



Sierra Vista City Council
Work Session Minutes
May 26, 2020

1. Mayor Mueller called the May 26, 2020 City Council Work Session to order at 3:00 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, AZ

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
Victoria Yarbrough, Assistant City Manager
Adam Thrasher, Police Chief
Brian Jones, Fire Chief
Laura Wilson, Leisure and Library Services Director
Richard Cayer, Operations Manager
Matt McLachlan, Community Development Director
Jeff Pregler, Planner
Tony Boone, Economic Development Manager
David Felix, Finance Manager
Jill Adams, City Clerk
Nathan Williams, City Attorney

1. Presentation and Discussion:

A. May 28, 2020 Council Meeting Agenda Items ([agenda attached](#))

Mayor Mueller stated that the Council Meeting for May 28, 2020 starts at 5:00 p.m. with roll call, invocation, the Pledge of Allegiance, the acceptance of the agenda followed by the City Manager's report.

Item 2 Consent Agenda consisting of the approval of the City Council Special Meeting Minutes of May 12, 2020 and Regular Meeting Minutes of May 14, 2020 – There was no discussion.

Item 3 Public hearing, Resolution 2020-025, Request for a Conditional Use Permit, Haven Health of Sierra Vista, 660 S Coronado Drive – Mr. Pregler stated that the City received a request from Haven Health of Sierra Vista to expand their nursing services on their property

located at 660 S Coronado Drive (NW corner of Busby and Coronado). The expansion of their building includes constructing a 10,000 square foot addition to the existing facility, which will include 40 additional beds. Overall, the number of beds on the property will be 131.

The property is currently zoned Multi-family Residence (MFR) and according to the Development Code, a nursing facility is required to obtain a conditional use permit if located within an MFR Zoning District. The nursing care facility was existing and is defined as a legal nonconforming use. However, once a nonconforming use is enlarged or increased, the legal nonconforming use is lost and the use at that point needs to conform to the requirements of the current Development Code, hence the reason for the conditional use permit.

Staff analyzed the expansion of the proposed use to determine if it was appropriate for the site and came up with the following findings:

- Suitability of the site
The site has been in continuous use as a nursing care facility since 1982. The use is well established, and the site is designed to meet the needs of a care facility.
- Parking
The parking calculation for a nursing care facility is one space per three beds and one space per nonresident employees. There will be 66 total employees on shift and 131 beds, which combined requires a minimum of 77 parking spaces. The applicant will be providing a total of 81 spaces and meeting the parking requirements.
- Traffic generation
Coronado Drive is designated as a minor arterial, which is designed to handle 10,000 to 20,000 vehicles per day. Based on the latest traffic counts, there is approximately 7,900 vehicles on Coronado Drive between Wilcox and Busby and approximately 6,900 vehicles between Golf Links and Busby. The roadway is not close to capacity.

Haven Health has provided staff with a proposed traffic generation of the 40 additional beds. According to the analysis, they estimate that each patient typically averages two to three visits per week. With the addition of 40 beds, the increased traffic will be between 11 and 17 cars per day. The roadway will have the capacity to handle the minimal increase in traffic.

- Access
There are currently three access points into the site, two from Coronado and one from Busby. The accesses will allow for appropriate traffic flow entering and exiting the site. Staff will be reviewing the access during the site review process, which will be required to be submitted following the conditional use permit.

Mayor Mueller asked if included is access for emergency-type vehicles. Mr. Pregler stated that he is correct.

- Compatibility with surrounding uses
Bonita Vista Apartments are directly to the north, Bella Vista Apartments are directly west of the Haven Health facility. Both uses are more intensive and will generate more traffic than the facility. The nursing facility is compatible with the adjacent uses.
- Consistency with the General Plan
The request is consistent with the General Plan, specifically meeting Goal 12-7, increase housing choices that serve all age groups and needs.

- Public Comments

Staff notified all property owners within 500 feet of the property and in addition, an ad was placed in the newspaper along with a sign posted on the property. Staff received one verbal comment from Angelica Thomas, who had concerns about the increase in traffic generated by the Haven Health addition and an increase in speeding on Coronado Drive.

The Planning and Zoning Commission heard this item on May 19, 2020 and unanimously approved the request by 6/0.

Council Member Pacheco asked about a timeline. Mr. Pregler stated that Haven Health is ready to submit its site plan for Phase I, the 10,000 square foot addition, which will include landscaping and additional parking. Phase II has to do with the sawed improvements and parking lot.

In response to Mayor Mueller, Mr. Pregler explained that a site plan can take anywhere from two to three months if there are no complications. Site plans are approved by the Development Review Committee, the final formal authority.

Council Member Pacheco stated that there are discussions at the State level about increasing regulation and nursing home protection. She further stated that she wants to make sure that all those new regulations are considered for COVID purposes. Mr. Pregler stated that at the Planning and Zoning Commission Meeting, there was a representative from Havel Health present who stated that they must follow all State Law and the regulations regarding COVID.

Council Member Calhoun asked if there would be any disruption on Coronado and Busby during construction. Mr. Pregler stated that the construction would be on site and not too much construction on the public roadways. There might be minor disruption if the accesses/driveways must be improved.

