



Sierra Vista City Council
Work Session Minutes
April 7, 2020

1. Mayor Mueller called the April 7, 2020 City Council Work Session to order at 3:05 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, AZ

Roll Call (Due to health concerns related to COVID-19, the meeting was held remotely)

Mayor Rick Mueller – present
Mayor Pro Tem Rachel Gray – present
Council Member William Benning – present
Council Member Gwen Calhoun – present
Council Member Sarah Pacheco – present
Council Member Carolyn Umphrey - present
Council Member Kristine Wolfe – present

Others Present:

Chuck Potucek, City Manager
Adam Thrasher, Police Chief
Brian Jones, Fire Chief
Laura Wilson, Leisure and Library Services Director
Sharon Flissar, Public Works Director
Matt McLachlan, Community Development Director
Jennifer Osburn, Interim Budget Officer
Tony Boone, Economic Development Manager
Jill Adams, City Clerk

2. Discussion on Procedures of Remote Meetings

Ms. Adams briefed Council and staff on the procedures for remote meetings and noted that background noise will come over the speakers and asked that everyone be cognizant of that.

3. Presentation and Discussion:

A. April 9, 2020 Council Meeting Agenda Items ([agenda attached](#))

Mayor Mueller stated that the Council Meeting for April 9, 2020 starts at 5:00 p.m. with Roll Call, invocation, and the Pledge of Allegiance.

Item 1 Acceptance of the agenda – no additional items were requested.

City Manager's report – nothing to report until the Council Meeting on Thursday, April 9, 2020.

Item 2, A public hearing for the consideration of the Draft Program Year 2020 Community Development Block Grant (CDBG) Program Annual Action Plan – Mr. McLachlan stated that staff recommends continuing this item until the next regular City Council meeting because staff is awaiting word from Housing and Urban Development (HUD) on if, when and how the CARES Act funding that was just approved by congress for the coronavirus assistance needs to be factored into the City's Annual Action Plan for the upcoming year. HUD is still wiring the rules for the \$5 billion that was in the stimulus bill for CDBG. The City's allocation is under \$160,000. As stated in the award letter that was received by the Department in the morning, HUD has suspended the normal 15 percent cap on public services and will allow the City to reimburse costs for eligible activities incurred during the local pandemic response. HUD will be sending out bulletins that further describes the CARES Act's provisions, flexibility, and implementation guidance. The regular deadline for submitted the annual action plan is 45 days prior to the start of the program year or May 15, 2020. Preliminary indications are that the deadline will be extended.

Mr. McLachlan noted that he applied for and received a waiver from HUD to reduce the regular the regular 30-day public comment period down to 15 days so that the City can stay on track. In the award letter, HUD encourages the City to consider approaches that prioritize unique needs of low- and moderate-income persons and the development of partnerships between all levels of government in private and for profit and nonprofit sectors as the plan is developed. Prior to assigning the funds, it is advised that the City consult with state and local health authorities which is being done.

The draft annual action plan is based on the initial guidance received at the March 12, 2020 City Council Meeting. The Plan recommends the original allocation amount of \$271,810 to go to making required improvements to Eddie Cyr Park on the former Public Works Yard property at 1224 N Avenue. This recommendation was formulated prior to the world health authorization declaring the Coronavirus a pandemic.

Mr. McLachlan stated that it is unknown at this time as to how long the emergency will last. While staff does not have all the details from HUD, the congressional intent of the CARES Act funding is to bolster local resources in currently addressing the pandemic and not later. He added that staff started brainstorming as soon as the CARES Act funding was announced. One idea that is being explored is to initiate a door-to-door delivery program for seniors like Meals on Wheels. The City's version of the program would engage up to 10 locally owned restaurants to participated and prepare the meals, providing a local economic development benefit. CDBG could provide a reasonable amount per meals, more between \$12 and \$15. They would be put on a rotation and offer two to three choices for variety and to accommodate preferences. This would be on a first come, first serve basis with the initial limit of 150 people. Portions would be large enough to last two meals. Service would be provided during the weekdays and the logistics would be worked out on taking orders and delivering them. This could involve nine critical City-staff for underutilized for taking leave because of the shutdowns. Transit busses could also be potentially used for the transfer of the food on the geographic distribution of the participants. If the City receives clearance from HUD, the department would like to try a launch the service in early May and operate for three months.

Mayor Mueller voiced his appreciation on the initiative and noted that this issue needs to be discussed. He added that the item to be discussed was whether there is consensus to table the

item until April 23, 2020 to provide the department with more time to develop the ideas and more time to work with other agencies that did not apply this time for CDBG. This will assure that they can be considered in the decision.

Council Member Benning stated that he does not have an issue in tabling the item and asked about the increase in funds. Mr. McLachlan stated that it is under \$160,000 and staff is learning the attached strings in the coming weeks. The funds are earmarked for responding to the Coronavirus pandemic.

Mayor Pro Tem Gray and Council Member Wolfe also agreed in tabling the item because it is the right thing to do.

Council Member Pacheco stated that she does not have a problem in tabling the item to give more time to think it through. She further stated that the emergency folks at the County were doing a needs assessment and it might be a good idea to talk to them about what they have discovered as far as needs due to the COVID crisis. This would be a worthwhile conversation in looking at where to direct funds, especially for COVID relief.

Mayor Mueller stated that he is not in disagreement and staff should talk to the homeless shelters and other food providers as well because they may have good ideas. He added that this is the reason that he did not want to go too far into Mr. McLachlan's idea. The discussion today was to determine if Council should wait and he is getting the consensus that discussion of the item should be wait. Mr. McLachlan stated that staff is recommending waiting.

Mayor Mueller directed staff to remove item 2 from the agenda and put it back on at the next regular Council Meeting.

Item 3 Approval of the City Council Regular Meeting Minutes of March 12, 2020 – There was no discussion.

Item 4 Ordinance 2020-003, Approval and Adoption of Development Code Amendments to Section 151.08.002, Public Improvement Standards-General Regulations, Article 151.19, Subdivision Platting Procedures and Requirements – Mr. McLachlan stated that this is the final reading on the proposed amendments to the Subdivision Regulations. The recommendations went through an extensive review process with the Planning and Zoning Commission that resulted in a unanimous vote of approval. No comments were received during the 30-day public review period that followed the public hearing held by Council on February 13, 2020.

The Department is seeking to provide for a more streamlined process for minor subdivisions of 10 lots or fewer for their existing streets forming a boundary that is outside of a floodplain or erosion setback area and utility services are readily available. In these cases, the applicant can go straight to the final plat phase, saving time. This process is geared to infill sites, where infrastructure is already in place and the City is already trying to facilitate redevelopment. This is building on a process that does not currently exist for minor amendments to an existing approved plat.

Currently any change, no matter the significance must be approved by Council. The proposed amendments would allow the property owner to correct errors, adjust drainage or maintenance easement boundary or lots in a manner that does not increase lots or changes utility easement street access or other public dedications. The adjustments cannot exceed 50 percent of the total lots identified in the plat. This is useful in those cases where a developer wants to combine

smaller lots into larger lots based on changes on market demand and because density is being reduced, the water adequacy certificate would not be affected. The minor amendments would need to be administratively approved versus going through a full replat process. There is also no mechanism in the Code for doing a land split in an existing platted subdivision without going through the full re-platting process. The Code requires owner-permission on the application. In cases where those lots within a subdivision that have been sold off poses a challenge in gathering signatures from all owners in the subdivision. Through the State Law, divisions consisting of two or three lots in a property, 2.5 acres or less, the review would be administrative and could be conducted in under 30 days.

The performance security, which is in place to ensure that public improvements are constructed, according to City standards, the Department is recommending allowing sidewalks to be deferred until the home is constructed no longer than five years from the plat approval date. This was requested by developers who are having to replace damaged sidewalks post construction from the heavy equipment operators during the construction. ADA is a priority in which is why the Department is recommending a five-year maximum time frame.

