

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

TUESDAY, JULY 11, 2023

NOTES:

- Public Forum:
Comments are generally limited to **3 minutes**.
- Consent Items:
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. For additional information on pulling a Consent Item, please contact the City Clerk's Office staff, preferably in advance of the Call to Order. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

THE MEETING CAN BE VIEWED
LIVE ON THE CITY'S WEBSITE AT
WWW.SEDONAAZ.GOV OR ON
CABLE CHANNEL 4.

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- No disruptive behavior or profane language will be allowed.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

2. ROLL CALL/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- a. Minutes - June 27, 2023 City Council Special Meeting - Executive Session.
- b. Minutes - June 27, 2023 City Council Regular Meeting.
- c. Minutes - June 28, 2023 City Council Special Meeting.
- d. AB 2974 Approval of a Land Lease Agreement with the Yavapai Apache Nation at the Wastewater Treatment Plant.
- e. AB 2977 Approval of a Professional Service Agreement with T.P.I. Building Code Consultants, Inc. for the provision of Plans Examiner Services for FY24 through FY26 (three-year contract) in an amount not to exceed \$525,000.00.

4. APPOINTMENTS - None.

5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

7. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

8. REGULAR BUSINESS

- a. AB 2970 **Public hearing/discussion/possible** action regarding approval of the Tentative City Budget for Fiscal Year 2023-2024.
- b. AB 2967 **Discussion/possible action** regarding the Small Grant Evaluation Citizen Work Group recommendations for Fiscal Year 2024 Small Grants Program in the amount of \$200,000.
- c. AB 2963 **Discussion/possible action** regarding the site selection for new pickleball courts at Posse Grounds Park.
- d. AB 2975 **Discussion/possible action** regarding an Ordinance amending the Sedona City Code Chapter 2.25 (Ordinances, Resolutions, and Contracts) by amending Section 2.25.040 (Reading of proposed ordinance).
- e. AB 2976 **Discussion/possible action** regarding an Ordinance amending the Sedona City Code Title 12 (Streets, Sidewalks, and Public Places) by amending Chapter 12.05 (Rights-of-Way).
- f. **Reports/discussion** regarding Council assignments.
- g. **Discussion/possible action** regarding future meeting/agenda items.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

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



Page 2, City Council Meeting Agenda Continued

9. EXECUTIVE SESSION

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

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

10. ADJOURNMENT

Posted: 7/06/2023

By: DJ

JoAnne Cook, CMC, City Clerk

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

A copy of the packet with materials relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

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

**Action Minutes
Special City Council Meeting
Sedona City Hall, Council Executive Chamber
102 Roadrunner Drive, Sedona, Arizona
Tuesday, June 27, 2023, 3:00 p.m.**

1. Call to Order

Mayor Jablow called the meeting to order at 3:00 p.m.

2. Roll Call

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff Present item: City Manager Karen Osburn, Deputy City Manager Andy Dickey, City Attorney Kurt Christianson, Assistant City attorney Doug Drury, Deputy City Clerk Marcy Garner, and City Clerk JoAnne Cook.

3. Executive Session

Motion: Councilor Kinsella moved to enter into Executive Session at 3:01 p.m. **Seconded by Councilor Dunn.** Motion carried unanimously with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, and Williamson) and zero (0) opposed.

Kurt Christianson gave the admonition.

- a. **Discussion and consultation with the City Attorney for legal advice and to consider the City's position and instruct its attorneys regarding pending litigation, Jablow, et al., v. Evans, et al. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3) & (4).**
- b. **Discussion and consultation for with the City Attorney for legal advice regarding the proposed Improper Vehicle Equipment ordinance. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3).**
- c. **Return to open session. Discussion/possible action regarding executive session items 4:08 p.m.**

4. Adjournment

Mayor Jablow adjourned the meeting at 4:08 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on June 27, 2023.

JoAnne Cook, CMC, City Clerk

Date

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, June 27, 2023, 4:30 p.m.

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

Mayor Jablow called the meeting to order at 4:30 p.m.

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff Present: City Manager Karen Osburn, Deputy City Manager Andy Dickey, City Attorney Kurt Christianson, City Attorney Doug Drury, Director of Engineering/Public Works Kurt Harris, Director of Community Development Steve Mertes, Planning Manager Cari Meyer, Procurement Officer Heidi Weber, Director of Financial Services Cherie White, Associate Engineer Bob Welch, Police Chief Stephanie Foley, City Maintenance Manager Ryan Hayes, Deputy City Clerk Marcy Garner, and City Clerk JoAnne Cook.

2. Roll Call

3. Consent Items

- a. **Minutes - June 13, 2023 City Council Regular Meeting.**
- b. **Minutes - June 14 & 15, 2023 City Council Special Meeting.**
- c. **AB 2945 Approval of Resolution approving and adopting the City's Public Safety Personnel Retirement System Pension Funding Policy for fiscal year 2023-2024.**
- d. **AB 2961 Approval of a Resolution appointing the City of Sedona Finance Director as Chief Financial Officer of the City for the purpose of submitting the annual expenditure limitation report to the Arizona Auditor General's Office.**
- e. **AB 2965 Approval of a Resolution approving a revision to the City's Fund Balance Policy.**
- f. **AB 2969 Approval of a Utility Easement Agreement with Unisource Energy Services.**
- g. **AB 2966 Approval of a Resolution approving the form of the lease purchase agreement with Zions Bancorporation, N.A. and authorizing the execution and delivery thereof for the purchase of a one (1) ton dump truck with snowplow in an amount not to exceed \$99,243.67, plus interest.**
- h. **Approval of Zero Traffic Deaths Goal Proclamation, June 27, 2023.**

Item 3h was pulled by Councilor Fultz. Presentation by Karen Osburn

Motion: Councilor Williamson moved to approve the consent agenda items 3a-3g. Seconded by Vice Mayor Ploog. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

Motion: Councilor Williamson moved to approve the consent agenda items 3h. Seconded by Vice Mayor Ploog. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

4. Appointments – None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Councilor Kinsella commended the Sustainability Department for engaging volunteers in their heat mapping exercise. Vice Mayor Ploog said Parks & Recreation is offering 14 weeks of summer camps and more information can be found at sedonaaz.gov/camps. The Summer Cinema Series is on Friday evenings in June, the final movie, Muppet Treasure Island, will show on June 30th starting at 7:30 p.m., there is no charge to attend. For information on sports offerings, you can visit sedonaaz.gov/sports. Open Gym for volleyball is on Tuesdays and Thursdays, and basketball on Sundays. Yappy Hour is on Thursdays from 8:00-9:00 a.m. The Wet Fest Event will be held on July 4th from 12:00-4:00 p.m. at the Posse Grounds Park. Vice Mayor Ploog announced that today is the 65th birthday of the Sedona Arts Center, the Sedona Public Library, and the Sedona Rotary Club. Councilor Fultz advised that Mountain Lion Vanpool is running a program in Coconino county that provides for a \$400 monthly subsidy for vanpools. He stated that the City is under budget in planned expenditures for staff vacancies and said Northern Arizona Council of Governments (NACOG) is at 92% of their planned budget on labor and struggling to hire and retain staff. Mayor Jablow thanked the Town of Clarkdale for hosting the Verde Valley Intergovernmental Meeting last Thursday.

6. Public Forum

Opened to the public at 4:43 p.m.

Briana Helfest, Sedona, voiced concerns regarding the rental cost for local businesses and requested the City regulate the amount of rent/lease that a landlord could charge.

Brought back to Council at 4:48 p.m.

7. Proclamations, Recognitions & Awards – None.

8. Regular Business

- a. AB 2968 Discussion/possible action regarding the approval of a Resolution approving a new Collection Agreement between the City of Sedona and the US Forest Service allowing the City to provide funding to the US Forest Service for construction, improvements, and maintenance of the non-motorized trail system in and around the Sedona area. USFS staff will also provide a program update and report of accomplishments for this program.**

Presentation by Brook Andrew, Red Rock Ranger District Acting Recreation Staff Officer and Kevin Kuhl, Red Rock Ranger District Trails Wilderness and OHV Coordinator.

Questions and comments from Council.

Opened to the public at 5:27 p.m.

Kevin Adams, Village of Oak Creek, thanked the volunteers who help maintain the trails and urged Council to support the Collection Agreement.

Brought back to Council at 5:30 p.m.

Comments from Council.

Motion: Councilor Williamson moved to approve Resolution 2023-23 authorizing the entering into of the IGA Collection Agreement between the City of Sedona and the US Forest Service. Seconded by Councilor Furman. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

- b. AB 2861 Discussion/possible direction/action regarding the City's lobbyist contract, State legislation, short-term rental legislation and State budget and their potential impact on the City of Sedona.**

Presentation by Policy Development Group Principal, Paul Senseman and Policy Development Group Lobbyist Todd Baughman.

Questions and comments from Council.

Discussion only, no action taken.

- c. AB 2964 Discussion/possible action regarding a Resolution authorizing the City of Sedona to enter into a development agreement with MKC Holdings, LLC, for the development of a multi-family project at 10 Navajo Drive with lease term restrictions and City contributions for construction of a Shared Use Path through the project site.**

Presentation by Cari Meyer.

Questions and comments from Council.

Motion: Councilor Williamson moved to approve Resolution 2023-24 authorizing the City of Sedona to enter into a Development Agreement with MKC Holdings, LLC, for the development of a multi-family project at 10 Navajo Drive with lease term restrictions and City contributions for construction of a Shared Use Path through the project site. Seconded by Vice Mayor Ploog. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

- d. Reports/discussion regarding Council assignments.**

Councilor Dunn stated The Greater Sedona Recreation Collaborative (GSRC) is working with the Yavapai County Sheriff's Dept. and Pink Jeep to launch a pilot program to begin gathering data on traffic at Boynton Canyon Trail.

- e. Discussion regarding ideas for future meeting/agenda items.**

Mayor Jablow advised the meeting tomorrow at 3:00 p.m.

9. Executive Session

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

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

No Executive Session was held.

10. Adjournment

Mayor Jablow adjourned the meeting at 6:22 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on June 27, 2023.

JoAnne Cook, CMC, City Clerk

Date

**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall
102 Roadrunner Drive, Sedona, Arizona
Wednesday, June 28, 2023, 3:00 p.m.**

1. Call to Order

Mayor Jablow called the meeting to order at 3:00 p.m.

2. Roll Call

Roll Call: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff in attendance: City Manager Karen Osburn, Attorney Kurt Christianson, Assistant Engineer Hanako Ueda, Sustainability Manager Bryce Beck, Sustainability Coordinator Owen Kerslake, Sustainability Coordinator Zachary Schwartz, Economic Development VISTA Specialist Abby Hill, City Clerk JoAnne Cook, and Deputy City Clerk Marcy Garner.

3. Special Business

a. AB 2740 Discussion/possible direction regarding an update on progress made on the Climate Action Plan.

Presentation by Manager Bryce Beck, Sustainability Coordinator Owen Kerslake, Sustainability Coordinator Zachary Schwartz, and Economic Development VISTA Specialist Abby Hill.

Questions and comments from Council.

Open to the public at 5:43 p.m.

Steve Schliebs, Sedona, thanked the sustainability team for their action plan and asked about EV charging stations.

Brought back to Council at 5:45 p.m.

b. Discussion/possible action regarding future meetings/agenda items. - None

4. Executive Session

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

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

5. Adjournment

Mayor Jablow adjourned the meeting at 6:04 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on June 28, 2023.

Marcy Garner, Deputy City Clerk

Date



CITY COUNCIL AGENDA BILL

AB 2974
July 11, 2023
Consent Items

Agenda Item: 3d

Proposed Action & Subject: Approval of a Land Lease Agreement with the Yavapai Apache Nation at the Wastewater Treatment Plant.

Department City Attorney / Wastewater

Time to Present N/A

Total Time for Item N/A

Other Council Meetings N/A

Exhibits A. Land Lease Agreement

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required
		\$ 0
City Manager's Recommendation	Approve the Land Lease Agreement with the Yavapai Apache Nation for temporary lease of land at the Sedona Wastewater Treatment Plant.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance ☒ Approval

SUMMARY STATEMENT

Background:

In 2017, the City was approached by the Yavapai-Apache Nation ("YAN") with an inquiry about purchasing some of the A+ effluent generated at the City's wastewater treatment facility. The YAN was developing possible solutions to settle their water entitlement rights associated with the reservation of their land. Long-term use of the City's effluent for purposes of redistribution back into either the underground aquifer or the surface flow of the Verde River would generate a specific quantity of water for the YAN to apply toward sustaining its future water needs.

After discussing the concept with the YAN for several months, an intergovernmental agreement (IGA) was negotiated to memorialize the granting by the City to the YAN of an initial three (3) year term for the exclusive option to negotiate the purchase of a specific quantity of the City's effluent. That IGA was approved on October 18, 2018. The IGA renews annually automatically unless either side provides the other notice of intent not to renew 90 (ninety) days prior to the annual renewal date.

Land Lease Agreement:

The YAN is now ready to test post-treatment of the City's treated effluent to determine suitable uses of the water and transportation to the YAN. The proposed Land Lease Agreement allows Carollo Engineering, YAN's contractor, to temporarily place a wastewater treatment skid at the Sedona Wastewater Treatment Plant and connect it to the wastewater treatment system to test the feasibility of YAN's project.

Climate Action Plan/Sustainability Consistent: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s):

MOTION

I move to: approve the Land Lease Agreement with the Yavapai Apache Nation for temporary lease of land at the Sedona Wastewater Treatment Plant.

LAND LEASE AGREEMENT
CITY OF SEDONA & CAROLLO ENGINEERS, INC.
(Testing at Sedona wastewater treatment plant)

This Land Lease Agreement (“this Lease”) is executed to be effective the ____ day of _____, 2023 (“Effective Date”), between the City of Sedona, an Arizona municipal corporation (“the City”), and Carollo Engineers, Inc., (“Carollo” or “Lessee”). City and Lessee are sometimes referred to herein collectively as the “Parties,” or individually as a “Party.”

RECITALS

WHEREAS, the City is the owner of the wastewater treatment plant and surrounding land located at, 7500 W SR 89A and containing approximately 110 acres (the “Property”).

WHEREAS, Carollo intends to lease a portion of the wastewater treatment plant land being more particularly described on Exhibit A attached to this Lease (the “Lease Area”).

WHEREAS, Lessee desires to lease the Lease Area on which to construct a test skid at the wastewater treatment plant to conduct a pilot test of the post-treatment process for wastewater (the “Project”).

WHEREAS, Lessee desires to use the Lease Area for the Project in accordance with the Sedona Land Development Code and subject to the terms and conditions of this Lease; and

WHEREAS, the City is willing to lease the Lease Area to Lessee on the terms and conditions specified below.

AGREEMENT

THEREFORE, in consideration of the following mutual covenants and conditions, the parties hereby agree as follows:

1. The Recitals set forth at the beginning of this Lease are deemed incorporated herein, and the parties hereto represent they are true and correct.
2. LEASE; PRIVILEGES; RESTRICTIONS; RESERVATIONS.
 - A. The City hereby leases the Lease Area to Lessee and grants to Lessee the following privileges, uses and rights, subject to and conditioned upon Lessee’s full, timely, complete, and faithful performance of all terms and conditions. In addition to said general privileges, uses and rights, the City grants to Lessee the right to construct and operate the Project on the Lease Area, provided Lessee complies with all applicable federal, state, and local laws, building and fire codes.

- B. Lessee hereby accepts the Lease Area and the terms and conditions of the Lease. Lessee shall not use the Lease Area for any purposes other than those specified above.

3. TERM.

- A. The term of this Lease shall be for a period of 7 months commencing on the Effective Date and expiring 7 months later, unless sooner terminated pursuant to the provisions contained in this Lease.

4. RENT.

- A. This lease is entered into for the mutual benefit of the parties and therefore no rent shall be due from Lessee to the City.

5. UTILITIES.

Lessee will be responsible for all charges, fees, deposits and other expenses for utility connections used by the Project. Any changes to utility facilities shall be strictly limited to the Lease Area, or approved of by the City, and shall be undertaken by Lessee at its sole cost and expense.

6. IMPROVEMENTS.

- A. Lessee shall have the right to construct a wastewater treatment skid and related improvements (collectively, sometimes referred to herein as the "Project") on the Lease Area. Before commencing any improvements or modifications, Lessee shall submit detailed plans and specifications to the City, and upon completion of any improvements or modifications, Lessee shall furnish to the City two complete sets of detailed plans and specifications of the work as completed. Prior to the start of any construction of the Project or modifications to the Lease Area or Property, Lessee shall secure all applicable building permits and approvals from the City. In addition, Lessee shall furnish any additional information concerning any proposed improvements or modifications, which the City may deem necessary with regard to the safety of the Property. Use of the Lease Area is hereby restricted to the Project and related uses and the Lease Area may not be used for any other purpose with the prior written consent of the City, which may be given or withheld at City's sole discretion.

- B. Design Requirements. All of Lessee's improvements shall comply with the following design requirements:

1. All Lessee's improvements shall be contained entirely within the Lease Area and without any encroachment or dependence upon the Property without the City's prior written permission.
2. All Lessee's improvements shall comply with all requirements of law. Lessee shall be responsible to directly obtain all necessary permits and approvals from any and all necessary governmental agencies.
3. The type and design of the water treatment skid shall be at the sole discretion

of the Lessee.

- C. Lessee shall keep the Lease Area, the Project, and all improvements free of any liens of any kind or nature for any work done, labor performed or material furnished on or to the Property. If any such lien is filed, Lessee shall, at its sole cost, remove such lien from the Property within thirty days of notice.
- D. Lessee will begin construction of the project within a reasonable period of time following the approval of the City and the issuance of a building permit, if necessary, for the construction. Lessee will diligently pursue construction of the Project.
- E. Upon the expiration or termination of this Lease, the Lessee shall remove the improvements from the Lease Area and Property at its own expense unless the parties have agreed in writing to a different treatment of the improvements.

7. ACCEPTANCE; MAINTENANCE; REPAIRS.

- A. Lessee warrants that it has inspected the Lease Area and Property and accepts possession of the Lease Area and any current improvements thereon "as is" in its present condition, and subject to all limitations imposed upon the use thereof by Federal, state and local law, and Lessee acknowledges the suitability and sufficiency of the Property for the uses permitted hereunder. The City shall ensure access to the Lease Area at all reasonable times, but shall not be responsible for the security of the Lease Area. Except as may otherwise be specifically provided for herein, the City shall not be required to maintain or to make any improvements, repairs or restorations upon or to the Lease Area, the Project, or to any of the improvements presently located thereon. Under no circumstances shall the City have any obligation to repair, maintain or restore the Project and any improvements placed upon the Property by Lessee.
- B. Lessee shall be solely responsible, at its cost, for all security, repairs, and maintenance whatsoever on the Lease Area and Project, and shall maintain the Project and all improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise, including following the lifetime maintenance schedule. Additionally, Lessee, without limiting the generality hereof, and shall:
 - 1. Keep at all times, in a clean and orderly condition and appearance, the Lease Area, the Project, all improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Property;
 - 2. Be responsible for the security, maintenance and repair of all utility services lines and fire suppression systems placed on the Lease Area and used by Lessee exclusively; and
 - 3. Repair any damage caused by Lessee, or its agents, employees or invitees, to the

Lease Area, the Property, any adjacent City property or the Project.

- C. If Lessee fails to maintain the Project within a period of thirty (30) days after written notice from the City to do any maintenance or repair work required to be done by Lessee, the City may terminate this Lease or, at its option, enter the Lease Area, without such entering causing or constituting a termination of this Lease or any interference with the possession of the Lease Area, and repair, any part of the Project or the improvements thereon, and do all things reasonably necessary to accomplish the work required, and all costs thereof shall be payable to the City by Lessee on demand. Provided that if in the opinion of the City, Lessee's failure to perform any such maintenance endangers the safety of the public, the employees, the tenants or property of the City, the City may, in its sole discretion, elect to perform such maintenance at any time, and Lessee shall pay to the City all costs of such work on demand. If the City, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, resulting there from except for claims for damages arising from the City's sole negligence. The foregoing shall in no way affect or alter the primary obligations of the Lessee as set forth in this Lease and shall not impose upon the City any obligations to be stated otherwise herein.

8. ADDITIONAL OBLIGATIONS OF LESSEE.

- A. City will not be called upon to make any expenditure in connection with the Lease Area or the Project, and all costs, expenses and obligations of every kind relating to the Lease Area and the Project which may arise or come due during the Lease term will be paid by Lessee.
- B. Lessee agrees to pay during the Lease term all personal property taxes, if any, assessed with respect to Lessee's personal property.
- C. Lessee shall comply with all written instructions of the City in disposing of its trash and refuse and shall use a system of recycling and refuse disposal approved by the City.
- D. Lessee shall not commit nor permit to be done anything which may result in the commission of a nuisance, waste or injury on the Lease Area or Property.
- E. Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Property.
- F. Lessee shall not do, nor permit to be done, any act or thing upon the Property which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by this Lease.
- G. Lessee Representations. Lessee represents and warrants that:

1. Lessee has the full right, power and authority to enter into and perform this Lease and each of the obligations and undertakings of Lessee under this Lease, and the execution, delivery and performance of this Lease by Lessee has been duly authorized and agreed to in compliance with the Lessee's organizational documents.
2. As of the date of this Lease, Lessee knows of no litigation, proceeding or investigation pending or threatened against or affecting Lessee contesting the validity or enforceability of this Lease or Lessee's performance under this Lease.
3. The execution, delivery and performance of this Lease by Lessee is not prohibited by, and does not conflict with, Lessee's organizational documents or any other agreements, instruments, judgments or decrees to which Lessee is a party or to which Lessee is otherwise subject.
4. Lessee has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Lease, other than normal costs of conducting business and costs of professional services such as architects, consultants, engineers and attorneys and any licensed appraiser retained by the Lessee. Lessee has been assisted by counsel of its own choosing in connection with the preparation and execution of this Lease.

9. ASSIGNMENT AND SUBLETTING.

- A. Lessee shall not assign or sublease any of its interest under this Lease, nor permit any other person to occupy the Lease Area without the prior written consent of the City.
- B. No assignments of this Lease are contemplated or bargained for except for those to which the City has given consent in this Lease. City has the absolute right for any reason or for no reason in its sole discretion to give or withhold consent to any assignment or to impose any conditions upon any assignment, except as expressly provided in this Lease.
- C. This Lease shall control any conflict between this Lease and the terms of any assignment.

10. DEFAULT; TERMINATION BY CITY.

- A. The City may terminate this Lease by giving Lessee thirty (30) days written notice after the happening of any of the following events:
 1. The failure of Lessee to perform any of its obligations under this Lease, provided that Lessee fails to cure its default within said 30-day notice period;
 2. The taking of possession for a period of ten (10) days or more of substantially all of the personal property used on the Lease Area belonging to Lessee by or pursuant to lawful authority of any legislative act, resolution, rule, order or decree or any act, resolution, rule, order or decree of any court or governmental board, agency, officer, receiver, trustee or liquidator;

3. The filing of any lien against the Property because of any act or omission of Lessee which is not discharged within thirty (30) days of receipt of notice by Lessee.
 4. Notwithstanding the foregoing, the City may terminate this lease at any time upon 30-days written notice for convenience.
- B. The City may place Lessee in default of this Lease by giving Lessee 30 days written notice of Lessee's failure to comply with the terms of this lease. During said 30-day notice period, Lessee shall cure said default; otherwise, the City may elect to terminate this Lease or do any of the following:
1. Institute action(s) to enforce this Lease;
 2. Take possession of the Lease Area, together with improvements, fixtures, and equipment therein contained without terminating this Lease, and on behalf of Lessee relet the same or any part thereof for a term, shorter, longer, or equal to the then unexpired remainder of the Lease term. The City may at any time after taking possession terminate this Lease by giving notice to Lessee and sue for damages;
 3. Terminate this Lease, without further notice to Lessee, re-enter the Lease Area and recover damages, including but not limited to, all costs of repossession and reletting and brokerage commissions for services performed by or for the City;
 4. Exercise any other remedy allowed by law or equity.
- C. If Lessee at any time fails to maintain all insurance coverage required by this Lease, the City shall have the right, upon written notice to Lessee, to immediately terminate this Lease or to secure the required insurance at Lessee's expense.
- D. Upon the termination of this Lease for any reason, all rights of Lessee shall terminate, including all rights of Lessee's creditors, trustees, and assigns, and all others similarly situated as to the Lease Area.
- E. Lessee acknowledges Lessee's unconditional obligation to comply with this Lease. No failure by City to demand any performance required of Lessee under this Lease, and no acceptance by City of any imperfect or partial performance under this Lease, shall excuse such performance or impair in any way City's ability to insist, prospectively and retroactively, full compliance with this Lease. Failure by the City to take any authorized action upon default by Lessee of any of its obligations hereunder shall not constitute a waiver of said default nor of any subsequent default by Lessee. Acceptance of rent and other fees by the

City under the terms hereof for any period after a default by Lessee of any of its obligations shall not be deemed a waiver or estoppel of the City's right to terminate this Lease for any subsequent failure by Lessee to comply with its obligations. Lessee expressly disclaims and shall not have the right to rely on any supposed waiver or other change or modification, whether by word, or conduct or otherwise, not conforming to this paragraph.

11. TERMINATION BY LESSEE.

Lessee may terminate this Lease at any time that it is not in default in its obligations by giving the City thirty (30) days' written notice after the happening of any of the following events:

- A. Issuance by a court of competent jurisdiction of an injunction in any way preventing or restraining Lessee's use of any substantial portion of the Property and the remaining in force of such injunction for a period of thirty (30) consecutive days.
- B. The inability of Lessee to use any substantial portion of the Lease Area for a period of thirty (30) consecutive days, due to the enactment or enforcement of any law or regulation or because of fire, earthquake or similar casualty, or Acts of God or the public enemy.
- C. The lawful assumption by the United States Government of the operation, control, or use of the Lease Area or any substantial part of it for military purposes in time of war or national emergency.
- D. Less may terminate this lease at any time upon 30-days written notice for convenience.

12. INDEMNIFICATION.

Lessee shall defend, indemnify and hold harmless the City and its elected or appointed officials, agents, boards, commissions and employees (hereinafter referred to collectively as the "City" in this Section) from all loss, damages or claims of whatever nature, including attorney's fees, expert witness fees and costs of litigation, which arise out of any act or omission of Lessee or its agents, employees and invitees (hereinafter referred to collectively as "Lessee" in this Section) in connection with Lessee's operations at the Property and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property, or arising out of the failure of Lessee to comply with any provisions of this Lease. The City shall in all instances, except for loss, damages or claims resulting from the sole negligence of the City, be indemnified by Lessee against all such loss, damages or claims, regardless of whether the loss, damages or claims are caused in part by the negligence, gross negligence or fault of the City. The City shall give Lessee prompt notice of any claim made or suit instituted which may subject Lessee to liability under this Section, and Lessee shall have the right to compromise and defend the same to the extent of its own interest. The City shall have the right, but not the duty, to participate in the defense of any claim or litigation with attorneys of the City's selection without relieving Lessee of any obligations hereunder. Lessee's obligations hereunder shall survive any termination of this Lease or Lessee's activities at the Property.

13. INSURANCE.

Lessee shall procure and at all times maintain, at its own cost, the types and amounts of insurance required for the full replacement cost of the Project at the limits required in **Exhibit C**. The City shall be named as an additional insured as required in **Exhibit C**. Insurance policies shall contain a provision that written notice of cancellation thereof shall be given to the City not less than thirty (30) days before such cancellation takes effect. Lessee shall deliver an appropriate certificate of insurance for each policy to the City in a form and from a company acceptable to the City. The City reserves the right to modify insurance requirements at any time.