Item 4 Resolution 2020-026, Accepting a Grant from the Federal Aviation Administration (FAA) for Pavement Sealing and Rehabilitation – Mr. Cayer stated that this agenda item will accept a grant from the Federal Aviation Administration (FAA) in the amount of \$100,204 for the design pavement rehabilitation work at the airport.

Mr. Cayer presented the work area and stated that the design will determine the most appropriate repair method for each area given the pavement condition and use characteristics. The apron is expected to require some amount of reconstruction, whereas the taxiway will likely only need a seal coat.

Mayor Mueller asked for an explanation on the difference between the apron and taxiway. Mr. Cayer stated that the apron is an area that the pilots can use to get to their aircraft to their hangars and a taxiway is the equivalent of a street out at the airport, where there would be air traffic operating on the taxiway. The taxiway was constructed to different standards and has therefore held up much better and will only require a seal coat to eliminate some of the degradation of the surface. At the airport there must be caution with foreign object debris that can be kicked up by gravel, which is not sealed in, by propellers that can cause damage.

The design is expected to be complete within the current calendar year and construction will then be programmed into the following fiscal year. It is anticipated that construction will qualify

for a grant as well. The current design grant will be 100 percent federally funded with not required state or local match. Airport grants typically require a 4.5 percent match from the municipality and an equal 4.5 percent from the State; however, due to the CARES Act, all 2020 grants are 100 percent federally funded with no match required.

Council Member Pacheco voiced her excitement and noted that this has been a topic of discussion at the Airport Commission for a long time. She stated that she was confused about the grant budget because it indicates zero dollars for planning with the full amount going towards noise, program implementation or development. Mr. Cayer stated that the grant received is for the design of the improvements and there would be a second grant request for the construction.

Council Member Pacheco stated that the grant indicates that the City can bill them for indirect costs. She asked if any indirect costs are being anticipated. Mr. Cayer stated that the proposal was that presented by the engineering firm did include funds for those types of services, including some on anticipating contingency.

Council Member Pacheco stated that there is a strict timeline for the grant and in a lot of the City's projects, there have been COVID-related delays. She further stated that although, this grant is made possible by the CARES Act, she did not see any contingencies on timelines for COVID-related delays. Mr. Cayer stated that the proposal from the engineer is to have a completion date of December 2020 and based on the scope of the project, that is more than ample time to get the design work done and prepare some of the specs for construction.

Council Member Pacheco asked if staff is sure that they can obtain the grant the following year for the construction of the project. Mr. Cayer stated that the Sierra Vista Airport is allocated funding on a regular basis through the FAA. The City does get these grants and will have the funding for the project, but the question is if there will be additional funding that does not require a local match, which is what staff would try to obtain. If that cannot be obtained, then staff will get the funding that is provided to the airport on an annual basis for construction.

In response to Council Member Pacheco, Mr. Cayer stated that if the CARES Act funding is not available or approved, then the City will have to pay 4.5 percent of the construction cost.

Item 5 Resolution 2020-027, Authorization to take legal action against Jodi Silva – Mr. Williams stated that this action is being brought before Council to authorize the City Attorney's Office to take legal action against Jodi Silva for property that she owns at 140 E Freihage Drive. Periodically, the City is required to go and undertake abatement activities on properties that are overgrown, unkept, dangerous or dilapidated. This particular property is one of those and from 2016 to 2018, the City went and performed certain abatement activities at this address. The City has incurred cost in the amount of \$4,046.63, a little larger than most of the abatement costs generally are. Recently the City also contributed an additional \$8,500 to pay back taxes that were due on the property to preserve the City's lien rights in the property. The City is now in a position, where there is enough money contributed to the property that makes sense to foreclose the City's own lien, sell the property and reimburse the City for costs incurred.

The City Attorney is not authorized to take legal action under the City Attorney's contract and the City's rules and regulations absent Council's approval. Therefore, this is the purpose for this item so that the City Attorney's office can begin the process of foreclosing the City's liens on this property to take ownership and then turn around and sell the property to recoup costs of abatement.

Mr. Potucek added that a settlement arrangement can be worked out as well during this process, which would be preferred. Mr. Williams stated that the City Attorney's office would begin through an informal type of process by sending a letter to Ms. Silva and explaining the City's position in seeking to resolve this before having filed any litigation. This has been done before, i.e. the property on North Garden that used to be an old funeral home that burned down.

Council Member Wolfe asked about the activity that the City performed for \$4,046.63. Mr. Williams stated that the City cleared out brush. Mr. McLachlan added that there was a green stagnate pool that had to be abated as well as overgrowth, junk, litter, and debris. He further stated that it is his understanding that the reason for taking this action is because absent the City settling the back taxes, the City's lien would have been extinguished. This is a way to protect those costs that were incurred in connection with those abatements. This is to recoup the City's expense in conducting those abatements either through taking the property or getting the bill paid in full.