B. [Presentation and Discussion on Development Fees](#)

Mr. Felix stated the theory is that impact fees are to assess capital construction to new residents for their weight on the community. Current residents should not pay for all the infrastructure and costs associated in having to add facilities to keep a level of services. He stated that the important point is that development fees are for capital improvements only and not to cover operating expenses.

Mr. Felix provided the following example: A community has 10,000 people in it and one fire station, and one police station and they are sized to fit the current community perfectly with no excess capacity. The City expects to double in size its population in 10 years due to events going on in the area. To maintain the current level of service, one additional fire station and one police station will to be needed to service the new 10,000 people moving in. This police station and fire station construction should be charged to the new homeowners as their homes are being built. The operation, salaries would be in the overall tax revenues that come from everybody.

The City started the development impact fees back in 2005 with a final implementation starting in 2006. Staff first came before Council in November/December with a proposal with input from the developers. The two big changes that developers wanted were, (1) a 25 percent reduction for police, fire and infrastructure fees with the offset being done by a 0.7 percent extra construction sales tax, 2.45 percent instead of 1.75 percent). The second item that they wanted was to increase the number of houses that were going to be constructed in their estimate over the next 10 years versus what the original consultant had proposed. Council agreed to both of those and a key point is that at that time construction sales tax was defined differently.

Mr. Felix explained that a hot water heater changed out in one's home is considered construction sales tax as well as a home remodel. These types of constructions were also included in the revenue that was generated to offset the developer's fees. The original fees totaled \$5,300 per home and with the offset they were reduced to \$4,600 per house.

In 2017, Council approved a moratorium on the current fees that are standing, and that moratorium expires June 30, 2020. Current fees that were approved in 2016 will go into effect with the 25 percent offset that is still in place. go back into effect on July 1, 2020.

The Legislature has adjusted the following and there all sorts of new laws in place over time to make more restrictions on them, more difficult to do things, i.e., the Library that had an impact fee in the initial column but that is no longer.

<u>Classification</u>	<u>100% Fees</u>	<u>w/ offset</u>
Parks	\$ 1,804	\$ 1,804
Library	\$ 553	\$ 553
Police	\$ 615	\$ 461
Fire	\$ 529	\$ 396
Infrastructure	\$ 1,853	\$ 1,390
Total Single Family	\$ 5,354	\$ 4,604

Over time the City sales tax rate has increased from 1.75 percent to 1.95 percent, and the offset differential is now 0.5 percent. The average new house price has increased about \$100,000 since then. The offset can no longer be an aggregate total construction sales tax collected. It must be an estimate based off the house construction sales tax. It would not necessarily be a 25 percent offset for the difference. It would be some random number based off the tax difference.

Mr. Felix stated that staff is working on a study and getting ready for all the legal steps that must be gone through, a very tight and specific timeline set by the State. He added that before getting started on the whole process and getting overwhelmed by consultant reports, staff is recommending removing the 25 percent offset and the construction privilege tax, 1.95 percent that the current retail sales tax is at. The new proposed fees will be about \$5,300 per house.

The following comparison shows the original fees in 2006 being adjusted forward based off the construction cost index for every year since 2006 to 2019. If the City adjusted by the inflation factor, the impact fees would be at \$7,200 per house. The current fee outstanding is \$4,000 and the big change is Parks due to the deficit if that fund.

<u>Classification</u>	<u>2006</u>	<u>2006 in 2019 dollars</u>	<u>Current (100%)</u>	<u>Proposed</u>
Parks	\$ 1,804	\$ 2,434	\$ 624	\$ 3,353
Library	\$ 553	\$ 746	\$ -	\$ -
Police	\$ 615	\$ 830	\$ 479	\$ 529
Fire	\$ 529	\$ 714	\$ 351	\$ 745
Infrastructure	\$ 1,853	\$ 2,500	\$ 2,641	\$ 746
Total Single Family	\$ 5,354	\$ 7,223	\$ 4,095	\$ 5,373

Fees were calculated to cover the following items over the next 10 years:

- Parks, repay \$3,100,000 of the fund deficit
- Police, repay the \$917,421 fund deficit
- Fire, repay the \$1,334,188 fund deficit
- Infrastructure, construct ½ lane mile of arterial or collector streets.

Three of the development fee funds have negative fund balances because construction was done out of them.

- Parks, big item was the Cyr Center Park improvements, where the City initially did all the soccer fields.
- Police Station Expansion
- Fire Department, Fire Station 3, and the detention basin for it as well as Tower 3.

The bonds are paid off and since the build out construction housing rate was not what was originally put in the first fee set in 2006, there is excess capacity in those and so the theory is that all the new houses are buying into those facilities that the City has. The deficit is an accounting measure. The bond payments were taken out from there and borrowed cash from some that have cash to loan the fund money. The City does not owe anyone else this, the City owes itself under the fund accounting rules.

Under the infrastructure development fee fund, the City has an estimate to construct the 1.5 lane mile of arterial road or collector streets over the next 10 years. This will most likely be the first part of the Buffalo Soldier Extension eastward. Staff figures that 1.5 mile is what will be done and that is what will be put into the study. This money must be spent within 10 years and the project must be started within 10 years of approving the plan otherwise all of the unused money must to be given back to the developer, not the homeowner who actually paid for it in their house.

Mr. Potucek pointed out that since this was implemented in 2006, the year 2006 is a key date because at that time, the City was experiencing a high rate of growth in the community and Council determined that the development fees would be necessary to help construct future infrastructure for the community. In 2008/2009 construction went flat and therefore, the City was not receiving any development fees for new home construction during the recession period. The projects in terms of Parks, Police Station expansion, and Fire Station 3 were to be paid out of the development fees. However, when there were no development fees coming in, the City need to make sure that the debts were covered and so the capital improvements fund was utilized and that is why Mr. Felix explained the accounting exercise. This is a continuation of the fee structure from that time with hardly any new projects added to the list. The City is continuing with where the City should have been way back in 2008 in terms of having the future development fees cover the costs in those funds.

Mr. Felix stated that a key point of the City's Ordinance is that these fees need to be reviewed every three to five years and have everything reassessed so if changes occur, Council could always reassess the fees at that time and add new projects to the projected list, i.e., adding an extra .5 lane mile of the roadway at that time or go less if things are changing in a negative way.

Council Member Wolfe stated that she understands the development fees and is in favor of them for the most part. She asked if based on the current environment, does staff expect peoples to stop building.

Mayor Mueller stated that there will probably be a delay. Mr. Felix stated that articles indicate that unlike 2008 and 2009 where there is a glut of housing on the market, there is no longer the glut that was there and some people are predicting that the housing market will lead the City out of the recession.

Mr. Potucek stated that given the current housing market in Sierra Vista and how existing home sales have been going, they are doing well, and this bodes well for the construction of new homes. He added that later this year that will flush itself out. The fees would not really be implemented until about that time anyway. The City is still working off the old set fees that are

coming off the moratorium. The time in terms of implementation of this is probably still ok.

Council Member Wolfe stated that she does not want to put fees on if it is going to stop construction, but she does believe and agrees that the fees are called for as the City is probably at that point and time to bring them back. Mayor Mueller stated that everyone can agree in that they do not want to bring on additional burdens.

Council Member Benning stated that constituents have been asking him and making comments, and he would like to know if these fees are residential and not commercial. Mr. Felix explained that it is both - any new construction that adds capacity and affects residential, commercial, and industrial.

Council Member Benning concurred with Council Member Wolfe.

Mayor Pro Tem Gray stated that it has been her experience in dealing with developers and people who are doing development/new construction that development fees do neither make nor break a project. She added that most developers understand the benefit of the City having them as a city and why they are needed.

Council Member Pacheco stated that her initial response regarding development fees being based on the theory that the development should pay for the increase to infrastructure needs, and that citizens of the town should not have to be pay for it does not sit well with her. Everyone benefits from development and this does not make sense to her. She wonders if the things that the City has used development fees for may not seem like that is how that fund is being used. Mayor Mueller stated that the opposite philosophy is that a person that has been in the City for 50 years has essentially paid through their taxes for their fair and should not have to pay for a new park, police station, more police officers and fire fighters. He added that he is not taking that side but is only putting that out for thought.

