
- Sedona In Motion - Uptown construction starts June 3 - Construction work hours will be Monday-Thursday, 5:30 a.m. to 3:30 p.m., and, if needed, Fridays 5:30 a.m. to 1 p.m. First phase work will occur at Jordan Road to construct a new roundabout. All efforts will be made to complete this work by fall 2019. Two-way traffic on SR 89A will be maintained during most of the project. Major construction activities are expected to end by the spring 2020 tourist season. Estimated project completion expected by summer 2020. STAY INFORMED * Fliers will be distributed to Uptown business stakeholders and residents prior to construction start-up. * Attend Monday Morning Meetup drop-in meetings 9-10 a.m. each Monday beginning June 3, locations will be announced in advance. * Sign up for a weekly e-newsletter from our construction contractor to get detailed construction notifications and activity plans. You are already on this list -- encourage others to sign up at sedonaaz.gov/simnews. * Mailings will be sent to Uptown residents. * Project hotline: (928) 852-4164 to ask questions and get more information. * Text message notifications will be sent when time-sensitive or unanticipated construction impacts or changes arise. Subscribe by texting the word SIMUPTOWN to 888777. * Website: sedonaaz.gov/simuptown. This page will contain construction-specific updates.

Have a great rest of the month. Please feel free to reach out with any questions, comments, or concerns at wchisholm@sedonaaz.gov

Bill