Council Member Wolfe stated that she does not understand why the City paid taxes for almost twice the amount of activities on the property for \$4,046.63. She added that she understands preserving the lien, but not throwing good money after bad. If Ms. Silva could not pay to do this in the first place, she would like to know the City's ultimate end goal. Mr. Williams stated that a lot of the properties that the City does abatement work on are either upside down or, "there is not enough meat on the bone", to make it worth the City's time to pursue its liens. In this case, there is on a single family residence on Freihage Drive that could easily be sold and recoup costs quickly. This is the reason why this lien was pursued as opposed to many of the others, where the liens are a few hundred dollars and it does not make sense financially to the City.

In response to Council Member Wolfe, Mayor Mueller stated that it has never been the City's goal to take over property and resell it for a profit. This is not the purpose of government.

Council Member Wolfe asked if the property is abandoned. Mr. Williams stated that as far as staff can tell, no one currently resides at the property and has not for several years.

Council Member Calhoun asked if the City has been in contact with Ms. Silva. Mr. Williams stated that Ms. Silva has been notified every time that the City has performed abatement work on the property. The abatement notice is posted on the property and sent to Ms. Silva and notified of the actions being taken as best as the City could.

Council Member Wolfe asked if there is an address on file and if the notice was sent via certified mail. Mr. Williams explained that notice was sent via certified mail with a return receipt requested to the address on file.

Council Member Benning asked if Ms. Silva has responded. Mr. Williams stated that there has not been any response.

Item 6 Resolution 2020-028, Dissolution of the City Council Advisory Bodies known as the Airport Commission, Arts & Humanities Commission, Cultural Diversity Commission, Commission on Disability Issues, Environmental Affairs Commission, Library Advisory Commission, Tourism Commission, Youth Commission, and the West End Commission and Re-establishing them as Departmental Commissions of the same names

Mayor Mueller stated that this is the first step in the dissolution and re-establishment of

commissions. Ms. Adams stated that during 2019 the Mayor undertook what was quite an extensive review the City Boards and Commissions roles as far as Council Advisory Boards. He came back to Council late in 2019 through a series of work sessions where the actual roles, missions and whether the commissions needed to be restructured or changed was discussed by Council. Commission members were allowed to weigh in on several occasions and at the conclusion of the final work session during 2020, the consensus of Council was that the makeup of the Council commissions would be changed for a great number of them to have them dissolved and re-established as departmentally assigned commissions, nonregulatory commissions.

The item before Council seeks to do this and to direct the City Manager to enact an Administrative Directive to establish those nonregulatory commissions. Mayor Mueller added that this is the first step and once this is done, there is a draft for the Boards and Commissions Handbook that goes through in detail to explain to the commissioners their roles, which will be discussed in a work session in two weeks and as an agenda item on June 11, 2020. The Youth Commission was included in this action; however, this commission is still pending because Council must figure out how to get the youth together, which will be hard due to COVID-19. Council must figure out a Youth Council or a different set up that will be another set of changes and regulations.

Council Member Calhoun stated that she has lived with this for awhile and has the sense that the commissions best operate with Council. She added that she is not sure that Council put enough effort into what could have been done to improve the way the Council interacts with the commissions. There was some sense that Council was not doing enough to work with the commissions. She further added that she does not have a huge issue with Council's consensus to move it to the departments, but she is concerned that Council will miss a lot of what the commissions are doing.

Council Member Calhoun used as an example Council Member Pacheco's remarks concerning the airport grant, noting that she had a lot of the knowledge because she was involved with the Airport Commission. She stated that she would like to know what Council's connection will be with the commissions because there needs to be a connection and knowledge of what the commissions are doing.

Mayor Mueller stated that one of the challenges is going to be for the department heads to be more involved informing Council on what is going on with their commission. One of the short falls that he has seen in the past was that in many cases, Council would not hear from the commissions, except for Council Member Pacheco, and it is not anyone's fault but the commission liaisons. He added that he believes that Council will get better feedback by having the department head or assigned person involved.

Council Member Calhoun stated that this could be true, but she truly believes that as Council Members, Council never quite understood, gathered the importance of bringing those reports back before the Council and knowing what Council wanted to know. Mayor Mueller stated that he believes that this has been a shortfall of the whole system as it was and hopefully it can be improved by doing something different.

Council Member Calhoun stated that she thinks that this is the piece that Council never worked on fixing as individual Council Members or as a group. Council did hear about what was going on off and on when there were issues going on, but she understands the consensus of Council.

Mayor Mueller stated that this must be an ongoing process and if this does not work as well as the other system then it could go back to the way it was or do a hybrid, but this new way has to be given a chance.

Council Member Wolfe stated that Section V under mission statements and duties does not state who will be writing the mission statement. Mayor Mueller stated that the mission statement that was approved previously for each of the commissions is listed. He added that discussion will take place during next week's work session, where each commission's mission statement can be reviewed.

Council Member Wolfe stated that she wants to make sure that the document states that Council will approve the mission statements.

Council Member Umphrey asked if this will conflict with giving the department heads oversight. Mayor Mueller stated that Council will only be setting the framework and providing the mission. Mr. Potucek stated that in the overarching resolution that establishes this policy, he does not see why Council cannot direct the mission because it can work either way.

