

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
AGENDA ITEM

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APRIL 25, 2019
COUNCIL ACTION

I. PROCEEDURES

A. Call to Order

2:33 PM

B. Roll Call

2:34 PM **Roll Call.**

Present: Council member Bernie Hiemenz, Council member Dawn Trapp, Council member James Wurgler, Mayor John Moore, Vice-Mayor Don Dent.

Absent: Council member Frank McNelly, Council member Lee Payne. Present from City Staff Acting City Manager and Finance Director Keith Buonocore, and City Clerk/HR Director Pamela Galvan. Also, present from Coconino County, Supervisor District 3, Matt Ryan, Deputy County Manager and Public Works Director, also serves as the Administrator for the Flood Control District, Lucinda Andreani, and Forest Restoration Director Coconino County Public Works Jay Smith.

C. Adopt Agenda

II. Council will hear from the Coconino County Flood Control District on their update and pre-budget Financial Discussion.

Mayor Moore began the session explaining that he had attended a meeting with Mayors of Coconino and the result of that meeting was dissatisfaction with the way the County was administering the flood control monies. They chose to send in a letter of dissatisfaction. The letter in his opinion has served its purpose, because we are here with the county talking about the city's funds.

He feels they should have better communicated with cities what, how and why they were allocating funds the way they were.

Since his meeting, he met earlier this week, with along with Keith Buonocore, City Engineer, Mark Woodson and Pamela Galvan, with Matt Ryan, Lucinda Andreani, and County Engineer, Christopher Tressler. Mayor felt it would be a good idea to have them come today and present what they are doing to Council today.

Matt Ryan spoke of a legal analysis done in the flood control district and the findings were that collection of taxes was not done correctly. Once that came to the attention of the governing body corrective action needed to go into place making sure you are functioning appropriately. It was found that Flagstaff, Fredonia and Page should have been included in taxation of the flood control district over the past four years. They

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went and met with the entities and explained what has to be done. In the process, they discussed how they would keep the allocation this year but need to change how distributions are made in the future bringing on the new communities. They have to reevaluate how they distribute funds, how they prioritize projects. They are trying to stay consistent with their priorities, but also build in change to include the additional communities. They have to consider taxpayers and fairness in equity taxation. An outreach was performed to each jurisdictions staff, but had not made it out to elect bodies.

They had a meeting about two weeks ago when they were presented with the letter to the Coconino County Flood Control District. It was a bit frustrating from the board's perspective, because they had been working on this for the past year and one-half and trying to communicate with everyone on it. In looking back, there were gaps in the communication. They need to move forward and budgets are coming up. There are two pieces to their priorities, Forest Restoration and the decision of direct allocation or not.

Lucinda provided a little bit of history and background on the Flood Control District, as well as, the relationship that the district has had with Williams over the years, the transition that occurred, along with affirmation of the boundaries, and finally, where we go from here and the budget process considerations.

In the early 80's the state passed a statute to allow counties to form flood control districts. This was in relationship to the Federal Emergency Management Agency (FEMA) who manages the national flood insurance program. The state allowed greater authority to the counties to manage the flood plains. Coconino County formed their district in 1984. At that time, the county attorney evaluated the statute and made the determination those jurisdictions, at that time, had taken the regulatory responsibility for managing the flood plain in their jurisdiction that they could opt-out of the flood control district. In addition to that, they were taken out of the district for the purpose of taxation. It was later discovered, that they could not find any IGA's; they have been turning over revenue to Williams without knowing how those funds were being spent. They found a major legal issue with the formation with the exclusion of Flagstaff, Fredonia and Page from the taxation. That is what caused the reaffirmation of boundaries. Now for the purpose of taxation those jurisdictions have now been included, which now changes the valuation. Williams did not manage its flood plain at that time, and or decided to join the district; the history is not perfectly clear on this, but her understanding is that sometime later, Williams decided to take over jurisdiction for the management of the flood plain, and still remain in the flood control district. Historically, because you managed your flood plain the county would return the revenue it collected every year, which has been the process through this year.

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She then continued explaining the tax rate going from .40 to .18 collected and how it relates to the budget and what the city would receive through the potential direct allocation program.

They are now preparing for the 2020 budget there were discussions of priorities: Forest Restoration, North Schultz Flood Event Repairs, completion the Mountain Dell Drainage Project, County National Flood Insurance Program (unincorporated area) and continuing Flood Monitoring and Maintenance. She referenced the Forest Restoration, Jan. 2019 Board Work Session, the identified priorities for FY2020, and the Mountain Dell Drainage Project. During discussion last September, the idea of a competitive grant program was discussed and or direct allocation process.

There is no statutory requirement that a single dollar go to a jurisdiction, in fact, it is in conflict with the state statue to distribute funds to jurisdictions, but the counties have done it, it has never been challenged. There is no requirement in the statue to distribute any money to the jurisdictions, which is not the purpose of the flood control district. The Flood control district is to manage flood plains. The purpose has never been to fund jurisdictions. The board's feedback was that the allocation process would be best equity for all. She went over the Handouts #1 Current Percent Contributions to Tax Revenues, #2 Current Percent Contributions Tax Revenues-Assume \$500,000 Program, #3 Possible Direct Allocation Approach, and #4 FY2020 Range of Potential Investment Levels with Resulting Tax Rates.

There was discussion of the tax rate.

- It was asked and confirmed, that not all monies collected from the City of Williams would be returning; that is correct.
- Flagstaff, Fredonia and Page never received an allocation or taxes collected from them, no.
- Mayor Moore feels that the amount to be allocated to the city would not truly assist the City with its projects he just assume that the monies go into the Restoration Project.

Flagstaff watershed was mentioned, and how Flagstaff likes the competition grant program idea. There would be no real competition against them because of the population, properties and values in Flagstaff; they would win every time.

Jay Smith presented the Bill Williams Mountain Forest Restoration Proposal to Council.

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Coconino County proposes to enter into a collaborative partnership, potentially under Good Neighbor Authority, with the U.S. Forest Service to implement a pilot project resulting in the restoration of 15,000 acres on Bill Williams Mountain in the

Kaibab National Forest. The goal of this partnership is to complete this restoration project in five to seven years. The structure of the proposed agreement provides for the long-term (20 year) maintenance of the restoration measures. The County recognizes that the Forest Service currently does not have the authority to enter into a GNA agreement with counties. However, this is a component of the Farm Bill, which is expected to be approved. Furthermore, the Forest Service does have the authority to enter into a GNA with state agencies and thus Coconino County is discussing this as an option with the Arizona Department of Forestry and Fire Management. The County is also exploring a Challenge Cost Share Agreement with the Nation Forest Foundation as a mechanism for partnership and funding of restoration work on Bill Williams Mountain.

This has been presented to the Kaibab National Forest as a way to start prioritizing Bill Williams Mountain. They started talking to the National Forest Foundation and found out that they and the Kaibab Forest Service have a challenge cost share agreement and can funnel money to the Restoration Project to be used on their forest. It turns out, anyone can put into the cost share because of it's non-profit status. He spoke of the current FY19 funding, which included \$1 Million from Kaibab Nation Forest (that was left over) and \$300,000 for the National Forest Foundation. There is potential funding for FY20 from Coconino County and the AZ Department of Forestry and Fire Management.

He spoke of the Steep slopes on Bill Williams Mountain: Approx. 2,000 acres of Steep Slope Mechanical Work @ \$4,000/Ac = \$8 Million and Approximately 1,000 acres of Helicopter work @ \$8,500/Ac = \$8.8 Million. They will continue to seek out additional funding.

- He reference the five options of rates that would assist in the managing of Bill Williams Mountain in the next 5-7 years.
- Now doing logging by prescription and it is going out to competitive bid for contracts.
- Mayor Moore pointed out the word "if". If the \$650,000 is put toward the Restoration Project, then maybe this might be done.

Mayor Moore hopes the board would not change their mind in mid-stream because of a letter. Feels they have been doing a fine job with Bill Williams Mountain in planning. Thinks we are finally at a point and ready to move forward, feels the flood control is a lot bigger than City of Williams and Coconino County, feels FEMA will get involved at some point in a big way before long. We currently have two US

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Senators pushing hard on Forest Restoration. Would like to see the proposed funds (\$30,000) to go to the Restoration Project. Vice-Mayor Dent feels if this were to go to the taxpayers, they would agree in the allocation of the money go to Forest Restoration.

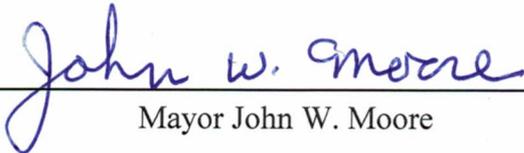
Council member Wurgler concurs with the Mayor in applying the money on the Restoration Project.

Jay Smith spoke of the Arizona representatives who have pushed and backed the progress in Restoration.

Prescribed burns was mentioned.

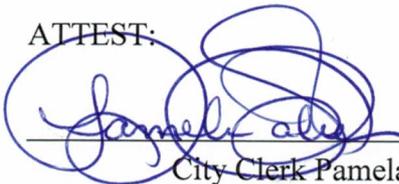
Lucinda noted that last year Congress allocated \$475- \$600 Million into the Collaborative Forest Landscape Restoration Project (CFLRP) to serve projects like this. We need to work together to go to Kaibab and request them to make a specific request for that funding. She also noted that Congress is now considering dropping CFLRP, but will be funding 2019/2020.

III. ADJOURN
3:45PM



Mayor John W. Moore

ATTEST:



City Clerk Pamela Galvan

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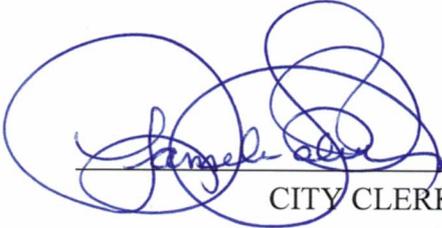
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CERTIFICATION

State of Arizona,)
) ss.
Coconino County,)

I, PAMELA GALVAN, do hereby certify that I am the City Clerk of the City of Williams, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Williams held on April 25, 2019. I further certify that the Meeting was duly called and held and that a quorum was present.

Dated this 26th day of April 2019.



CITY CLERK