Council Member Pacheco asked if these people benefit from the new development. Mayor Mueller stated that to a point they do and one of the struggles that the City had when going through this process the first time was trying to figure out what the happy medium is because there is going to be a benefit no matter what happens from the current structure to the new. There is also a vetted benefit the other way. This must be thought through and looked at from both sides.

Council Member Pacheco stated that she sees clearly the benefit when there is a huge development and when that development requires a massive road being built to it or an extension of City services into a whole new area of town like will definitely be seen with Tribute.

Mr. Potucek stated that Council Member Pacheco's last point gets at the heart of the theory of the development impact fees because what is really being looked at is an expansion of infrastructure capacity for the community as a result of new development. If there is a large development that requires expansion of an arterial roadway then that is the theory behind it that development should help to pay for that expansion. The City does not have the Tribute Project in the development fees schedule but when the City first development the development fees back in 2006, it was envisioned that another police station and fire station would be built in the Tribute area with the hopes then that the Tribute development would bare most of the load in terms of paying for that infrastructure. There are different theories in terms of looking at who should pay for what, but that is the theory behind the development impact fees, which is to pay for that increase capacity for the community.

Council Member Calhoun asked about the recommendation to remove the 25 percent offset. Mr. Potucek stated that back in 2006, there were concerns from the developer community about going from basically zero or development fees in the town to the proposed \$5,300 or so per unit. At that time, the City negotiated with development community and came upon the idea to increase the construction sales tax to offset the size of the fees and that is how it ended up at \$4,600. The reason for raising the construction sales tax at the time was that the Law basically stated that if a development fee study was done and it showed that the fee should be \$5,300, that the General Fund or some other funds, the City would have to make up the difference in that fee in order to make funds whole. This is the reason why the sales tax option was increased to provide the offset. Staff is currently proposing to remove the 25 percent sales tax offset and keep larger fees at 100 percent.

C. Discussion of FY 2021 Budget: Capital and Debt

Mr. Potucek stated that normally the process would start with revenue projections, however, staff is in the process of revising those revenue projections downward in response to COVID-19 emergency that is being faced. As staff goes through the debt those are obviously expenses that will have to be paid because the City is obligated to do so. The capital list that is currently being recommended will probably need to be reviewed while going through the process. Depending on how the revenues stack up, it is possible that some of those items may end up having to be cut at that point. Staff is providing what they currently have and as the process continues with the revenues and budget process, staff will be able to update the Council in terms of how those recommendations may change.

Mr. Felix stated that on the overview through January, the City is in good shape. Local sales tax revenues are at 5.67 percent over FY19 and almost seven percent over budget. Of that growth, \$241,000 is from internet sales tax revenue from October through January. Given the extra months lag because of the tax reporting, staff is starting the budget process with a zero growth to keep the budget leveled to where it currently is at. This will change every month as data comes in and the big hit is going to be in the middle of March's numbers, which will be received in April to May. Urban revenue sharing is from last year, a solid number except for the census because there will not be final numbers available until the end of May or beginning of June. There was a mistake made so it is known that the number will go down from what the State provided. The State shared estimate was based on pre-COVID-19 conditions and the last word from the League is that they are looking at revising it, but they do not know what they are going to do just yet. As updated figures are provided from the League and the State, staff will update these and keep the Council informed.

Council Member Pacheco asked if the City would be affected this year due to the mistake on the census. Mr. Felix stated that the one that they just put in will affect the City for FY 2021 and that is the one based off current field years. The City will lose 2,050 in State shared income tax and sales tax based of Fiscal Year 20 numbers. Initial estimates have the City's share growing by 1,500,000, probably \$300,000 to \$400,000 will be the loss due to the census mistake.

Council Member Pacheco asked if there has been any conversation about how COVID-19 is going to impact the census numbers. Mr. Felix stated that there has not. Mayor Mueller stated that the City should continue to push participating in the census. This can be done at home on the computer or they can wait until they receive a paper copy to mail in. Mr. Felix stated that Mr. Boone and Mr. Cline have made a good effort to get into the loop to try and prevent this from happening in the future.

Mayor Mueller added that while he does not have much hope for this, the City is working with the State Legislatures to see if the miscount in numbers can be fixed.

Ms. Osburn stated that there is going to be a PSPRS increase for next fiscal year. Another consideration is the second phase of the classification/compensation shift and then the annual two percent step increase. The third consideration is for the park development fund repayment.

In response to Mayor Mueller, Ms. Osburn stated that for fiscal year 2021 the increase in PSPRS contribution for Police will be 4.69 percent and for Fire it will be 9.86 percent. She added that as far as she knows ASRS will stay flat. The total increase is projects to be about \$538,330.

	<u>FY20 contriubtion rate</u>	<u>FY21 contriubtion rate</u>	<u>Increase</u>
Police PSPRS	59.79%	64.48%	4.69%
Fire PSPRS	52.00%	61.86%	9.86%

	<u>FY20 Budget</u>	<u>FY21 Budget</u>	<u>Increase</u>
Police PSPRS	\$ 2,703,131	\$ 2,915,168	\$ 212,037
Fire PSPRS	\$ 1,720,817	\$ 2,047,110	\$ 326,293
Total	\$ 4,423,948	\$ 4,962,278	\$ 538,330

Council Member Umphrey asked if this is the increase. Ms. Osburn stated that she is correct. For Police, the total will be \$2,915,168 and for Fire it is \$2,407,110. Mr. Potucek added that staff is concerned. The City has been making its payments early, the full budgeted amount every year and so the City is in effect making payments to PSPRS. However, even though the City is taking steps to try and address the position from a liability standpoint, the City continues to see the increases in PSPRS invoices to the City every year. This year it was over \$500,000 and since everyone retirement accounts are probably hurting now, he cannot see where PSPRS is going to do any better in terms of their investments than anybody else. This could be a major concern a year from now.

Mr. Felix stated that staff recently discovered that when an extra payment is made, it takes three years to work through and appear. For the fiscal year 2021 contribution rates finally incorporated the 2018 request when the City asked them to keep the Fire credit of \$83,000 and that has shown up for next year's valuation. The items, extra payments made in fiscal year 2019 will show up in fiscal year 2022 numbers.

Mayor Mueller stated that since they are holding the money for a year or two, he would like to make sure that the City is getting whatever the minimum interest is off that. He added that he knows that it is a hard thing to do but he would like staff to continue to pursue that.

Council Member Wolfe stated that her major concern is that the City's TPT is going to be considerably down for March and especially for April. Mr. Potucek stated that right now based on the numbers received, staff has figures through January. January was unbelievable as the City had over a 10 percent increase in revenues, but the City is going to see a hit as a result of the situation. Staff is recommending almost a six percent increase in terms of sales tax revenues next fiscal year. With the combination of growth historically seen in the City over the past year or so, staff has added the increase in internet sales tax. This is being taken from a six

percent growth level to zero percent growth level in order to make the sales tax projections more conservative in the next fiscal year. As more data continues to come in and the impact is seen of the crisis on the revenues, staff will continue to make adjustments and if those need to be taken down even further, staff will do that before Council is in a position to approve the budget. Mr. Felix added that the silver lining to this is the fact that the City now has those internet sales. As people are shopping from home from Amazon or wherever else they are, those are now sales tax revenue to the City that five months ago the City would have not received.

Mr. Felix stated that the City finances certain capital projects, depending on the life, cost, and their expected cash flow. The City prefers to cash out projects if possible and the term of the financing is matched to the life expectancy of the capital asset. The City will not finance a police vehicle for 10 or 15 years or a building for three.

There are two types of debt that are used. One is bonds, which are long term and the City does not go out for bonds very often. The other is short term lease purchases, which is what is done for the vehicles, i.e. refuse trucks and similar things like that.