Mayor Mueller stated noted that the administrative document lists the mission statements and duties, which are all the current mission statements. The proposed resolution authorizes Mr. Potucek to sign the document and Council is in fact establishing the mission. Council Member Wolfe voiced her concurrence and noted that she has no issue with the mission statements listed, but in the future, if they need to be changed, she would like to know who is the authorizing body and that it is noted in the document.

Mayor Mueller suggested adding a line stating that any changes to missions will be directed by Council. Council Member Wolfe suggested adding the following, "commissions should have a clearly written mission statement approved by Council." She explained that this should be done if the commissions choose to change it or if Council wishes to change what they focus on. Council Member Umphrey agreed.

Mayor Mueller asked Council Member Wolfe if she is requesting to have the following added, "commissions should have a clearly written mission statement approved by Council, which describes the function that the City expects the commission to perform." Council Member Wolfe agreed.

Mayor Mueller stated that essentially by the Council directing Mr. Potucek to do this document, Council is approving the missions as written. Council Member Wolfe stated that he is correct, and she has no issue with any of the missions. Mr. Potucek stated that this includes the process for changing. Council Member Umphrey stated that she shared some of Council Member Calhoun's thoughts in going through this, but what made her feel better about it is that Council is still allowed to attend the commission meetings. She added that she plans to attend to help with the transition.

Mr. Potucek stated that the way that the system currently works is that because they are public meetings, there are minutes that Council gets and that is the only information provided unless a liaison shares information in the board and commission report during the work session. He added that when the department heads convene these meetings, they will report on those meetings through the Executive Report. Council will get a report every month on what happened at those meetings.

Council Member Benning stated that he was worried about the same issue that Council Member Wolfe brought up regarding missions. His other concern is that the Council is changing all the regulatory commissions. Mayor Mueller stated that the action changes the commissions that are not regulatory. The regulatory commissions will be done as they have been done in the past. Mayor Pro Tem Gray added that they will stay the same.

Council Member Benning asked if the document that makes them a commission have all the other commissions in them. Mayor Mueller explained that every commission was a separate authorized commission because each commission happened at a different time and they were given missions at a separate time. It was interesting in going through 15 to 17 documents and try to come up with one document.

Council Member Pacheco asked about a reporting requirement to make sure that there is something on paper that states that results/recommendations of a commission must go before Council. Mr. Potucek stated that a section will be added to the Executive Report to have commissions report to Council. Mayor Mueller noted that this will be the feedback loop.

Mayor Pro Tem Gray asked if there will be minutes. Mr. Potucek stated that they do not have to provide minutes. Mr. Potucek stated that he hopes that there is a report, but under the current conditions that Council has with the liaisons, there is really no authority for the City Manager beyond ensuring that staff is provided as support to the various commissions. By moving towards the direction that is being proposed, the administrative directive flow out of the City Manager's office and the City Manager reports directly to the Council. The various departments are still assigned to work with the various commissions. This is the chain of accountability that will exist. Council is not giving it to the departments, Council is giving it to the City Manager's Office and that is how there will be assurance that the information flows to the Council.

Mayor Mueller stated that on page 204, operational guidelines, there is a type. Council Member Pacheco stated that under mission statements and duties, not everyone has a defined person and noted that Ms. Hector's title is incorrect.

B. Development Fees

Mr. Felix stated that during the last meeting, he provided the history and overview of the development fees. This is the first step to the process of update the development fees, which was put on hold due to COVID and by Ordinance, the City is required to do this every three to five years. He added that the City is on track and provided the following overview on current fees and the important parts of Land Use Assumptions and the Infrastructure Improvement Plan, the proposed fees based off of that and a fee comparison.

Currently round one is the Land Use Assumptions and Infrastructure Improvement Plans, detailed on the City's web site with mathematical material. Provided for review are eligible costs, buildings, but maintenance and repairs are not included, and neither are salaries. The City can build excess capacity over the plan into it but if something is missing that is needed, the City cannot state that they are going to bring themselves up to a level of service and create a new height that the City does not have.

As an example, Mr. Felix stated that the City does not currently have a training facility for the Police and Fire Departments, but if one was needed, a development fee cannot be placed on that. There must be a level of service so if a fire station, police station – that is already established as a level of service.

Council Member Calhoun asked about adding a fire station due to the development. Mr. Felix stated that currently the City has three fire stations and it is known that when Tribute is built and it builds out, the City will need a fourth fire station and that is attributed to new growth because the City already has those fire stations.

Council Member Umphrey asked if the ongoing cost for maintenance on infrastructure included in level of service. Mr. Felix stated that it is not, building the facility is but maintaining the facility, staff the facility is not. He added that the City was able to build Fire Station III, but it was three to four years before it was built. The City could not afford to staff it at that time and had to wait to get the revenues and financial situation to where the City could add on 18 new fire fighters because the fire fighters could not be paid by impact fees. Mayor Mueller pointed out that this is because the Legislature stated that this is the way that it was going to be done in Arizona.