14. SURRENDER OF POSSESSION; REVERSION.

- A. Upon the expiration or termination of this Lease, Lessee's right to occupy the Lease Area and exercise the privileges and rights herein granted shall cease, and it shall surrender the same and leave the Lease Area and Property in good condition, normal wear and tear excepted. All improvements, including the Project, and modifications made by Lessee which become fixtures to the Property shall be removed from the Property at Lessee's sole expense and at no cost to the City, upon the expiration or termination of this Lease, unless otherwise agreed to in writing by the parties.
- B. Upon the expiration of this Lease, the City shall have the alternative, at its option, to require Lessee to remove any and all improvements and structures from the Property and repair any damage caused thereby, leaving the Lease Area in a site-ready development condition, at Lessee's expense. Site-ready development is interpreted to mean level soil free of any underground structures or utilities.

15. NOTICE.

All notices required or permitted to be given under this Lease may be personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses:

TO THE CITY: City of Sedona
 City Manager
 102 Roadrunner Road
 Sedona, Arizona 86336

TO LESSEE: Carollo

Tel:
Email:

Any notice given by certified mail shall be deemed to be received on the next business day after the date of mailing. Either party may designate in writing a different address for notice purposes pursuant to this Section.

16. NO BOYCOTT OF ISRAEL.

The Parties agree that they are not currently engaged in, and agree that for the duration of the Lease they will not engage in, a boycott of Israel, as that term is defined in A.R.S. §35-393.

17. STATUTORY CANCELLATION RIGHT.

This Lease is subject to cancellation for conflicts of interest under the provisions of A.R.S. §38-511.

18. SEVERABILITY.

Should any provision of this Lease be declared invalid by a court of competent jurisdiction, the remaining terms shall remain effective, provided that elimination of the invalid provision does not materially prejudice either party with regard to its respective rights and obligations.

19. TAXES AND LICENSES.

- A. Lessee shall pay any leasehold tax, possessory interest tax, sales tax, personal property tax, transaction privilege tax or other exaction assessed or assessable as a result of its occupancy of the Lease Area or conduct of business at the Lease Area under authority of this Lease, including any such tax assessable on the City. In the event that laws or judicial decisions result in the imposition of a real property tax on the interest of the City, such tax shall also be paid by Lessee for the period this Lease is in effect.
- B. Lessee acknowledges that any failure by Lessee to pay all taxes due, including under A.R.S., Title 42, Chapter 13 after notice and an opportunity to cure shall constitute a default that could result in divesting Lessee of any interest in or right to occupancy of the Property.
- C. Lessee shall, at its own cost, obtain and maintain in full force and effect during the term of this lease all licenses and permits required for the operations authorized by this Lease.

20. LITIGATION

This Lease shall be governed by the laws of the State of Arizona. In the event of any litigation or arbitration between the City and Lessee arising under this Lease, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising under this Lease and consent to a trial to the court.

21. RULES AND REGULATIONS.

Lessee shall at all times comply with all federal, state and local laws, ordinances, rules and regulations which are applicable to its operations, the Lease Area (including the Americans with Disabilities Act), or the operation, management, maintenance or administration of the Project, including all laws, ordinances, rules and regulations adopted after the effective date of this Lease.

Lessee shall display to the City, upon request, any permits, licenses, or other evidence of compliance with such laws. All rules and regulations, as currently existing or as may be amended or adopted, are hereby incorporated in this Lease. Should a court of competent jurisdiction, the Arizona Attorney General's Office, or any administrative agency with oversight authority determine that any part of this Lease is contrary to established Federal, State and City laws applicable to the respective responsibilities of the Parties as described herein, this Lease, and any part thereto that is in conflict with said laws, shall be modified upon mutual agreement of the Parties in order to bring the Lease into full legal compliance.

22. RIGHT OF ENTRY RESERVED.

- A. The City shall have the right at all reasonable times and upon reasonable notice to enter upon the Lease Area for any lawful purpose, provided such action does not unreasonably interfere with Lessee's use, occupancy or security of the Lease Area.
- B. If any personal property of Lessee shall obstruct the access of the City or any utility company furnishing utility service to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system, Lessee shall move such property, as directed by the City or utility company, in order that access may be had to the system for inspection, maintenance or repair. If Lessee fails to move such property after direction from the City or utility company to do so, the City or the utility company may move it, and Lessee shall pay the cost of such moving upon demand, and Lessee hereby waives any claim for damages as a result thereof, except for claims for damages arising from the City's sole negligence.
- C. Exercise of any or all of the foregoing rights by the City or others pursuant to the City's rights shall not constitute an eviction of Lessee, nor be made the grounds for any abatement of rent or any claim for damages.

23. SURVIVAL OF LESSEE'S OBLIGATIONS.

If this Lease is terminated by the City in accordance with the provisions herein or if the City reenters or resumes possession of the Lease Area as provided herein, all of Lessee's obligations under this Lease shall survive such termination, re-entry or resumption of possession and shall remain in full force and effect for the full term of this Lease, and the amounts of damages or deficiencies shall become due and payable to the City to the same extent, at the same times, and in the same manner as if no termination, re-entry or resumption of possession had taken place. The City may, at its option and at any time, sue to recover the full deficiency for the entire unexpired term of this Lease. The amount of damages for the period of time subsequent to termination (or re-entry or resumption of possession) shall include all expenses incurred by the City in connection with regaining possession, restoring the Lease Area, acquiring a new lease for the Lease Area, putting the Lease Area in order, maintenance and brokerage fees.

24. REMEDIES TO BE NONEXCLUSIVE.

All remedies provided in this Lease shall be deemed cumulative and additional, not in lieu of or exclusive of, each other, or of any other remedy available to the City or Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies, shall not prevent the exercise of any other remedy.

25. NONLIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No member, official, representative or employee of City shall be personally liable to any party, or to any successor in interest to any party, in the event of any default or breach by City or for any amount which may become due to any party or successor, or with respect to any obligation of City or otherwise under the terms of this Lease or related to this Lease.

26. TIME IS OF THE ESSENCE.

Time is of the essence with regard to the performance of all of the parties' obligations under this Lease.

27. MISCELLANEOUS.

- A. This Lease constitutes the entire agreement between the parties concerning the matters contained herein and supersedes all prior negotiations, understandings and agreements between the parties concerning such matters.
- B. This Lease shall be interpreted, applied and enforced according to the fair meaning of its terms and shall not be construed strictly in favor of or against either party, regardless of which party may have drafted any of its provisions. No provision of this Lease may be waived or modified except by a writing signed by the party against whom such waiver or modification is sought to be enforced. The terms of this Lease shall be binding upon and inure to the benefit of the parties' successors and assigns.
- C. Nothing contained in this Lease shall create any partnership, joint venture or other agreement between the Parties hereto. Except as expressly provided in this Lease, no term or provision of this Lease is intended or shall be for the benefit of any person or entity not a party to this Lease, and no such other person or entity shall have any right or cause of action under this Lease.

28. EXHIBITS.

The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference:

Exhibit A	Lease Area
Exhibit B	Project Description
Exhibit C	Insurance Requirements

(Signatures appear on the following pages.)

EXECUTED to be effective on the date specified above.

CITY OF SEDONA, an Arizona
municipal corporation

By: Karen Osburn
Its: City Manager

ATTEST:

JoAnne Cook
City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson
City Attorney

LESSEE:
Carollo Engineers, Inc.

By: _____
Its: _____

STATE OF ARIZONA)
)ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2023, by _____, in his or her capacity as authorized
representative.

My Commission Expires:

Notary Public

EXHIBIT A
the Lease Area
(see attached map)

EXHIBIT B
Project Description
(see attached)

EXHIBIT C
Insurance Requirements

1. **INSURANCE** Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to Property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Lessee, its agents, representatives, employees or contractors.

A. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- i. **Commercial General Liability (CGL):** Insurance covering CGL on an “occurrence” basis, including products-completed operations, personal & advertising injury, with limits no less than **\$2,000,000** per occurrence, **\$5,000,000** aggregate. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- ii. **Premises Liability:** Insurance covering premises liability on the Property, with limit no less than **\$2,000,000** per accident for bodily injury and property damage.
- iii. **Workers’ Compensation:** as required by the State of Arizona, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- iv. **Property Insurance:** Lessee shall obtain and keep in force during the Term of this Lease a policy or policies of commercial property insurance written on ISO form CP 00 10 10 12, or a substitute form providing coverage at least as broad, with all risk or special form coverage, covering the loss or damage to the Property and Project to the full insurable value of the improvements located on the Property (including the full value of the Project, all improvements and fixtures owned by Lessee) at least in the amount of the full replacement cost thereof, and in no event less than the total amount required by any lender holding a security interest.
- v. **Automobile Liability Insurance:** Lessee shall maintain Commercial Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$2,000,000 for more than one person and property damage in the sum of not less than \$1,000,000 resulting from any one accident which may arise from the operation, actions or omissions of the Contractor or any Subcontractor in the performance of the project, and with respect to the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and offloading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

If the Lessee maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Lessee.

B. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

- i. **Additional Insured Status.** The City, its officers, officials, employees, and volunteers are to be covered as additional insured's on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations.
- ii. **Primary Coverage.** For any claims related to this contract, the Lessee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.
- iii. **Notice of Cancellation.** Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.
- iv. **Waiver of Subrogation.** Lessee hereby grants to City a waiver of any right to subrogation which any insurer of said Lessee may acquire against the City by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- v. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.
- vi. **Verification of Coverage.** Lessee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received by City and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- vii. **Special Risks or Circumstances** City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



**CITY COUNCIL
AGENDA BILL**

**AB 2977
July 11, 2023
Consent Items**

Agenda Item: 3e

Proposed Action & Subject: Approval of a Professional Service Agreement with T.P.I. Building Code Consultants, Inc. for the provision of Plans Examiner Services for FY24 through FY26 (three-year contract) in an amount not to exceed \$525,000.00.

Department	Community Development
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	A. Professional Service Agreement with T.P.I. Building Code Consultants, Inc. B. Plan Review Fee Schedule

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required
		\$ Max. \$525,000.00 over three years
City Manager's Recommendation	Approve a Professional Service Agreement with T.P.I. Building Code Consultants, Inc. for the provision of Plans Examiner Services for FY24 through FY26 in an amount not to exceed \$525,000.00.	Amount Budgeted
		\$ 140,000.00 (FY24 Tentative Budget)
		Account No. 10-5310-32-6405 (Description) (Building Safety – Professional Services)
		Finance ☐ Approval

SUMMARY STATEMENT

Background: Due to workload and staffing, the Building Safety Department has the need to use a third-party plans examiner to help process building permits in a timely manner and meet the requirements of SB 1598. Our current provider is Brown and Associates from Phoenix, and they are the third such consulting firm from Phoenix that we have used in the last 6 years. The other firms were Bureau Veritas and Willdan. Like the previous two, Brown and Associates' services have faltered to the point that the C.B.O./Community Development Director and staff are spending too much time addressing complaints regarding their plan reviews and their increasing frequency of not adhering to the requested procedures for service. T.P.I. Building Code Consultants, Inc. is being chosen as the successor to Brown and Associates due to their processes and personnel, which are intimately known to the C.B.O./Community Development Director, their intended use of their two top plans examiners for our contract, both of whom are Certified Master Code Professionals and their lower contract costs. Although there are other

firms in the Phoenix area that we could contract with, T.P.I. Building Code Consultants, Inc. is the premier code consulting firm in the Chicagoland area and has been in business for over 20 years. All correspondence, including plan submittals, reviews and billing will be performed electronically, as they currently are.

The amount included in the FY24 Tentative Budget is \$140,000. If there is a need to utilize the services of T.P.I. Building Code Consultants, Inc. for an amount greater than \$140,000, it would be due to vacancies within the Community Development Department. The budget savings from those vacancies would be used to cover any additional costs incurred with T.P.I. Building Code Consultants, Inc.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - X Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): Not approve a professional services contract for plan review services.

MOTION

I move to: approve a Professional Service Agreement with T.P.I. Building Code Consultants, Inc. for the provision of Plans Examiner Services for FY24 through FY26 in an amount not to exceed \$525,000.00.

**PROFESSIONAL SERVICES AGREEMENT
FOR
THE CITY OF SEDONA**

This Professional Services Agreement ("Agreement") is made and entered into on this 11th day of July, 2023 ("Effective Date"), by and between the City of Sedona, an Arizona municipal corporation ("CITY") and T.P.I. Building Code Consultants, Inc. ("CONSULTANT").

RECITALS

- A. CITY intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in Exhibit A, Scope of Work.
- B. CITY desires to retain the professional services of CONSULTANT to perform certain services and produce the specific work as set forth in Exhibit A.
- C. CONSULTANT desires to provide CITY with professional services ("Services") consistent with consulting or other professional practices and the standards set forth in this Agreement, in order to complete the project; and
- D. CITY and CONSULTANT desire to memorialize their agreement with this document.

AGREEMENT

The parties agree as follows:

1. SCOPE OF WORK.

- A. Scope of Work. The CONSULTANT agrees to perform plans examiner professional consulting and coordinating services for the CITY on an as-needed basis (the "Project") as set forth in **Exhibit A** "Scope of Work" attached hereto and incorporated by this reference. The services include any and all services reasonably contemplated, normally included, and necessary to complete the Scope of Work in a professional manner with due diligence and in a timely manner, including working closely with the CITY and its designated employees. CONSULTANT shall perform the services required by, and as outlined in, Exhibit A to the satisfaction of the City, exercising that degree of care, skill, diligence and judgment ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the services are provided.
- B. Change in Scope of Work. If deemed necessary by CITY, the CONSULTANT and CITY will confer to further define specific tasks in the Scope of Work and estimate the amount of time to be spent on those tasks. Any work that is different from or in addition to the work specified shall constitute a change in the Scope of Work. No such change, including any additional compensation, shall be effective or paid unless authorized by written amendment executed by the City Manager and by CONSULTANT. If CONSULTANT proceeds without such written authorization, CONSULTANT shall be deemed to have waived any claims of unjust enrichment, *quantum meruit* or implied contract. Except as expressly provided herein, no agent, employee or representative of CITY shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the

terms and scope of this Agreement.

- C. Inspection; Acceptance. All work and Services performed by CONSULTANT will be subject to inspection and acceptance by the CITY at reasonable times during CONSULTANT's performance.
- D. Time. Time is of the essence for this Agreement. CONSULTANT shall complete all Services timely, efficiently and in accordance with any schedule set forth in Exhibit A.
- E. Corrections. CONSULTANT shall promptly provide, at no additional cost to the CITY, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the work, Services, documents, designs, specification, and/or drawings by CONSULTANT.
- F. Key Personnel. CONSULTANT shall utilize the key personnel, if any, listed in Exhibit A or in the proposal to the CITY. CONSULTANT shall not change key personnel, not utilize the listed key personnel, or utilize any other key personnel without the prior written approval of the CITY. Any substituted personnel shall have the same or higher qualifications as the personnel being replaced.

2. **COMPENSATION; BILLING.**

- A. Compensation. CITY agrees to pay the CONSULTANT as compensation for Services on a time, plan review and materials basis in accordance with the Scope of Work and fee schedule set forth in **Exhibit A**. The total compensation for Services under this Agreement shall not exceed One Hundred Seventy-Five Thousand dollars (\$175,000.00) annually and Five Hundred Twenty-Five Thousand dollars (\$525,000.00) for the entire term of the Agreement.
- B. Except as otherwise set forth in this Agreement, billing and payment will be in accordance with the conditions set forth in **Exhibit A**.
- C. Payment. Unless otherwise agreed to by the CITY in writing, CONSULTANT will submit monthly invoices to the CITY. CITY will process and remit payment within thirty (30) days and payment will be delinquent only thirty (30) days after the date received by CITY. Each invoice shall set forth a general description of the work performed, in accordance with the Scope of Work, for the hours billed. Payment may be subject to or conditioned upon CITY'S receipt of unconditional waivers and releases on final payment from all subconsultants. If a dispute over payment arises, and during all claims resolution proceedings, CONSULTANT shall continue to render the Services in a timely manner. Payment by the CITY does not constitute acceptance by the CITY of the Services or CONSULTANT's performance, nor does payment constitute a waiver of any rights or claims by the CITY.
- D. Expenses. Any fee required by any governmental agency in order for CONSULTANT to accomplish a task hereunder shall be provided by CITY and is not included in the hourly fee. No reimbursable expenses or costs of any kind shall be paid by the CITY unless expressly approved by the CITY in writing before they are incurred. Any approved reimbursable expenses will be paid at the actual cost without any markup and will be paid only after they are incurred.

E. Taxes. CONSULTANT shall be solely responsible for any and all tax obligations which may result out of the CONSULTANT's performance of this Agreement. The CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by the CONSULTANT.

3. **OWNERSHIP OF DOCUMENTS.** All documents, including, but not limited to, correspondence, estimates, notes, recommendations, analyses, reports, data and studies that are prepared in the performance of this Agreement are to be, and shall remain, the property of CITY and are to be delivered to CITY before the final payment is made to the CONSULTANT. CONSULTANT hereby grants to the CITY an irrevocable, exclusive, royalty-free perpetual license to reproduce and use any and all data, documents (including electronic documents and files), designs, drawings and specifications prepared or furnished by CONSULTANT pursuant to this Agreement. Any modifications made by the CITY to any of the CONSULTANT'S documents, or any use, partial use or reuse of the documents without written authorization or adaptation by the CONSULTANT will be at the CITY'S sole risk and without liability to the CONSULTANT.
4. **PROFESSIONAL RESPONSIBILITY.** CONSULTANT hereby warrants that it is qualified to assume the responsibilities and render the Services described herein and has all requisite corporate authority and professional licenses in good standing, required by law. CONSULTANT warrants that the Services rendered will conform to the requirements of this Agreement and to the professional standards in the field. The CITY has no obligation to provide CONSULTANT any business registrations, licenses, tools, equipment or material required to perform the Scope of Work.
5. **COMPLIANCE WITH LAW.** It is contemplated that the work and Services to be performed by CONSULTANT hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations that are in effect on the date of this Agreement. Any subsequent changes in applicable laws, ordinances, rules or regulations that necessitate additional work shall constitute a change in the Scope of Work. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included.
6. **INDEMNIFICATION.** To the fullest extent permitted by law, CONSULTANT will indemnify, defend and hold harmless CITY, and each council member, officers, boards, commissions, officials, employee or agent thereof (collectively the CITY and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) relate to, arise out of, or are caused by, or in connection with the negligent acts or omissions, recklessness or intentional misconduct of CONSULTANT, its officers, employees, agents or any tier of subcontractor in connection with CONSULTANT'S work or Services in the performance of this Agreement. In consideration of the award of this Agreement, CONSULTANT agrees to waive all rights of subrogation against the Indemnified Party for losses arising from the work or Services performed by CONSULTANT for the CITY. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.
7. **INSURANCE.**

A. General:

1. The CONSULTANT agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages and as may be requested by CITY, either in the initial bid, or prior to commencement of particular tasks. CONSULTANT shall submit to CITY before any work is performed, certificates from the CONSULTANT's insurance carriers indicating the presence of coverages and limits of liability as follows:
 2. Worker's Compensation Insurance:
Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.
Coverage B: Employer's Liability

Bodily Injury by accident	\$1,000,000 each accident
Bodily Injury by disease	\$1,000,000 policy limit
Bodily Injury by disease	\$1,000,000 each employee
 3. Commercial General or Business Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
 4. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CONSULTANT'S owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
 5. Professional Liability coverage with minimum limits of ONE MILLION DOLLARS (\$1,000,000.00) each claim and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate. If approved by CITY, evidence of qualified self-insured status may be substituted for one or more of the foregoing insurance coverages. Coverage must have no exclusion for design-build projects.
- B. CONSULTANT shall procure and maintain the minimum insurance coverages listed herein. Such coverages shall be procured and maintained with forms and insurers acceptable to CITY, acceptance of which shall not be unreasonably withheld. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by the CONSULTANT pursuant this Agreement. In the case of any claims made to the policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- C. All policies must be written by insurance companies whose rating, in the most recent AM Best's Rating Guide, is not less than A- VII or higher, unless CONSULTANT obtains prior written approval of CITY.
- D. A Certificate of Insurance shall be completed by the CONSULTANT'S insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect and shall be subject to review and approval by CITY. The

Certificate shall identify this Agreement and shall provide that the coverages afforded under the policies shall not be canceled, terminated or limits reduced until at least thirty (30) days prior written notice has been given to CITY. The CITY shall be named as an additional insured. The completed Certificate of Insurance shall be sent to:

City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
ATTN: City Clerk

- E. Failure on the part of CONSULTANT to procure or maintain policies providing the required coverages, conditions and minimum limits shall constitute a Material Breach of Contract upon which CITY may immediately terminate this Agreement or, at its discretion, CITY may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by CITY shall be repaid by the CONSULTANT to CITY upon demand, or CITY may offset the cost of the premiums against any monies due to CONSULTANT from CITY.
 - F. CITY reserves the right to request and receive a certified copy of any policy and any pertinent endorsement thereto. CONSULTANT agrees to execute any and all documents necessary to allow CITY access to any and all insurance policies and endorsements pertaining to this particular job.
 - G. All policies shall provide waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
 - H. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.
 - I. CITY reserves the right to require higher limits of liability coverage if, in the CITY's opinion, operations or services create higher than normal hazards.
8. **NON-ASSIGNABILITY.** Neither this Agreement, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.
9. **TERM; TERMINATION.**
- A. Term. This Agreement shall terminate on June 30, 2026, or at such time as the work in the Scope of Work is completed or the Agreement is otherwise terminated as provided herein, whichever occurs first.
 - B. Termination for Convenience. This Agreement is for the convenience of the CITY and may be immediately terminated without cause after receipt by the CONSULTANT of written notice by the CITY. Upon termination for convenience, CITY shall pay CONSULTANT for all work previously authorized and performed prior to the date of termination. If,

however, CONSULTANT has substantially or materially breached the standards and terms of this Agreement, CITY shall have any remedy or right of set-off available at law and equity. Upon any termination of this Agreement, no further payments shall be due from the CITY to CONSULTANT unless and until CONSULTANT has delivered to the CITY full sized and usable copies of all documents, designs, drawings, and specifications generated by CONSULTANT in relation to the Project or this Agreement. No other payments, including any payment for lost profit or business opportunity, and no penalty shall be owed by CITY to CONSULTANT in the event of termination upon notice. After termination, CONSULTANT may complete other such work as it deems necessary, except that such work will be at its own expense and there shall be no "termination charge" whatsoever to CITY.

- C. Termination for Cause. CITY may terminate this Agreement for cause if CONSULTANT fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.
 - D. Extension for Procurement Purposes. Upon expiration of the Term of this Agreement, including the initial term and any renewals, at the CITY'S discretion, this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the CITY to complete its procurement processes to select a vendor to provide the services/materials similar to those provided under this Agreement. There are no automatic renewals of this Agreement.
 - E. Appropriation of Funds. Every payment obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments or for any damages as a result of termination under this provision.
10. **VENUE; JURISDICTION; JURY TRIAL WAIVER.** This Agreement shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in the County of Yavapai, State of Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.
11. **INDEPENDENT CONTRACTOR.** CONSULTANT is an independent contractor. Notwithstanding any provision appearing in this Agreement, and any exhibits and/or addenda, all personnel assigned by CONSULTANT to perform work under the terms of this Agreement shall be, and remain at all times, employees or agents of CONSULTANT for all purposes. The CITY does not have the authority to supervise or control the actual work of CONSULTANT, its employees or subcontractors. CONSULTANT shall make no representation that it is the employee of CITY for any purpose.
12. **NO WAIVER.** Delays in enforcement or the waiver of any one (1) or more defaults or breaches of this Agreement by CITY shall not constitute a waiver of any of the other terms or obligations of this Agreement.

13. **ENTIRE AGREEMENT.** This Agreement, together with the attached exhibits, is the entire agreement between CONSULTANT and CITY, superseding all prior oral or written communications. None of the provisions of this Agreement may be amended, modified or changed except by written amendment executed by both parties. This Agreement will be construed and interpreted according to its plain meaning, and no presumption will be deemed to apply in favor of or against the party drafting the Agreement. In the event any term or provision of this Agreement is held to be illegal or in conflict with any law of the United States or Arizona or any local law, the validity of the remaining provisions shall not be affected, and this Agreement shall be construed and enforced as if it did not contain the particular term or provision.
14. **NON-DISCRIMINATION.** CONSULTANT, its agents, employees, contractors and subcontractors shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or Veteran status. (Ordinance 2015-10) (2015).
15. **COMPLIANCE WITH FEDERAL AND STATE LAWS.**
- A. In the performance of this Agreement, CONSULTANT will abide by and conform to any and all federal, state and local laws.
 - B. Under the provisions of A.R.S. § 41-4401, CONSULTANT hereby warrants to CITY that CONSULTANT and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement and shall subject CONSULTANT to penalties up to and including termination of this Agreement at the sole discretion of CITY. CITY retains the legal right to inspect the papers of any contractor or subcontractor employee who works on this Agreement to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any such inspections. CITY may, at its sole discretion, conduct random verification of the employment records of CONSULTANT and any subcontractors to ensure compliance with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any random verification performed. Neither CONSULTANT nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if CONSULTANT or any subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
 - C. The provisions of this Section must be included in any contract that CONSULTANT enters into with any and all of its subcontractors who provide services under this Agreement or any subcontract. For the purposes of this paragraph, "Services" are defined as furnishing labor, time or effort by a contractor or subcontractor. Services include construction or

maintenance of any structure, building or transportation facility or improvement to real property.

- D. If applicable (CONSULTANT is a natural person), CONSULTANT shall execute the required documentation and affidavit of lawful presence as set forth in ARS 1-502/8 USC § 1621 (**Exhibit B**).
- E. CONSULTANT understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: CONSULTANT must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. § 34-302, as amended, "Residence Requirements for Employees."
16. **DISPUTE RESOLUTION.** The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this Agreement. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, upon which demand the matter shall be submitted to a mediation firm mutually selected by the parties. The mediator shall hear the matter and provide an informal opinion and advise within twenty (20) days following written demand for mediation. Said informal opinion and advice shall not be binding on the parties, but shall be intended to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be submitted to the judicial system.
17. **DELAYS.** CONSULTANT shall not be responsible for delays which are due to causes beyond CONSULTANT'S reasonable control. In case of any such delay, any deadline established as part of the Scope of Work shall be extended accordingly.
18. **REMEDIES UPON BREACH.** If any party to this Agreement materially breaches the terms of the Agreement, the non-breaching party may exercise any and all remedies available to them under Arizona law, including, without limitation, if applicable, bringing a lawsuit for monetary damages or specific performance. THE PARTIES HERETO EXPRESSLY COVENANT AND AGREE THAT IN THE EVENT OF LITIGATION ARISING FROM THIS AGREEMENT, NEITHER PARTY SHALL BE ENTITLED TO AN AWARD OF ATTORNEY FEES, EITHER PURSUANT TO CONTRACT, PURSUANT TO A.R.S. § 12-341.01 (A) AND (B), OR PURSUANT TO ANY OTHER STATE OR FEDERAL STATUTE, COURT RULE, CASE LAW, OR COMMON LAW.
19. **CONFLICT OF INTEREST.** From the date of this Agreement through the termination of its service to CITY, CONSULTANT shall not accept, negotiate or enter into any contract or agreements for services with any other party that may create a substantial interest, or the appearance of a substantial interest in conflict with the timely performance of the work or ultimate outcome of this Agreement and/or adversely impact the quality of the work under this Agreement without the express approval of the City Manager and the City Attorney. Whether such approval is granted shall be in the sole discretion of the City Manager and the City Attorney. The parties hereto acknowledge that this Agreement is subject to cancellation pursuant to the provisions of ARS § 38-511.