For the next fiscal year, the City is looking at financing only two items. One is in the General Fund and that is the fire pumper truck. The second one is the sewer plant upgrades, which are looked at as part of the Schneider Project. The fire pumper truck may be cashed out, depending on General Fund revenues and expenditures as of May in order to avoid any debt service next year. The General Fund debt service would then be level. The sewer plant depends on the timeline as to whether it looks like it can be completed by the end of this fiscal year or not. If not, then the City may have to carry over the financing until the next year.

Mr. Felix presented the following slide, a comparison of the debt. He explained that the reason for the \$250,000 decrease in the Capital Improvements Fund is that those were debt costs associated with issuing the bonds for the Schneider Project. Those bonds are now out there and are being paid off every year.

If the City is able to avoid the financing on the fire truck and the sewer plant gets pushed back to the next year, the City is looking at about only a \$200,000 increase in debt service and that would be all in the Capital Improvements Fund.

Ms. Osburn stated that the following slide shows the fiscal year 2021 proposed debt service.

Fund	<u>FY20 Budget</u>	<u>FY21 Proposed</u>	<u>Difference</u>
General Fund	\$ 281,878	\$ 401,680	\$119,802
HURF	\$ 79,907	\$ 79,908	\$1
Airport Fund	\$ 75,347	\$ 75,347	\$
Park Development	\$ 126,630	\$ 126,630	\$

CIF	\$ 250,000	\$ -	\$(250,000)
SVMPC debt service	\$ 3,471,300	\$ 3,920,794	\$449,494
Sewer Fund	\$ 949,871	\$ 1,072,868	\$122,997
Refuse Fund	\$ 301,947	\$ 301,947	\$
Total	\$ 5,536,880	\$ 5,979,174	\$442,294

The capital improvement requests are as follows that will be incorporated into the FY 2021 budget:

Department	Capital Item	Estimated Costs	Priority Order
FIRE	FIRE EQUIPMENT (MEDICAL MONITORS) – 5-7 YEARS BEFORE REPLACING AGAIN	\$ 150,000	1
FIRE	FIRE EQUIPMENT (SCBA UNITS)	\$ 150,000	2
FD	EMISSION CONTROL DEVICES FOR FIRE ENGINES	\$ 60,000	3
FIRE	EMS SUBSTATION	\$ 1,500,000	4
LLS	SCHOOL LAND ACQUISITION	\$ 1,250,000	5
PW	AVENIDA ESCUELA EXTENSION WITH CULVERT/BRIDGE	\$ 2,500,000	6
PD	ANIMAL CONTROL EXPANSION (DESIGN PROCESS JUST BEGAN)	\$ 2,000,000 ESTIMATE	7
PD	FEMALE LOCKER ROOM AND OLD COMMUNICATION CENTER RENOVATION	\$ 150,000 \$ 270,000	8
PW	SURFACE WATER MASTER PLAN	\$ 120,000	9
FACILITIES	ROOF REPAIRS	\$ 150,000	10
FACILITIES	CITY HALL ELECTRICAL ANALYSIS	\$ 50,000	11
	SUBTOTAL	\$ 8,350,000	

Ms. Osburn stated that the slide contains the prioritized list of the capital requests that will be incorporated into the fiscal year 2021 budget. Items 1 and 2 are for the final year of a three-year

program to replace the Fire Department's medical monitors and SCBA units. This equipment will not have to be replaced again for five to seven years.

Item 3 is the emission control devices for the fire engine, which is important due to upcoming legislation that is expected to pass.

Item 4 is the EMS Substation. Staff has recently mailed the request to BLM for the change of use for the land and the City is currently awaiting approval.

Item 5 is the School Land Acquisition.

Item 6 is the Avenida Escuela Extension with culvert/bridge. The hydrology study is underway, and staff is currently researching a good contact at Walmart because Walmart is expected to pay half the cost.

Item 7 is the design process that has just began for the Animal Control Expansion, estimated at \$2 Million but the City will be discussing a cost share with Cochise County.

In response to Mayor Mueller, Ms. Osburn stated that there is no agreement yet.

Council Member Benning asked if the total cost includes Walmart's half. Ms. Osburn stated that the cost share with the County is only for the expansion of Animal Control and that is the total amount.

Item 8 refers to the Police Department's issue of only having one locker in the female locker room. Since dispatch has moved to SEACOM, the old communication center space is also being looked at to repurpose. Both areas need to be renovated.

Item 9 is the surface water master plan. This is the completion of a multi-year effort. The raw data will be compiled into a final report.

Item 10 are requests for roof repairs on the Library, Fire Station 1 and 2, and a recoating on the Police Department's roof.

Council Member Wolfe asked about the number of female police officers and stated that since there is only one locker for female police officers, she would like to see more lockers installed and move this item up from number eight. Police Chief Thrasher stated that each female officer and civilian staff have an individual locker, but there is only one open now and as the Department hires more female officers, there will be a need for more lockers.

In response to Council Member Wolfe, Police Chief Thrasher stated that the officers all have their own lockers and do not share lockers. Council Members Benning and Wolfe stated that item 8 should be moved up.

Mr. Potucek stated that currently it is staff's hope that there will be money available to fund all the projects that are on the list in next year's budget despite the downward revisions in revenue to complete them. If the revenue shortages affect that, then staff will come before Council and get their priorities before the budget is approved.

Council Member Pacheco asked about the animal control expansion and stressed that this seems to be premature since there are discussions going on with Cochise County. Mr. Potucek stated that the City is in the process of designing an expansion of the animal control facility. Capacity sometimes gets pushed to the limit, even without other animals and there is an agreement with Huachuca City, not a large load, but because the Huachuca City agreement and situation when they lost their animal control shelter, the County has been looking for other ways to address their animal control needs and capacity. The City has been in discussions with the County for a good year or so with regards to having a joint facility where it can be shared. Most of the animals are coming from the Sierra Vista area and it would be best from a cost standpoint for both entities to look at pursuing a shared facility and a shared service agreement. The County could choose to do something different, but it makes sense to have a joint agreement with the County moving forward.

Mayor Mueller stated that the joint agreement includes the construction of the building and ongoing costs.

Mayor Pro Tem Gray noted that some of the projects may not come to fruition, they must be included in the budget in order to be able carry them out, should the decision be made to do so. Mr. Potucek stated that he doubts that the City would be implementing, building, or starting construction within the next fiscal year. This would be a place holder if the City got that far. This project will probably show up the year after this year's budget.

Council Member Pacheco stated that she does not know what the County is thinking, but citizens outside of the City are pushing for the animal shelter and have petitioned for that. She stated that if effort proves to be successful, the animal control shelter expansion would be a moot point. Mayor Mueller stated that it may well be because of public action, but his impression in speaking with the County Supervisors is that they realize that they have a County that is 90 by 90 miles and having one shelter that is ran by the County to cover the entire County does not make sense just because the transport time to bring animals to the shelter. The County is currently predisposed despite the petition to look at joining with the cities for a reasonable shelter. The geographic distance is impractical to do it that way.

Ms. Osburn stated that the 2,000,000 is a very rough estimate. The actual cost will not be known until the design is complete.

Council Member Umphrey asked which buildings will need roof repairs. Ms. Osburn stated that the roof repairs are for the Library, Fire Stations one and two and the recoating on the Police Department's roof.

Council Member Benning asked if the City Hall's electrical analysis involves the sound system, the video, etc. Ms. Osburn stated that electricity at City Hall is currently at maximum capacity and before anything can be done, there needs to be an analysis completed.

In response to Mayor Mueller, Mr. Potucek stated that the current audio/visual system for the broadcast of Council meetings is on its last legs and can go out at any time. He added that he has asked Mr. Rubio to look at the cost for the upgraded system to be able to broadcast more effectively in the future. This is not on the list and he does not have the exact number, but if staff gets that soon, it will also be added to the list.

Council Member Calhoun asked if the Library’s roof was worked on a couple of years ago. She also asked where the current request for roof repairs fit in to what was done before. Mr. Potucek stated that other roof repairs have been done to the Library but there are other areas of the roof that still need to be done as the repairs are being done in phases.