Council Member Umphrey stated that she figured that the City could include in some way the ongoing cost past the first life cycle of the road that the City would have to pay. Mr. Felix stated that it was first the Legislature and then it was the theoretical thought that all these people are now living in the City, generating sales tax and the new sales tax generated will pay for maintaining it.

Council Member Umphrey stated that Council knows that this is not true and noted that last year, Ms. Flissar showed a graph to Council that indicated that the City does not have enough money to be where it needs to be to keep roads maintained. Mayor Mueller stated that the City needs to look at its tax base and what is being charged for taxes. He noted that the City currently has a 1.95 and when he first came on board, it was a 1.45. This was raised twice, and property taxes have gone down that is also due to the Legislature that is tied to this whole process.

Mr. Potucek stated that the City must be careful whenever building a new facility, especially using the impact fees, because there are two things to consider. One is if the development is going to take place to pay for the financing of the facility. There were a lot of cities in the Valley that got into a lot of trouble in 2008-2009 because they were building facilities and counting on revenue coming in from new construction to pay for those and all of a sudden that evaporated. The other issue is that the City is accepting the responsibility of paying for the personnel, O&M costs that are associated with construction of the new facility. He explained that when Fire Station III was built, the City grew its sales tax to the point where the City could absorb the additional cost of those fire fighters. If things are slow then this puts the Council in a difficult situation in looking at having to raise sales tax to cover the additional O&M costs.

Mr. Felix displayed a slide that provided the current fee summary broken down into commercial and residential. He noted that commercial does not pay for parks and added that the Police, Fire and Streets are at 75 percent of the maximum allowable. The half cent construction sales tax goes into making up the difference that gets transferred every year, which is a part of the budget process, and has not been done during the suspension of the fees. When these fees were first implemented, the developers pushed for it to be done on the construction side and Council agreed to a 75 percent across the board for the three fees that affect commercial properties only. The law has changed on how to account for the differential and that is why staff is recommending the elimination of the 25 percent reduction and the half cent sales tax. Therefore, a resolution will be before Council taking the construction sales tax from 2.45 percent to a 1.95 percent, which is in line with the general retail. It was grandfathered, but it will not be much longer, and that extra half cent does not have to complete what gets put in there. There is

an offset for it and the difference is that it either must stay in the General Fund or the General Fund must make it up under the new laws.

Council Member Umphrey asked about an average for commercial/business office. Mayor Pro Tem Gray explained that if a single family unit is averaged at 1,400 square feet, a new build, then an office space would be looked at 1,400 square feet multiplied by 1.96 and that would give you the average. Mr. Felix stated that on a commercial with a 4.07 if there are 2,000 square foot commercial property that would be \$8,000.

Council Member Umphrey asked where the mixed-use buildings fall in. Mr. Felix stated that mixed-use would be part industrial with an office included. Mr. Potucek stated that it would be prorated per the use square footage.

Council Member Umphrey stated that apartment buildings and mixed-use generate more tax revenue and she does not understand what that is not being considered when talking about what is being charged as a development fee. Mr. Felix stated that the fundamental basis of it is that there are people and if it is more condensed, i.e. multi-family, the revenues being brought in are not looked at. The impact of what these people is with current services is what is being looked at. He provided as an example a situation where there are three fire stations that can service a certain number of people where there can be a cost per person. If an apartment complex is built that has 150 new people coming in, and the cost for a new fire station is "x". If the cost is taken at the current service level and have 150 new people and available is the cost per person, this is all that is being looked at – the cost to construct, which detaches it from the ongoing O&M of building a station and maintaining a station. Now that they are present, there is tax revenue that is generating that pays for the O&M of the station and operations and maintenance of the station along with salaries.

Council Member Umphrey asked if all of that cannot be considered plus the potential/expected revenue. Mr. Felix stated that it cannot because it is based off service that is current. Mr. Potucek added that it is the impact of development on the infrastructure that there is.

Council Member Umphrey stated that no one development is equal, and they will cost different liabilities in the future. She asked why this cannot be used as part of an impact fee. Mr. Felix stated that the State Legislature sets the methodology that are buy-in, projected cost and a third option, which the City does not use.

The buy-in is where the City is at in three of the funds. There is excess capacity in the fire station and police station because they were built based off the growth that was occurring at the time. The growth fell off and so there is now excess capacity. The cost of those facilities is known, so the cost of the construction only is what the new homes pay. The additional sales tax revenue and minor property tax revenue that the City would get would continue to pay for additional maintenance on the buildings etc. It is just here is what the building is, here the building you need, here is the infrastructure you need and since the infrastructure is what is being paid, not maintenance and not operational expenses, taxes are usually considered for paying for the operational expense of it and not the capital cost of building. There is an offset included. If the City were to issue debt through the MPC or whatever means to do it, into account has to be taken the sales tax that they are going to make that is going to go to pay for the bonds and the fees would be adjusted downward to reflect the sales tax revenue that is going into place to pay for that debt service. The people's payment of their taxes is also included in the reduction of the fee.