20. **NOTICE.** Any notice or communication between CONSULTANT and CITY that may be required, or that may be given, under the terms of this Agreement shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

CITY: City of Sedona
Attn: City Manager
102 Roadrunner Drive
Sedona, AZ 86336

CONSULTANT: T.P.I. Building Code Consultants, Inc.
321 – 325 Spruce Street
South Elgin, IL 60177

21. **EXHIBITS.** The following exhibits, are a part of this Agreement and incorporated by this reference:
Exhibit A Scope of Work
Exhibit B Affidavit of Lawful Presence
In the event of any conflict between the terms of an Exhibit and this Agreement, the terms of the Agreement shall control.
22. **NOTICE TO PROCEED.** Unless otherwise noted by CITY, acceptance of this Agreement is official notice to proceed with the work.
23. **PUBLIC RECORDS.** Notwithstanding any provisions of this Agreement regarding confidentiality, secrets, or protected rights, CONSULTANT acknowledges that all documents provided to the CITY may be subject to disclosure by the Arizona public records law under A.R.S. 39-121 and related provisions. In the event CONSULTANT objects to any disclosure, CONSULTANT agrees to handle all aspects related to the request including properly communicating with the requester and timely responding with information and CONSULTANT agrees to indemnify the CITY from an claims, actions, lawsuits, damages and losses resulting from CONSULTANT's objection to the disclosure.
24. **NO BOYCOTT ISRAEL.** As applicable, the Parties agree that they are not currently engaged in, and agree that for the duration of the Agreement they will not engage in, a boycott of Israel, as that term is defined in A.R.S. §35-393.

(Signatures to follow on next page.)

CITY OF SEDONA, ARIZONA

City Manager

ATTEST:

JoAnne Cook, City Clerk

APPROVED AS TO LEGAL FORM:

Kurt W. Christianson, City Attorney

**T.P.I. BUILDING CODE
CONSULTANTS, INC.**

By: JoAnne Tisina
Title: CEO

I hereby affirm that I am authorized to enter
into and sign this Agreement on behalf of
CONSULTANT

EXHIBITS

Exhibit A

- ☒ Scope of Work and Associated Costs.

Exhibit B

- ☐ Affidavit of Lawful Presence as set forth in ARS 1-502/8 USC §1621.
- ☒ Affidavit of Lawful Presence not required as this consultant is a corporation (Inc., LLC, LLP).

Plan Review Fee Schedules

One and Two-Family Dwellings

- Completed in 6 business days or less.
- Specific areas of plan examination include the disciplines of building, mechanical, electrical, energy, plumbing and accessibility standards.
- Reviews completed by Master Code Professional.

Residential Plan Review Table B	Cost
One and Two-Family Dwellings Includes 1 re-review.	70% of plan review permit fee
If additional reviews required, Hourly rate would apply.	\$120.00/hour

Multi-Family Structures/Commercial/Industrial

- 10 business days or less completion time.
- Specific areas of plan examination include the disciplines of building, mechanical, electrical, energy, plumbing and accessibility standards.
- Reviews completed by Master Code Professional.

Plan Review Type	
Commercial/Industrial/Multi-family Includes 1 re-review	70% of plan review permit fee
If additional reviews required, Hourly rate would apply.	\$140.00/hour



**CITY COUNCIL
AGENDA BILL**

**AB 2970
July 11, 2023
Regular Business**

Agenda Item: 8a

Proposed Action & Subject: Public hearing/discussion/possible action regarding approval of the Tentative City Budget for Fiscal Year 2023-2024.

Department Financial Services

Time to Present 30 minutes

Total Time for Item 40 minutes

Other Council Meetings Council Retreat January 17-19, 2023
Budget Work Sessions June 14-15, 2023

Exhibits

- A. FY 2023-24 Tentative Budget Summary
- B. FY 2023-24 Tentative Official Budget Forms
- C. FYs 2024-2033 Capital Improvement Plan
- D. Summary of Changes from Proposed to Tentative Budget
- E. Summary of Budget Changes from FY23 Adopted to FY24 Tentative
- F. PowerPoint Presentation

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required	\$ Based on past history, expenditures will be within budget amounts and likely be less
City Manager's Recommendation	Approve the Tentative Budget for FY 2023-24 and thereby set the expenditure limit for the budget at \$85,819,620.	Amount Budgeted	\$ 85,819,620
		Account No. (Description)	All budget accounts included
		Finance Approval	☒

SUMMARY STATEMENT

Background: The purpose of this item is to hold a public hearing on the Tentative Budget for Fiscal Year (FY) 2023-24, and to request City Council approval of the Tentative Budget, which sets the expenditure limit for FY 2023-24.

The previous and remaining Council meetings for the FY 2024 budget process are as follows:

FY 2024 BUDGET PROCESS COUNCIL MEETINGS

	Dates
Retreat	January 17-19, 2023
Work Sessions	June 14-15, 2023
Tentative City Budget Adoption	July 11, 2023
Final City Budget Adoption	August 8, 2023

Explanation of Budget Process

Council Retreat

The Council Retreat was the kickoff for the annual budget process with Council. Information discussed during the Retreat provided direction to staff for areas to be addressed during budget development.

A financial update was included, providing the opportunity to review the current financial status, long-range forecasts, and expected forecasts with Council.

Budget Work Sessions

In the Budget Work Sessions, the Council reviewed the proposed budget. Prior to the Work Sessions, departments prepared their budget requests and presented them in review meetings with the City Manager. The proposed budget represented the City Manager's recommendations as a result of the discussions in the review meetings.

The Work Sessions encompassed 2 days of presentations and Council discussions. The presentation included:

- Citizens Budget Work Group recommendations
- Community budget survey results
- Summary of individual department budget requests
- Overall total budget summaries and strategic issues
- Budget summaries by fund
- Capital Improvements Plan
- Impacts to long-range forecasts based on the budget as proposed and Council directed changes

When additional information was needed, department heads were available to answer questions.

The Work Sessions were the opportunity for Council to provide direction to staff regarding:

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

Tentative Budget Adoption

This Tentative Budget adoption occurs at a regular meeting. A presentation will include discussion of summary budget information and a recap of the changes directed by Council in the Budget Work Sessions, as well as additional changes identified by staff.

At this point in the budget process, additional changes to the Tentative Budget are few, if any. Following the presentation, a public hearing will be held. Once the Council adopts the Tentative Budget, the total budget amount establishes the maximum expenditure for the final budget adoption.

Final Budget Adoption

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

FY 2023-24 Tentative Budget

The total budget, after adjustments made, is \$85,819,620. This is comprised of an operating budget of \$52,235,530 and a capital improvements budget of \$33,584,090.

The operating budget represents a \$2.3 million or 5% increase from the FY 2023 Adopted Budget. The most significant increases include \$1.0 million for personnel costs for pay adjustments, added and reallocated positions, and change in insurance and pension rates; \$0.5 million increase in community service contracts; \$0.4 million for addition of a Community Development Block Grant; \$0.3 million for increase in indirect cost allocations (allocations result in double counting of expenditures, not an increase in payments to employees or vendors); and \$0.3 million for increase in grant contingencies.

The capital improvements budget represents a \$22.2 million or 40% decrease from the FY 2023 Adopted Budget. The most significant decreases are \$20.0 million for acquisition of land for the strategic protection of the City's future development and \$2.3 million for wastewater system infrastructure needs.

Additional information regarding the budget changes from FY 2023 to FY 2024 are included in Exhibit E.

The FY 2024 tentative budget is balanced with available surpluses exceeding reserve requirements, including an estimated General Fund surplus of \$8.7 million¹ and an estimated Wastewater Fund surplus of \$6.0 million.²

¹ Allocation of the remaining actual FY 2023 General Fund surplus to advance Council priorities will be determined during the FY 2025 budget process, and allocation of the actual FY 2024 General Fund surplus to advance Council priorities will be determined during the FY 2026 budget process.

² During discussions regarding the wastewater rate study, the intention has been to use the surpluses to delay the need for future rate increases. Ongoing increases in capital improvement and other operational costs will have an impact on the timing of future rate increases and will be further reviewed during FY 2024.

(In Thousands)

	FY2024 Tentative Budget	FY2023 Adopted Budget	% Change
Operating Budget	\$52,236	\$ 49,960	5%
Capital Improvements Budget	33,584	55,785	-40%
Total Expenditure Budget	\$85,820	\$105,745	-19%

The FY 2024 expenditure budget by fund is as follows:

(In Thousands)

Fund	FY2024 Tentative Budget	FY2023 Adopted Budget	% Change
General Fund	\$29,280	\$ 28,331	3%
Streets Fund	2,519	2,301	9%
Housing Fund	957	1,402	-32%
Grants, Donations & Restricted Funds	3,096	2,384	30%
Transportation Sales Tax Fund	499	526	-5%
Capital Improvements Fund	17,586	41,294	-57%
Development Impact Fee Funds	9,075	5,372	69%
Art in Public Places Fund	232	361	-36%
Public Transit Fund	4,673	4,040	16%
Wastewater Fund	15,548	17,636	-12%
Information Technology Fund	2,352	2,100	12%
Total	\$85,820	\$105,745	-19%

The Official Budget Forms required by the Auditor General's Office for formal budget adoption are included in Exhibit B. The adjustments to the original Proposed Budget presented to the Council during the work sessions on June 14th and 15th, are set forth in Exhibit D.

The City of Sedona's Tentative Annual Budget includes funding to respond to City Council priorities as well as other issues that were identified at the January 2023 Council Retreat and at subsequent public meetings.

The recommended budget does not include any new taxes.

The budget requests in the FY 2024 Tentative Budget, as discussed and reviewed during the City Council work sessions, include:

- Salary and benefit increases:
 - The tentative budget includes pay adjustments and salary study adjustments averaging 5.0%. Each year, we typically use the December Western Region CPI to adjust the pay scale. For December 2022, the CPI was 6.2%. The adjustment to the pay scale has been capped at 5%.
 - Medical insurance rates increased approximately 7%.
 - The Arizona State Retirement System (ASRS) rates increased from 12.17% of wages to 12.29%.

- While the Public Safety Personnel Retirement System (PSPRS) minimum contribution rates changed from 34.47% of wages to 40.58%, the level-funding approach of \$1.1 million is continued in the FY 2024 Proposed Budget. In addition, the budget includes an additional one-time contribution of \$1.2 million, plus use of Prop 207 funding to supplement the payment toward the PSPRS unfunded liability.
- Staffing changes:
 - Five full-time positions were added:
 - A full-time temporary planner position was converted to a permanent Associate Planner position in the Community Development Department.
 - A Police Officer position was added to the Police Department for a second motor officer position to address traffic-related issues.
 - The Economic Development Department was restructured as a Tourism & Economic Initiatives Department. A portion of the cost for the former Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) contract has been reallocated to cover the cost of a Tourism & Economic Initiatives Manager and two Tourism & Economic Initiatives Coordinators.
 - The following positions were added or eliminated for facilitation of retirement transitions:
 - A temporary 6-month overlap of the retiring Building Inspector with the incoming Building Inspector was eliminated the Community Development Department.
 - A temporary 2-month overlap of the retiring Human Resources Manager with the incoming Human Resources Manager was included in the Human Resources Department to assist with training and transition of the position.
 - The following positions or portions of positions were transferred to another department:
 - The Housing Manager and Housing Coordinator positions were transferred to a new Housing Department.
 - The Sustainability Manager and Sustainability Coordinator positions were transferred to a new Sustainability Department.
 - The authorized FTE for the Assistant to the City Manager position was transferred to the Community Development Department for an additional Building Permits Technician position.
 - The Public Relations Coordinator was reclassified to a Special Initiatives Coordinator and a portion of the position was transferred to the new Tourism & Economic Initiatives Department.
 - The Economic Development Director was restructured as a second Deputy City Manager position.
- Other operating budget changes:
 - The former Economic Development Department has been renamed to the Tourism & Economic Initiatives Department. Most of the costs related to economic diversification have been carried over to the new department with some reductions. The former Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) contract has been reallocated to a tourism initiatives contingency with portions allocated during the budget process to various costs of the Tourism & Economic Initiatives Department, including staffing as discussed above, a tourism data collection project, support for the Visitor Center, and trailhead shuttle multimedia screens. The remaining balance of the tourism initiatives contingency of \$637,400 will cover any additional costs as this department is developed.

- The Housing program and Sustainability program under the City Manager's Office have been changed to stand-alone departments in the FY 2024 Tentative Budget. Costs for these programs have been transferred to the new departments. In addition, the title of the Affordable Housing Fund has been changed to Housing Fund to reflect a broader scope than simply workforce housing. A placeholder for a safe-place-to-park program of \$400,000 has been added; however, those costs are offset by the elimination of a housing contingency of \$810,000 and a reduction of the rent incentives program annual budget from \$240,000 to \$100,000.
- Increases to the community service contracts totaled approximately \$466,000, with the largest increase being the Sedona Public Library, Inc. (Library) at approximately \$323,000. Typically, these contracts include a provision for increases based on the December Consumer Price Index (CPI). All six contracts were up for renewal and renegotiation this year, and the requests were evaluated by the Citizens Budget Work Group (CBWG). The staff recommendations result in an average increase of 39%, ranging from 14% to 60% increases. The service contracts were presented to the Council at the June 13th meeting for approval.
- Streets maintenance operating costs increased approximately \$269,000 largely due to increases in streets rehabilitation/pavement preservation costs, estimated increases in storm clean-up costs, increases in striping and signage costs, and other miscellaneous streets maintenance costs.
- A Community Development Block Grant (CDBG) has been added for approximately \$406,000 for the Steps to Recovery transitional housing project.
- An increase in indirect cost allocations of approximately \$313,000 was included. Indirect cost allocations result in a double counting of expenditures, not an increase in payments to employees or vendors.
- Capital improvement budget changes:
 - A decrease of \$20.0 million was made for acquisition of real estate and/or land for strategic protection of the City's future development.
 - A decrease for wastewater capital infrastructure needs of \$2.3 million was included. The most significant change was related to the remaining costs for completion of the major lift station upgrades.
 - A decrease in Police Department infrastructure needs due to the completion of the police station remodel/emergency center operations project.
 - An increase for traffic improvements of \$0.5 million was included. The most significant projects include the Forest Road extension and the pedestrian crossing at Oak Creek.
 - An increase for public transit improvements of \$0.4 million was included. The most significant projects include design of the maintenance & operations center and acquisition of additional micro-transit vehicles.

After allocation of General Fund surpluses as directed in the budget work sessions of \$1.2 million for an additional one-time contribution toward the PSPRS unfunded liability and \$12.0 million for potential Housing Fund loans, the estimated remaining General Fund surpluses are \$6.9 million for FY 2023 and \$1.8 million for FY 2024.

The Tentative Budget sets the spending cap for the combined FY 2024 expenditures at \$85,819,620. Once the Tentative Budget is approved, changes may only be made within the total amount or to reduce the total amount – no increase to the total budget can be made.

Changes Not Yet Included in Tentative Budget

- During the budget work sessions, discussion was held about eliminating \$12,500 in costs for publications not required by statute. Some council members have indicated a desire to revisit and potentially continue to incur these costs. The budget for the City Clerk's Office runs quite lean, so there would be no capacity to absorb these costs within their tentative budget amount. If the Council chooses to continue incur these costs, options include adding the additional cost to the tentative budget total, approving use of a portion of the \$200,000 General Fund contingency budget, or asking another department to give up a portion of their budget to cover these costs.
- The estimated cost for CIP project SIM-05d Ranger Road/Brewer Road Roundabout Intersection & Ranger Road Extension Improvements is expected to increase from \$2.3 million to \$4.4 million due to recently identified additional easements and scope change for culverts. While the additional \$2.1 million in costs are projected to occur in FY 2025, the capital reserve balances as of June 30, 2024 will need to be updated, the future additional loan amount to the Development Impact Fees Funds will increase by approximately \$125,000, and the future use of capital reserves instead of the half-cent transportation sales tax for SIM projects will increase from \$2.0 million to \$4.0 million. Due to the late notification of this change, the exhibits to this agenda bill, including the 10-year capital improvement plan, do not reflect the change.

Next Steps

The final budget is scheduled for public hearing and final approval at a required special meeting on August 8, 2023 at 4:00 p.m.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. The CFD Board meetings are scheduled for July 11, 2023 for tentative budget adoption and August 8, 2023 for final budget adoption.

Public Notice

Arizona Revised Statutes requires a summary of the adopted tentative budget be published once a week for two consecutive weeks. If adopted, the summary included as Exhibit A and the "Schedule A" of the Official Budget Forms will be published in the Sedona Red Rock News, along with a notice of public hearing for the final budget adoption. In addition, hard copies of the adopted tentative budget will be available at the Sedona Public Library and the City Clerk's Office.

Climate Action Plan/Sustainability Consistent: ☒Yes - ☐No - ☐Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s): Council could elect to make changes to line items and/or increase or decrease the budget cap. After the cap is set, it cannot be increased; however, changes within the approved total cap can be made.

MOTION

I move to: approve the Tentative Budget for FY 2023-24 and thereby set the expenditure limit for the budget at \$85,819,620.

Exhibit A
City of Sedona
FY 2023-24 Tentative Budget - Consolidated Financial Schedule

Fund/Department	Beginning Fund Balances	Revenues						Total Revenues	Other Financing Sources (Uses)			Ending Fund Balances
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues		Transfers In	Transfer Out	Expenditures	
General Fund												
General Revenues		\$34,983,500		\$552,340	\$4,749,000		\$632,940	\$40,917,780		(\$23,136,819)		
General Government					\$9,100	\$309,390	\$574,080	\$892,570			\$4,448,070	
Public Safety					\$38,100	\$515,800	\$404,300	\$958,200			\$11,499,940	
Public Works & Streets							\$5,000	\$5,000			\$3,130,600	
Health & Welfare					\$9,600			\$9,600			\$1,916,230	
Public Transportation								\$0			\$80,000	
Culture & Recreation						\$101,000	\$70,250	\$171,250			\$3,844,320	
Tourism Management & Economic Development								\$0			\$1,131,170	
Debt Service								\$0			\$2,292,620	
Contingencies								\$0			\$937,400	
Total General Fund	\$29,419,918	\$34,983,500	\$0	\$552,340	\$4,805,800	\$926,190	\$1,686,570	\$42,954,400	\$0	(\$23,136,819)	\$29,280,350	\$19,957,149
Special Revenue Funds												
Streets Fund	\$360,920				\$994,000		\$29,560	\$1,023,560	\$2,298,349		\$2,518,840	\$1,163,989
Affordable Housing Fund	\$4,900,000				\$60,330		\$61,520	\$121,850	\$14,835,500		\$957,350	\$18,900,000
Grants, Donations & Restricted Funds	\$339,108		\$500,000		\$2,566,640		\$109,270	\$3,175,910		(\$184,400)	\$3,095,750	\$234,868
Transportation Sales Tax Fund	\$9,510,690	\$4,332,000					\$168,540	\$4,500,540		(\$7,316,840)	\$499,350	\$6,195,040
Total Special Revenue Funds	\$15,110,718	\$4,332,000	\$500,000	\$0	\$3,620,970	\$0	\$368,890	\$8,821,860	\$17,133,849	(\$7,501,240)	\$7,071,290	\$26,493,897
Capital Projects Funds												
Capital Improvements Fund	\$27,444,277				\$775,000		\$471,330	\$1,246,330	\$6,767,760	(\$4,526,410)	\$17,586,210	\$13,345,747
Development Impact Fees Funds ⁽¹⁾	\$2,133,493						\$1,064,600	\$1,064,600	\$4,507,280		\$9,075,490	(\$1,370,117)
Art in Public Places Fund ⁽²⁾	\$139,315						\$4,090	\$4,090	\$19,130		\$232,000	(\$69,465)
Total Capital Projects Funds	\$29,717,085	\$0	\$0	\$0	\$775,000	\$0	\$1,540,020	\$2,315,020	\$11,294,170	(\$4,526,410)	\$26,893,700	\$11,906,165
Enterprise Funds												
Public Transit Fund												
Administration					\$42,600			\$42,600	\$3,407,600		\$178,330	
Operations & Capital Projects Management					\$280,000	\$114,000		\$394,000			\$2,494,220	
Departmental Allocations						\$1,300		\$1,300			\$219,560	
Capital Projects					\$1,064,690			\$1,064,690			\$1,781,370	
Total Public Transit Fund	\$5,000,000	\$0	\$0	\$0	\$1,387,290	\$115,300	\$0	\$1,502,590	\$3,407,600	\$0	\$4,673,480	\$5,236,710
Wastewater Fund												
Administration						\$6,270,370	\$2,178,230	\$8,448,600	\$3,100,000		\$236,110	
Operations & Capital Projects Management								\$0			\$3,477,770	
Departmental Allocations								\$0			\$2,036,870	
Capital Projects								\$0	\$184,400		\$5,156,890	
Debt Service								\$0			\$4,540,700	
Contingencies								\$0			\$100,000	
Total Wastewater Fund	\$17,380,955	\$0	\$0	\$0	\$0	\$6,270,370	\$2,178,230	\$8,448,600	\$3,284,400	\$0	\$15,548,340	\$13,565,615
Total Enterprise Funds	\$22,380,955	\$0	\$0	\$0	\$1,387,290	\$6,385,670	\$2,178,230	\$9,951,190	\$6,692,000	\$0	\$20,221,820	\$18,802,325
Internal Service Fund												
Information Technology Fund	\$1,435,548					\$2,562,260	\$19,600	\$2,581,860	\$44,450		\$2,352,460	\$1,709,398
Total Internal Service Fund	\$1,435,548	\$0	\$0	\$0	\$0	\$2,562,260	\$19,600	\$2,581,860	\$44,450	\$0	\$2,352,460	\$1,709,398
Total All Funds	\$98,064,224	\$39,315,500	\$500,000	\$552,340	\$10,589,060	\$9,874,120	\$5,793,310	\$66,624,330	\$35,164,469	(\$35,164,469)	\$85,819,620	\$78,868,934

⁽¹⁾ A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Development Impact Fees Funds and is projected to be repaid in FY 2027-28.

⁽²⁾ A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Art in Public Places Fund and is projected to be repaid in FY 2024-25.

Official Budget Forms

City of Sedona

Fiscal year 2024

City Council adoption of the Tentative Budget scheduled for July 11, 2023



Final budget adoption will occur on August 8, 2023 at 4:00 p.m.
in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at:
City's website www.sedonaaz.gov
City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona
City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

City of Sedona

Table of Contents

Fiscal year 2024

Resolution for the adoption of the budget

Schedule A—Summary Schedule of estimated revenues and expenditures/expenses

Schedule C—Revenues other than property taxes

Schedule D—Other financing sources/(uses) and interfund transfers

Schedule E—Expenditures/expenses by fund

Schedule F—Expenditures/expenses by department (as applicable)

Schedule G—Full-time employees and personnel compensation

City of Sedona
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2024

Fiscal year		S c h		Funds							
				General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds
2023	Adopted/adjusted budgeted expenditures/expenses*	E	1	28,327,660	7,323,870	0	46,196,230	0	21,783,760	2,113,520	105,745,040
2023	Actual expenditures/expenses**	E	2	26,523,717	4,890,780	0	27,138,610	0	15,523,649	1,866,230	75,942,986
2024	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		3	29,419,918	15,110,718	0	29,717,085	0	22,380,955	1,435,548	98,064,224
2024	Primary property tax levy	B	4	0							0
2024	Secondary property tax levy	B	5								0
2024	Estimated revenues other than property taxes	C	6	42,954,400	8,821,860	0	2,315,020	0	9,951,190	2,581,860	66,624,330
2024	Other financing sources	D	7	0	0	0	0	0	0	0	0
2024	Other financing (uses)	D	8	0	0	0	0	0	0	0	0
2024	Interfund transfers in	D	9	0	17,133,849	0	11,294,170	0	6,692,000	44,450	35,164,469
2024	Interfund Transfers (out)	D	10	23,072,319	7,565,740	0	4,526,410	0	0	0	35,164,469
2024	Line 11: Reduction for fund balance reserved for future budget year expenditures		11								
	Maintained for future debt retirement										0
	Maintained for future capital projects				6,195,040		13,345,747		4,044,635		23,585,422
	Maintained for future financial stability				7,961,169	1,042,149			1,888,840		10,892,158
	Maintained for future retirement contributions										0
	Reserve for loans				1,439,682	18,900,000					20,339,682
	Reserve for future transit system								5,000,000		5,000,000
	Equipment replacement reserve				1,818,729	36,840			1,431,323	1,039,055	4,325,947
	Major maintenance reserve								385,697		385,697
	2024	Total financial resources available			12	38,082,419	7,326,658	0	25,454,118	0	26,273,650
2024	Budgeted expenditures/expenses	E	13	29,280,350	7,071,290	0	26,893,700	0	20,221,820	2,352,460	85,819,620

Expenditure limitation comparison

1 Budgeted expenditures/expenses
2 Add/subtract: estimated net reconciling items
3 Budgeted expenditures/expenses adjusted for reconciling items
4 Less: estimated exclusions
5 Amount subject to the expenditure limitation
6 EEC expenditure limitation or voter-approved alternative expenditure limitation

2023	2024
\$ 105,745,040	\$ 85,819,620
105,745,040	85,819,620
\$ 105,745,040	\$ 85,819,620
\$ 105,745,040	\$ 85,819,620

☒ X The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

City of Sedona
Revenues other than property taxes
Fiscal Year 2024

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
General Fund			
Local taxes			
City Sales Taxes	\$ 31,360,000	\$ 26,791,000	\$ 26,052,000
Bed Taxes	10,232,000	8,315,000	8,025,000
Franchise Fees	857,900	890,500	906,500
Licenses and permits			
Building Permit Fees	350,000	290,000	310,000
Business Licenses	54,000	53,900	54,000
Short-Term Rental Permit Fees		226,400	236,400
Misc Community Development/Public Works	41,100	33,370	41,100
City Clerk	3,180	4,740	3,080
Intergovernmental			
State Shared Sales Taxes	1,439,000	1,454,000	1,454,000
State Urban Revenue Sharing	1,762,000	1,852,000	2,618,000
Federal Grants & Aid	100,000	83,250	
State Grants, Aid, & Reimbursements	26,000	175,550	37,550
County-Vehicle License Taxes	752,700	713,000	677,000
County-IGA/Other	9,950	10,700	10,700
Other Govt	15,000	8,560	8,550
Charges for services			
Recreation Programs	60,000	44,150	43,920
Daily Swim Fees/Swimming Lessons/Water			
Aerobics/Aquatics Special Programs	23,080	24,270	24,180
Plan Review Fees	250,000	264,000	250,000
Misc. Community Development Fees	62,520	59,380	61,680
Misc. Parks and Recreation Fees	28,950	15,280	16,000
Paid Parking Fees	537,000	489,000	500,000
Misc. Police Fees	8,300	43,750	13,500
Other Misc. Charges for Services	15,010	17,010	16,910
Fines and forfeits			
Court Fines	207,000	170,000	180,000
Short-Term Rental Fines/Late Fees			57,000
STEP Administration Fees	5,100	6,500	4,800
Parking Fines	85,000	80,000	80,000
Misc. Fines	6,590	9,590	11,050
Interest on investments			
Interest Earnings	174,420	586,440	586,440
Tax Audits - Interest/Penalty	1,250	2,050	2,000
Miscellaneous			
In-lieu Fees	539,400	539,620	552,340
Parks & Recreation Rentals	93,000	61,620	70,200
AMRRP Dividends	155,700	106,440	
Auction Revenues		18,630	16,000
Other Misc. Revenues	1,500	37,350	34,500
Total General Fund	\$ 49,256,650	\$ 43,477,050	\$ 42,954,400