Council Member Calhoun stated that she thought the requested repairs were for the previous repairs. Ms. Flissar explained that the roof repairs a few years ago at the Library were intended to address the skylight, a clear roofing membrane that failed during a microburst and portions of it flew off. That type of roofing system is used over the front entry area. The rest of the Library’s roof is a more conventional system and that is the portion that is being addressed as part of the requested project.

Ms. Osburn stated that the audio system for Council has already been included in IT’s budget for the O&M.

A slide of the carryover from 2020 was presented:

Fund	Department	Capital Item	Estimated Costs
CIF	LLS	VETERANS MEMORIAL PARK AND ROTHERY CENTER IRRIGATION IMPROVEMENTS	\$ 720,000 TOTAL \$150,000 FOR FY21
CDBG	LLS	SOLDIER CREEK PARK IMPROVEMENTS	\$ 175,000
CDBG	LLS	JAMES LANDWEHR PLAZA IMPROVEMENTS	\$ 25,000
CDBG	LLS	EDDIE CYR PARK IMPROVEMENTS- NORTH AVE PARKING LOT – FY2020 ENTITLEMENT IF APPROVED	\$ 271,810
		SUBTOTAL:	\$ 621,810

Ms. Osburn stated that on the carry over for projects for fiscal year 2020, the first item being carried over is the Veterans Memorial Park and the Rothery Center irrigation improvements. The Rothery is in extreme need for an irrigation and they are also discussing on how the pump at the well needs to be dropped lower along with a new storage tank installed to supply enough water for Veterans’ Memorial Park and the Rothery Center.

The Soldier Creek Park and James Landwehr improvements are in progress and the final item is not exactly a carry over. The Eddie Cyr Park improvements is fiscal year 2020 entitlement if approved as the CDBG has been an extended date due to the pandemic.

Ms. Osburn presented the following slide on the annual vehicle replacements:

Department	Capital Item	Estimated Costs	Notes	Priority Order
FLEET/PD	VEHICLE REPLACEMENT	\$ 500,000	TOTAL OF 7	1
FLEET/LLS ADMIN	VEHICLE REPLACEMENT (PICKUPS)	\$ 70,000	TOTAL OF 2	2
FLEET/LLS COVE	VEHICLE REPLACEMENT	\$ 25,000		3
FLEET/LLS PARKS	VEHICLE REPLACEMENT (PICKUP 1 TON DUMP)	\$ 60,000		4
FLEET/LLS PARKS	VEHICLE REPLACEMENT (PICKUP)	\$ 35,000		5
FLEET/FACILITIES	VEHICLE REPLACEMENT (VAN)	\$ 45,000		6
FLEET/REFUSE	VEHICLE REPLACEMENT (FRONT LOAD REFUSE TRUCK)	\$ 310,000		7
FLEET/REFUSE	VEHICLE REPLACEMENT (SIDE LOAD REFUSE TRUCK)	\$ 310,000		8
FLEET/TRANSIT	ARBOC BUS REPLACEMENT	\$ 150,000		9
FLEET/TRANSIT	ARBOC BUS REPLACEMENT	\$ 150,000		10
FLEET/FD	AERIAL REPLACEMENT	\$ 1,200,000		
	SUBTOTAL:	\$ 2,855,000		

The first item is the annual vehicle replacement for the Police Department. It is anticipated that a total of seven vehicles will be purchased.

Items two through six is a prioritized list from various departments through the five-year vehicle replacement plan. Also included are two refuse trucks to replace older equipment, which will save on maintenance costs.

Two Arboc bus replacements are included that are an 80/20 split. However, this may change due to a new grant opportunity.

Council Member Umphrey stated that she thought that the refuse trucks came out of the Enterprise Fund. Ms. Osburn stated that she is correct.

Ms. Osburn stated that last on the list, if the City can, is a new fire truck. The Fire Department is requesting either a PTE or engine.

Ms. Osburn went over the HURF budget.

Department	Capital Item	Estimated Costs
STREETS	FRY BLVD DESIGN AND CONSTRUCTION (CARRY OVER \$2,447,539.50) PLUS \$50,000	\$ 2,497,540

STREETS	POTHOLE REPAIR	\$ 100,000
STREETS	STREET MAINTENANCE	\$ 1,500,000
STREETS	VEHICLE REPLACEMENT	\$ 105,000
	SUBTOTAL:	\$ 4,202,540

The first item is the Fry Boulevard design and construction. The chart indicates that these are federal funds; however, the federal government is going to pass it to the state for funding. The state funds are the \$2 Million and then there is a contingency to increase the \$50,000.

The annual pothole repair and street maintenance are included in the chart as well as the annual rotation of three vehicles to be replaced.

Mayor Mueller stated that a list asked if the street list has been put out. Ms. Flissar stated that the list is forthcoming, and it is being worked on. There is always the need out there and there is no doubt that all the funding will be used.

Mayor Mueller stated that a list of what is going to be done for street maintenance has been put out for this year, which he hopes is on track, but he would like to know if a list of the areas that are going to be paved for street maintenance has gone out. Ms. Flissar stated that the list is forthcoming. Staff is currently working on the list, but there is always the need out there so staff does not doubt that they will be able to use all that funding. Staff is making the final revisions to the list.

Mayor Mueller stated that he is assuming that the reason that there are vehicles listed in this slide is because these are street vehicles that are being paid for through HURF. Ms. Flissar stated that he is correct.

Ms. Osburn provided a slide of the airport fund that depicted site improvements to remove the dirt mountain at the airport. She also provided a slide of the Capital Improvement Plan Year 2-5:

Fund	Department	Capital Item	Estimated Costs	Priority Order
GEN	LLS	SPORTS COMPLEX IMPROVEMENTS	\$ 200,000	1
	ED	LAND ACQUISITION	\$ 1,200,000	2
	PD	VEHICLE SHELTER	\$21,000 – 62,000	3
	CD	MULTI-USE PATH PROGRAM	\$ 1,000,000	4
	LLS	VETERAN'S PARK IMPROVEMENTS	\$	5
	LLS	ROTHERY CENTER IMPROVEMENTS	\$	6
	IT	NETWORK INFRASTRUCTURE UPGRADE	\$ 250,000	7
	PD	NEW MOBILE COMMAND POST	\$1,000,000 – 1,500,000	8

	PAO	VISITOR CENTER RELOCATION	\$290,000 - 800,000	9
	FLEET	FLEET BUILDING EXPANSION	\$ 3,000,000	10
	LLS	COVE INTERIOR/EXTERIOR RENOVATIONS	\$95,000 – 150,000	11
	LLS	SV LIBRARY RESTROOM RENOVATION	\$ 50,000	12
	LLS	NEW COMMUNITY CENTER	\$ 8,000,000	13
	FLEET	FLEET MANAGEMENT PROGRAM	\$ 100,000	14
	LLS	NEW MAINTENANCE BUILDING AT VMP	\$ 200,000	15
	LLS	NEW SIGNS FOR VMP	\$ 40,000	16
		SUBTOTAL (LOW):	\$ 15,396,000	
		SUBTOTAL (HIGH):	\$ 16,502,000	

Mr. Osburn stated that this is the prioritized list for future years. The ones that are marked strategic plan have been placed in future years are because staff must finish current planning efforts before having them funded. Several of the items are pending until a master plan is completed. The sports complex's improvements, Veterans' Park improvements, Rothery Center improvements are waiting on the Parks Master Plan. The multi-use program is also waiting on that master plan. Once those are approved, then certain projects can proceed.

Council Member Pacheco asked for an explanation of the mobile command post. Mr. Potucek stated that the City has a mobile command post that is used on location during an emergency or critical incident scene. It is old and in one of the out years and it will have to be taken year by year in terms of when that can be fit into the budget. Police Chief Thrasher added that the command post has been in the fleet for quite some time and it is outdated where some of the communications equipment is still useful to the Department when on a scene. This would be an upgrade. It was looked at upgrading and renovating the current command post, but it appears it would be more economical to purchase a new one that has the upgraded equipment in it and is also more maneuverable when being taken out on a scene. This would be a few years out, but it is something that the Department wanted to get on the board for future consideration.