Council Member Umphrey asked if this is what the City can work with. Mr. Felix stated that she is correct.

Mr. Felix stated that three of the four development fee funds are being valued based off the buy-in approach. The fire station, police expansion based, and parks were built based off expectations. Those three funds when developed were out to the public because this is a public process. The developers came in and in discussions with Council and the consultant, the developers pushed up some of the growth expectations at the time. In 2008 development fell off the face of the earth and therefore, the City did not collect the fees that debt service was still outstanding. The Capital Improvements Fund had the funds available to pay the debt service so now the fees need to be collected to pay back the Capital Improvements Fund. They have been borrowing cash and that is what these three funds use – the buy-in approach. The City is buying into the excess capacity that was created because the development did not occur and so the City can go for the next few years basing the buy-in off the expectations.

Council Member Umphrey asked if the buy-in approach not be used in the future. Mr. Felix stated that if the City gets caught up and the fund gets whole in the infrastructure development fee fund, which is currently whole. Then there is the future approach, which is what that fund is using and in that fund, it is expected in the next 10 years to build a half lane mile of road because of the expected development of the Tribute and that area that is beyond the City to build through development fees.

Key points to the future approach is that the City must have an approved Capital Improvement Plan, which is part of this process, construction must start on any building, infrastructure or asset that is mentioned in the Program within 10 years. If the City does not, then the City must refund all the impact fees, not to the homeowner or buyer, but to the developer constructed the housing units. The fortunate thing is that the City updates this every three to five years so that changes may be made to include anything new and change the fee appropriately. This is a living, breathing constant changing estimate on what is going to be done. The City is looking at this with this fund and in the future when funds get whole so that they could go to a future based approach because the City is going build with these fees. The City is fortunate that it is not in dire straits as other cities are.

A slide of the Land Use Assumptions projections based on recent development and projects in the development process was displayed. The consultant has looked at the history of what they see currently going on in the community and have come up with a 10-year growth factor of where they expect to be. The growth factor then takes the actual dollars that are involved with these and calculates the cost for doing it. They look at what they expect commercial property, residential property, multi-family, and all categories to add and what they expect to grow each year.

Mr. Felix stated that this is the current draft by the consultant and if developers come in and discuss with Council and Council wishes to change the assumptions, that is Council's prerogative and updates can be made off of that. The draft shows the consultant's current projections based off what the consultant has seen in Sierra Vista over the past few years and what they see going on and off discussions with Community Development and others.

Mr. Felix stated that when the Plan is updated, the projection will be updated every three to five years based off what is happening at the time.

Council Member Benning asked if the base is actuals. Mr. Felix stated that the 2019 are actuals.

The Fire Infrastructure Improvement Plan includes the buy-in of the station and tower III, the ladder truck. The facilities are \$593,000 and the apparatus is \$440,000. The reason there is a negative balance on the fund is because that is what is left on the outstanding balance (slide was displayed with the proposed fire fees).

The Parks and Recreation is \$3.1 Million. The actual deficit is larger but in the upcoming budget, being transferred is about \$300,000 from the Capital Improvements Fund to bring the deficit balance to \$3.1 Million. The large part of it is Eddie Cyr Park when first developed (slide was displayed with the proposed parks and recreation fees over 10 years).

The Police Station expansion with the larger meeting room and dispatch area is \$921,000 (slide was displayed with the proposed police fees).

For streets displayed was a slide of the future look and not the buy-in. Currently the City is looking over the next 10 years based off development going on to the south and east, \$6000,000 for arterials and 1.0 additional, \$300,000 for improved intersections. This is possibly a half lane mile of roadway, the extension of BST with one intersection. This is due to where the City is currently at and it is not expected anymore than that based on how things are looking. Also, in there is a one-half lane mile, which is not inexpensive, especially if the roads are being built from scratch. In three to five years, when this Plan is looked at again, this may change if things start moving.

The improvements summary of the cost involved was displayed along with the proposed fee schedule at 100 percent, lowering the sales tax of 2.45 on all construction to 1.95, and the fee comparison.

Mr. Felix stated that this is the full fee and not the 75 percent fee that was put into place. It was started at \$5000 and if the City were to have grown it by the construction cost every year, the current fees that would be outstanding would \$7,000. The current fees at 100 percent are over \$4,000 and the proposed fee is going to \$5,300 for a single family house, but there is a savings of over \$1,000 on the construction cost for a \$325,000 house, which is based off the information from the Cochise College Center.

In response to Mayor Mueller, Mr. Felix stated that he will be putting out a new schedule for discussion on the draft development fees.

Council Member Wolfe asked for the full report by Tischler Bise. Mr. Felix stated that it is available on the web site.

C. [Executive Report](#)

Mr. Potucek stated that despite the situation that the City is currently undergoing with the pandemic, the budget books will be available on Wednesday, May 27, 2020, and staff will be proceeding with the individual meetings with Council Members. He reported that the March sales tax numbers, which had the City down about by seven percent that was a lot better than what was anticipated. He further reported that he believes that similar numbers will be reported for April, but he does not see an indication where revenue projections need to be changed for sales tax. This may change if May sales tax numbers do not turn out well, but he believes that any adjustments needed will be able to take place. The community will come out of this in terms of how the sales tax revenue is looked at. So far it is good, but it is better than what he originally

thought that it would be.