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2024

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
Special revenue funds			
Streets Fund:			
HURF Revenues	\$ 1,293,000	\$ 1,025,000	\$ 994,000
Interest Earnings	22,400	29,560	29,560
	<u>\$ 1,315,400</u>	<u>\$ 1,054,560</u>	<u>\$ 1,023,560</u>
Housing Fund:			
Intergovernmental - Other IGA	\$ 60,000	\$ 58,400	\$ 60,330
Interest Earnings	26,500	61,520	61,520
	<u>\$ 86,500</u>	<u>\$ 119,920</u>	<u>\$ 121,850</u>
Grants, Donations, & Restricted Funds:			
Federal Grants & Aid	\$ 1,726,500	\$ 1,393,300	\$ 2,465,820
State Grants & Aid	140,580	228,259	103,220
Charges for Services	200		
Fines & Forfeitures	31,350	27,700	27,700
Donations	21,450	19,460	70,150
Interest Earnings	4,600	9,020	9,020
Other Misc. Revenues		6,400	
Contingent Grants & Donations	500,000		500,000
	<u>\$ 2,424,680</u>	<u>\$ 1,684,139</u>	<u>\$ 3,175,910</u>
Transportation Sales Tax Fund:			
Transportation Sales Tax	\$ 5,210,000	\$ 4,455,000	\$ 4,332,000
Interest Earnings	83,400	168,540	168,540
	<u>\$ 5,293,400</u>	<u>\$ 4,623,540</u>	<u>\$ 4,500,540</u>
Total special revenue funds	<u>\$ 9,119,980</u>	<u>\$ 7,482,159</u>	<u>\$ 8,821,860</u>
Capital projects funds			
Capital Improvements Fund:			
Federal Grants & Aid	\$	\$ 900,000	\$ 425,000
State Grants & Aid			
County Flood Control	300,000	300,000	350,000
Interest Earnings	130,800	648,730	471,330
	<u>\$ 430,800</u>	<u>\$ 1,848,730</u>	<u>\$ 1,246,330</u>
Art in Public Places Fund:			
Contributions and Donations	\$	\$ 65,000	\$
Interest Earnings	1,900	4,090	4,090
	<u>\$ 1,900</u>	<u>\$ 69,090</u>	<u>\$ 4,090</u>
Development Impact Fees Funds:			
Development Impact Fees	\$ 578,260	\$ 586,710	\$ 993,500
Interest Earnings	35,480	71,100	71,100
	<u>\$ 613,740</u>	<u>\$ 657,810</u>	<u>\$ 1,064,600</u>
Total capital projects funds	<u>\$ 1,046,440</u>	<u>\$ 2,575,630</u>	<u>\$ 2,315,020</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Revenues other than property taxes
Fiscal Year 2024

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
Enterprise funds			
Public Transit Fund:			
Federal Grants	\$ 657,740	\$ 42,600	\$ 1,387,290
Charges for Services	85,750	1,700	115,300
	<u>\$ 743,490</u>	<u>\$ 44,300</u>	<u>\$ 1,502,590</u>
Wastewater Fund:			
Charges for Services	\$ 6,248,050	\$ 6,275,700	\$ 6,270,370
Capacity Fees	1,645,100	1,146,210	1,675,570
Interest Earnings	205,140	403,860	403,860
Misc. Revenues	68,900	50,390	98,800
	<u>\$ 8,167,190</u>	<u>\$ 7,876,160</u>	<u>\$ 8,448,600</u>
Total enterprise funds	<u>\$ 8,910,680</u>	<u>\$ 7,920,460</u>	<u>\$ 9,951,190</u>
Internal service funds			
Information Technology Fund:			
Internal Cost Charges	\$ 2,249,090	\$ 2,303,150	\$ 2,561,760
Other Charges for Services	500	350	500
Interest Earnings	8,800	19,600	19,600
	<u>\$ 2,258,390</u>	<u>\$ 2,323,100</u>	<u>\$ 2,581,860</u>
Total internal service funds	<u>\$ 2,258,390</u>	<u>\$ 2,323,100</u>	<u>\$ 2,581,860</u>
Total all funds	<u>\$ 70,592,140</u>	<u>\$ 63,778,399</u>	<u>\$ 66,624,330</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

City of Sedona
Other financing sources/(uses) and interfund transfers
Fiscal year 2024

Fund	Other financing 2024		Interfund transfers 2024	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Streets Fund	\$	\$	\$	\$ 2,298,349
Transfer to Housing Fund				14,835,500
Transfer to Cap. Impr. Fund				2,500,000
Transfer to Public Transit Fund				294,020
Transfer to Wastewater Fund				3,100,000
Transfer to Info. Tech. Fund				44,450
Total General Fund	\$	\$	\$	\$ 23,072,319
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 2,298,349	\$
Housing - from General Fund			14,835,500	
Grants, Don. & Restr. - to Wastewater				184,400
Transp. Sales Tax - to Cap. Impr. Fund				4,267,760
Transp. Sales Tax - to Public Transit				3,113,580
Total special revenue funds	\$	\$	\$ 17,133,849	\$ 7,565,740
Capital projects funds				
Cap. Impr. - from General Fund	\$	\$	\$ 2,500,000	\$
Cap. Impr. - from Transp. Sales Tax			4,267,760	
Cap. Impr. - to Dev. Impact Fees Funds				4,507,280
Cap. Impr. - to Art in Public Places				19,130
Art in Public Places - from Cap. Impr.			19,130	
Dev. Impact Fees Funds - from Cap. Impr.			4,507,280	
Total capital projects funds	\$	\$	\$ 11,294,170	\$ 4,526,410
Enterprise funds				
Public Transit - from General Fund	\$	\$	\$ 294,020	\$
Public Transit - from Transp. Sales Tax			3,113,580	
Wastewater - From General Fund			3,100,000	
Wastewater - From Grants, Don. & Restr.			184,400	
Total enterprise funds	\$	\$	\$ 6,692,000	\$
Internal service funds				
Info. Tech - from General Fund	\$	\$	\$ 44,450	\$
Total Internal Service Funds	\$	\$	\$ 44,450	\$
Total all funds	\$	\$	\$ 35,164,469	\$ 35,164,469

City of Sedona
Expenditures/expenses by fund
Fiscal year 2024

Fund/Department	Adopted budgeted expenditures/ expenses 2023	Expenditure/ expense adjustments approved 2023	Actual expenditures/ expenses* 2023	Budgeted expenditures/ expenses 2024
General Fund				
City Council	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
City Manager	2,515,310	(1,940)	2,086,391	1,475,620
Human Resources	324,060		317,780	403,300
Financial Services	1,551,550		1,423,050	1,641,350
City Attorney	684,870	(200)	621,100	718,570
City Clerk	348,260	(1,910)	319,030	394,160
Parks & Recreation	890,350	(2,480)	866,367	1,089,460
General Services	3,847,370		4,042,080	2,746,850
Community Development	1,976,910	(3,900)	1,691,530	1,962,490
Public Works	4,173,250	7,280	4,244,825	4,456,890
Tourism & Economic Initiatives	311,520	1,940	195,480	1,049,650
Sustainability				876,790
Police	7,535,670	(3,730)	7,055,419	7,898,680
Municipal Court	670,680		594,195	719,030
Other Public Safety	30,000		25,130	30,000
Indirect Cost Allocations	187,130		421,930	509,270
Debt Service	2,657,590		2,545,955	2,292,620
Contingency	550,000			937,400
Total General Fund	\$ 28,330,690	\$ (3,030)	\$ 26,523,717	\$ 29,280,350
Special revenue funds				
Streets Fund	\$ 2,301,090	\$ 21,680	\$ 2,389,540	\$ 2,518,840
Housing Fund	1,401,790	690,000	1,811,110	957,350
Grants, Don. & Restr. Funds	2,383,630		485,060	3,095,750
Transportation Sales Tax Fund	525,680		205,070	499,350
Total special revenue funds	\$ 6,612,190	\$ 711,680	\$ 4,890,780	\$ 7,071,290
Capital projects funds				
Capital Improvements Fund	\$ 41,293,700	\$ (895,704)	\$ 25,571,910	\$ 17,586,210
Art in Public Places Fund	360,650		130,000	232,000
Develop. Impact Fees Funds	5,371,910	65,674	1,436,700	9,075,490
Total capital projects funds	\$ 47,026,260	\$ (830,030)	\$ 27,138,610	\$ 26,893,700
Enterprise funds				
Public Transit Fund	\$ 4,039,740	\$ 108,030	\$ 3,760,050	\$ 4,673,480
Wastewater Fund	17,635,990		11,763,599	15,548,340
Total enterprise funds	\$ 21,675,730	\$ 108,030	\$ 15,523,649	\$ 20,221,820
Internal service funds				
Information Technology Fund	\$ 2,100,170	\$ 13,350	\$ 1,866,230	\$ 2,352,460
Total internal service funds	\$ 2,100,170	\$ 13,350	\$ 1,866,230	\$ 2,352,460
Total all funds	\$ 105,745,040		\$ 75,942,986	\$ 85,819,620

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Sedona
Expenditures/expenses by department
Fiscal year 2024

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2023	2023	2023	2024
City Council:				
General Fund	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
Department total	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
City Manager:				
General Fund	\$ 2,515,310	\$ (1,940)	\$ 2,086,391	\$ 1,475,620
Housing Fund	537,290		253,520	
Information Technology Fund	46,420		70,600	1,320
Department total	\$ 3,099,020	\$ (1,940)	\$ 2,410,511	\$ 1,476,940
Human Resources:				
General Fund	\$ 324,060	\$	\$ 317,780	\$ 403,300
Information Technology Fund	6,000		6,250	
Department total	\$ 330,060	\$	\$ 324,030	\$ 403,300
Financial Services:				
General Fund	\$ 1,551,550	\$	\$ 1,423,050	\$ 1,641,350
Public Transit Fund	750		3,000	4,000
Wastewater Fund	133,540		82,600	139,350
Department total	\$ 1,685,840	\$	\$ 1,508,650	\$ 1,784,700
City Attorney:				
General Fund	\$ 684,870	\$ (200)	\$ 621,100	\$ 718,570
Wastewater Fund	100,000		1,200	100,000
Department total	\$ 784,870	\$ (200)	\$ 622,300	\$ 818,570
City Clerk:				
General Fund	\$ 348,260	\$ (1,910)	\$ 319,030	\$ 394,160
Department total	\$ 348,260	\$ (1,910)	\$ 319,030	\$ 394,160
Parks & Recreation:				
General Fund	\$ 890,350	\$ (2,480)	\$ 866,367	\$ 1,089,460
Grants, Don. & Restr. Funds	12,950		3,975	13,750
Information Technology Fund	6,000	2,480	6,000	
Department total	\$ 909,300	\$	\$ 876,342	\$ 1,103,210
General Services:				
General Fund	\$ 3,847,370	\$	\$ 4,042,080	\$ 2,746,850
Grants, Don. & Restr. Funds	800		1,200	53,480
Develop. Impact Fee Funds	45,000			78,000
Department total	\$ 3,893,170	\$	\$ 4,043,280	\$ 2,878,330
Community Development:				
General Fund	\$ 1,976,910	\$ (3,900)	\$ 1,691,530	\$ 1,962,490
Information Technology Fund	2,800		2,600	2,800
Department total	\$ 1,979,710	\$ (3,900)	\$ 1,694,130	\$ 1,965,290
Public Works:				
General Fund	\$ 4,173,250	\$ 7,280	\$ 4,244,825	\$ 4,456,890
Streets Fund	2,057,670	21,680	2,198,410	2,290,060
Grants, Don. & Restr. Funds	2,500		1,500	1,500
Transportation Sales Tax Fund	148,410		113,070	158,760
Public Transit Fund	500	31,000	29,300	55,500
Wastewater Fund	256,850		243,530	279,710
Information Technology Fund	18,240		18,310	19,800
Department total	\$ 6,657,420	\$ 59,960	\$ 6,848,945	\$ 7,262,220

City of Sedona
Expenditures/expenses by department
Fiscal year 2024

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2023	2023	2023	2024
Tourism & Economic Initiatives:				
General Fund	\$ 311,520	\$ 1,940	\$ 195,480	\$ 1,049,650
Grants, Don. & Restr. Funds			5,000	10,000
Information Technology Fund	410		410	
Department total	\$ 311,930	\$ 1,940	\$ 200,890	\$ 1,059,650
Sustainability:				
General Fund	\$	\$	\$	\$ 876,790
Department total	\$	\$	\$	\$ 876,790
Police:				
General Fund	\$ 7,535,670	\$ (3,730)	\$ 7,055,419	\$ 7,898,680
Grants, Don. & Restr. Funds	127,600	128,910	248,890	108,600
Information Technology Fund	67,860		75,930	55,050
Department total	\$ 7,731,130	\$ 125,180	\$ 7,380,239	\$ 8,062,330
Municipal Court:				
General Fund	\$ 670,680	\$	\$ 594,195	\$ 719,030
Information Technology Fund	11,200		11,320	15,120
Department total	\$ 681,880	\$	\$ 605,515	\$ 734,150
Other Public Safety:				
General Fund	\$ 30,000	\$	\$ 25,130	\$ 30,000
Department total	\$ 30,000	\$	\$ 25,130	\$ 30,000
Indirect Cost Allocations:				
General Fund	\$ 187,130	\$	\$ 421,930	\$ 509,270
Streets Fund	243,420		191,130	228,780
Housing Fund	54,500		45,950	82,190
Public Transit Fund	127,130		95,620	160,060
Wastewater Fund	1,494,190		1,430,970	1,420,810
Information Technology Fund	142,720		117,550	160,650
Department total	\$ 2,249,090	\$	\$ 2,303,150	\$ 2,561,760
Debt Service:				
General Fund	\$ 2,657,590	\$	\$ 2,545,955	\$ 2,292,620
Transportation Sales Tax Fund	377,270		92,000	340,590
Capital Improvements Fund			148,000	
Develop. Impact Fee Funds	233,890		248,570	248,570
Public Transit Fund	3,000		1,500	3,000
Wastewater Fund	4,541,410		4,539,810	4,540,700
Department total	\$ 7,813,160	\$	\$ 7,575,835	\$ 7,425,480
Contingency:				
General Fund	\$ 550,000	\$	\$	\$ 937,400
Housing Fund	810,000	(810,000)		
Grants, Don. & Restr. Funds	2,039,000	(177,210)		2,375,320
Wastewater Fund	100,000			100,000
Department total	\$ 3,499,000	\$ (987,210)	\$	\$ 3,412,720

City of Sedona
Expenditures/expenses by department
Fiscal year 2024

	Adopted budgeted expenditures/ expenses	Expenditure/ expense adjustments approved	Actual expenditures/ expenses*	Budgeted expenditures/ expenses
Department/Fund	2023	2023	2023	2024
Capital Improvement Projects:				
Housing Fund	\$	\$ 1,500,000	\$ 1,511,640	\$
Grants, Don. & Restr. Funds	200,780		224,495	78,700
Capital Improvements Fund	41,293,700	(895,704)	25,423,910	17,586,210
Art in Public Places Fund	360,650		130,000	232,000
Develop. Impact Fee Funds	5,093,020	65,674	1,188,130	8,748,920
Public Transit Fund	1,356,900	74,480	1,892,140	1,781,370
Wastewater Fund	7,480,000	12,000	2,471,039	5,156,890
Department total	\$ 55,785,050	\$ 756,450	\$ 32,841,354	\$ 33,584,090
Housing:				
Housing Fund	\$	\$	\$	\$ 875,160
Grants, Don. & Restr. Funds				406,100
Department total	\$	\$	\$	\$ 1,281,260
Public Transit:				
Public Transit Fund	\$ 2,474,060	\$	\$ 1,718,990	\$ 2,669,550
Department total	\$ 2,474,060	\$	\$ 1,718,990	\$ 2,669,550
Wastewater:				
Wastewater Fund	\$ 3,463,280	\$ (17,000)	\$ 2,942,110	\$ 3,699,480
Department total	\$ 3,463,280	\$ (17,000)	\$ 2,942,110	\$ 3,699,480
Information Technology:				
Grants, Don. & Restr. Funds	\$	\$ 48,300	\$	\$ 48,300
Public Transit Fund	77,400	2,550	19,500	
Wastewater Fund	66,720	5,000	52,340	111,400
Information Technology Fund	1,798,520	10,870	1,557,260	2,097,720
Department total	\$ 1,942,640	\$ 66,720	\$ 1,629,100	\$ 2,257,420

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Sedona
Full-time employees and personnel compensation
Fiscal year 2024

	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
Fund	2024	2024	2024	2024	2024	2024
General Fund	149	\$ 10,184,300	\$ 3,290,570	\$ 2,127,160	\$ 916,350	\$ 16,518,380
Special revenue funds						
Streets Fund	4	\$ 275,500	\$ 33,450	\$ 74,620	\$ 28,780	\$ 412,350
Housing Fund	2	168,170	20,420	29,310	13,760	231,660
Grants, Don. & Restr. Funds		2,400	79,500			81,900
Transportation Sales Tax Fund	1	90,300	10,960	17,250	8,750	127,260
Total special revenue funds	7	\$ 536,370	\$ 144,330	\$ 121,180	\$ 51,290	\$ 853,170
Enterprise funds						
Public Transit Fund	2	\$ 156,090	\$ 18,950	\$ 22,130	\$ 12,720	\$ 209,890
Wastewater Fund	17	1,294,890	157,200	275,230	139,960	1,867,280
Total enterprise funds	19	\$ 1,450,980	\$ 176,150	\$ 297,360	\$ 152,680	\$ 2,077,170
Internal service funds						
Information Technology Fund	6	\$ 624,410	\$ 75,800	\$ 100,460	\$ 50,920	\$ 851,590
Total internal service fund	6	\$ 624,410	\$ 75,800	\$ 100,460	\$ 50,920	\$ 851,590
Total all funds	181	\$ 12,796,060	\$ 3,686,850	\$ 2,646,160	\$ 1,171,240	\$ 20,300,310

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

(Click on a Project Page # to navigate to that page)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
AC - Arts & Culture									
Art in the Roundabouts	Restricted	Important (Could-Do)	AC-02	\$133,675	\$232,000	\$0	\$0	\$0	\$232,000
IT - Information Technology									
Citywide Business Software	Capital Reserves	Imperative (Must-Do)	IT-01	\$0	\$600,000	\$1,100,000	\$600,000	\$0	\$2,300,000
MC - Municipal Court									
Court Relocation/Remodel	Restricted	Imperative (Must-Do)	MC-02	\$418,596	\$78,700	\$73,300	\$0	\$0	\$152,000
PR - Parks & Recreation									
Concession Stand/Restrooms Building - Renovation and Redesign	Restricted	Important (Could-Do)	PR-01	\$0	\$0	\$80,000	\$482,000	\$0	\$562,000
Restructure of Posse Grounds Park	Unidentified	Important (Could-Do)	PR-02	\$61,429	\$0	\$0	\$0	<i>\$3,500,000</i>	\$3,500,000
Improvements at Ranger Station / Interior Restoration of House and Barn	Restricted & Capital Reserves	Important (Could-Do)	PR-03B	\$19,166	\$617,390	\$0	\$0	\$0	\$617,390
Build-Out of Ranger Station Park	Restricted & Capital Reserves	Important (Could-Do)	PR-03C	\$163,855	\$1,653,820	\$0	\$0	\$0	\$1,653,820
Dog Park Improvements	Restricted & Capital Reserves	Important (Could-Do)	PR-08	\$388,898	\$55,320	\$0	\$0	\$0	\$55,320
Posse Grounds Park Pickleball Courts	Restricted	Essential (Should-Do)	PR-09	\$40,000	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Creekside Preservation/Walking Path (ESP)	Restricted	Important (Could-Do)	PR-10	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000
PR - Parks & Recreation Subtotal (excluding projects not funded)				\$673,348	\$3,826,530	\$2,580,000	\$482,000	\$0	\$6,888,530
Projects Not Funded				\$0	\$0	\$0	\$0	\$3,500,000	\$3,500,000
PD - Police									
Radio Infrastructure	Capital Reserves	Imperative (Must-Do)	PD-02	\$285,315	\$215,800	\$500,000	\$0	\$0	\$715,800
PT - Public Transit									
Transit Maintenance/Operations Center (ESP)	Restricted	Essential (Should-Do)	PT-01	\$103,745	\$800,000	\$12,070,000	\$6,430,000	\$2,760,000	\$22,060,000
Transit RIDE Exchange (ESP)	Restricted	Essential (Should-Do)	PT-02	\$1,034,468	\$0	\$130,000	\$130,000	\$3,170,000	\$3,430,000
Transit Bus Acquisition (ESP)	Restricted	Essential (Should-Do)	PT-03	\$0	\$856,370	\$0	\$0	\$12,350,000	\$13,206,370
Bus Stop Improvements (ESP)	Restricted	Essential (Should-Do)	PT-04	\$14,927	\$0	\$0	\$0	\$300,000	\$300,000
"Y" Multimodal Stop (ESP)	Restricted	Essential (Should-Do)	PT-04a	\$164,500	\$75,000	\$30,000	\$300,000	\$0	\$405,000
North SR 179 Park and Ride (ESP)	Restricted	Essential (Should-Do)	PT-04b	\$1,743,342	\$30,000	\$300,000	\$0	\$0	\$330,000
West Sedona Intercept Lot (ESP)	Unidentified	Essential (Should-Do)	PT-05	\$2,265,919	\$0	\$0	\$0	<i>\$20,700,000</i>	\$20,700,000
South SR 179 Park and Ride (ESP)	Restricted	Essential (Should-Do)	PT-06	\$0	\$20,000	\$0	\$0	\$300,000	\$320,000
PT - Public Transit Subtotal				\$5,326,901	\$1,781,370	\$12,530,000	\$6,860,000	\$18,880,000	\$40,051,370
Projects Not Funded				\$0	\$0	\$0	\$0	\$20,700,000	\$20,700,000
PW - Public Works									
Uptown Enhancements	Restricted & Unidentified	Important (Could-Do)	PW-01	\$195,856	\$0	\$0	\$0	<i>\$250,000</i>	\$250,000
Facilities Study	Capital Reserves	Essential (Should-Do)	PW-04	\$0	\$0	\$0	\$0	\$100,000	\$100,000
Real Estate/Land Acquisition	Unidentified	Essential (Should-Do)	PW-05	\$20,017,660	\$0	\$0	\$0	<i>\$8,000,000</i>	\$8,000,000
City Hall Window and Door Replacement (ESP)	Restricted	Important (Could-Do)	PW-06	\$0	\$0	\$505,000	\$0	\$0	\$505,000
Cultural Park Improvements	Capital Reserves	Important (Could-Do)	PW-08	\$0	\$0	\$2,000,000	\$3,250,000	\$0	\$5,250,000
PW - Public Works Subtotal				\$20,213,516	\$0	\$2,505,000	\$3,250,000	\$100,000	\$5,855,000
Projects Not Funded								\$8,250,000	\$8,250,000

ESP = Environmental Sustainability Project

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

(Click on a Project Page # to navigate to that page)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
SIM - Sedona in Motion									
Sedona in Motion Unspecified Projects	Unidentified	Imperative (Must-Do)	SIM-00	\$0	(\$2,000,000)	(\$10,000,000)	\$7,000,000	\$5,000,000	\$0
Uptown Northbound Improvements (ESP)	Restricted	Essential (Should-Do)	SIM-01b	\$336,673	\$1,399,590	\$740,110	\$0	\$0	\$2,139,700
Uptown Pedestrian Improvements (ESP)	Restricted & Unidentified	Desirable (Other Year)	SIM-02	\$0	\$0	\$0	\$0	<i>\$6,298,000</i>	\$6,298,000
Uptown Parking Garage	Restricted	Essential (Should-Do)	SIM-03a	\$2,198,076	\$1,024,560	\$18,241,820	\$3,100,000	\$0	\$22,366,380
Uptown One Way Streets/Parking	Restricted & Unidentified	Important (Could-Do)	SIM-03b	\$0	\$0	\$0	\$65,000	<i>\$130,000</i>	\$195,000
Schnebly Hill Roundabout Expansion	Unidentified	Desirable (Other Year)	SIM-04a	\$0	\$0	\$0	\$0	<i>\$5,447,990</i>	\$5,447,990
SR 179 Lane Expansion from Schnebly Hill Roundabout to Y	Unidentified	Desirable (Other Year)	SIM-04b	\$0	\$0	\$0	\$0	<i>\$111,000</i>	\$111,000
Pedestrian Crossing at Oak Creek (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	SIM-04c	\$1,034,516	\$3,517,020	\$200,000	\$858,500	\$0	\$4,575,520
Ranger/SR 179 Intersection Improvements (ESP)	Restricted & Unidentified	Essential (Should-Do)	SIM-04e	\$0	\$0	\$0	\$0	<i>\$1,082,580</i>	\$1,082,580
Portal Lane to Brewer Road Connection	Restricted	Essential (Should-Do)	SIM-05a	\$59,777	\$0	\$1,016,200	\$0	\$0	\$1,016,200
Forest Road Connection	Restricted	Imperative (Must-Do)	SIM-05b	\$5,776,976	\$12,923,600	\$1,700,000	\$0	\$0	\$14,623,600
Ranger Road / Brewer Road RAB Intersection & Ranger Ext Improvements (ESP)	Restricted	Essential (Should-Do)	SIM-05d	\$174,720	\$1,654,550	\$512,500	\$0	\$0	\$2,167,050
Neighborhood Street Connections	Restricted & Unidentified	Desirable (Other Year)	SIM-06	\$0	\$0	\$0	\$0	<i>\$1,166,420</i>	\$1,166,420
West SR 89A Access Improvements and Adaptive Signal Control	Unidentified	Desirable (Other Year)	SIM-10	\$0	\$0	\$0	\$0	<i>\$3,320,000</i>	\$3,320,000
Rodeo Road to Dry Creek Road - Shared-Use Path (ESP)	Restricted	Essential (Should-Do)	SIM-11a	\$0	\$0	\$0	\$325,000	\$0	\$325,000
Navoti Dr to Dry Creek Rd Shared-Use Path (ESP)	Restricted	Important (Could-Do)	SIM-11e	\$875,610	\$50,000	\$700,000	\$0	\$0	\$750,000
Dry Creek Road Pathway, 89A to Two Fences (ESP)	Restricted	Essential (Should-Do)	SIM-11m	\$239,770	\$600,000	\$1,070,000	\$0	\$0	\$1,670,000
Harmony Shared-Use Path and Drainage Improvements (ESP)	Restricted	Essential (Should-Do)	SIM-11n	\$50,000	\$85,000	\$1,200,000	\$0	\$0	\$1,285,000
SR179 Signing & Striping	Restricted	Essential (Should-Do)	SIM-11o	\$0	\$100,000	\$0	\$0	\$0	\$100,000
Brewer Rd Shared Use Path (ESP)	Restricted	Important (Could-Do)	SIM-11p	\$0	\$370,000	\$500,000	\$0	\$0	\$870,000
Shelby II Shared Use Path (ESP)	Restricted	Essential (Should-Do)	SIM-11q	\$0	\$425,000	\$700,000	\$0	\$0	\$1,125,000
Rodeo Shared Use Path (ESP)	Restricted & Unidentified	Important (Could-Do)	SIM-11r	\$0	\$0	\$0	\$50,000	<i>\$200,000</i>	\$250,000
Little Horse Shared Use Path (ESP)	Restricted	Important (Could-Do)	SIM-11s	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Coffee Pot Shared Use Path (ESP)	Restricted & Capital Reserves	Important (Could-Do)	SIM-11t	\$0	\$0	\$100,000	\$505,000	\$0	\$605,000
Navoti Dr to Upper Red Rock Loop Rd Shared-Use Path (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	SIM-11v	\$0	\$0	\$120,000	\$505,000	\$500,000	\$1,125,000
Tranquil-Madole Shared Use Path (ESP)	Capital Reserves & Unidentified	Important (Could-Do)	SIM-11w	\$0	\$0	\$0	\$121,200	<i>\$500,000</i>	\$621,200
Zane Grey Shared Use Path (ESP)	Restricted	Important (Could-Do)	SIM-11x	\$0	\$0	\$0	\$60,000	\$500,000	\$560,000
Travel Information System	Restricted & Unidentified	Important (Could-Do)	SIM-12a	\$99,301	\$0	\$0	\$0	<i>\$625,000</i>	\$625,000
Traffic Video Cameras	Restricted	Important (Could-Do)	SIM-12b	\$48,492	\$50,000	\$50,000	\$0	\$0	\$100,000
SIM - Sedona in Motion Subtotal (excluding projects not funded)				\$10,893,911	\$20,199,320	\$16,950,630	\$12,589,700	\$6,000,000	\$55,739,650
Projects Not Funded				\$0	\$0	\$0	\$0	\$18,880,990	\$18,880,990