Ms. Osburn stated that for the April 21, 2020 Council Work Session an item for discussion will be revenue, personnel, and O&M. The May 12, 2020 Council Work Session will include the balanced budget. The Tentative Budget Book is expected to be ready around May 22, 2020 to be followed by the one-on-one meetings with Council.

D. [Council Executive Report](#)

Mr. Potucek reported that the past month has been dominated by the Coronavirus and its

various changes that the City has had to work with. The City must still carry on with the budget and departmental functions, particularly in public safety and Public Works. The City is continuing with its normal operations; however, things that are suffering and being put off are a lot of meetings pertaining to SEACOM, water and others that are normally held with regards to legislative issues. He added that hopefully while moving into the next month, the City can start to pick up the normal workload. One of the items that has been pushed off is the Tribute Master Plan discussions with Castle and Cooke. Lastly, he stated that the City needs to focus on what the future will look like, not only in terms of the budget, revenues, and what is going to be able to be accomplished, but on what the community may end up looking like as well. The City is trying to address the issue and spread of the virus, but also there are many businesses and people that have been laid off and suffering as a result that the City needs to look at.

Council Member Pacheco noted that she questioned the budget item on the expansion of the animal control shelter because the Police Department's section of the Executive Report focusses on the animal control shelter, which brought up a lot of questions for her. She stated that the list of animals that are being taken at the shelter include hamsters, gerbils, lizards, skunks, foxes, racoons, ringtail cats, and bats, which does not make sense to her. She stated that she would like to know why wild animals are being taken in. She further added that none of the animals were euthanized for lack of space. She stated that the desire to spend \$2 Million for an expansion of the animal control shelter baffles her.

Police Chief Thrasher stated that skunks are required as part of the City's rabies eradication within the community. All animals considered to be wild animals are in skunk boxes and these must be dealt on that basis. Skunks taken in are euthanized and sent out for testing for rabies as part of State Law. The others are pets that have either gotten loose or are being turned in because they can no longer be cared for, which are then adopted out. These animals are in other cages and do not take up space in the dog kennel runs. The rest of the animals are small in numbers and they do not really have an effect on what the facility deals with; however, they are a part of the service provided to people who turn in their pets just like their dogs and cats that they cannot care for anymore either because they are moving or something else is happening in the family. The Department adopts those animals out, but the vast majority of what is dealt with are the dogs and cats. Lastly, he stated that the bats are also a requirement that must be dealt with and those are also put down and sent up for testing as part of the rabies eradication. The lack of space that the Department talks about has to do with the number of dogs and cats that are dealt with. One of the main reasons as to why the Department does not euthanize for lack of space is the Department's ability to adopt and transfer to the Humane Society and other shelters.

Mayor Pro Tem Gray added that there are a quite a few people that foster dogs and cats in the community and without them there would be a space problem.

Council Member Calhoun asked if the facility receives a lot of requests to euthanize pets that are old or ill. She also asked if the facility charges to do that. Police Chief stated that a nominal fee is charged and noted that these are at the owner's request because the animal is elderly or injured. This is done as a service provided to lower income individuals, especially that cannot afford to have that done.

Council Member Wolfe shared that her rotary recently took a tour of the animal shelter and Ms. Garcia was amazing during her presentation, which included the fact that pet euthanizing is a service for the community. They have light that goes on when they are euthanizing an animal so that people can be respectful of what is happening.

Council Member Pacheco stated that she does not want to encourage more people to drop off animals. Council Member Wolfe stated that she does not understand on what the City is doing is encouraging people to drop off animals. She added that she believes that the City is trying to make sure that the City is taking care of the animals and as a City, this is a great thing.

Mr. Potucek stated that \$2 Million for the animal shelter expansion is a big number, but part of this is going to be an analysis of the animal shelter's capacity needs are and then what the County's capacity needs are based on the number of animals being taken in and the projections for the future. It is highly probably that the City will be footing the bill for a large portion of that number.

Council Member Wolfe asked if a difference has been seen during the last month in the volume of reports/calls. She added that members of the community have been asking her. Police Chief Thrasher stated that the Police Department initially saw a decrease for service during the first weeks of the pandemic, but last week, the Department had well over 15 vehicle burglary calls. The Department is also seeing an increase fights and domestic calls for service, which was expected as people are stuck at home. Initially a decrease was seen and currently being seen is a steady stream.

Fire Chief Jones stated that the Department has not seen a market increase in call volume. It may have gone down since people are staying home. The ER has also seen a decrease in their volume, but the hospital and the Fire Department are preparing for the next two weeks based on the CDC's recommendations. The CDC is stating that a surge will occur within the next two weeks until the beginning of May.

Council Member Pacheco stated that she was not aware of a pump track being built. Council Member Benning stated that it is planned to be located over by Domingo Paiz.

Mr. Potucek stated that the City is looking at the land that the City purchased on curb of Highway 90 that runs by the Doming Paiz Fields. The contract would be a bicycle track primarily for youth purposes. This would be a good use of the property as its looked to be developed in the future. He added that Ms. Wilson is working with community groups to attempt to get other funding and volunteers to help with the project.

Council Member Pacheco stated that there is a whole community that does competitions on pump tracks. They have been begging for a pump track in the City for a long time.

Ms. Wilson stated that staff is very excited about it and community volunteers were geared up when they started on it. All the dirt is in place and once the community gets on the other side of the COVID thing, that should be done quickly.

Council Member Pacheco stated that she is excited about the new art studio and the drop in energy thanks to the Schneider Electric Project, a positive note in the report. She further stated that she does not like the graph that is used for ridership data because it is not clear. She asked for the Vista Transit graph to be looked at because she believes that there is a better way to present the data. She also asked if ridership means the number of riders or is it the number of trips in a month. Mayor Mueller noted that it would be the number of riders.

Ms. Flissar asked Council Member Pacheco to contact her to discuss different ways in making the presentation clearer. The data indicates the number of impartations, the number of people

who get on the bus. This does not count transfers because those are counted as a new ride due to the driver not having the ability to know if somebody has transferred from another route or if they were dropped off in car at the Transit Center or any other condition. The reason that the data looks the way that it does is because it is showing a dramatic decrease this year due in large part to the new routing system. When the new system was put into place on July 1, the number of transfers was reduced as well, but the number of single seat rides was increased. She added that before, if someone was on the West End, they had to transfer at the Transit Center to get to shopping destinations. Now that is a single seat ride because they are taken from the West End all the way to Fry's, Food City, or other grocery stores. This is the reason for the apparent drop off because those transfers are no longer in place. This year's data will look anomalous and starting next year, staff will be able to compare it year over year again.

Council Member Pacheco stated that there were discussion with the flight school for use of the airport an it was her understanding that there could not be any type of business at the airport that had touch and go because it had to be up and out. Mr. Boone stated that it was the long-standing rule with the airport, but he has been working with the airport manager for two and a half years. There have been initial discussions with the flight school, Carol Thompson. The City is attempting to find a way to make both the business work and reduce the impact on Fort Huachuca with the Army Libby Airfield. Effectively the conversation is progressing, and staff is trying to pursue those.

Council Member Pacheco asked if Fort Huachuca is open to that conversation. Mr. Boone stated that she is correct.

E. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller stated that he will report on the meetings that he has attended during the COVID discussion.

Pro Tem Gray stated that there are a couple of things that she has done through conference calls and she will be preparing a report, which she will send to Ms. Adams to be put out to Mayor and Council.

F. Board and Commission Liaison Update

Mayor Mueller stated that there will be no reporting on this item since there have been no commission meetings.

Council Member Calhoun reported that as the last Commission on Disability Issues Meeting, the group finalized a resource guide that covers services for people with disabilities in the area. She added that the Community Development Department was extremely helpful in putting that together, which is available online.