Mr. Potucek reported that last Tuesday, he and Ms. Yarbrough met with the School Board to present the City's proposal to acquire the Rothery Center property. This is a strategic planning item for the Council to pursue and overall, the presentation went well, which he believes that most of the Board looked at favorably. This issue will probably come up at the School Board Meeting on June 19, 2020 and hopefully the City can get a decision. At that time, staff will provide to the Board any required additional information. The Council's Strategic Plan has gone through the process and he believes that any questions from the School Board, whether they need to go through a public process, may be assisted by the City so that they feel comfortable.

Mr. Potucek reported that a budget was approved at the last SEACOM JPA Board Meeting after going through some haggling over the new software system needed to operate the dispatch center. This is also included in the City's budget as well.

Council Member Pacheco asked if the City has reached out to the new superintendent. Mr. Potucek stated that Ms. Glass's contract runs through the end of June 30, 2020. The City has been working primarily with her in terms of the City's proposal. He added that he believes that there will be School Board approval prior to her leaving and the City has not had any discussions with the new superintendent.

Council Member Pacheco asked Police Chief Thrasher about the huge jump in aggravated assault numbers. She asked if there is a new way that aggravated assaults are classified that contribute to the increase. Police Chief Thrasher stated that not all of it. The months of April and June show a pattern and perhaps it is because it is summertime. Some of those are associated with domestic violence or narcotics. This was a significant spike and that has to do with some of the reporting changes and definitions during the audit process, but not entirely.

Council Member Pacheco asked about citizen-initiated calls for service versus officer-initiated calls for service. Police Chief Thrasher stated that the goal is to be over 50 percent and explained that the theory is that the more proactive the officers are, the less crime would get reported by the citizens because the officers are out there being visible and making contact with citizens. The officers are finding the issues before citizens might be reporting them. The idea is to get the officers out there to be as active as possible, making contact. The experience has been that for citizen initiated calls for service and crime reporting has gone down during that time, but it is going to take time to actually see if that is legitimate in terms of how it happens. He added that he believes that there is a correlation, especially when it comes to property crimes because the officers are out contacting people in the middle of the night.

Council Member Pacheco asked about the mental health calls for service and requested a larger discussion on this issue because it is a serious concern for the Police Department and that continues to be an issue. Police Chief Thrasher stated that there have been a lot of community meetings on this issue, but with COVID it has all slowed down. The Legacy Foundation has held some meetings and trying to get all the stakeholders in place. He added that the Department's concern with the lock down is that they will start to see mental health calls. He added that during the last quarter there were 58 calls for mental health service, but during the last two months, there were 51 calls. There is a significant mental health issue that is going on during the lock down, etc. This has been a concern due to the danger and the number of staff hours required to handle the calls for service. The Department is actively participating with all the groups in town to try to get that addressed.

Council Member Pacheco gave kudos to fire and medical for a great job for the swift changes to their guidelines and procedures for operating due to COVID.

Council Member Pacheco asked about the 140 cases on code enforcement. Mr. Pregler stated that the Department can provide a breakdown. These are for weed abatement or other nuisances i.e. trash and debris. These are mainly complaint based, although the Department has done some proactive enforcement in recent months. During the monsoons, the weed abatement is the biggest. Mr. Potucek added that the report can be broken down like the Police Department does with complaint or staff initiated and the nature of the calls.

Council Member Pacheco asked about the wastewater bar screen. Ms. Yarbrough stated that it was in the process of being replaced before the pandemic happened.

Council Member Calhoun stated that the baby wipes are a serious issue for the sewer system and is a serious issue.

Council Member Pacheco gave kudos to Ms. Hector and staff on the Hummingbirds of Hope Campaign. It was perfect time and it was well received.

Council Member Calhoun asked about the composting facility. Ms. Yarbrough stated that she has not been able to investigate the issue.

Council Member Calhoun stated that she has been moaning the loss of recycling and became alarmed when she read comments about the composting facility.

Council Member Calhoun stated that she appreciated the report on the change in the electric ques and she understands that it does not represent the way that it is going to look forever.

Council Member Umphrey noted that Ms. Wilson got the new wrap for the Leisure bus, which looks nice, and asked if someone in-house designed it. Ms. Wilson stated that it was designed by Ms. Hector and her team.

D. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller reported that he met with the Governor and other supervisors and mayors on last Thursday, May 21, 2020 in the Capital. He added that his focus of his pitch was, "where is the City's money and why doesn't the City have it?" The Governor stated that he realizes that cities need to get their money and he plans to make an announcement during the week. The Governor was told that the City has legitimate COVID-related costs that were unbudgeted and needed to be taken care of. Most people shared with him that not all of the money allocated will be spent and on how that money should be allocated based on population, but counties may get extra because they access the health departments for the smaller cities and towns. The Governor stated that he would take all the input into consideration and make his announcement through a televised meeting in Phoenix. This was the point of the discussion with the Governor, where everyone provided a status report and what they needed to deal with due to the crisis.