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

(Click on a Project Page # to navigate to that page)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
SD - Storm Drainage									
Improvements to Back-O-Beyond Road, Low Water Crossing (Yavapai County) (ESP)	Restricted & Capital Reserves	Important (Could-Do)	SD-03	\$375,366	\$622,700	\$0	\$0	\$0	\$622,700
View Drive Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Unidentified	Important (Could-Do)	SD-04	\$0	\$0	\$0	\$0	<i>\$1,663,500</i>	\$1,663,500
Saddlerock Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Capital Reserves	Important (Could-Do)	SD-05	\$0	\$0	\$175,000	\$1,310,000	\$0	\$1,485,000
Mystic Hills Lift Station Access Improvements (Coconino County) (ESP)	Restricted	Important (Could-Do)	SD-08	\$0	\$0	\$0	\$40,000	\$300,000	\$340,000
Stormwater Master Plan Update & Project Implementations (ESP)	Restricted	Essential (Should-Do)	SD-10	\$355,377	\$0	\$0	\$0	\$300,000	\$300,000
Schnebly & Grove Drainage Improvements (ESP)	Capital Reserves	Important (Could-Do)	SD-12	\$70,700	\$313,100	\$242,400	\$0	\$0	\$555,500
SD - Storm Drainage Subtotal (excluding projects not funded)				\$801,443	\$935,800	\$417,400	\$1,350,000	\$600,000	\$3,303,200
Projects Not Funded				\$0	\$0	\$0	\$0	\$1,663,500	\$1,663,500
ST - Streets & Transportation									
Back O' Beyond Road & Trailhead Safety Improvements	Restricted & Capital Reserves	Essential (Should-Do)	ST-07	\$0	\$200,000	\$2,000,000	\$0	\$0	\$2,200,000
Forest/Ranger/SR 89A Intersection Improvements	Capital Reserves	Important (Could-Do)	ST-08	\$206,218	\$450,000	\$4,500,000	\$0	\$0	\$4,950,000
ST - Streets & Transportation Subtotal				\$206,218	\$650,000	\$6,500,000	\$0	\$0	\$7,150,000
SUS - Sustainability									
Decarbonization Roadmapping Plan (ESP)	Capital Reserves	Essential (Should-Do)	SUS-03	\$0	\$150,000	\$0	\$0	\$0	\$150,000
Streetlights LED Retrofit (ESP)	Capital Reserves	Essential (Should-Do)	SUS-05	\$0	\$181,800	\$0	\$0	\$0	\$181,800
DC Fast EV Chargers (ESP)	Capital Reserves	Essential (Should-Do)	SUS-06	\$0	\$0	\$202,000	\$202,000	\$202,000	\$606,000
Building Retrofit of Natural Gas Systems (ESP)	Capital Reserves	Essential (Should-Do)	SUS-07	\$0	\$0	\$151,500	\$151,500	\$0	\$303,000
SUS - Sustainability Subtotal				\$0	\$331,800	\$353,500	\$353,500	\$202,000	\$1,240,800
Subtotal Non-Wastewater Projects (excluding projects not funded)				\$38,952,923	\$28,851,320	\$43,509,830	\$25,485,200	\$25,782,000	\$123,628,350

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

(Click on a Project Page # to navigate to that page)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
WW - Wastewater									
WW Collection System Improvements - Misc. Rehabs/Replacements (ESP)	WW Revenues	Essential (Should-Do)	WW-01D	\$0	\$240,000	\$220,000	\$0	\$0	\$460,000
WW Collection System Improvements - Future Collections Projects (ESP)	WW Revenues	Important (Could-Do)	WW-01E	\$0	\$0	\$50,000	\$500,000	\$1,360,000	\$1,910,000
WW Collection System Improvements - Major Lift Station Upgrades (ESP)	Restricted & WW Revenues	Imperative (Must-Do)	WW-01F	\$2,454,909	\$3,668,985	\$759,635	\$0	\$0	\$4,428,620
SCADA System and Configuration Upgrade	WW Revenues	Essential (Should-Do)	WW-04	\$0	\$0	\$0	\$310,000	\$0	\$310,000
WWRP Odor Control Upgrades	WW Revenues	Important (Could-Do)	WW-05	\$24,660	\$0	\$0	\$0	\$335,000	\$335,000
WWRP Recharge Wells	WW Revenues	Essential (Should-Do)	WW-06	\$5,477,699	\$0	\$5,143,600	\$5,100,000	\$10,950,000	\$21,193,600
WWRP Reservoir Liner Replacement (ESP)	WW Revenues	Important (Could-Do)	WW-07	\$0	\$0	\$0	\$0	\$1,050,000	\$1,050,000
WWRP Drying Beds Replacement (ESP)	WW Revenues	Important (Could-Do)	WW-08	\$0	\$0	\$0	\$1,650,000	\$0	\$1,650,000
WWRP Treatment Process Upgrades (ESP)	WW Revenues	Essential (Should-Do)	WW-09	\$25,500	\$709,500	\$2,860,000	\$0	\$1,870,000	\$5,439,500
Wastewater Master Plan Update	WW Revenues	Important (Could-Do)	WW-10	\$0	\$0	\$0	\$100,000	\$100,000	\$200,000
WWRP Paving	WW Revenues	Desirable (Other Year)	WW-11	\$0	\$0	\$0	\$0	\$420,000	\$420,000
Area 4 Valve Vault Upgrade	WW Revenues	Essential (Should-Do)	WW-14	\$0	\$140,000	\$0	\$0	\$0	\$140,000
VACCON Storage Building	WW Revenues	Imperative (Must-Do)	WW-15	\$89,155	\$113,400	\$0	\$0	\$0	\$113,400
WWRP Secondary Clarifier Rehabilitation	WW Revenues	Imperative (Must-Do)	WW-16	\$0	\$155,000	\$155,000	\$0	\$155,000	\$465,000
WWRP Laboratory Remodel	WW Revenues	Desirable (Other Year)	WW-17	\$0	\$0	\$0	\$0	\$500,000	\$500,000
WWRP Recharge Well Backwash Filter System (ESP)	WW Revenues	Essential (Should-Do)	WW-18	\$0	\$130,000	\$0	\$0	\$0	\$130,000
WW - Wastewater Subtotal				\$8,071,923	\$5,156,885	\$9,188,235	\$7,660,000	\$16,740,000	\$38,745,120
TOTAL ALL PROJECTS (excluding projects not funded)				\$47,024,846	\$34,008,205	\$52,698,065	\$33,145,200	\$42,522,000	\$162,373,470
Total Projects Not Funded				\$0	\$0	\$0	\$0	\$52,994,490	\$52,994,490
Grand Totals Funded and Unfunded				\$47,024,846	\$34,008,205	\$52,698,065	\$33,145,200	\$95,516,490	\$215,367,960
Funding Sources Summary									
1% for Arts					\$167,000	\$0	\$0	\$50,000	\$217,000
Capital Reserves					\$3,387,420	\$6,541,530	\$7,203,200	\$302,000	\$17,434,150
Coconino County Flood Control					\$0	\$0	\$40,000	\$300,000	\$340,000
Court Restricted Revenues					\$67,678	\$73,300	\$0	\$0	\$140,978
Debt Financing					\$15,522,430	\$25,825,420	\$9,512,000	\$13,966,000	\$64,825,850
Development Impact Fees - Post 7/2014					\$2,831,640	\$2,632,600	\$0	\$619,530	\$6,083,770
Development Impact Fees - Pre 8/2014					\$1,410,000	\$0	\$250,000	\$0	\$1,660,000
Donations					\$65,000	\$0	\$0	\$0	\$65,000
Equipment Replacement Reserve					\$631,000	\$0	\$0	\$0	\$631,000
Fairfield CFD					\$250,000	\$0	\$300,000	\$0	\$550,000
Grant					\$1,731,112	\$15,935,000	\$5,248,000	\$15,189,000	\$38,103,112
Outside Participation					\$0	\$0	\$0	\$1,250,000	\$1,250,000
Summit CFD					\$155,000	\$80,000	\$182,000	\$0	\$417,000
Transportation Sales Tax					\$4,984,440	\$7,390,580	\$550,000	\$375,000	\$13,300,020
Unidentified					-\$2,000,000	-\$10,000,000	\$7,000,000	\$57,074,960	\$52,074,960
Wastewater Revenues					\$4,455,485	\$4,044,635	\$2,560,000	\$5,790,000	\$16,850,120
Yavapai County Flood Control					\$350,000	\$175,000	\$300,000	\$600,000	\$1,425,000
TOTAL FUNDING SOURCES					\$34,008,205	\$52,698,065	\$33,145,200	\$95,516,490	\$215,367,960

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

(Click on a Project Page # to navigate to that page)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
Operating Impacts Summary									
Personnel Costs					\$0	\$0	\$0	\$0	
Materials & Supplies					\$0	\$0	\$0	\$9,300	
Contractual Services					\$651,270	\$6,386,900	\$6,386,900	\$65,300	
Debt Service					\$942,000	\$2,780,010	\$3,860,010	\$1,664,130	
Revenue Offset					\$0	\$0	\$0	\$0	
NET EXPENDITURE/(REVENUE) (excluding projects not funded)					\$1,593,270	\$9,166,910	\$10,246,910	\$1,738,730	
Project Funding Status Summary									
Carry Over					\$25,382,857	\$32,939,174	\$9,320,000	\$12,734,760	\$80,376,791
New Appropriation					\$8,625,348	\$10,385,391	\$8,600,000	\$250,000	\$27,860,739
Future Estimate					\$0	\$9,373,500	\$15,225,200	\$50,560,490	\$75,159,190
Unfunded					\$0	\$0	\$0	\$31,971,240	\$31,971,240
TOTALS BY FUNDING STATUS					\$34,008,205	\$52,698,065	\$33,145,200	\$95,516,490	\$215,367,960
Category Summary									
Arts Transfer					\$19,130	\$10,900	\$33,200	\$129,990	\$193,220
Construction - Contracted					\$27,704,645	\$52,232,165	\$20,112,000	\$36,290,100	\$136,338,910
Construction - In-House					\$100,000	\$75,000	\$0	\$0	\$175,000
Contingency					-\$1,110,600	-\$9,783,940	\$7,400,000	\$6,100,000	\$2,605,460
Demolition/Site Prep - In-House					\$75,000	\$0	\$0	\$0	\$75,000
Design - Contracted					\$3,318,840	\$2,155,940	\$1,215,000	\$3,816,400	\$10,506,180
Design - In-House					\$0	\$25,000	\$0	\$0	\$25,000
Environmental					\$20,000	\$138,000	\$50,000	\$200,000	\$408,000
Equipment Purchase					\$1,047,820	\$45,000	\$310,000	\$2,320,000	\$3,722,820
Future Estimate Placeholder					\$0	\$2,500,000	\$3,250,000	\$32,700,000	\$38,450,000
Land Acquisition					\$990,000	\$4,200,000	\$75,000	\$1,060,000	\$6,325,000
Master Plan					\$150,000	\$0	\$100,000	\$400,000	\$650,000
Project Management - Contracted					\$100,000	\$100,000	\$100,000	\$0	\$300,000
Public Art Purchase					\$130,000	\$0	\$0	\$50,000	\$180,000
Study					\$100,000	\$0	\$0	\$250,000	\$350,000
Technology					\$507,000	\$1,000,000	\$500,000	\$0	\$2,007,000
Vehicle Purchase					\$856,370	\$0	\$0	\$12,200,000	\$13,056,370
TOTALS BY CATEGORY					\$34,008,205	\$52,698,065	\$33,145,200	\$95,516,490	\$215,367,960

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

[\(Click on a Project Page # to navigate to that page\)](#)

Project Name	Funding Sources Type	Priority	Project #	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
Summary of Project Costs Managed by Public Works PMs									
Total Project Costs					\$34,008,205	\$52,698,065	\$33,145,200		
Projects not managed by Public Works project managers:									
AC-02 Art in Roundabouts					(\$232,000)	\$0	\$0		
IT-01 ERP System					(\$600,000)	(\$1,100,000)	(\$600,000)		
PR-10 Creekside Preservation/Walking Path					\$0	(\$2,500,000)	\$0		
PD-02 Radio Infrastructure					(\$215,800)	(\$500,000)	\$0		
PT-03 Transit Bus Acquisition					(\$856,370)	\$0	\$0		
All Sustainability Projects (managed by Bryce)					(\$331,800)	(\$353,500)	(\$353,500)		
All Wastewater Projects (managed by Roxanne)					(\$5,156,885)	(\$9,188,235)	(\$7,660,000)		
Net Project Costs Manager by Public Works PMs					\$26,615,350	\$39,056,330	\$24,531,700		

City of Sedona
FY2024 Proposed Budget - Expenditures Summary
All Funds

Description	Op?	General Fund	Streets Fund	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvement Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Total
Proposed Budgeted Expenditures		\$ 27,913,100	\$ 2,602,710	\$ 544,370	\$ 2,985,450	\$ 499,350	\$ 17,706,210	\$ 9,075,590	\$ 232,000	\$ 4,618,920	\$ 16,013,620	\$ 2,286,210	\$ 84,477,530
<u>City Council and Staff Adjustments</u>													
Budget duplication error	Y	(10,000)											(10,000)
Transfer Code Enf to ComDev	Y	(2,340)										250	(2,090)
Delay WW-04 & WW-08	N										(460,000)		(460,000)
PW dump truck/snow plow purchase to be acquired via lease purchase	N		(85,000)										(85,000)
Move SUS-01 from CIP to operating	N	100,000					(120,000)						(20,000)
Carryover evacuation modeling project	Y	12,000											12,000
Red Rock Trail Fund donations administration	Y				52,000								52,000
Carryover of broadband consultant	Y				10,000								10,000
Carryover of Springbrook upgrade	Y				48,300								48,300
Verde Shuttle increase	Y									56,520			56,520
2nd Deputy City Manager (incremental increase)	Y	76,930											76,930
Communication support contract	Y	(20,000)											(20,000)
Safe Place to Park DP	Y			400,000									400,000
Allocate FY22 Surplus to PSPRS Additional Funding	Y	1,200,000											1,200,000
Eliminate grants mgmt In Clerk's Office and reallocate pay	Y	(300)											(300)
Impact of annual pay, turnover, and other adjustments	Y	(63,010)	3,980								1,760		(57,270)
Impact on indirect cost allocations	Y	48,070	(2,850)	12,980						(1,960)	2,960	7,000	66,200
Overlap of new HR Manager	Y	25,900											25,900
Replacement of GovOS	Y											59,000	59,000
Input errors in spreadsheets	N							(100)			(10,000)		(10,100)
Sub-Total Council Changes		\$ 1,367,250	\$ (83,870)	\$ 412,980	\$ 110,300	\$ -	\$ (120,000)	\$ (100)	\$ -	\$ 54,560	\$ (465,280)	\$ 66,250	\$ 1,342,090
Tentative Budgeted Expenditures		\$ 29,280,350	\$ 2,518,840	\$ 957,350	\$ 3,095,750	\$ 499,350	\$ 17,586,210	\$ 9,075,490	\$ 232,000	\$ 4,673,480	\$ 15,548,340	\$ 2,352,460	\$ 85,819,620

City of Sedona
FY2024 Proposed Budget - Revenues Summary
All Funds

Description	General Fund	Streets Fund	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvement Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Total
Proposed Budgeted Revenues	\$ 42,954,400	\$ 1,023,560	\$ 121,850	\$ 3,123,910	\$ 4,500,540	\$ 1,696,330	\$ 1,064,600	\$ 4,090	\$ 1,502,590	\$ 8,448,600	\$ 2,515,610	\$ 66,956,080
<u>City Council and Staff Adjustments</u>												
ST-08 grant funding not approved						(450,000)						(450,000)
Red Rock Trail Fund donations administration				52,000								52,000
Impact on indirect cost allocations											66,250	66,250
Sub-Total Council Changes	\$ -	\$ -	\$ -	\$ 52,000	\$ -	\$ (450,000)	\$ -	\$ -	\$ -	\$ -	\$ 66,250	\$ (331,750)
Tentative Budgeted Revenues	\$ 42,954,400	\$ 1,023,560	\$ 121,850	\$ 3,175,910	\$ 4,500,540	\$ 1,246,330	\$ 1,064,600	\$ 4,090	\$ 1,502,590	\$ 8,448,600	\$ 2,581,860	\$ 66,624,330

City of Sedona
FY2024 Other Financing Sources (Uses) Summary
All Funds

Description	General Fund	Streets Fund	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvement Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Total
Proposed Budgeted Other Financing Sources	\$ -	\$ 2,296,880	\$ 2,422,520	\$ -	\$ -	\$ 6,767,760	\$ 4,507,280	\$ 19,130	\$ 3,353,040	\$ 3,284,400	\$ 44,450	\$ 22,695,460
<u>City Council and Staff Adjustments</u>												
Transfer for Safe Place to Park			400,000									400,000
Verde Shuttle increase									56,520			56,520
Transfer for affordable housing projects			12,000,000									12,000,000
Impact of annual pay, turnover, and other adjustments		3,980										3,980
Impact on indirect cost allocations		(2,850)	12,980						(1,960)			8,170
Impact on operating reserve		339										339
Sub-Total Council Changes	\$ -	\$ 1,469	\$ 12,412,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,560	\$ -	\$ -	\$ 12,469,009
Tentative Budgeted Other Financing Sources	\$ -	\$ 2,298,349	\$ 14,835,500	\$ -	\$ -	\$ 6,767,760	\$ 4,507,280	\$ 19,130	\$ 3,407,600	\$ 3,284,400	\$ 44,450	\$ 35,164,469
Proposed Budgeted Other Financing Uses	\$ 10,603,310	\$ -	\$ -	\$ 184,400	\$ 7,381,340	\$ 4,526,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,695,460
<u>City Council and Staff Adjustments</u>												
Transfer for Safe Place to Park	400,000											400,000
Verde Shuttle increase	56,520											56,520
Transfer for affordable housing projects	12,000,000											12,000,000
Impact of annual pay, turnover, and other adjustments	3,980											3,980
Impact on indirect cost allocations	8,170											8,170
Impact on operating reserve	339											339
Adjust transfer for transit multimedia screens	64,500				(64,500)							-
Sub-Total Council Changes	\$ 12,533,509	\$ -	\$ -	\$ -	\$ (64,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,469,009
Tentative Budgeted Other Financing Uses	\$ 23,136,819	\$ -	\$ -	\$ 184,400	\$ 7,316,840	\$ 4,526,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,164,469

City of Sedona
FY2023 Proposed Budget - Beginning Fund Balances Summary
All Funds

Description	General Fund	Streets Fund	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvement Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Total
Proposed Budgeted Beginning Fund Balances	\$ 30,230,283	\$ 360,920	\$ 4,900,000	\$ 280,808	\$ 9,710,690	\$ 27,515,777	\$ 2,133,493	\$ 146,869	\$ 5,000,000	\$ 17,380,955	\$ 1,435,048	\$ 99,094,843
<u>City Council and Staff Adjustments</u>												
Increase in estimated cost for Bowstring property					(200,000)							(200,000)
Carryover of broadband consultant				10,000								10,000
Carryover of Springbrook upgrade				48,300								48,300
Carryover of evacuation modeling project	12,000											12,000
ST-08 grant funding not approved						(71,500)						(71,500)
Transfer Code Enf to ComDev	(1,010)										(500)	(1,510)
Correct Arts transfer in								(7,554)				(7,554)
Input error in spreadsheet	(821,355)										1,000	(820,355)
Sub-Total	\$ (810,365)	\$ -	\$ -	\$ 58,300	\$ (200,000)	\$ (71,500)	\$ -	\$ (7,554)	\$ -	\$ -	\$ 500	\$ (1,030,619)
Tentative Budgeted Beginning Fund Balances	\$ 29,419,918	\$ 360,920	\$ 4,900,000	\$ 339,108	\$ 9,510,690	\$ 27,444,277	\$ 2,133,493	\$ 139,315	\$ 5,000,000	\$ 17,380,955	\$ 1,435,548	\$ 98,064,224

City of Sedona
FY2024 Proposed Budget - Overall Summary
All Funds

Description	General Fund	Streets Fund	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvement Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit	Wastewater Fund	Information Technology Fund	Total
Beginning Fund Balances	\$ 29,419,918	\$ 360,920	\$ 4,900,000	\$ 339,108	\$ 9,510,690	\$ 27,444,277	\$ 2,133,493	\$ 139,315	\$ 5,000,000	\$ 17,380,955	\$ 1,435,548	\$ 98,064,224
Council Proposed Revenues	42,954,400	1,023,560	121,850	3,175,910	4,500,540	1,246,330	1,064,600	4,090	1,502,590	8,448,600	2,581,860	66,624,330
Council Proposed Expenditures	29,280,350	2,518,840	957,350	3,095,750	499,350	17,586,210	9,075,490	232,000	4,673,480	15,548,340	2,352,460	85,819,620
Net Other Financing Sources (Uses)	(23,136,819)	2,298,349	14,835,500	(184,400)	(7,316,840)	2,241,350	4,507,280	19,130	3,407,600	3,284,400	44,450	-
Ending Fund Balances	\$ 19,957,149	\$ 1,163,989	\$ 18,900,000	\$ 234,868	\$ 6,195,040	\$ 13,345,747	\$ (1,370,117)	\$ (69,465)	\$ 5,236,710	\$ 13,565,615	\$ 1,709,398	\$ 78,868,934
Rehab/Preservation Reserve		300,000										300,000
Capital Reserve					7,390,580	6,541,530	2,632,600			4,044,635		20,609,345
Equipment Replacement Reserve	1,818,729	36,840							236,710	1,194,613	1,039,055	4,325,947
Major Maintenance Reserve										385,697		385,697
Reserve for Loans	1,439,682		18,900,000									20,339,682
Future Transit System Reserve									5,000,000			5,000,000
Operating Reserve*	7,961,169	742,149								1,888,840		10,592,158
Remaining Available Fund Balances	\$ 8,737,569	\$ 85,000	\$ -	\$ 234,868	\$ (1,195,540)	\$ 6,804,217	\$ (4,002,717)	\$ (69,465)	\$ -	\$ 6,051,830	\$ 670,343	\$ 17,316,105

* Operating reserve is 30% of operating expenditures for General Fund and Streets Fund, and 33.3% of operating expenditures for Wastewater Fund.

Remaining FY22 surplus \$0
Remaining FY23 surplus \$6,905,779
Remaining FY24 surplus \$1,831,790

SUMMARY OF OVERALL BUDGET CHANGES

All Funds

	Operating Budget	CIP Budget	Totals
Comparison to FY 2023 Adopted			
FY 2023 Adopted Budget	\$49,959,990	\$55,785,050	\$105,745,040
<u>Significant Changes:</u>			
Increases for traffic improvements including construction of the Uptown parking garage, Forest Road extension, pedestrian crossing at Oak Creek, and shared-use paths		\$512,070	\$512,070
Increases for transit system operating and capital infrastructure needs	\$85,510	\$424,470	\$509,980
Decrease for real estate/land acquisition for strategic protection of the City's future development		(\$20,020,000)	(\$20,020,000)
Net decreases for wastewater operating and capital infrastructure	\$185,020	(\$2,323,110)	(\$2,138,090)
Decreases for debt service payments on bonds compared to placeholder in prior year	(\$387,760)		(\$387,760)
Reduction in tourism management contingency	(\$250,000)		(\$250,000)
Reduction of Sedona Chamber & Tourism Bureau contract (offset with retention of Visitor Center contract and allocation for funding of tourism data collection project and trailhead shuttle multimedia screens)	(\$981,500)		(\$981,500)
Reallocation of Economic Development to Tourism & Economic Initiatives (including addition of 2.0 FTEs)	\$114,130		\$114,130
Addition of tourism and economic initiatives contingency	\$637,400		\$637,400
Net increases for sustainability programs and initiatives	(\$48,530)	\$330,000	\$281,470
Decreases in housing expenditures and contingencies (loan programs are balance sheet items, not expenditures)	(\$488,500)		(\$488,500)
Increase for Community Development Block Grant (CDBG)	\$406,100		\$406,100
Increase for Cultural Park master plan	\$125,000		\$125,000
Increases for community service contracts	\$466,130		\$466,130
Increase for grant contingencies	\$336,320		\$336,320
Decreases for Police Department capital infrastructure needs		(\$910,030)	(\$910,030)
Increases in streets maintenance costs	\$268,830		\$268,830
Increases in utilities costs	\$127,390		\$127,390
Increase in one-time additional contribution toward PSPRS unfunded	\$200,000		\$200,000
Increases in existing personnel costs for pay adjustments, other added positions, and change in insurance and pension rates	\$964,480		\$964,480
Increases in indirect cost allocations (allocations result in double counting of expenditures, not an increase in payments to employees or vendors)	\$312,670		\$312,670
Net decreases in other CIP projects		(\$214,360)	(\$214,360)
Other miscellaneous changes	\$202,850		\$202,850
FY 2024 Proposed Budget	\$52,235,530	\$33,584,090	\$85,819,620
% Change	5%	-40%	-19%

City Council Tentative Budget Adoption

July 11, 2023

ANNUAL BUDGET

CITY OF SEDONA, AZ
FISCAL YEAR 2023/24



FY 2023-24 Budget Calendar

	Participants	Date
Operating Budget & Capital Improvement Program (CIP) Budget Kickoff Meetings	Staff	January 9 and 11, 2023
City Council Retreat	Council, Staff	January 17-19, 2023
Community Budget Survey Open	CMO, Finance	January 26 – February 16, 2023
Preliminary CIP Requests Due	Staff	February 9, 2023
Review of CIP Project Submittals	Staff CIP Team	February 16, 2023
Operating Budgets, Decision Packages, Final CIP Requests Due	Staff	March 2, 2023
Citizens Budget Work Group (CBWG) Kickoff Meeting	CBWG, CMO, Finance	March 9, 2023
Review of Revenue Projections	Chamber, Staff	March 22, 2023
CBWG Review Service Provider Agreements	CBWG, CMO, Finance	March 23, 2023
City Manager Review with Departments	CM, Staff	April 3-13, 2023
CBWG Review of Preliminary FY2024 Budget	CBWG, CMO, Finance	April 6, 2023
CBWG Decision Package Review and Finalize Recommendations	CBWG, CMO, Finance, Staff	April 17, 2023
Proposed Budget Distributed to City Council	Finance	May 24, 2023
City Council Approval of Service Provider Agreements	Council, Staff, CBWG, Providers	June 13, 2023
City Council Budget Work Sessions	Council, Staff, CBWG	June 14-15, 2023
City Council Adoption of Annual Update to Pension Funding Policy & Fund Balance Policy Revision	Council, Staff	June 27, 2023
City Council Adoption of Tentative Budget	Council, Staff	July 11, 2023
Board Adoption of Tentative CFD Budget	Board, Staff	July 11, 2023
City Council Adoption of Budget	Council, Staff	August 8, 2023
Board Adoption of Final CFD Budget	Board, Staff	August 8, 2023

Revenue Forecasts

Special Thanks for Input Provided

Michelle
Conway

Cari Meyer



FY 23-24
ANNUAL BUDGET





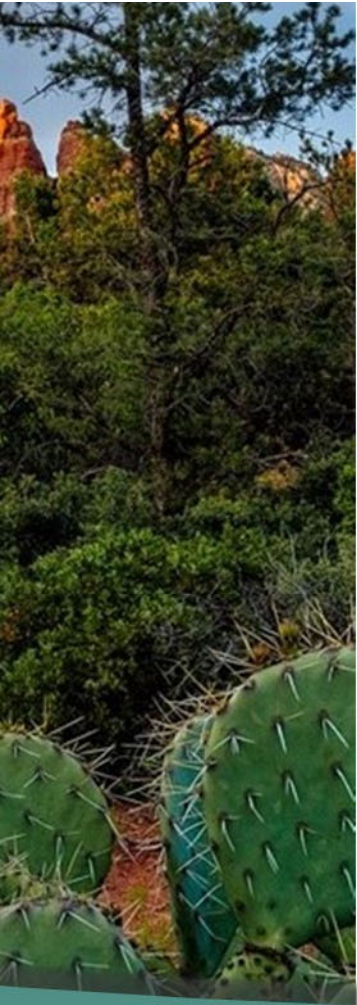
Community Survey

Special Thanks for Input Provided



FY 23-24
ANNUAL BUDGET





Citizens Budget Work Group

Special Thanks for Input Provided

Philippe
Buliet

James Cashin

Christian
Eaton

PJ Harrison

Guy
Lamunyon

Dave Price

Pilisa Rainbow
Lady

Tracy Randall

Rob Smith

Dick Williams

Thank You!