Council Member Pacheco stated that she attended the SVMPO meeting. She added that it is important to highlight that out of the MPO meetings, the Ramsey Road Crosswalk Project is hopefully going to be done by the following month. That crosswalk is not an impact to the County, City or MPO funds because it is an ADOT project. The Huachuca City Contract was finalized, and it is hoped to see the emergency signal going up on Highway 90 in Huachuca City within six to nine months.

Mayor Mueller stated that the delay a couple of years ago was in not having the right type of pole that can handle the 70 mile an hour winds and those are always on back order.

Council Member Pacheco stated that the SVMPO has completed the hydrology study for the Avenida Escuela Bridge.

Mayor Pro Tem Gray stated that the agreement between the City and the MPO will be forthcoming to Council.

G. Future Discussion Items and Council Requests – There was no discussion.

H. Council Discussion (COVID-19 Status)

Mayor Mueller encouraged everyone to review the Emergency Management Plan. Under this Plan, the Mayor can declare an emergency; however, currently there is no need for that since the Governor has already done that for the whole State. The Plan allows the City to access federal funds and in getting additional assistance, but again that has been set up through the Governor. The Plan also requires an emergency operations center, but the City has an incident commander, Police Chief Thrasher because Fire Chief Jones with the first responders has his hand full in meeting the crisis. The decision to set up an emergency operations manager/command is up to the Mayor based on the recommendations of the City Manager.

Mayor Mueller stated that after his meeting with the County about COVID-19, he was impressed by what they are doing, and the Police Chief has been attending their meetings on a regular basis. The County Health Department has been very helpful and if he thought that they were not effective, he would enact the City's Emergency Management Plan, but currently they are meeting the City's needs and the City will continue to operate in this manner. He further stated that he reminded the County Health Department of the weak link - nursing homes, which were ready and able to evacuate people because it seemed like they were the ones being left out. This is one of the key groups, the elderly, that could be affected by the virus.

He shared that he visited one of the nursing homes to deal with a concern of a constituent's family in San Diego to get them in contact with each other. He found that the nursing home is very strict in allowing people in and they are taking care of the seniors, the most vulnerable and therefore the City has not had folks in those facilities come down with the virus. He also got in touch with the hospital and talked with Mr. Gomes and discussed the capabilities of the hospital and to open the lines of communication so that if he knew before getting into a situation where there was a shortage on BPE ventilators, rooms and medical staff that he would call so that the City could join in with his voice to the Governor or whomever else is necessary to make sure that the items are available to take care of the community.

There have been a series of teleconferences that is interesting in the way that the Governor has organized this. The Governor has key staff members, one deals specifically with mayors, another deals with county supervisors and another with health along with specialists dealing with small businesses and large businesses. The mayors conference was held every day for a while, but two weeks ago they were switched to Mondays and Thursday at 10:30 a.m. and if there are two Council Members at a time that want to sit in on the meeting, they are welcomed to listen in along with him and Mr. Potucek. The mayors have direct input to the situation, both local issues as well as statewide issues. The gentleman that holds the meetings for the mayors does a good job as he has sent him emails and he has received immediate responses. They are well aware of what is going on across the State and he is sure that these folks get into a room with the Governor on a regular basis to brief him on everything that is going on for his decision making, a great way to manage the crises. The Governor has the latest news reported to him

and knows what is going on. He added that he has had teleconferences with the two senators and added that there is another teleconference forthcoming. They tend to focus on the loans, evictions that the federal legislation deals with.

There have also been conference calls as well as personal calls with the Representatives up at the federal level, who has done a great job of providing information and listening as well.

Mayor Mueller stated that he also attended a meeting with Fort Huachuca. They have kept their channels open, and there are several recommendations that were discussed before they were installed by the Post. The General has a unique situation because there are things that can be done and there are those that cannot. The General is getting additional guidance from higher headquarters, but guidance is sometimes is a "you will do this" and not have the option to do it, a unique environment. At the meeting they were joined Representative Nutt, who was very interested in what was going on locally and on the community's status. He added that he has had a couple of conversations with Representative Nutt; although, she does not have the capability to do large phone-in events.

Mayor Mueller stated that he has also met with the Chamber of Commerce on Friday evening to discuss businesses and their impacts. He added that Mr. Boone and Mr. Cline from Economic Development have been doing a good job of pushing out information to the Sierra Vista Chamber and the Hispanic Chamber, Arizona Regional EDF and the Cochise College Business Development Center to make sure that people have information and access, especially on the federal issues that has allowed money for loans. He further added that he made a comment at the Chamber, a week ago when the legislation was passed for the funds for small business loans, that this was going to take time to get the money out because of the amount of small businesses that are eligible as well as fact that most rural communities over that last 15 to 20 years, the person that makes a decision on loans is no longer in the community. This person is in Tucson, Phoenix, San Francisco, Alabama, Virginia, or New York. They are adjusting aid since they opened this up, which will continue. He encouraged businesses to be persistent or work with loan officers in the banks/credit unions to make sure that they can be successful in getting their loan.

The Governor's Executive Order 2020-15 states that an individual who has been affected by the Coronavirus must meet the five criteria before an eviction may be stopped. It also states that if the individual meets one of the criteria, once they receive the eviction notice they must go back to their landlord and notify them. However, the Order also states that no provision contained in the Executive Order shall be construed as alleviating any individual from any obligation to pay rent or comply with any other obligation that the individual may have under tenancy.

There is also another Executive Order regarding a business evection, which states that businesses that are renting their premises are not supposed to be evicted during this time period. This is less restrictive than homes.

Executive Over 2020-018, Stay at Home, has been evolving. The City has enforced all the restrictions per the Executive Order as well as the clarification on beauty shops, tattoo parlors, massage therapy, etc., which came out later.

Mayor Mueller stated that there are folks out in the community that are confuse by Executive Order 2020-018, Stay at Home. They think that because of this order that they should not go out for anything.

Lastly, Mayor Mueller asked Council to read the comments in the Council Reading File that contains his comments/answers to the general public regarding COVID-19. He added that he had one where an individual gave him philosophical questions and political issues, which he answered with a "thank you for your concern." This individual sent in another email with information that accused him of all kind of things. He noted that he is not going to answer those types of questions. He added that he is currently quite busy and if this was another time, he will be glad to meet with him and discuss philosophical and political questions. In closing, he asked Council to provide him questions and comments made to the public that they think is worth his consideration.

Mr. Potucek thanked Mayor Mueller, who has been the City's primary interface via federal and state agencies, elected officials, the business community, and in answering citizen concerns and putting out/approving press releases. He reported that his primary concern is with the employees, the facilities and what the City has had to do in order to respond to the Governor's Executive Orders, CDC recommendations and federal legislation. The City's philosophy has been to follow the CDC recommendations and the Governor's Executive Orders to the greatest extent possible. When those come out, he consults with the Mayor and they talk about facilities or activities that needs to be closed. The City has been taking a very gradual approach in terms of facility closures and outdoor activities to the point where the City is all shut down. Transit is the most difficult facility to deal with because of the need for that service. Staff is being worked with closely and talking about the issues and in trying to find ways to mitigate some of the concerns.

All employees are going to get paid and everything will be done to avoid layoffs. The City has been successful in doing this, but the balance is that public safety personnel, police and fire are still out in the community doing their jobs and doing it well. Public Work employees are also out in the community because it is necessary for their functions to continue, i.e. refuse, streets etc. The rest of the employees are in administrative services and the Leisure/Library staff, where there are a lot of part time employees to deal with; however, work is being found for the part time employees because it is not fair to the public and other employees that must be out in the community every day. Everyone should be working to receive a paycheck. This has also been balanced out with social distancing and a lot of work from home or alternative work schedules in order to be able to reduce the number of people in the buildings. Employees may not be used to working from home or feel that they want to contribute during an emergency and serve the public; therefore, the alternative work schedule and people swapping out with others is extremely important for their mental health and their ability to want to serve the public during this time. There has been a raft of federal legislation in changing requirements to deal with employees' leave that has kept Ms. Fleming very busy in Human Resources. The PIO function is also extremely important during this time and Ms. Hector and Mr. Curtis have been very instrumental in terms of helping get out information and putting together press releases. Lastly, he asked Council to contact him or PIO if they are not getting the information that they need to know. The City is monitoring information as it comes in and he and the Mayor are updated on what is going on nationally, statewide and in the County.