Mayor Mueller stated that he talked about getting involved with ACA to be more involved in rural development and not just the two big cities/counties, but he was told that this was a good discussion for a future time.

Council Member Calhoun stated that she is glad that Mayor Mueller brought the issue of the

ACA in rural communities and noted that it is shameful sometimes reading about how little effort there seems to be. Mayor Mueller stated that he pointed out that there needs to be a different type of help and focus than the big cities, especially if people that are going to telecommute are tracked, and they are looking for a place to live and have quality of life – it is probably not in Mesa and Phoenix.

Council Member Calhoun noted that she was surprised that small businesses are up to 500 people. This hit home and she is aware that the City does things differently, which she would like to see that continue because as a community the City is able to communicate to people that the City has many small businesses that need more emphasis. Mayor Mueller noted that their definition of a small business is not the City's definition and more time needs to be spent with ACA and others. He added that he provided the Governor with specific examples, i.e. being able to have the funds to develop 10, 20, 40 areas that have access to all the utilities that the City could actually attract a business and the fact that they are not looking to help these communities in Greater Arizona that have the educational and technical ability to do that. This must be an ongoing campaign and it is not going to happen soon; the City needs to keep the pressure up.

E. Future Discussion Items and Council Requests

Mayor Mueller stated that at the next Council Meeting he hopes to have the last piece of the reorganization of the commissions as well as the Commission Handbook.

Council Member Pacheco reported that she reached out to a couple of different cities about their youth commissions. Casa Grande and the Town of Wickenburg submitted their youth commissions' outline, and how it functions and how it is put together. They have good examples of robust youth commissions. She also stated that during the last Transportation Conference, she made a friend with a member of the Navajo Nation, who recently reached out to her about participating in a drive that will take place later in the week due to assist with the crisis.

Mayor Mueller noted that this person spoke last during the meeting with the Governor who relayed that they are having a tough time. He added that if folks out there can participate to help, they will be grateful as they really need the assistance.

F. Council Discussion (COVID-19 Status)

Mr. Potucek stated that Cochise County is up to 62 cases, 42 resolved and 19 actives. There was a testing blitz a couple of weeks ago in Sierra Vista that did not result in positive cases. The testing blitz moved to Douglas and Wilcox, which resulted in the increase of cases on the eastern side of the County. The number of new cases also included the serology test, people that may have contracted the disease sometime before and were never tested and have since then recovered that may be inflating the numbers as well. The 19 active cases do not sound as good as the five that the County had a couple of weeks ago, but there are reasons for that.

The Governor instituted Phase I of the three phase reopening program and thus far, the community has responded well to those guidelines and there have not been any significant enforcement issues that have come out of that. The City opened its outdoor uses primarily for teens, i.e. pickle ball, dog parks, farmers market and those type of activities, which have been done successfully. People appreciate being able to go outside and recreate. The City has also opened some of the lobbies and people are coming in, which has been done responsively not only the City's part but on the part of the public coming in.

Mr. Potucek stated that staff is looking forward to when the Governor will announce going into Phase II, but he still feels that many of the City's public facilities i.e. library, OYCC, Ethel Berger Center and Cove probably need to wait for Phase II that would provide for larger numbers of people going in. He added that he is not comfortable with both from the public standpoint and the employees with opening those facilities to larger numbers of the public. The City continues to service the public out of the lobbies and drive-up service for the library.

The employees are coming back to work in their facilities at their own pace, and some are still more comfortable with teleworking. The City appreciates that and will let that occur at its own pace as the employees feel comfortable. It has been found out that teleworking seems to work well for a number of the employees for a variety of reasons and therefore, the City is looking at changing its personnel policies to incorporate telework as part of the normal work process in the future, a good thing for everybody involved. Lastly, Mr. Potucek commended the public and employees for the way that they have responded. The City will reopen gradually as conditions allow for it.

Council Member Calhoun thanked Mr. Potucek and stated that she believes that this is a responsible way for handling and following guidelines. She stated that the City is moving into a whole new phase because the virus is opening the door for many different ways of doing business. She also stated that she appreciates the fact that the City will be looking at personnel policies for different ways of doing things. Lastly, she stated that this is a great way to move forward in what looks like a new way of doing things all the way around and looks forward to conversation about it. Mr. Potucek thanked Council Member Calhoun and stated that he thinks about this a lot in terms of how to reopen responsibly that will be addressed in the Vistas coming out. There are people that want to rush in and open everything and there are people that feel more comfortable staying at home, and he understands both viewpoints and need to be respected. The biggest issues that will come out of this and what will have to be dealt with in the future will involve some of the social damage that has occurred as a result of this and that is something that the City will be dealing with for a while.

2. Adjourn

Mayor Mueller adjourned the May 26, 2020 work session of the Sierra Vista City Council at 4:39 p.m.

Frederick W. Mueller, Mayor

Minutes prepared by:

Attest:

Maria G. Marsh, Deputy Clerk

Jill Adams, City Clerk