FY 23-24
ANNUAL BUDGET





FY 2024 Budget is Balanced⁽¹⁾

All Funds	FY 2024 Budget (in millions)
Estimated July 1, 2023 Fund Balances	\$ 98.1
Estimated Revenues	66.6
Less Estimated Policy Reserves as of June 30, 2024:	
Operating Reserves ⁽²⁾	(10.6)
Capital Reserves ⁽³⁾	(23.6)
Equipment Replacement Reserves	(4.3)
Major Maintenance Reserve	(0.4)
Streets Rehab/Preservation Reserve	(0.3)
Future Transit System Implementation	(5.0)
Reserve for Loans	(20.3)
Total Resources Available	\$100.2
Budgeted Expenditures ⁽⁴⁾	(85.8)
Excess Resources Available	\$14.3

⁽¹⁾ Based on Arizona definition of adequate available resources to cover budgeted expenditures.

⁽²⁾ Reserves fully funded in accordance with policy.

⁽³⁾ Reserve to be adjusted for late notification of change to SIM-05d.

⁽⁴⁾ Potential adjustment for non-required publications.

FY 23-24
ANNUAL BUDGET



Revenues by Fund

(in Thousands)

Fund	Ongoing Revenues			One-Time & Contingent Revenues			Total Revenues		
	FY2024 Tentative	FY2023 Budget	% Change	FY2024 Tentative	FY2023 Budget	% Change	FY2024 Tentative	FY2023 Budget	% Change
General	\$42,905	\$49,001	-12%	\$ 50	\$ 256	-81%	\$42,954	\$49,257	-13%
Streets	1,024	1,315	-22%	-	-	0%	1,024	1,315	-22%
Housing	122	87	41%	-	-	0%	122	87	41%
Grants, Donations & Restricted	197	116	70%	2,979	2,309	29%	3,176	2,425	31%
Transportation Sales Tax	4,501	5,293	-15%	-	-	0%	4,501	5,293	-15%
Capital Improvement	821	431	91%	425	-	∞	1,246	431	189%
Development Impact Fees	457	466	-2%	608	148	311%	1,065	614	73%
Art in Public Places	4	2	115%	-	-	0%	4	2	115%
Public Transit	438	255	72%	1,065	489	118%	1,503	743	102%
Wastewater	7,448	7,861	-5%	1,000	306	227%	8,449	8,167	3%
Information Technology	2,441	2,149	14%	141	110	28%	2,582	2,258	14%
Totals	\$60,357	\$66,975	-10%	\$6,267	\$3,617	73%	\$66,624	\$70,592	-6%
% of Grand Total	91%	95%		9%	5%				

Revenues & Other Financing Sources by Type

(in Thousands)

	FY 2024 Tentative	FY 2023 Budget	Increase/ (Decrease)	%
Ongoing Revenues				
City Sales Taxes	\$30,384	\$36,570	\$(6,186)	-17%
Bed Taxes	8,025	10,232	(2,207)	-22%
State Shared Revenues	5,830	5,301	529	10%
Other Intergovernmental	793	584	208	36%
Wastewater Charges for Services	6,270	6,248	22	<1%
Other Miscellaneous	9,055	8,040	1,015	13%
Subtotal Ongoing Revenues	60,357	66,975	(6,619)	-10%
One-Time Revenues				
Other Intergovernmental	3,969	2,398	1,571	66%
Other Miscellaneous	1,658	610	1,048	172%
Contingent Revenues	500	500	-	0%
Subtotal One-Time Revenues	5,986	3,397	2,588	76%
Subtotal All Revenues	66,624	70,592	(3,968)	-6%
Other Financing Sources				
Bonds Issued	-	10,000	(10,000)	-100%
Grand Totals	\$66,624	\$80,592	\$(13,968)	-17%

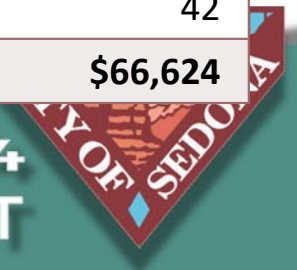


Revenues Changes

(in Thousands)

FY 2023 Budget	\$70,592
City sales tax decrease	(6,186)
Bed tax decrease	(2,207)
State shared income tax (urban revenue sharing) increase	856
HURF decrease	(299)
One-time grants increase (CDBG, transit, ARPA, Congressionally directed)	1,571
Add micro-transit operations grant	154
Add STR permit fees	236
Development impact fees increase	415
Information Technology internal charges increase	313
Investment earnings increase	1,137
Miscellaneous decreases	42
FY 2024 Budget	\$66,624

**FY 23-24
ANNUAL BUDGET**



Expenditures by Fund

(in Thousands)

Fund	Ongoing Expenditures			One-Time & Contingent Expenditures			Total Expenditures		
	FY2024 Tentative	FY2023 Budget	% Change	FY2024 Tentative	FY2023 Budget	% Change	FY2024 Tentative	FY2023 Budget	% Change
General	\$23,107	\$22,108	5%	\$ 6,174	\$ 6,219	-1%	\$29,280	\$ 28,328	3%
Streets	2,379	2,164	10%	140	159	-12%	2,519	2,323	8%
Housing	503	352	43%	454	1,740	-74%	957	2,092	-54%
Grants, Donations & Restricted	154	85	81%	2,942	2,299	28%	3,096	2,384	30%
Transportation Sales Tax	159	148	7%	341	377	-10%	499	526	-5%
Capital Improvement	-	-	0%	17,586	40,398	-56%	17,586	40,398	-56%
Development Impact Fees	-	-	0%	9,075	5,438	67%	9,075	5,438	67%
Art in Public Places	-	-	0%	232	361	-36%	232	361	-36%
Public Transit	2,457	2,376	3%	2,216	1,772	25%	4,673	4,148	13%
Wastewater	5,243	5,117	2%	10,305	12,519	-18%	15,548	17,636	-12%
Information Technology	2,047	1,994	3%	306	120	155%	2,352	2,114	11%
Totals	\$36,048	\$34,343	5%	\$49,771	\$71,402	-30%	\$85,820	\$105,745	69%
% of Grand Total	42%	32%		58%	68%				

Expenditures by Type

(in Thousands)

	FY2023 Budget	FY2024 Base	Increase/ (Decrease)	% Change	Decision Packages & Other Adj	Total FY2024 Tentative	Total % Change
Ongoing:							
Personnel	\$ 17,702	\$18,493	\$ 791	4%	\$465	\$ 18,958	7%
Operations	16,641	16,358	(283)	-2%	732	17,090	3%
Subtotal Operational Costs - Ongoing	34,343	34,851	507	1%	1,197	36,048	5%
One-Time:							
Personnel	1,198	65	(1,113)	-95%	1,277	1,342	12%
Operations	3,337	3,000	(338)	-10%	1,007	4,007	20%
Subtotal Operational Costs – One-Time	4,536	3,065	(1,471)	-32%	2,284	5,349	18%
Subtotal All Operational Costs	38,879	37,916	(965)	-2%	3,481	41,397	6%
Debt Service	7,813	7,425	(388)	-5%	-	7,425	-5%
Contingencies	2,512	4,446	1,934	77%	(1,033)	3,413	36%
Subtotal Operating Budget	49,204	49,787	583	1%	2,449	52,236	6%
Capital Improvement Projects ⁽¹⁾	56,542	34,164	(22,377)	-40%	(580)	33,584	-41%
Totals	\$105,745	\$83,951	\$(21,794)	-21%	\$1,869	\$85,820	-19%

⁽¹⁾ Does not include projects funded by the Community Facilities Districts. Those projects will be included in the budget proposals for those separate entities.



Salary & Benefit Changes

(in Thousands)

FY 2023 Budget	\$18,900
Decision Packages (includes 1.0 FTE, transfer of 1.0 FTE temp to full-time, and 0.78 temp position)	160
Other new positions (added 3.0 FTEs)	344
Decrease in overlapping position costs for retirement transition (decrease of 0.33 FTEs)	(24)
Increase for reclassification of positions (reclass of 3.0 FTEs)	11
Wage adjustments	462
Health insurance 7% rate increase	140
ASRS 1% rate increase	64
Increase in one-time additional PSPRS contribution	200
Increase for Prop 207 contribution toward PSPRS unfunded liability	28
Increase to other benefits	15
FY 2024 Budget	\$20,300

FY 23-24
ANNUAL BUDGET



Decision Packages Included – Salary & Benefits

Department	Description	Increased FTEs	One-Time Costs	Ongoing Costs	Totals
Community Development	Temporary Planner to Full-Time	0.00	\$ -	\$ 11,200	\$ 11,200
Police	Motor Officer Position	1.00	-	97,410	97,410
Court	Temporary Court Clerk	0.78	49,040	-	49,040
Total General Fund		1.78	\$49,040	\$108,610	\$157,650
Police	DUI Enforcement	OT only	\$ 1,200	\$ -	\$ 1,200
Police	Speed & Traffic Enforcement	OT only	1,200	-	1,200
Total Grants, Donations & Restricted Funds		0.00	\$ 2,400	\$ -	\$ 2,400
Total All Funds		1.78	\$51,440	\$108,610	\$160,050



Operations Changes

(in Thousands)

FY 2023 Budget	\$19,978
Decision Packages	1,031
Increase for service provider agreements	466
SCC&TB contract reallocated to tourism contingency	(1,670)
Visitor Center support allocated from tourism contingency	454
Increase for streets maintenance	269
Add Community Development Block Grant	406
Increase to indirect cost allocations for Information Technology	313
Miscellaneous decreases	(150)
FY 2024 Budget⁽¹⁾	\$21,097

**FY 23-24
ANNUAL BUDGET**



Decision Packages Included – Operations

Department	Description	One-Time Costs	Ongoing Costs	Totals
Human Resources	Tuition Reimbursement Program	\$ -	\$ 10,000	\$ 10,000
Financial Services	Investment Advisory & Consulting Services	40,000	50,000	90,000
Community Development	Cultural Park Area Master Plan	125,000	-	125,000
Tourism & Economic Initiatives	Tourism Data Collection Project	200,000	-	200,000
Police	Motor Officer Position	5,000	24,050	29,050
Total General Fund		\$370,000	\$84,050	\$ 454,050
Housing	Cold/Wet Weather Emergency Fund	\$ -	\$15,000	\$ 15,000
Housing	Strategic Plan to Address Homelessness	54,000	-	54,000
Housing	Safe Place to Park	400,000	-	400,000
Total Affordable Housing Fund		\$454,000	\$15,000	\$ 469,000
Public Transit	Hanover Multimedia TFT Screens	\$ 64,500	\$ -	\$ 64,500
Total Public Transit Fund		\$ 64,500	\$ -	\$ 64,500
Information Technology	IT Communications, Cellular Boost	\$ 36,230	\$ -	\$ 36,230
Total Wastewater Fund		\$ 36,230	\$ -	\$ 36,230
Police	Motor Officer Position	\$ 7,000	\$ -	\$ 7,000
Total Information Technology Fund		\$ 7,000	\$ -	\$ 7,000
Total All Funds		\$931,730	\$99,050	\$1,030,780



CIP Changes

(in Thousands)

FY 2023 Budget	\$56,542
Housing decrease	(1,500)
Arts & Culture decrease	(129)
Information Technology increase	600
Municipal Court decrease	(261)
Parks & Recreation increase	2,422
Police decrease	(910)
Public Transit increase	350
Public Works decrease	(20,160)
Sedona in Motion decrease	(1,063)
Storm Drainage decrease	(120)
Streets & Transportation decrease	(61)
Sustainability increase	210
Wastewater decrease	(2,335)
FY 2024 Budget	\$33,584

**FY 23-24
ANNUAL BUDGET**





Debt Service Changes

(in Thousands)

FY 2023 Budget	\$7,813
Change in Second Series 2015 bond payment	(8)
Change in Series 2022 bond payment	(290)
Change in Second Series 2022 bond payment	(90)
FY 2024 Budget	\$7,425

**FY 23-24
ANNUAL BUDGET**





Contingency Changes

(in Thousands)

FY 2023 Budget	\$2,512
Add tourism initiatives contingency ⁽¹⁾	637
Adjust ARPA contingency based on available balance	435
Reinstate unknown grants contingency ⁽²⁾	79
Eliminate SCC&TB contingency	(250)
FY 2024 Budget	\$3,413

⁽¹⁾ \$1.7M SCC&TB contract amount transferred to contingency and adjusted by Decision Packages, Visitor Center support, and 3.0 FTEs for Tourism & Economic Initiatives Dept to be allocated from this contingency amount.

⁽²⁾ \$79k used for grant-funded message boards and drones.

**FY 23-24
ANNUAL BUDGET**





FY 2024 Contingencies Totals

(in Thousands)

	General Fund	Grants, Donations, & Restricted Funds	Wastewater Enterprise Fund
General operating contingency	\$200	\$ -	\$100
ARPA funding	-	1,875	-
Unknown grants and donations	-	500	-
Judgments	100	-	-
Tourism initiatives ⁽¹⁾	637		
Total Budgeted	\$937	\$2,375	\$100

⁽¹⁾ Adjusted by for Decision Packages, Visitor Center support, and 3.0 FTEs for Tourism & Economic Initiatives Dept to be funded by the base budget contingency of \$1,670,220.

FY 23-24
ANNUAL BUDGET



FY 2024 Inter-Fund Transfers

Transfers In									
	Streets Fund	Housing Fund	Capital Improve- ments Fund	Dev. Impact Fees Funds	Art in Public Places Fund	Public Transit Enterprise Fund	Wastewater Enterprise Fund	Info. Tech. Internal Service Fund	Totals
Transfers Out									
General Fund	\$2,298,349 ⁽¹⁾	\$14,835,500 ⁽²⁾	\$2,500,000	\$ -	\$ -	\$ 294,020	\$3,100,000	\$44,450	\$23,072,319
Grants, Donations & Restricted Funds							184,400		184,400
Transportation Sales Tax Fund	-	-	4,267,760			3,113,580	-	-	7,381,340
Capital Improvements Fund	-	-	-	4,507,280	19,130	-	-	-	4,526,410
Totals	\$2,298,349	\$14,835,500	\$6,767,760	\$4,507,280	\$19,130	\$3,407,600	\$3,284,400	\$44,450	\$35,164,469

⁽¹⁾ Includes one-time \$742,149 to establish a Streets Fund operating reserve.

⁽²⁾ Covers total of \$18,900,000 set aside for loan programs (down payment assistance loans, Sunset Lofts, 2250 Shelby Dr project, and other potential housing projects).

Capital Improvements by Category

(including 1% Arts Transfers and CFD Funding)
(In Thousands)

Category	Carryover	New Appropriation	FY 2024 Proposed
Sedona in Motion ⁽¹⁾⁽²⁾	\$13,709	\$ 6,490	\$20,199
Wastewater	4,660	497	5,157
Parks & Recreation	3,661	166	3,827
Public Transit ⁽¹⁾	1,411	370	1,781
Storm Drainage	785	150	936
Streets & Transportation	360	290	650
Information Technology	500	100	600
Sustainability	-	332	332
Arts & Culture	231	1	232
Police	66	150	216
Municipal Court	-	79	79
Total	\$25,383	\$8,625	\$34,008

⁽¹⁾ Spent on SIM/PT projects to date = \$25.4M (FY18-FY22 actual plus FY23 estimate)

⁽²⁾ The carryover offset is included in the SIM category.

Capital Improvements by Funding Source

Funding Source	FY 2024 Proposed
Unrestricted:	
Capital Reserves	\$ 3,387
Restricted:	
Debt Financing ⁽¹⁾	15,522
Wastewater Revenues/Equipment Replacement Reserve	5,086
Transportation Sales Tax	4,984
Development Impact Fees Funds	4,242
Grants and Donations	1,796
Community Facilities Districts	405
Yavapai County Flood Control	350
1% for Arts	167
Court Restricted Revenues	68
Unidentified ⁽²⁾	(2,000)
Total	\$34,008

⁽¹⁾ Assumed the \$25M bond proceeds will be fully spent by 6/30/24.

⁽²⁾ The carryover offset was labeled as unidentified since it will depend on the projects delayed and the funding sources for those projects.

Council Priorities Included

Priority Item	Budget Location	FY2024 Budget Amount ⁽¹⁾
Traffic/transportation improvements	CIP	\$20,399,420
Public transit system	CIP	\$1,781,370
	<u>Operations</u>	<u>\$2,892,110</u>
	Total	\$4,673,480
Affordable/workforce housing & homelessness	Housing Fund	\$957,350 in operations \$18,900,000 in balance sheet loans
Sustainability/climate action	CIP	\$15,891,015
	Sustainability	\$ 1,008,590
	PW	\$ 121,670
	<u>General Services</u>	<u>\$ 362,000</u>
	Total	\$17,383,275
Trailhead congestion/impact to neighborhoods	Transit PW/PD	See above Staff time only
Improve citizen communications/relations	CMO	\$536,910
Manage impact from short-term rentals	City Clerk	\$256,970

⁽¹⁾ Only includes costs for program staff time. Other city staff time not included.

Council Priorities Included

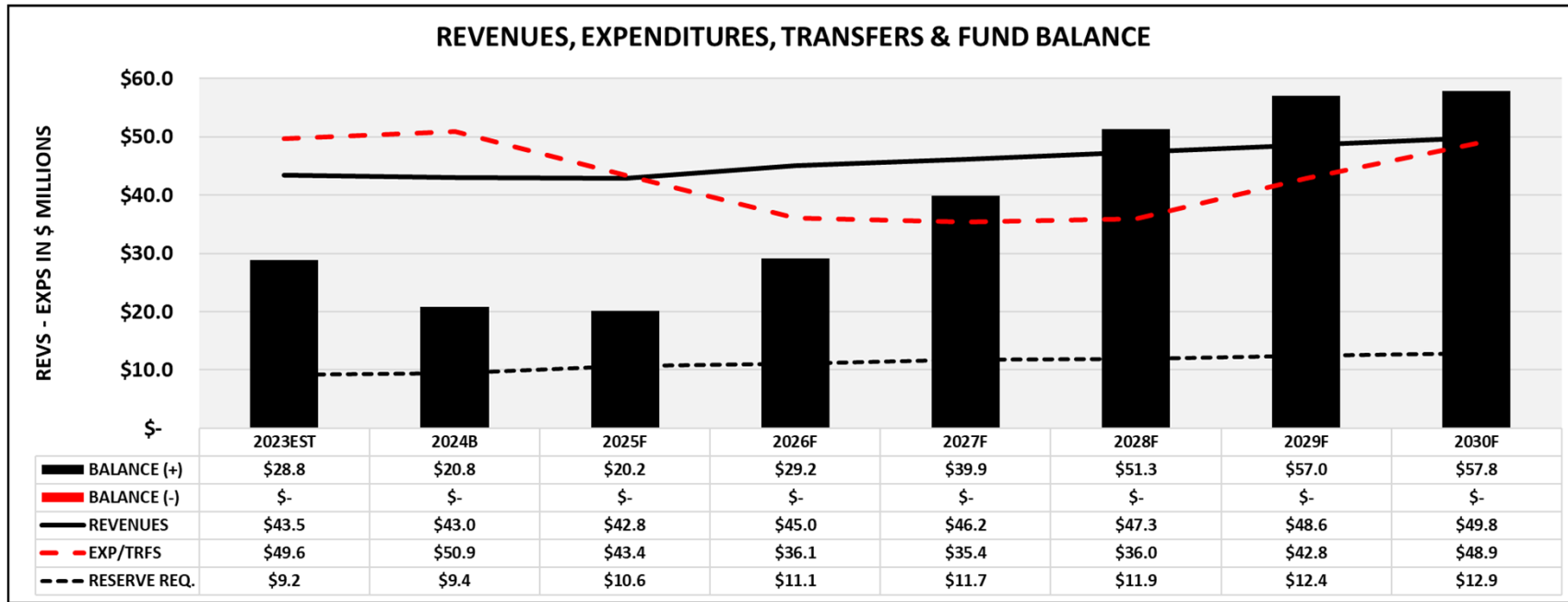
Priority Item	Budget Location	FY2024 Budget Amount ⁽¹⁾
Economic diversification	Tourism & Economic Initiatives	\$61,900 ⁽²⁾
Emergency preparedness	CMO/PD	Staff time only
Community Plan update	Community Development	\$227,770
Other property acquisitions	CIP	None in FY2024
Accelerate Brewer Road Park build-out	CIP	\$2,260,000 ⁽³⁾
Airport evaluation	General Services	\$80,000
Environmental impact study on OHVs/USFS trail access based on capacity analysis	CMO/Sustainability	Staff time only
Pickleball courts	CIP	\$1,500,000
Enterprise Resource Planning (ERP) system	CIP	\$600,000
Revisit Land Development Code	Community Development	Staff time only

⁽¹⁾ Only includes costs for program staff time. Other city staff time not included.

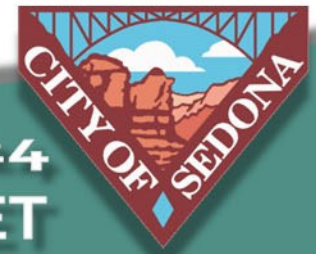
⁽²⁾ Only includes non-personnel direct costs.

⁽³⁾ Includes \$315,000 paid by Community Facilities Districts and not included in the City's budget.

Baseline Long-Range Forecast – General Fund



**FY 23-24
ANNUAL BUDGET**





Estimated Remaining General Fund Surplus Balances⁽¹⁾

	General Fund
Estimated Remaining Surpluses:	
FY 2023	\$6,905,779
FY 2024	1,831,790
Total	\$8,737,569

⁽¹⁾ After allocation of the FY2022 surplus and a portion of the FY2023 surplus for \$1.2 million for an additional one-time contribution toward the PSPRS unfunded liability and \$12.0 million for potential Housing Fund loans.

**FY 23-24
ANNUAL BUDGET**





Next Step – Final Budget Adoption August 8, 2023

**FY 23-24
ANNUAL BUDGET**





CITY COUNCIL AGENDA BILL

AB 2967
July 11, 2023
Regular Business

Agenda Item: 8b

Proposed Action & Subject: Discussion/possible action regarding the Small Grant Evaluation Citizen Work Group recommendations for Fiscal Year 2024 Small Grants Program in the amount of \$200,000.

Department City Manager's Office

Time to Present

Total Time for Item 10 minutes

30 minutes

Other Council Meetings June 14 &15, 2023 Budget Work Session

Exhibits A. Small Grant Review Committee Recommendations
(Copies of the complete grant applications are available in the City Clerk's office for review and are not included due to size.)

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required
		\$ 200,000
City Manager's Recommendation	Approve the Grant Evaluation Work Group Fiscal Year 2024 recommendations in the total amount of \$200,000.	Amount Budgeted
		\$ 200,000 (FY24 Tentative Budget)
		Account No. 10-5245-01-6720 (Description) (Small Grants Program)
		Finance ☒ Approval

SUMMARY STATEMENT

Background: The City of Sedona created a small grants program to encourage and fund programs, activities, or events developed by 501(c) organizations that provide a public service or benefit and are consistent with the City's funding priorities. Programs, activities, or events may be funded if they contribute to the well-being and prosperity of the City and its residents. The purpose of this agenda item is to approve the distribution of the FY2024 grant awards.

During the FY2024 budget work sessions, City Council recommended a budget of \$200,000 for the small grants program which is consistent with the recommended amount to use for planning purposes as discussed during the FY23 work sessions.

FY2024 Grant Timeline:

- February 9, 2023, Grant applications available
- March 9, 2023, Optional Applicant Workshop

- April 27, 2023, Grant applications due by 12:00 p.m. (noon)
- June 7-8, 2023, Citizen Evaluation Work Group met with applicants, reviewed and scored applications and formulated funding recommendations to City Council
- July 2023 City Council approves funding awards

The City received 29 grant applications totaling \$374,022 for FY2024.

As is done annually, a citizen work group came together to review and make recommendations regarding funding of the FY2024 grant applications.

The citizen participants are as follows:

- Stephanie Giesbrecht – Chair and Program Facilitator
- Ed Southwell, Resident
- Dean Gain, Resident
- Christine Siddoway, Resident
- Patty Reski, Resident

Short Term Rental Specialist Teresah Arthur and Executive Assistant to the City Manager Karen Kwitkin served as City staff support to the group.

Work Group Chair and Program Facilitator Stephanie Giesbrecht together with the other work group volunteers further vetted each grant application for completeness and program compliance. The group interviewed representatives from each of the 29 applicant organizations over two days. At the conclusion of the interviews they deliberated and formulated funding recommendations. The meetings and deliberations were audio recorded and can be found here: [Meetings - Live webcast video & audio | City of Sedona \(sedonaaz.gov\)](https://www.sedonaaz.gov/committees) under the Committees tab (June 7 & 8).