Mr. Potucek stated that the City has not enacted its emergency operations center like it was done during the Monument Fire and the primary reason for that is because the County Health Department is the lead agency and has stood their up with regards to this particular crisis. The City has been under that umbrella and Police Chief Thrasher and Fire Chief Jones are both in a unified command, although Fire Chief Jones' responsibilities are different. They have both been attending a lot of meetings with the County and then Police Chief Thrasher reports to him via email or in person at the close of business days. There are a lot of things to balance and the

future has to be thought of as well as current business to be conducted, the budget and what to balance in terms of people staying home and their jobs, the loss of business and unemployment and how that will impact the community.

Police Chief Thrasher stated that as of 3:40 p.m., there are nine confirmed cases and there are four new executive orders by the Governor. One has to do with restrictions on out of state travel. They will have to self-isolate for 14 days if they come from an area that has substantial spread. There is another Order that strengthens protection for health care centers, another one expanding data gathering for COVID-19 and one that provides some flexibility for restaurants regarding the packing of food. There is always a flurry of activities and it almost seems to be on Friday. He added that he is tied in directly to the County EOC, which he has up daily, in contact with Mr. Levine, County Emergency Manager to get updates.

On the law enforcement side, the Police Department is doing a lot of close patrols on the shopping centers to include Wal-Mart, Safeway, Fry's, and the City. The National Guard is helping stocking shelves and in bringing in trucks into Food City and this is the only chain that requested help from the State. Things are moving steadily, and the Department is seeing a lot of activity and the Stay at Home Order is not quite a Stay at Home Order. People can go out for essential activities and the Department has taken the approach in talking with individuals and not just pulling people over because they are out on the roadway. The officers talk to people about the Stay at Home Order and what people can be out and about for. With the closure of the City's park amenities, the parks themselves must remain open, but those places like the skate park, basketball courts, tennis courts, dog parks, where they cannot maintain social distancing or there cannot be sanitation, i.e., playgrounds, the Department is dealing with those on a community-oriented policing type mentality and going out and talking to folks on a case by case basis. The Department is still operating as is and several complaints have been made about the officers continuing to make traffic stops. There has been an increase in poor driving behavior, and it is thought to be due to people thinking that they can get away with it now. The officer wear face masks if they see fit in those contacts or if they are going into residences where there is an indication that there may be someone that is ill.

The Police Department has not been affected in manpower and there are plans in place in case of losing bodies due to a quarantine or illness. The Department has an urgent schedule that would put officers on a 12-hour shift with days off that can be done on an extended period. The schedule can be maintained with a loss of up to 20 bodies.

Fire Chief Jones stated that the Fire Department is operating under normal conditions and are currently operating in the County EOC and virtually overseeing the Fire EMS Sections. This will be beneficial, if the Department has an uptick in patients, based on the ability to have one single point to get their operational needs out to the County. The Department is locally checking personnel's temperature at eight in the morning and at night to ensure that there are no sick people. Entry and exit to the stations are at one spot and the cleaning of the stations has been ramped up, hitting the high hazard areas multiple times during the day to make sure that no one gets sick.

Regarding on calls, SEACOM has done a wonderful job with dissemination of information in questions asking of patient's conditions when they call. They will be asked if they have traveled, have a fever, cough, and pre-existing conditions. This is a precursor to have that officially for the EMD to be able to determine the treatment that they will be getting into. This also allows them to prepare for the proper PPE to treat the patients being seen. They are limiting patient contact, addressing patients six feet away as well as having patients walk out to the first responders so

that they do not have to enter the home if they are able to. If they need to go in full force, they will be based on the patient's needs, but they are trying to limit contact as well.

The Fire Department also has contingency plans and has gone over a myriad of scenarios on how they will staff if something happens locally to them and what units will be a priority to staff in order to successfully serve the community when they need them the most.

Fire Chief Jones stated that he is proud of his team and noted that Deputy Chief Dever and himself have gone around the stations to reassure the employees and thanking them.

Mayor Mueller reported that he received an email from Mr. Blink from the Governor's staff regarding certified farmer's markets. The Arizona Department of Health Services is developing guidance for farmer market operations during the COVID-19 emergency. He added that he will not open up the farmer's market on City property until he receives the guidance and he knows who certifies farmer's market and if in fact the farmer's market that operates in the City is a certified farmer's market by state standards. He added that he is a fan of farmers markets as they provide great produce and he would like to get them up and running as soon as possible.

Mayor Mueller provided an example of helping the community. Council Member Reardon during the Monument Fire went around town and saw something that the City was not aware of. People were needing places to board horses and getting feed. It was not on the City's radar because the City does not allow horses in the City limits, but neighbors to south that were being affected by the fire had concerns about that. Council Member Reardon made sure that the horses were boarded properly and got feed. He encouraged Council Members to talk to him or Mr. Potucek if they see something in the community that could be better or does not look right, and if they are willing to pitch in, they are always welcomed.

Mayor Mueller stated that he has already asked the Governor questions about the best and first steps to take in getting back to normal operations of the community once it looks like COVID-19 is getting ready to subside. The Governor's Office has stated that they are working on it. He added that he offered to give input and discussion about it; however, now is the time before getting to the point to talk about the ramifications and take action so that it is known how to get to the future.

Council Member Calhoun thanked Mayor Mueller for his update about the farmer's markets. She also thanked Mr. Potucek, Police Chief Thrasher, Fire Chief Jones, and Ms. Hector for their updates.

Council Member Wolfe stated that she understands as she is a small business owner and she is closed during this time. This was a decision that she and her husband made. She further stated that she understands everything that the small business owners are going through. It is hard and she appreciates future discussions on how to move forward. In closing, she stated that the community can hang in there.

Council Member Benning stated that Ms. Hector, Mayor Mueller, and staff have been doing a great job in providing updates.

Council Member Pacheco stated that she appreciates the updates by the Mayor, the Police/Fire Chiefs. She added that she has been asked how a stay at home order is enforced and there is misconception about how the order is enforced and what the City is doing. She asked if emergency responders have enough PPE. Fire Chief stated that the Fire Department is doing

currently doing good and he has been in contact with the hospital in reference to PPE. Fortunately, the hospital is part of the life point conglomeration and there are sister hospitals in the New Mexico and border states that have offered that whatever areas get hit the hardest, that is where the PPE is going to go. The Department is rationing its PPE and based on Dispatch's information concerning calls, the Department is wearing the proper PPE and rationing it the best way possible.

Mayor Mueller stated that the email that he received from Mr. Blink stated that the Governor announced that the State has secured a new agreement with Honeywell to produce 6,000,094 masks for the State over the next 12 months. This will replenish the stocks and upon production, the State Health Department will deliver them to county health departments for further distribution for the health and safety of the emergency response workers.

Mayor Mueller thanked Council Member Pacheco for feeding people in the community.

Council Member Umphrey thanked the Mayor and staff's hard work and tireless efforts, noted that the PIO is doing a great job in getting everyone informed online and through email/newspaper. Lastly, she stated that the Census video has over 10,000 views, which has helped push the online census-taking.

Mayor Pro Tem Gray stated that she is incredibly proud of staff and Mayor Mueller for handling the difficult emails/questions and going out to talk to the grocery store managers. She also commended Ms. Hector on a great job.

Mayor Mueller stated that another session will take place at the next work session to keep everyone updated on COVID-19. In closing, he thanked Ms. Adams and the IT staff.

3. Adjourn

Mueller adjourned the March 10, 2020 work session of the Sierra Vista City Council at 5:29 p.m.

Frederick W. Mueller, Mayor

Minutes prepared by:

Attest:

Maria G. Marsh, Deputy Clerk

Jill Adams, City Clerk