Exhibit A was prepared by Chair and Program Facilitator Stephanie Giesbrecht. This exhibit provides a synopsis of each grant application, the work group's funding recommendations, and applicable summaries of the discussion and deliberation by the Committee. The funding recommendations are as follows:

FY2024 City of Sedona Small Grant Review Committee Recommendations		
Organization	Requested	Recommended
Sedona Area Veterans' and Community Outreach	\$3,000	\$3,000
St Vincent de Paul, Sedona Conference	\$10,000	\$5,000
Red Rocks Music Festival	\$12,500	\$6,250
StreeHeat-Ministries, Inc.	\$9,095	\$4,708
Wheel FUN	\$5,000	\$2,500
Keep Sedona Beautiful	\$10,000	\$5,000
Parengello Players	\$15,000	\$13,000
Cancer Support Communities Arizona	\$10,000	\$5,000
Verde Search and Rescue Posse, Inc. (VSAR)	\$10,000	\$10,000
The Hummingbird Society	\$8,000	\$4,000
Verde Valley Sinfonietta	\$20,000	\$10,000
Piano On the Rocks International Festival	\$13,500	\$6,750
Gardens for Humanity	\$4,000	\$3,000
Sedona Arts Festival	\$10,000	\$10,000

Chamber Music Sedona	\$18,000	\$14,000
Sedona School Mountain Biking Club	\$10,000	\$3,000
Sedona Arts Center	\$30,000	\$13,000
Sedona International Film Festival and Workshop	\$30,000	\$13,000
Manzanita Outreach	\$22,000	\$20,000
Sedona Community Food Bank	\$8,157	\$8,157
Old Town Mission	\$15,000	\$0
Sailfish Sport Project	\$10,000	\$4,000
The Arts Academy of Sedona	\$10,000	\$0
Sedona Fair, Inc., dba Sedona Winefest	\$10,000	\$2,000
Sedona Visual Arts Coalition	\$7,500	\$5,000
1501 Foundation	\$20,000	\$5,000
Hope House of Sedona	\$3,270	\$1,635
Emerson Theater Collaborative	\$20,000	\$8,000
Sedona Area Homeless Alliance	\$20,000	\$15,000
Total	\$374,022	\$200,000

Climate Action Plan/Sustainability Consistent: ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation: ☐ Applicable - ☒ Not Applicable

Alternative(s): Modify existing funding recommendations for the various applicants.

MOTION

I move to: approve the Small Grant Evaluation Citizen Work Group grant recommendations for Fiscal Year 2024 in the total amount of \$200,000 as itemized in agenda bill 2967 and Exhibit A.

COMMITTEE COMMENTS IN RED

	Organization	Requested	Recommended	Description	Schools?	Additional Fund?
1	Sedona Area Veterans' and Community Outreach	\$ 3,000	\$ 3,000	Conduct Memorial Day 2024 Ceremony at Sedona's Military Park honoring those who have lost their lives in military service to our country.		Recommend Full Funding Now
	SAVCO worked to improve their methods to identify Sedona vs non-Sedona resident counts. 85% of approximately 200 attendees are historically Sedona residents. The committee also recognizes the other tremendous work SAVCO does in the City. Veterans' Assistance and Toys for Tots are just two example programs.					
2	St Vincent de Paul, Sedona Conference	\$ 10,000	\$ 5,000	Monies will be used to financially assist those on an emergency basis who temporarily cannot afford an auto repair, fuel, auto loan or insurance premium payment when transportation is essential for livelihood, child, medical, etc. reasons.		Would fund more if could
	The committee is comfortable with the organization's vetting of need and application of assistance monies. What the committee would like to see in the final report and future applications is a listing of those assisted. We do not need names, just a demographic description, how assisted, why assisted, cost and outcome. This will help the committee get a better picture of the program and its impacts.					
3	Red Rocks Music Festival	\$ 12,500	\$ 6,250	In support of high-quality music festival and interactive school music programs.		Would fund more if could
	No additional Committee comment					
4	StreeHeat-Ministries, Inc.	\$ 9,095	\$ 4,708	Provide backpacks filled with school supplies to under-served children in Sedona (West Sedona School/RR High/Charter). Request would provide 240 packs which is identified need for Sedona.		Would fully fund if could
	This organization is a first-time applicant. The committee conducted a thorough vetting, putting this organization through its paces. StreeHeat has provided this support in Las Vegas for 13+years. The 240 need number of packs was conducted by the organization via 102 door-door resident, schools' and district staff, library and community center interviews. There are no other organizations slated to provide school packs to kids this year. Old Town Missioin has committed to providing remaining needed back packs					
5	Wheel FUN	\$ 5,000	\$ 2,500	Monies will help fund West Sedona Elementary and Sedona Middle School mountain bike after school club 2023 activities		Would fully fund if could
	This program runs successfully throughout the Verde Valley Schools providing an on-campus sports activity using bicycle riding to promote youth development with no barriers to entry on a first-come, first-served basis. This program continued to operate through the school COVID shutdowns at the request of school staff who consider the program important to the participating students.					
6	Keep Sedona Beautiful	\$ 10,000	\$ 5,000	Continue working with Sedona businesses to replace grandfathered legal non-compliant outdoor business lighting per tactic A4.5, from City-approved Sedona Sustainable Tourism plan encouraging businesses to comply with lighting requirements to maintain City's Dark Sky designation via incentives and grant funding.		
	The committee recommends placing a financial need contingency on the award of funds. KSB can determine application of financial need unless it wishes to request assistance from this committee or City. The committee's concern is with anticipation of mandatory compliance with Dark Sky lighting, the consequence of KSB funding upgrades without demonstration of financial need, will be expectation for City to fund all upgrades.					
7	Parengello Players	\$ 15,000	\$ 13,000	Monies will be used to provide Arts Education classes during and after school at the 3 K-8 schools and Sedona home-schooled children. In addition, childrens' theater will be offered to all Sedona students.		Would fully fund if could
	After school programs have become necessary to support Sedona working families. For these programs to provide educational enrichment activities which have been cut from most regular school curriculums is appropriate and constructive use of public monies. Over the past 3 years, Parengello Players programming has become a valuable resource for a variety of ages groups participating together in activities focused on building self-esteem and confidence. Last year Parengello programming at West Sedona School succeeded with actively engaging students' parents in the program's culminating performance. Elyse Monet, founder and ED of this program has cultivated strong support from Superintendent and teaching staffs.					

8	Cancer Support Communities Arizona	\$ 10,000	\$ 5,000	Cancer Support Community Arizona offers free-of-charge wigs in Sedona for cancer patients. In addition, CSCA provides year-round psychosocial programming to Sedona residents impacted by cancer. Offering support groups, healthy lifestyles workshops, education, social connections, resources, referrals, and new wigs CSCA builds community around those impacted by any cancer.		
This organization is independent of NAH. NAH does however, provide funding to CSCA and refer CSCA resources to its patients. CSCA provides as many of its services in Sedona as its funding allows. Last year funding provided the launch of a local support group, distribution of resource materials, and program referrals to 130 patients, 80 of which were Sedona residents. The organization's most frequent 1:1 interaction with Sedona cancer patients is the monthly service for patients impacted by hair loss from cancer treatments to choose and be fitted for a free wig.						
9	Verde Search and Rescue Posse, Inc. (VSAR)	\$ 10,000	\$ 10,000	Yavapai County Sheriffs Department has asked VSAR (all volunteer organization) to create a K9 search and rescue team. VSAR needs \$20,000 to fund a K9 search and rescue program. As approximately 50% of VSAR's search/rescue involve Sedona specifically (residents and/or immediate environs), VSAR is asking the City for \$10,000.		Recommend Full Funding Now
Without full funding, the K9 cannot be created. There is a need for several dogs. Some, but not all dogs, can be cross-trained in more than one search criterium. There is a need for cadaver dogs, dogs that can find any human, dogs that can find a specific human, find evidence, etc.. Both dogs and handlers need to be trained, certified, equipped on an ongoing basis. In addition to YCSO needs, the committee queried Sedona Police regarding its potential need. SPD reported back that it could have used a specifically trained dog to locate "silver alert" victims in 14 instances last year. In search and rescue, time is of the essence. Currently, the closest K9 search and rescue capability is in Prescott. When asked, it takes precious hours to get the dog(s) over the mountain, IF they are even available.						
10	The Hummingbird Society	\$ 8,000	\$ 4,000	Funds will support educational and experiential elements of Hummingbird Festival Marketplace free to the public.		
The Hummingbird Festival has become a popular Sedona annual event drawing participants from the entire globe.						
11	Verde Valley Sinfonietta	\$ 20,000	\$ 10,000	Funds will support a free performance of an appealing popular and light classical music concert program for Sedona community at SPAC. This concert is designed to attract those who may currently view classical music as ponderous to a different classical music perspective.		Would fully fund if could
No additional Committee comment						
12	Piano On the Rocks International Festival	\$ 13,500	\$ 6,750	In support of high-quality music festival and interactive school music programs.		Would fully fund if could
No additional Committee comment						
13	Gardens for Humanity	\$ 4,000	\$ 3,000	Requested to provide environmental art teachers to children attending West Sedona after school Wildcat Club. Participation in these enriched activities in this after school program essential to working Sedona families whose children are often struggling in school, result in improvements in the childrens' social and emotional well being.		Would fully fund if could
No additional Committee comment						
14	Sedona Arts Festival	\$ 10,000	\$ 10,000	Needs-based core Sedona event. Full funding required to hold event.		Recommend Full Funding Now
Festival expects full complement of juried artists.						

15	Chamber Music Sedona	\$ 18,000	\$ 14,000	Funding will be dedicated to accomplishing the mission of CMS, bringing fine classical music and artistic experiences to Sedona. Monies will be used for SPAC and help provide music lessons, string orchestra sessions and concerts for Sedona children, assist in screening of music films with SIFF and other community outreach activities		Would fully fund if could
	Sedona schools have come to depend on CMS to provide music exposure and instruction.					
16	Sedona School Mountain Biking Club	\$ 10,000	\$ 3,000	Funds will support continuance of this successful youth development program centered around team biking, camping participative experience		Would fund more if could
	Continuation of elementary and middle school youth development biking programs. Participation unavoidably declines as the kids get older. However, access to this program remains important as many of the participating teens are from single-parent homes.					
17	Sedona Arts Center	\$ 30,000	\$ 13,000	Continuation of Celebrate Sedona events for Sedona residents based on previous year's success.		Sedona
	No additional Committee comment					
18	Sedona International Film Festival and Workshop	\$ 30,000	\$ 13,000	Funding to introduce special programming toward celebration of 30th Anniversary. To include special programming throughout the year.		Would fund more if could
	No additional Committee comment					
19	Manzanita Outreach	\$ 22,000	\$ 20,000	Funding to reach under-served food insecure population by providing home deliveries of food outside of other food assistance program operating hours. Also to fund new Better Nutrition for All program providing locally farmed produce and proteins not available from other food assistance opportunities.		Would fully fund if could
	The Committee continues to be impressed with this organization's superior attention to filling gaps in existing food assistance services.					
20	Sedona Community Food Bank	\$ 8,157	\$ 8,157	Funds will purchase essential food preparation and service execution items for use in organization's new dedicated facility.		Recommend Full Funding Now
	No additional Committee comment					
21	Old Town Mission	\$ 15,000	\$ -	Full funding would cover approximately 30% of actual cost of food items given to Sedona residents.		See Comments
	As this organization is a first-time applicant, the committee took a close look at the data provided to support their case. This organization demonstrates excellent administrative and record-keeping practices. The ONLY reason we cannot recommend funding is that the Mission is requesting monies to support food assistance which is available from several sources in Sedona (Sedona Food Bank, Manzanita Outreach, Sedona Community Center, St. Andrew's, Homeless Alliance). The Mission offers food assistance during the same hours. We do understand that while one single food assistance organization does not meet the entire food needs of a family, the committee still sees more than one opportunity in Sedona. We welcome and encourage the Mission to apply again for funding to support those services to under-served Sedona residents and/or workers not already offered or not offered adequately in Sedona, of which there are several. Again, the committee recognizes the incredible work of Old Town Mission and would be willing to support them as mentioned.					
22	Sailfish Sport Project	\$ 10,000	\$ 4,000	Funding will provide swim instruction to 54 Sedona water insecure children who have already been registered with the organization. The swim instruction will, at a minimum, successfully teach these children to get themselves safely to the side of a pool for example, should they fall in; or, otherwise stay above water long enough for rescue under normally supervised water activity. Each class is 10 students. Funding will also provide 1-time purchase of 10 pair of children swim goggles.		

	The instruction protocol is 8 lessons, 30 minutes each lesson. Toddlers to 6-years old. Up to 6 kids per instructor. 2 instructors at a time plus lead instructor on the deck. Lead instructor and pool instructors are all certified lifeguards. Sedona Parks and Rec has agreed to coordinate pool time with organization on this program.				
23	The Arts Academy of Sedona	\$ 10,000	\$ -	Fund a collaboration with Beverly Coleman's Wellness Services to create a Healing Arts Podcast series targeted to Sedona Harmony residential area.	
	The committee recognizes this program could potentially result in beneficial positive outcomes. At this time however, it is apparent the program needs significantly more planning and development prior to presentation for funding. The committee encourages the applicant to prepare specific information as to project timeline, individual podcast topics, evidence target population is technically prepared and capable of listening to podcasts, data collection strategy to demonstrate actual outcomes.				
24	Sedona Fair, Inc., dba Sedona Winefest	\$ 10,000	\$ 2,000	Provide financial assistance toward cost of holding 14th annual Winefest.	Would fund more if could
	The committee recognizes an event to showcase the art of wine and area wines in particular, is a popular adult community and adult community building event. The committee also appreciates Winefest's ability to have become self-sufficient and not apply for City funding in the recent past. The committee's recommendation is based on committees desire to show support and the following considerations: 1.) Attendance is 20% residents and 80% non-residents. Economic stimulation is no longer a priority for funding. 2.) Strictly targets adults only. 3.) Wider and more critical public purpose and need demonstrated by other competing organizations for same funding pool. 4.) Interview statement made that needed funding was available from other sources.				
25	Sedona Visual Arts Coalition	\$ 7,500	\$ 5,000	Organization continues to deliver superior metric analysis on its Open Studios Program. Monies will be used to expand marketing efforts for Spring 2024 Open Studio Tour to the extent funded.	Would fully fund if could
	Open studios tour has become another anticipated signature annual community offering supporting local artists.				
26	1501 Foundation	\$ 20,000	\$ 5,000	Funding will provide yoga and mindfulness classes for 99 Sedona Firefighters. Pilot program run by volunteer instructors last year resulted in high participation by SFD firefighters who validated evidence-based research studies showing yoga practice effectively lowers levels of anxiety, stress, depression and general pain in first responders. These practices effectively reduce the inordinately high incidents of suicide and PTSD among first responders.	Would fund more if could
	The committee fully recognizes and appreciates the benefits of this program for first responders. 1501 Foundation has requested the City to fund 100% of the program cost. The committees funding recommendation aims to show support for the program and desire for its continuation but, is mandated to consider the relative financial need of the benefitting organization. In this case, the benefitting organization is SFD, which has a budget far exceeding any other benefitting organization in the small grants process this year. The committee hopes SFD can supplement the program this year and possibly work the program into its budget moving forward.				
27	Hope House of Sedona	\$ 3,270	\$ 1,635	Funding request is for one-time purchase and installation of children's playground equipment for installation at Hope House residence for transitioning homeless to homed Sedona families.	
	No additional Committee comment				
28	Emerson Theater Collaborative	\$ 20,000	\$ 8,000	Monies will assist Emerson with its always educational, thought-provoking and culturally relevant productions. Emerson always offers live performance and streaming of its performances to better reach all who wish to be included regardless of capacity.	Would fund more if could
	The Committee continues to be impressed by the consistent growth in organizational strength, community collaboration, focus on mission sustainability and attendance support by Sedona residents.				

29	Sedona Area Homeless Alliance	\$ 20,000	\$ 15,000	Funding will provide for lodging to full-time Sedona homeless (known and served by organization for 3+ years) when nights are due to clock 32 degrees or less. Some of these homeless are employed but unable financially or fearful of committing to obligations of homed environments.		
	CONTINGENT ON RECEIPT/REVIEW OF FINAL REPORT					
		\$ 374,022	\$ 200,000			



CITY COUNCIL AGENDA BILL

AB 2963
July 11, 2023
Regular Business

Agenda Item: 8c

Proposed Action & Subject: Discussion/possible action regarding the site selection for new pickleball courts at Posse Grounds Park.

Department Parks & Recreation Department

Time to Present 10 Min

Total Time for Item 30 Min

Other Council Meetings

Exhibits A. Engineer Proposal

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required
		\$ 81,880 (if location "C" is chosen)
		Amount Budgeted
		\$ 100,000 (FY24 Tentative Budget – design portion)
City Manager's Recommendation	Approve location C as recommended for the construction of 8 pickleball courts.	Account No. 36-5242-89-68D4 (Description) (PR-09 Posse Grounds Pickleball Courts – Parks Dev. Impact Fee Fund ["old" DIF fee])
		Finance Approval ☒

SUMMARY STATEMENT

City staff is requesting approval to move ahead with engaging engineers to design courts at location 'C' as indicated in Figure 1 below.

Background:

The City of Sedona has a limited number of courts, either tennis or pickleball. Typically, the existing courts are used for both sports. The sport of pickleball is growing continuously, and there are no signs of the trend changing direction. This project is identified as a City Council priority project and included in the City Council-approved budgets for FY23 and FY24.

The shared-use tennis/pickleball courts (4 courts) at Posse Grounds Park are used daily by local players who have over 300 members in their group. The daily scheduled play is well

attended during spring/summer/fall seasons, averaging 30 players each session, if not more. On days where both a morning and afternoon/evening session are offered, there can be over 60 players on a single day. Dedicated courts with lights are needed; the current shared use causes conflict due to pickleball and tennis players both seeking to use the same space. In addition, the limited number of courts discourages use due to the wait time. The construction of eight (8) new pickleball courts is planned for FY24 and several possible sites have been evaluated.

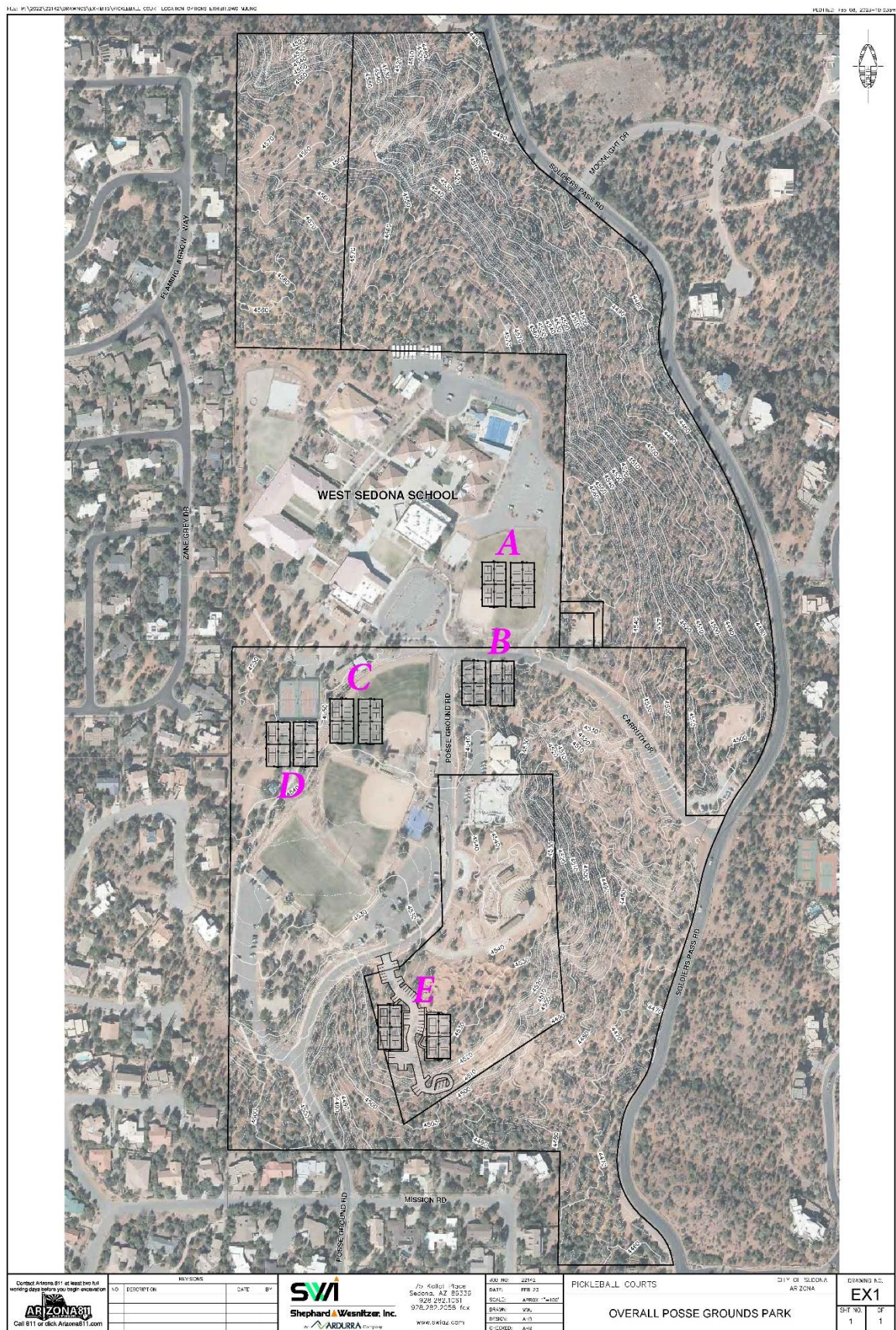


Figure 1 Map of Pickleball Location Options

Location C is preferred, for the following reasons:

- Central to available parking
- Better offset to neighborhoods, compared to some other location options
- Reduces grass/irrigation area
- Reduced maintenance (due to reduced grass/irrigation area)
- Event space is expanded in this area, and it is a central location
- There are existing lights in this area
- Close to restrooms

The traditional sports use at Posse Grounds Park has declined to where 2 softball fields are no longer necessary. However, there are many other alternative forms of recreation that are greatly sought after in Posse Grounds Park and in Sedona in general. Transforming the north softball field into pickleball courts with park green space, as well as additional parking will allow this section of Posse Grounds Park to be used up to its capabilities. With pickleball improvements occurring at Location C, uses currently occurring on the two ball fields will be consolidated to the lower remaining ball field, this includes event, rental, athletic uses, etc.

The map on the previous page identifies potential pickleball improvement locations being considered at this time. The staff has reached out to the adjacent HOAs requesting their input on the suggested optional locations. Unfortunately, the properties to the west of Posse Grounds Park no longer have an HOA. City Staff delivered requests for input from Mission Hills subdivision and Sedona West No. 2 subdivision parcels adjacent to the park via email, door hangers to in-town residents and mailings to the owners that are out of town. We did receive input from Sedona Heights, Northern Shadows, Casa Contenta, and San Patricio Estates. We have also presented the court location options to the school district. Initially, the school was interested in having the courts available to students at location 'A' and saw it as a benefit. Later, after the school expressed concern over non-school visitors on school property, we agreed this location would not help with their concerns. The school has stated they have no objection to the proposed location 'C'. The results were very scattered.

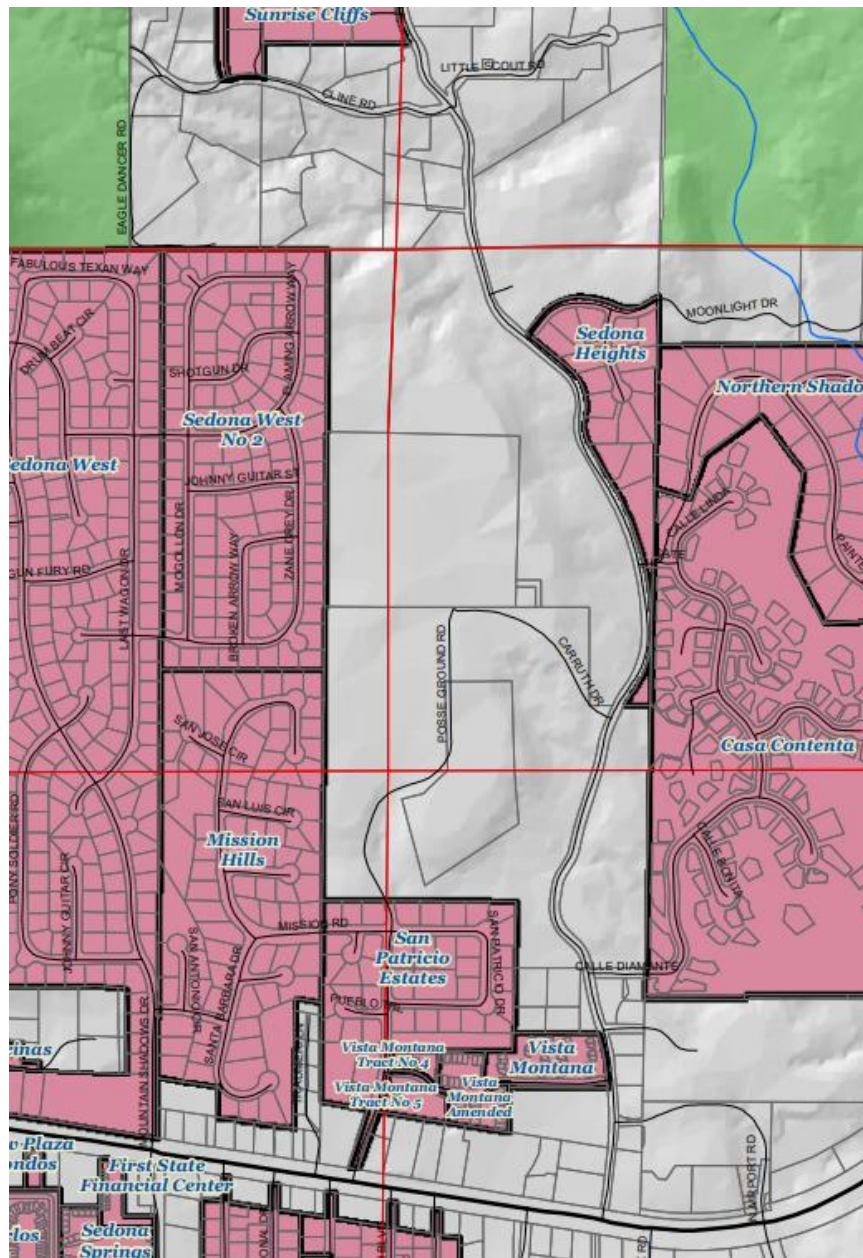


Figure 2 Subdivision Locations

An evaluation of Posse Grounds Park was completed in 2019 and 2020. Although the evaluation did not result in an adopted master plan to be followed exactly as outlined, the preferred location identified in this previous planning process, is the same as the preferred Location C.

Per the design concept programmed with the project budget, the project will include up to eight (8) pickleball courts with lighting. It will also include benches, drinking/refilling water station installation, chain-link fencing and gates, a sport court lighting system with timer, waste

receptacles, and parking. Restrooms improvements, in this area, are programed to be completed as a future project, with design planned for FY25 and construction in FY26.

The courts will be oriented north to south. Parking and ADA access will be part of the design.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

Council could elect to not approve this site and recommend one of the alternatives. Council could also reject all suggested alternatives.

MOTION

I move to: Approve location “_____” as shown in the exhibit of this agenda bill.

Exhibit A Proposal to Provide Scope of Professional Engineering Services for Sedona Pickleball Court Facility

Article A. Background:

City of Sedona (Client) has requested from Ardurra, Inc., (Consultant) the production of a proposal for the creation of a scope of services and accompanying engineering fees for Pickleball Court Facility at the Posse Grounds Park in Sedona, AZ. This scope of services would provide design and preparation of construction documents for the facility (Project). A breakdown of the services proposed are listed and described for each work item in Article B.

Article B. Scope of Services:

1.0 SCOPE OF SERVICES

Consultant shall prepare Construction Documents, including Construction Plans, Technical Specifications and Engineer's Opinion of Probable Cost for Sedona Pickleball Court Facility at the Posse Grounds Park, consisting of 8 pickle ball courts, hardscape, shade structures, and two parking areas with approximately 50 stalls as follows:

1.1 COMPILE DATA / TOPOGRAPHIC SURVEY

Consultant shall compile available existing information to identify potential design issues and concerns and to accurately survey the as-built Project area to establish a base drawing for design. The vertical datum utilized for the survey will be NAVD 88. The contour interval for the survey will be one foot. Survey will include buildings trees (4" diameter at breast height), above ground visible utility appurtenances, significant natural drainage flowlines, prominent land features (i.e. rock outcrops, etc.), adjacent street, spot elevations, and a site benchmark.

1.2 SITE PLAN

Consultant shall prepare a site plan to include the pickleball courts, hardscape, shade structure locations, bathroom sewer line connection, parking along Posse Grounds Rd and parking expansion area across Posse Grounds Rd at the HUB for City approval prior to commencing design work.

1.3 DESIGN

Consultant will prepare the construction documents for the Project as follows:

1.2.1 Construction Documents

The construction documents for Sedona Pickleball Courts will be comprised of the following sheets and documents:

- a. Construction Drawings: Construction drawings will be produced in AutoCAD format at a 1" = 20' horizontal scale and a 1" = 5' vertical scale (or as required) to be delivered per the milestone schedule on one set of each 24" x 36" sheets and will include:
 - i. Pickleball court plans to delineate the court dimensions, grading and drainage.

-
- ii. Parking lot grading and drainage along Posse Grounds Rd.
 - iii. Parking lot expansion grading and drainage for additional parking at the HUB
 - iv. Hardscape plans grading and drainage.
 - v. Horizontal layout plans.
 - vi. Shade canopy plans at a suitable architectural scale.
 - vii. Typical and special construction details for the pickleball courts, parking lot construction, road improvements, hardscape, landscape, irrigation, lighting, shade structures.
 - viii. Structural plans for pickleball court slabs.
 - ix. Lighting plan

 - x. The anticipated plan sheets are as follows (sheets may be combined into one):
 - Cover Sheet
 - General Notes
 - Survey Control Sheet
 - Demolition Plans
 - Pickleball Courts
 - Parking Lot Grading and Drainage Plans along Posse Grounds Road
 - Parking Lot Grading and Drainage Plans at the HUB
 - Parking Lot Striping Plan
 - Hardscape Plans
 - Horizontal Layout Plan
 - Shade Canopy Plans
 - Typical Sections and Details
 - Storm Water Pollution Prevention Plans
 - Structural Plans
 - Lighting Plans

 - b. Engineer's Opinion of Probable Cost (EOPC): Prepare construction bid items, units, quantities, cost estimates for bid items (cost estimate to exclude overhead, general conditions and indirect costs) for recommended park improvements.

 - c. Technical Specifications: Prepare Technical Specifications for the project. In coordination with the Construction Plan creation, Technical Specifications will be drafted for the project. The documents will be drafted with standardized language and formatted in response to the details of this project site and selected design. Technical Specifications will be provided with the 90% and Final design milestones.

 - d. Erosion Control Plan: Prepare an Erosion Control Plan to be included in the Construction Plans that will identify temporary and permanent erosion protection facilities per ADEQ requirements. The Erosion Control Plan developed under this scope of work will address initial best management practices and controls only; modifications to the plan to address on-site changes are the responsibility of the Contractor.

1.2.2 Project Management and Coordination

- a. Meetings: Consultant will attend four project design review/coordination meetings at the City offices or at the Site. Attend up to four project design review/coordination meetings via teleconference from Consultant's offices.
- b. Project Administration, Scheduling & Progress Updates: Consultant will prepare a project schedule and submit it to City for approval prior to beginning design work. Consultant will maintain and update the schedule during the design phase and will provide the updates as part of bi-weekly progress reports to the City. Includes general project administration tasks such as accounting, submittal preparations, coordination and correspondence necessary to complete the project.
- c. QA/QC shall be incorporated at all phases of design. This will include a value engineering review. The Consultant shall manage the project to ensure timely delivery of project deliverables that are complete and of professional quality meeting area standards. Consultant will review the Plans, Specifications and Estimates to ensure proper coordination has been provided between disciplines/sub-consultants as well and review for any errors and omissions prior to submitting to the City for review.

1.2.3 Reimbursable Expenses

Reimbursable expenses include travel expenses, FedEx charges, and plan reproduction costs.

2.3 SUB-CONTRACTED SERVICES

- 2.3.1 Geotechnical Investigation: Sub-contract with a Geotechnical Engineer to prepare the soils investigation for the structural design of the pickle ball courts, and parking areas.
- 2.3.2 Structural Design: Sub-contract with a Structural Engineer to prepare the plans and specifications for the structural design of the pickleball courts slab.
- 2.3.3 Electrical Design: Sub-contract with an Electrical Engineer to prepare the plans and specifications for the pickleball ball court lighting.

2.4 DELIVERABLE ITEMS

2.4.1 Deliverables

50%, 90% and Final Milestone Submittals:

- a. Digital PDF format copies of all project drawings, and cost estimate.

Upon Acceptance of Final Plans, Specifications and Cost Estimate:

- b. AutoCAD DWG format base maps used for the final drawings along with any point files required to create a complete dataset.
- c. Electronic files for any hydrologic or hydraulic modeling.
- d. Final construction plans, specifications and cost estimate are to be delivered per the City requirements, in addition to PDF copies of the entire final submittal package.

2.0 SCHEDULE

Work will commence upon receipt of an executed Agreement and authorization to proceed is expected to require 16 weeks. Consultant shall complete the design project per the approved project schedule. Consultant shall provide a schedule of milestone dates for the preliminary and final submittals. The approved schedule will be subject to review and amendment at the design kickoff meeting.

3.0 ASSUMPTIONS

1. Any additional work which may be indicated by the discovery of unanticipated conditions in the field or revisions to this scope instigated by others will be performed, only upon City's authorization, in accordance with Consultant's standard fee schedule.
2. References: The following additional references may also be used in the development of the project:
 - a. City Standards.
 - b. MAG Standard Details and Specifications.
3. Additional meetings/site observations will be billed on an hourly basis per our current standard fee schedule.

4.0 SERVICES NOT INCLUDED

Traffic studies, drainage studies, boundary survey, off-site water line main extensions, dry utility design not mentioned above, construction phase services, construction staking, 404 permitting, environmental studies, 401 certification, or any other work not specifically identified in Section 3.0, Scope of Services. All Agency and/or permitting fees are to be paid by City.

5.0 OPINIONS OF COST

Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over Contractor's methods of determining prices, or other competitive bidding or market conditions, practices, or bidding strategies. Cost estimates are based on Consultant's opinion based on experience and judgment. Consultant cannot and does not guarantee that proposals, bids, or actual project construction costs will not vary from cost estimates prepared by Consultant.

Article C. Compensation Provisions:

As compensation for providing the services described within this Agreement, Client shall pay Consultant in accordance based on a Time and Materials basis not to exceed \$81,880 for the actual time worked on the Project. The total budget ceiling for this Work is \$81,880.00. A breakdown of the budget ceiling for this Agreement is presented in Table C.1.

Table C.1—Budget Ceiling Breakdown

Work Task Breakdown	Work Task Cost Amounts
1.1 Compile Data / Topographic Survey	\$4,800
1.2 Site Plan	\$8,000
1.3 Design	\$45,250
2.3.1 Geotechnical Investigation	\$6,050
2.3.2 Structural Design	\$3,850
2.3.3 Electrical Design	\$13,930
Total Overall Budget Ceiling	\$81,880

The budget ceiling for the Project was developed from estimates of the level of effort required to perform the proposed services based on Consultant's experience and engineering judgment. As such, the budget ceilings are an approximation made without detailed information and the actual costs of the scope of services shall depend on actual labor and expenses, final Project conditions, schedule, and other variables. Consultant shall keep Client informed of progress so that the budget and/or work effort can be adjusted if found necessary. Consultant is not obligated to incur costs beyond the indicated budget ceiling, as may be adjusted, nor is Client obligated to pay Consultant beyond these limits.

Assumptions:

- a. Proposal is based on information provided by the Client.

Article D. Authorization to Proceed:

Authorization for the Consultant to proceed with work specified in this Agreement shall proceed upon receipt of approval and may be controlled through optional Work Task Directives if elected by Client representative. The Scope of Services specified in Article A consists of separate Work Tasks numbered sequentially. It is understood by and between the Consultant and the Client that this Exhibit in and of itself, does not obligate the Consultant or the Client to perform services or pay consideration of any kind; rather this Agreement establishes the basic contractual foundation and parameters of agreement between the Consultant and the Client to facilitate and govern the performance of subsequent Work Tasks by the Consultant.

Article E. Period of Service:

The schedule for the Project within this Task Order is as follows:

Authorization to Proceed
Termination of Work

Work will be scheduled upon Authorization by Client
November 2023

Article F. Authorized Representatives:

The Authorized Representatives designated below are authorized to act with respect to this Task Order. Communications between the parties shall be through the Authorized Representatives:

For Client	For Consultant
Name: Sandra Phillips, PE Assistant Director of Public Works	Name: Arthur H. Beckwith, PE Engineering Dept. Manager/Sr. Project Manager
Address: City of Sedona 102 Roadrunner Drive, Bldg 108 Sedona, AZ 86336	Address: Shephard – Wesnitzer, Inc., an Ardurra Company P O Box 3924 Sedona, AZ 86336
Telephone: (928) 203-5076	Telephone: (928) 282-1061

***** End *****

SWI an Ardurra Co**PROJECT NAME:** SEDONA PICKLEBALL COURTS**DATE PREPARED:** June 28,2023

SWI Project Number 222484

PROJECT TASKS & HOURS - EXHIBIT B**Sedona Pickleball Courts**

No.	Contract Task/Phase	SWI STAFF HOURS							Total Man Hours	Total Labor Cost	Subtotals
		Sr. Project Mgr.	E-4	EIT2	CADD Designer-Drafter	Surveyor	Clerical				
		\$ 240	\$ 200	\$ 135	\$ 130	\$ 150	\$ 85				
	PLANNING & DESIGN PHASE SERVICES										
	1.1 Compile Data / Topographic Survey										\$ 4,800
	Field time					24			24	\$ 3,600	
	Topographic Survey - Base Map Preparation					8			8	\$ 1,200	
	1.2 Site Plan										\$ 8,000
	Site layout	8			32				40	\$ 6,080	
	Coordination & meetings	8							8	\$ 1,920	
	1.3 Design										\$ 20,840
	50% Site layout	8			24	4			36	\$ 5,640	
	50% Grading & drainage plan	2	4	24	40				70	\$ 9,720	
	50% Utility plan	2			16				18	\$ 2,560	
	50% EOPC	2			4				6	\$ 1,000	
	Coordinatino & Meetings	8							8	\$ 1,920	
											\$ 14,460
	90% Site layout	4			8				12	\$ 2,000	
	90% Grading & drainage plan		4	8	32				44	\$ 6,040	
	90% Utility plan				4				4	\$ 520	
	90% EOPC				4				4	\$ 520	
	90% Specifications	4		16			4		24	\$ 3,460	
	Coordination & Meetings	8							8	\$ 1,920	
											\$ 9,950
	Final Site layout	2			8				10	\$ 1,520	
	Final Grading and drainage plan		2	4	16				22	\$ 3,020	
	FinalUtility plan	1			4				5	\$ 760	
	Final EOPC	1			2				3	\$ 500	
	Final Specifications	2		4			2		8	\$ 1,190	
	Final Erosion Control Plna				8				8	\$ 1,040	
	Coordination & meetings	8							8	\$ 1,920	

SWI an Ardurra Co

PROJECT NAME: SEDONA PICKLEBALL COURTS

DATE PREPARED: June 28,2023

SWI Project Number 222484

PROJECT TASKS & HOURS - EXHIBIT B
Sedona Pickleball Courts

No.	Contract Task/Phase	Sr. Proj	E-4	EIT2	CADD Drafter	Survey	Clerical	Total Man Hours	Total Labor Cost	Subtotals
		\$ 240	\$ 200	\$ 135	\$ 130	\$ 150	\$ 85			
	2.3.1 Geotechnical Investigation							0	\$ 6,050	\$ 6,050
	2.3.2 Structural Design							0	\$ 3,850	\$ 3,850
	2.3.3 Electrical Design							0	\$ 13,930	\$ 13,930
	TOTAL SWI LABOR HOURS & FEE - DESIGN	68	10	56	202	36	6	354	\$ 81,880	\$ 81,880



2023 Standard Rates

Engineering			
2099	Principal	\$	270.00
2050	Practice Director	\$	250.00
2045	Engineering Dept. Manager/Project Manager - Sr.	\$	240.00
2040	Project Manager - Sr./Project Engineer - Sr.	\$	200.00
2030	Project Manager/Project Engineer - Sr.	\$	180.00
2020	Project Engineer - Sr.	\$	165.00
2010	Project Engineer	\$	150.00
1030/1040/1050	EIT	\$	135.00
1010	Engineer Student Intern	\$	60.00
Surveying			
5099	Survey Manager (RLS)	\$	200.00
5090	Survey Project Manager/Registered Land Surveyor - Sr.	\$	175.00
5040	Registered Land Surveyor	\$	150.00
5080	Survey Project Manager (Non RLS)	\$	140.00
5039	Project Surveyor (LSIT)	\$	135.00
5070	Party Chief - PLS	\$	150.00
5050	Chief of Survey Crews	\$	120.00
5020	Survey Tech/Operator 2	\$	100.00
5010	Survey Tech/Operator 1	\$	80.00
5033	R/W Project Coordinator	\$	120.00
9993	3-Person Survey Crew	\$	220.00
9992	2-Person Survey Crew	\$	180.00
9991	1-Person Survey Crew	\$	135.00
9994	Staking Survey Crew	\$	150.00
9995	Specialty Survey Crew	\$	200.00
CADD			
3045/3060	Design Manager	\$	150.00
3050	Design Leader/Supervisor	\$	130.00
3010/3020/3030/3040	Designer	\$	110.00
Construction Management			
2099	Principal	\$	270.00
4050	Construction Manager	\$	200.00
4040	Resident Engineer	\$	180.00
4030	Inspection Supervisor	\$	170.00
4038	Sr. Inspector/Construction Observer	\$	160.00
4020	Inspection/Construction Observer	\$	140.00
1030/1040/1050	EIT	\$	135.00
6020	Construction Admin/Coordinator	\$	95.00
Administration			
6030	Administration - Management	\$	150.00
6020	Project Coordinator	\$	95.00
6010	Administrative Assistant	\$	85.00
7120	Public Information Officer Project Manager	\$	180.00
Other Direct Expenses*			
	Mileage (Project) per mile		\$0.625
	Lodging (at cost per day)		\$99.00
	Meals (at cost per day)		\$59.00
	Reproduction Charges (per sheet)		
	Copying 8.5" x 11"	\$	0.10
	Copying 11" x 17"	\$	0.15
	Large Format (24" x 36" or 22"x34") Bond		\$1.50
	Large Format (24" x 36" or 22"x34") Vellum		\$12.50
	Large Format (24" x 36" or 22"x34") Mylar		\$12.50
	Ranger ATV (per vehicle per day)		\$100.00

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

*Include expenses which are incurred specifically for a particular task & would not be included in normal Overhead.

P:\ARDURRA FORMS\Fee Derivation\Ardurra 2023 Fee Derivation Template POC.xlsm



CITY COUNCIL AGENDA BILL

AB 2975
July 11, 2023
Regular Business

Agenda Item: 8d

Proposed Action & Subject: Discussion/possible action regarding an Ordinance amending the Sedona City Code Chapter 2.25 (Ordinances, Resolutions, and Contracts) by amending Section 2.25.040 (Reading of proposed ordinance).

Department City Council / City Attorney

Time to Present 5 minutes

Total Time for Item 60 minutes

Other Council Meetings June 13, 2023

Exhibits A. Draft Ordinance

City Attorney Approval	Reviewed 7/03/23 KWC	Expenditure Required
		\$ 0
City Manager's Recommendation	Adopt an ordinance amending Sedona City Code Chapter 2.25 (Ordinances, Resolutions, and Contracts) by amending Section 2.25.040 (Reading of proposed ordinance).	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance ☒ Approval

SUMMARY STATEMENT

Background:

At the April 25, 2023 City Council meeting, Councilor Pete Furman, seconded by Councilor Kathy Kinsella, brought up this item for discussion on a future agenda.

The City Code currently states, "All ordinances shall have at least one reading." This allows new ordinances to be introduced and adopted at the same meeting. However, common practice has been to have at least two public discussions of a new ordinance. Councilors Furman and Kinsella are recommending that Council amend section 2.25.040 of the City Code to reflect the common practice. The changes would apply only to new ordinances, not to amending existing ordinances, including city code.

At the June 6, 2023 meeting a majority of City Council referred the item to the City Attorney to return a draft amendment.

Proposed Amendment:

The proposed Amendment would retitle SCC 2.25.040 to “Two meetings required for new ordinances.” It would require Council to consider proposed new ordinances at a minimum of two public meetings prior to adoption except in the case of emergencies and ordinances previously reviewed at a public hearing by the Planning and Zoning Commission. Emergency ordinances are controlled by state law. A.R.S. 19-152(B) states, “An emergency measure shall not become immediately operative unless it states in a separate section the reason why it is necessary that it should become immediately operative, and unless it is approved by the affirmative vote of three-fourths of all the members elected to the city or town council, taken by ayes and noes, and also approved by the mayor.”

The proposed ordinance would eliminate the requirement to do a public reading, which traditionally consisted of the City Attorney reading the title of the proposed ordinance. The entire text and title of an ordinance will always be included in the council packet prior to the meeting.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

MOTION

I move to: adopt Ordinance No. 2023-__ an ordinance of the Mayor and Council of the City of Sedona, Arizona adopting amendments to the Sedona City Code Chapter 2.25 (Ordinances, Resolutions, and Contracts) by amending Section 2.25.040 from “Reading of proposed ordinance” to “Two meetings required for new ordinances.”

ORDINANCE NO. 2023-____

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, ADOPTING AN AMENDMENT TO THE CITY CODE CHAPTER 2.25 (ORDINANCES, RESOLUTIONS, AND CONTRACTS) BY AMENDING SECTION 2.25.040 (READING OF PROPOSED ORDINANCES); PROVIDING FOR PENALTIES, A SAVINGS CLAUSE, AND FOR REPEAL OF CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS the City deems it necessary to adopt certain regulations regarding adoption of new ordinances for the welfare of the City residents.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, as follows:

Section 1. Amendment of Sedona City Code Chapter 2.25 (Ordinances, Resolutions, and Contracts)

Chapter 2.25 (Ordinances, Resolutions, and Contracts) of the City Code of the City of Sedona is hereby amended by amending Section 2.25.040 (Reading of Proposed Ordinances) as follows:

Chapter 2.25

ORDINANCES, RESOLUTIONS, AND CONTRACTS

Sections:

- 2.25.010 Prior approval.
- 2.25.020 Introduction.
- 2.25.030 Same day passage prohibited.
- 2.25.040 ~~Reading of proposed ordinance~~ Two meetings required for new ordinances.
- 2.25.050 Requirements for an ordinance.
- 2.25.060 Effective date of ordinances.
- 2.25.070 Signatures required.
- 2.25.080 Publishing required.
- 2.25.090 Posting required.
- 2.25.100 Continuing code revision.
- 2.25.110 Limitations on revisions. 6.15.010 - Definitions.

...

2.25.040 ~~Reading of proposed ordinance~~ Two meetings required for new ordinances.

~~All ordinances shall have at least one reading. This reading may be by title only if the council, in possession of printed copies of the ordinance, unanimously allows reading the title only. Except in the case of an emergency or ordinances previously considered in a public meeting by the planning and zoning commission, council shall consider new ordinances at a minimum of two public meetings prior to adoption.~~

Section 2. Savings Clause

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Ordinance.

Section 3. Repeal

All other code provisions, ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict as of the effective date hereof.

Section 4. Effective Date

The effective date of this Ordinance shall be 30 days following adoption by the City Council.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 11th day of July, 2023.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney



CITY COUNCIL AGENDA BILL

AB 2976
July 11, 2023
Regular Business

Agenda Item: 8e

Proposed Action & Subject: Discussion/possible action regarding an Ordinance amending the Sedona City Code Title 12 (Streets, Sidewalks, and Public Places) by amending Chapter 12.05 (Rights-of-Way).

Department City Council / City Attorney

Time to Present 5 minutes

Total Time for Item 60 minutes

Other Council Meetings N/A

Exhibits A. Draft Ordinance

City Attorney Approval	Reviewed 7/3/23 KWC	Expenditure Required
		\$ 0
City Manager's Recommendation	Adopt an Ordinance amending the Sedona City Code Title 12 Streets, Sidewalks, and Public Places) by amending Chapter 12.05 (Rights-of-Way).	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance ☒ Approval

SUMMARY STATEMENT**Background:**

Sedona City Code Chapter 12.05 requires a permit for the permanent placement of any item in the public right-of-way and also requires a permit for any construction activity in the public right-of-way. The Chapter does not currently prohibit the placement of non-permanent personal items in the public right-of-way.

There have been recent incidents of persons encroaching on public right-of-way, including blocking public access, in non-construction and/or non-permanent ways. The City does not currently have a good enforcement mechanism to prevent or remove these encroachments. For example, some construction projects occurring solely on private property, and thus no right-of-way permit is required, have located portable restrooms on the adjacent public street, blocking parking. The proposed ordinance makes it unlawful to temporarily or permanently place, construct, maintain or install an encroachment in the public right-of-way. It defines encroachment as construction activity or placement of any trash, debris, or personal property in the public right-of-way. When necessary, the City may still accommodate a temporary or permanent encroachment on public right-of-way with a right-of-way permit.

Climate Action Plan/Sustainability Consistent: ☐Yes - ☐No - ☒Not Applicable

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

MOTION

I move to: adopt Ordinance No. 2023-__ an ordinance of the Mayor and Council of the City of Sedona, Arizona adopting amendments to the Sedona City Code Title 12 Streets, Sidewalks, and Public Places) by amending Chapter 12.05 (Rights-of-Way).

ORDINANCE NO. 2023-____

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, ADOPTING AN AMENDMENT TO THE CITY CODE TITLE 12 (STREETS, SIDEWALKS, AND PUBLIC PLACES) BY AMENDING CHAPTER 12.05 (RIGHTS-OF-WAY); PROVIDING FOR PENALTIES, A SAVINGS CLAUSE, AND FOR REPEAL OF CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS pursuant to A.R.S. 9-240, the City is authorized to protect any street, avenue, alley, park, public place, sidewalk, easement, and rights-of-way from encroachment; and

WHEREAS the City deems it necessary to adopt certain regulations regarding the use of public right-of-way for the health, safety, and welfare of City residents.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, as follows:

Section 1. Amendment of Sedona City Code Title 12 (Streets, Sidewalks, and Public Places)

Title 12 (Streets, Sidewalks, and Public Places) of the City Code of the City of Sedona is hereby amended by amending Chapter 12.05 (Rights-of-Way) as follows:

**Chapter 12.05
RIGHTS-OF-WAY**

Sections:

- 12.05.010 Purpose.**
- 12.05.020 Scope.**
- 12.05.030 Adoption of permit application form.**
- 12.05.040 Definitions.**
- 12.05.050 Enforcement.**
- 12.05.060 Appeals.**
- 12.05.070 Permit requirements – Classes of permits.**
- 12.05.080 Life of the permit.**
- 12.05.090 Denial of permit.**
- 12.05.100 Fees.**
- 12.05.110 Amendment additions to sections of MAG Uniform Standard Specifications for Public Works Construction, and MAG Standard Details for Public Works Construction.**
- 12.05.120 Additional stipulations.**
- 12.05.130 Procedures for acceptance of existing private streets as public roads.**
- 12.05.140 Art in public right-of-way.**
- 12.05.150 Small wireless facility.**

...

12.05.020 Scope.

This chapter sets forth rules to regulate and control all construction, **encroachment** and maintenance performed within a right-of-way which has been dedicated and declared by the city to be public. Public rights-of-way shall include, but not be limited to, streets, drainage ways, roads, alleys, ways, highways, sidewalks, bridges and public places. It establishes the administrative procedures for issuance of permits and provides for approval of plans and specifications and inspection of such construction. **It sets forth rules for enforcement and penalties for violations.** Such rules shall pertain to, but shall not be limited to, persons, organizations, public service utilities and franchise grantees. Such rules shall apply to **encroachment**, construction and maintenance upon, over, along, across and under present and future public rights-of-way. Such rules do not preclude the right of the city to require license, leases, or other such agreements containing whatever conditions the city deems appropriate in the case of the **encroachment**, construction, maintenance or any other activity within the right-of-way which are not deemed typical encroachments, such as, but not limited to, tables, sitting areas, statues, parades, performances, and art displays. [Code 2006 § 7-15-2. Ord. 2008-05, 6-10-2008].

...

12.05.040 Definitions.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

"City-developed consent permit" means the permit to construct or maintain on or in city rights-of-way issued subject to permit term and terms of an agreement license or lease with the city.

"City engineer" means city engineer or his designee.

"Contracting agency" means the applicant.

"Contractor" means the applicant or contractor hired by the applicant.

"Encroachment" means construction activity or placement of any trash, debris, or personal property in the public right-of-way.

...

12.05.050 Enforcement.

Except as to Section 12.05.160, the official charged with the enforcement of this chapter shall be the city engineer, pursuant to SCC [2.55.010](#). [Code 2006 § 7-15-5. Ord. 2008-05, 6-10-2008].

12.05.060 Appeals.

Except as to Section 12.05.160, Appeals from the decision of the city engineer in the interpretation of this chapter may be taken by filing an appeal with the city clerk within 10 days of the decision. A copy of the appeal shall be provided to the city engineer. The city council shall agendaize the appeal for the next regular or special meeting, hear arguments and decide the matter. The decision shall be final. [Code 2006 § 7-15-6. Ord. 2008-05, 6-10-2008].

...

12.05.160 Encroachment on public right-of-way prohibited.

A. Unless authorized as permitted by this chapter, it shall be unlawful for any person to temporarily or permanently place, construct, maintain or install an encroachment in the public right-of-way.

B. Enforcement. Any person authorized to enforce the Code pursuant to SCC 1.15.010(D)(1) shall have the authority to enforce the regulations contained in this Section 12.05.160. Nothing in this chapter shall prevent obtaining voluntary compliance by way of warning, notice or education.

C. Any person found guilty of violating this Section shall be subject to penalties set forth in SCC Section 1.15.010.

Section 2. Savings Clause

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Ordinance.

Section 3. Repeal

All other code provisions, ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict as of the effective date hereof. Except as expressly amended herein, the provisions of the Chapter 12.05 shall be, and remain in full force and effect.

Section 4. Effective Date

The effective date of this Ordinance shall be 30 days following adoption by the City Council.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 11th day of July, 2023.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney