

Sierra Vista City Council
Work Session Minutes

April 6, 2021

1. Call to Order:

Mayor Mueller called the April 6, 2021 City Council Work Session to order at 3:00 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Mayor Rick Mueller – present
Mayor Pro Tem Rachel Gray – present
Council Member William Benning – present
Council Member Gregory Johnson – present
Council Member Angelica Landry – present
Council Member Sarah Pacheco – present (3:02 p.m.)
Council Member Carolyn Umphrey - present

Others Present:

Chuck Potucek, City Manager
Victoria Yarbrough, Assistant City Manager
Adam Thrasher, Police Chief
Brian Jones, Fire Chief
Matt McLachlan, Community Development Director
Jeff Pregler, Planner
Sharon Flissar, Public Works Director
Laura Wilson, Leisure and Library Services Director
Abe Rubio, Chief IT Officer
Tone Boone, Economic Development Manager
David Felix, Chief Financial Officer
Jennifer Osburn, Budget Officer
Kennie Downing, Chief Procurement Officer
Judy Hector, Marketing and Communications Manager
Jill Adams, City Clerk

2. Presentation and Discussion:

A. April 8, 2021 Council Meeting Agenda Items ([agenda attached](#))

Mayor Mueller stated that the Council Meeting for Thursday, April 8, 2021 starts at 5:00 p.m. with the Call to Order followed by roll call, invocation, Pledge of Allegiance, and the acceptance of the agenda. Following will be two proclamations for the month of April, one is for Sexual Assault Awareness and the other for Fair Housing.

In response to Mayor Mueller, Mr. Potucek stated that on Thursday, April 8, 2021 he will be attending the SEACOM Board Meeting to discuss budget. He added that he plans to report back to Council the outcome of the meeting during the Council Meeting to include other projects.

Item 2 Approval of the Regular City Council Meeting Minutes of March 25, 2021 – There was no discussion.

Item 3 Resolution 2021-020, Application for a Permanent Extension of Premises/Patio Permit for Michael H Appleton on behalf of A and T Taproom dba Bone Dry Taphouse – Ms. Adams stated that because of Bone-Dry Taphouse's success, they have taken over the suite next to their original store and they are modifying their file with the Liquor Board to reflect their current space that they will be occupying. Rather than a temporary extension, which would have been done administratively, they chose a permanent extension so that the liquor license that they have in place will allow them to

serve alcohol in their entire facility, and when they install it, a deck in the back. This is not a public hearing because it is not a new liquor license. It is an extension of the Bone-Dry Taphouse's existing license. There was a background done by the Police Department and they have no issue with it going back to the State for final action if approved by Council.

Item 4 Ordinance 2021-003, Adoption of Development Code Text Amendment, Reasonable Modifications, Sections 151.02.004, Definitions, and 151.06.011, Reasonable Modification – Mr. Pregler stated that the amendments in the ordinance relate to reasonable modifications and response to public comment requests for home modifications to accommodate a disability. A reasonable modification is to be defined to provide disabled persons flexibility in the application of a structure's dimensional standards and lot coverage area requirements/procedures when necessary, to eliminate barriers to housing opportunities. This would create a process that would allow the reduction of building setbacks, height increases that extend above the zoning height maximums, or for increases in lot coverage areas for the purposes of accommodating a disability.

Prior to the staff writing proposed language, a review of other communities was made to determine the type of reasonable modification requests that they were receiving based on these codes. Requests include modifications to ramps, handrails, widening driveways, parking areas or walkways, building additions/removal, or reduced off street parking. Many of these requests do not require a building permit or zoning review in the City or they relate to modifications interior to the home, which is why these requests are not included in the proposed language. Staff anticipates that most of the requests will be related to dimensional standards or yard coverage areas.

The current process to waive the dimensional standards is through a variance, which is a public hearing that is heard by the City's hearing officer. Due to the strict criteria of the variance process, many requests for reasonable modifications would be denied. In addition, the federal and state Fair Housing Act state that prohibited discrimination includes a refusal to permit, at the expense of the person with a disability, reasonable modifications of existing premises occupied or to be occupied by such a person if such modifications may be necessary to afford such person full enjoyment of the premises. For these two reasons, a separate reasonable modification process is being recommended. The process itself will be administrative rather than a public hearing with review authority being the director of Community Development. The application will be reviewed and approved based upon proposed findings as stated in the Code. The abutting property owner affected by the request will be notified and can provide comment, which will be considered as part of the review process.

To verify that the modification is needed to accommodate a disability, the applicant is required to submit a written certification of need for the requested modification from a medical doctor. For privacy purposes, the City will not be requesting the applicant to disclose the disability.

The Commission on Disability Issues reviewed the request and proposed unanimous approval at their December 9, 2020 meeting. The Planning and Zoning Commission also recommended unanimous approval at their February 16, 2021 meeting. The Council held a public hearing on this item on February 25, 2021, where the item was opened for a 30-day public comment period. The City has not received any public comments during the 30-day period. Staff is requesting final adoption of the amendments.

Item 5 Ordinance 2021-004, Adoption of Development Code Text Amendment, Public Hearing Process, Articles 151.26, Conditional Use Permits and Article 151.31, Amendments – Mr. Pregler stated that the amendments in this ordinance relate to revising the public hearing process for conditional use permits, rezoning and text amendments.

The current review and approval process for these requests require public hearings before the Planning and Zoning Commission and the City Council. Along with the public hearings, there are public notification requirements, notifying the public of the hearing dates as required by State Law. These requirements include newspaper ads, posting signs on the property if applicable, and mailing letters to all property owners within 500 feet of the requested property. The process takes

approximately 45 to 60 days; however, the Arizona Revised Statutes does provide for an expedited public hearing process for local municipalities. Accordance to the Arizona Revised Statutes, if the Planning and Zoning Commission has held a public hearing, then the governing body may adopt the recommendations of the Planning and Zoning Commission without holding a second public hearing, if there is no objection or request for a public hearing. This means that following the public hearing from the Planning and Zoning Commission, the City Council can approve the recommendations from the Planning and Zoning Commission without requiring a second public hearing if there are no objections, protests, or requests for a public hearing. The City Council will still vote on the items, but the notification requirements for a public hearing will not be required. Should there be an objection or protest regarding the item, or if the City Council does not adopt the recommendations of the Planning and Zoning Commission, then a second public hearing would be held before the City Council. An objection, protest or request for a public hearing needs to be submitted within seven days from the Planning and Zoning Commission's recommendation.

In addition to the recommended public hearing amendments, staff is also including language to require notification to Fort Huachuca of all proposed conditional use permits and rezonings to ensure that there is no adverse impact to their missions.

The Planning and Zoning Commission recommended unanimous approval of the amendments on February 16, 2021, and the Council held a public hearing on this item on February 25, 2021, where the item was opened to a 30-day public comment period. The City has received one public comment opposing the amendments, and staff is requesting final adoption of the amendments.

Council Member Umphrey stated that she had not seen the public comment. Mayor Mueller noted that it is in the packet.

Item 6 Resolution 2021-021, Dedication of Veterans Sports Complex Football Field to Keith Hampton – Ms. Wilson stated that this is an item that was started off by Ms. Berlynda Schaaf, whom is a member of the Parks and Recreation Commission. This is a request to dedicate the football field located at the Veterans Memorial Sports Complex to Mr. Keith Hampton, a well-known and respected coach in the area for almost 25 years. Mr. Hampton had six children, raised them in the Sierra Vista Public School District, and was a well-known coach through the school, who could always be found at all sport events, football, baseball, soccer. The Hamptons were all in attendance together as a family unit and he was an instrumental coach to a lot of young men and women throughout the community. Mr. Hampton was someone that was well trusted, and the Parks and Recreation Commission has unanimously voted to recommend approval and are asking for a proper dedication after the rehabilitation of the field for suitable playing condition.

In response to Mayor Mueller, Ms. Wilson stated that all established procedures were followed for naming facilities and Mr. Hampton's family does not object to naming the field after him.

Council Member Pacheco noted that the staff memo indicates that there is no budget appropriation for this item, but wonders if it would come later, if the City puts on some type of memorial, signage, and the dedication itself. She asked if the restoration of the field has been budgeted. Ms. Wilson stated that the restoration has not yet been budgeted, and it is unknown as to how long that will take. Staff feels that it would be a better presentation, once the field is ready. As far as the expenses go, a plaque was placed at the location, and the costs was taken out of the department's existing operations and management. The dedication ceremonies are also extremely affordable and those are also taken out of the department's funds.

Mayor Mueller stated that once discussions begin on capital improvements, the discussion will not be specifically about the ball field because it is going to be about a year or two down the road. Ms. Wilson stated that he is correct.

Item 7 Resolution 2021-022, Restating the City's Commitment to Fair Housing in Sierra Vista – Mr. McLachlan stated that this item should be familiar as it is something that is done every year to fulfill a federal requirement in connection with the Community Development Block Grant Program. The

proclamation and resolution signify the City's commitment to furthering fair housing, and the way that the City does that is through the Southwest Fair Housing Council. The City's track record is good with zero to minimal complaints over the years with respect to discrimination and the sale/rental of housing in the community. This is a procedural item to express the City's support for fair housing.

Mayor Mueller noted that this is a requirement from the federal government to be able to receive grant funds.

B. [FY 2021-2022 Capital Improvements](#)

Mr. Potucek stated that this is the first of probably many budget work sessions that Council will have through the budget process, which will culminate in approval of the tentative budget currently scheduled for late June. Staff will be going over the capital improvements and that portion of the budget, which is open for questions, comments, and any changes that Council may want to make.

Ms. Yarbrough is leading the budget team with Mr. Felix and Ms. Osburn, who will be presenting along with the departments. The other portions of the budget will follow this work session.

Ms. Osburn stated that staff, as they are going through the budget process, they like to assess where the City is currently at. Through December, the local transaction privilege tax revenue was up 7.1 percent over FY20, and 15.6 percent over budget. Of that growth, there has been \$506,532 in internet sales revenue through December. There is a two-month lag when receiving revenue numbers; therefore, the City will receive January's numbers shortly with February's numbers in April and March's numbers in May. Even though, the City had good growth in the sales tax revenue the City is in a good position going into the next year. The pandemic has influenced the TPT revenue, but it should probably even out in the spring.

Staff will still project an increase in revenue for FY22, but conservatively also due to the census reporting. Current State-shared revenue is based on the 2019 population numbers, which are currently incorrect. The State will apply the new census numbers as soon as they receive them, expected to be in September. The first quarter will have the 2019 numbers and after that, they will have the real census numbers.

Mayor Mueller noted that they will be the adjusted census numbers. Ms. Osburn stated that staff will go into revenue during the next work session.

The City finances certain capital projects, depending on the life of the project, cost of the project, and expected cash flow. Staff prefers to cash projects out if possible, but they try to match the term of the financing to the life expectancy of the capital asset. There are two types of debt that the City uses, long term bonds which are not used very often and more commonly the short-term lease purchases for vehicles.

The City currently has two refuse trucks that are on order and if they are received in FY21, they will be financed with payments starting in FY22. Anything financed in FY22 will have payment reflected in FY23. The City will also pay off the airport and park notes in June 2021, two years early.

Mayor Mueller noted that there are two garbage trucks for \$330,000 and asked if these are scheduled for FY21 budget but have not yet been received. Ms. Downey stated that they are still on order and the vendor thinks that they will arrive before June 30, but the City has no control over it.

Mayor Mueller noted that hopefully the City receives the trucks prior to June 30, 2021 so that they are not a factor in next year's budget. However, if they do not come in, the City already has the money on hand to buy them and staff will need to transfer the \$660,000 to the new year. Ms.

Downey stated that staff will monitor that and if it gets close to the end of June and they are still not delivered, she will let Mr. Felix know.

Council Member Johnson noted that this is possible debt service and to him debt service means a loan. Mr. Potucek stated that he is correct because it is like a car payment. He added that because the exact delivery date of the refuse vehicles, one commercial and one residential replacement vehicles, is unknown it is prudent to plan on putting it in as a carryover item in the next year's budget.

Mayor Mueller asked if the money is available in the refuse fund. Mr. Potucek stated that these will be financed and paid out of the refuse fund and it is healthy enough to cover it.

A slide was shown of the FY22 proposed debt service that depicted:

- General Fund, \$281,880 for the 10 percent for the vehicles
- HURF, \$79,907 for the 10 percent down for the vehicles
- Airport, 0 for hangar refinance
- Park development, 0 for State Land purchase
- Bonded debt service, \$2,701,373 for the 2017 refinance and 2019 bond with Schneider
- Sewer, \$949,434 for the refinancing of the sewer plant and vehicles
- Refuse, \$301,947 for the 10 percent for the vehicles

Ms. Osburn displayed two slides showing the prioritized list for the capital requests recommended to Council for the incorporation for the FY22 budget. The process was changed for the Capital Improvement Plan in that each department met with Public Works and had their needs assessed. Staff then got together and created the prioritized list. However, since the Strategic Plan has not yet been adopted, a "y" on the last column of the prioritized list indicates a potential Strategic Plan item that was based off discussions held earlier in the year. The following list may be adjusted as staff moves through the Strategic Plan in the budgeting process and any changes in revenue projections. Staff will provide updates to Council on any of the changes.

- Avenida Escuela Extension with culvert/bridge, \$2,500,000

Staff is currently in discussions with FEMA and it is hoped that FEMA accepts all the proposals that the City has made; however, the design will be in-house. Ms. Yarbrough was able to speak with Walmart's real estate office, and they understand that they will pay half of the cost as soon as it is provided to them.

Mayor Mueller stated that the City is going through a clomar process with FEMA that means that the City must size the bridge right for the 100-year floods and because of flood flows, the City can get a smaller bridge which saves the City money. FEMA is not going to work quickly. Mr. Potucek noted that the FEMA process is always lengthy.

Council Member Johnson asked if the City's total obligation only half of the estimated cost for the total project of \$2,500,000. Ms. Osburn stated that he is correct.

- Fab Avenue/Fry Boulevard property improvements, \$30,000

The possible storm water improvements are estimated at \$30,000 until the study is completed.

- Stryker Ambulance Gurney, \$20,000 and fire radios, \$15,200

The Fire Department is requesting one ambulance gurney and two fire radios.

- Network infrastructure upgrade, \$220,000

The network infrastructure has reached the end of its life.

- Library VID Patron System replacement, \$95,000

The Library VID Patron System reached its end of life two years ago.

- Fire Station #3 conference room upgrade, \$115,000

This conference room is where the strategic planning took place.

Council Member Umphrey asked if the cost is for two conference rooms. Ms. Osburn stated that it is for both conference rooms. The original equipment dates to 2008 and new touch panels were added in 2013, but since then there has been several repairs over the years but the whole system has reached a need for a complete upgrade. This is not only for internal meetings, but external meetings as well.

Council Member Pacheco asked about the Library VID Patron System. Ms. Osburn stated that those are the computers that patrons use when they go to the Library.

- Leisure and Library Services replacement of equipment due to safety, castle playground at Veterans Memorial Park, \$40,000, replacement playground at the Oscar Yrun Community Center (OYCC), \$16,650, and replacement of TOT turf at Veterans Memorial Park, \$47,600

Council Member Pacheco stated that Council put into their Strategic Plan to replace the OYCC and possibly not have it where it is currently located. She further stated that she wonders why the playground needs to be replaced if the OYCC is no longer going to be at that location. Mayor Mueller explained that the playground at the OYCC is the one where the special kids have their play activities. Mr. Potucek stated that he is correct. It is the small playground behind the current OYCC and that is where the therapeutic recreation program is held.

Council Member Pacheco asked if the therapeutic recreation program can be held at Veterans Memorial Park. Mayor Mueller stated that the kids would have to be taken from the facility where they have their classes down to Veterans Memorial Park and back. Ms. Yarbrough stated that it is also used by people who are there for games, tournaments and their kids are playing on the sports fields.

Council Member Pacheco stated that is interesting because it is really a part of the park. Mayor Mueller noted that it is the ball fields.

- Sports complex restroom improvements, \$800,000

All three fields at Domingo Paiz, Brown, Cole, and Roberts would have their restrooms improved.

- Diving board replacements, \$24,000

Diving boards need to be replaced due to safety issues.

- Police Station flooring, \$150,000

The Police Station flooring has been on the list for many years and cut.

- Animal Control expansion design, \$200,000

Should the expansion for Animal Control be approved, the design is set for \$200,000 this year with construction for next year.

- City Hall power entrance/subpanel expansion, \$100,000

This is the next step in upgrading the electrical system for the current load at City Hall.

- Pavilion roof replacement, \$30,000 and Fire Station 1 and 2 roof replacement, \$140,000
- Garden Avenue design, \$265,000

This is Phase II of the Fry/North Garden revitalization.

- Multi-use Path Program, \$2,000,000

The Multi-use Path Program is for two miles, a grant opportunity that the City is putting in for.

- City-wide security camera server upgrade, \$63,000

The City-wide security camera server upgrade is being paid through Transit and Airport funds.

- Parks Master Plan Implementation Phase 1, \$1,700,000

Phase 1 is primarily the irrigation and well project, a possible Schneider Project.

- Vehicle covered shelter at the Police Department, \$200,000

This is a possible Schneider Project.

Mayor Mueller asked if the vehicle covered shelter at the Police Department would be solar generated. Mr. Potucek stated that he is correct and noted that it is under evaluation, but the project will not proceed if it does not pencil out.

Council Member Umphrey asked if the restroom improvements entail all seven restrooms. Ms. Wilson stated that this would be at the four different locations, the cluster of three fields which is Cole, Brown, and Roberts. These require some special configuration because the big Park's maintenance building is in the center. She added that there is no sewer at Domingo Paiz, therefore, this will have to be a septic with leach field.

Council Member Pacheco asked if there is money available for capital improvements. Mr. Potucek stated that this is a proposal for the coming year's budget. It is contemplated that the funds will be available based on revenue projections.

Council Member Johnson stated that the cost for the expansion of the Animal Control is high; although he realizes that consultants and design people are not inexpensive and the fact that Animal Control really needs some expansion. He added that he is aware that there are people that are against this, but he believes that the City needs to take care of those animals.

Mayor Mueller stated that this is a valid comment and noted that there are certain things that must be met. Ms. Yarbrough explained that when staff estimates design costs for a project, they estimate 10 percent of the estimated construction cost. With the Needs Assessment that was performed, the priority 1 and \$1.5 estimates for construction were \$1.5 to about \$2 Million. Staff estimates a little high so if the project comes in around \$2 Million, staff is estimating \$200,000.

Council Member Johnson noted that he read the report that was forwarded to Council and believes that it is a good plan.

Council Member Benning asked if the design is for the overall expansion. He also asked if the City would partner with the County. Ms. Yarbrough stated that this is only for the City's needs. The Needs Assessment did assess the possibility of becoming a regional shelter and partnering with the County, but since the County is still unsure on how they want to proceed, she discussed with them

using Option Four in the proposal, which is the regional shelter and using this as a bid alternate and sharing the cost with them, if they would like to have that design, and if the project moves forward, they can choose to and pay for it at that time.

Council Member Pacheco asked for justification because she is not convinced that this is needed. Ms. Yarbrough stated that she emailed to Council the Needs Assessment and the annual assessment of the Animal Shelter about two weeks ago.

Council Member Pacheco stated that the thought that the City would be in tandem with the County, which wants to make their own animal shelter, and Huachuca City that also wants to make their own animal shelter. The City is acting like it is going to be the big dog and do its own thing, but currently there are three efforts to make new animal shelters. She further stated that she does not know if this is a competition for who can get it done first, but the City does not need to be in that fight. Mayor Mueller stated that he does not believe that this is the case. The reason in the past that the City has worked with the County or other entities is to make sure that the City's costs can be saved as well as their costs. Apparently, the County is in a position where they do not know exactly what they want to do, but there is still a need. He recommended that if the Needs Assessment and the annual assessment of the Animal Shelter have not been read, that time is taken to read them because it may enlighten one's thinking.

Council Member Pacheco stated that she will probably still totally disagree and be opposed. Mayor Mueller noted that the information before Council is a proposal by staff that is also open for future discussion as well.

Council Member Pacheco stated that she thinks that if the City is trying to build its shelter and be the first one so that maybe the County does not build theirs is silly and a waste of money. Mayor Mueller stated that he thinks that assumptions are being made. Mr. Potucek explained that the budget proposal before Council lays out only the City's needs and does not contemplate the County's needs. A bid alternate may be put out and scale this up to include the County and a regional center, but the City has not received any word from the County that they care to currently do this. He added that he is going on the assumption that the City is going to be doing it alone and the City is not competing with anyone.

Council Member Johnson stated that on top of that, all that is heard out of Huachuca City is that they are going to collect some funds and he does not think that puts them in a position in that the City is in competition with them at all. He added that he thinks that there is a need, and the City needs to fulfill that. Council Member Benning agreed, but Council Member Pacheco disagreed. Mayor Mueller noted that a decision is not being made during the work session whether the Animal Shelter is going to be expanded. This is for future discussion; Council is only going through budget discussions.

Council Member Benning asked for a breakdown of the grants because he would like to know what will be coming out of the City's pockets. Ms. Osburn stated that it is an 80/20 split, 80 percent is the grant and the City's match is 20 percent.

Mayor Mueller asked if there are any other grants other than Multi-use Path Program. Ms. Osburn stated displayed a slide that showed the grants.

Mr. Potucek explained that on the multi-use paths, staff was able to find a way through the transit grant to be able to do sidewalk and multi-use path improvements; it is basically a new funding source for the City to be able to continue the Multi-use Plan, which will be an 80/20 split.

Council Member Pacheco asked about the path's locations. Mr. Potucek stated that the budget proposal is based on an estimate per mile of path. The City has a Multi-use Path Plan, which will be shared with Council. Staff is looking at a couple of gap areas that will connect the existing path network, one that looks like a prime candidate is on south Highway 92 towards Kachina to be extended from Buffalo Soldier Trail.

Council Member Johnson noted that \$2 Million for a multi-use path really jumps out at him. Mayor Mueller stated that there is paving, potential curbs, curb cuts, landscaping and that money will grow quickly.

Council Member Johnson stated that he looks at need versus spending just because the City can.

Ms. Osburn asked Council to keep in mind that the lists may change, depending on revenue projections. Council will receive an update on the next budget work session.

- School District land purchase, \$366,000

Ms. Yarbrough stated that this is the appraised amount for the portion that would complete Roadrunner Park along St. Andrews, corner of Canyon De Flores.

Council Member Pacheco asked if it would be turned into a park. Ms. Yarbrough stated that it would be turned into a regional park like Tompkins Park. Council Member Umphrey noted that there is no park in that area of town. Mr. Potucek added that there is the potential to hook a path from there to connect with Garden Canyon Linear Park.

Ms. Yarbrough stated that the City owns about 12 acres in that area, and this is 15 acres to complete the property.

Ms. Osburn displayed a slide depicting carry over from 2021:

- Parks Maser Plan Implementation Phase 1, \$870,000

This is for the irrigation and well.

- Eddie Cyr Park improvements and North Avenue parking lot, \$271,769
- EMS Substation design and construction, \$1,522,875
- Joint Resources Utilization Study, \$465,000

Council Member Pacheco asked if this is money that the City already has and has not been implemented. Mr. Potucek stated that carryover generally denotes a project that was budgeted last fiscal year and may not be complete or in various stages of completion. Staff estimates how much more of it is needed to be paid in the following fiscal year. The money has already been budgeted the year before and is just carried over to the next fiscal year.

Council Member Pacheco stated that one item that has been a needle in her side is the airport sign. This was a carryover item for many years but has not been done. Mr. Potucek stated that it would still be a carryover item. He noted that he asked Mr. Boone and Ms. Hector to relook at the sign and come up with a new design and cost estimate, which will then go before the Airport Commission.

Ms. Osburn displayed a slide of the standard vehicle replacement list and stated that the City has not yet received the FY20 and FY21 vehicles due to COVID and the shutdown of the plants. Staff is hoping to get the vehicles in August or September as well as the FY22 vehicles by next spring; therefore, staff budgeted for seven vehicles each year for a total of 21. Also, two small busses are being ordered and the cost states zero because it is going to be 100 percent grant funded that is COVID related. Originally, they were going to be \$150,00 each.

Ms. Osburn pointed out that in the slide, the left column shows the 10 percent down that Finance takes out of the appropriate funds.

The HURF list was displayed:

- Fry Boulevard design and construction, \$2,396,422 carryover

Ms. Osburn stated that the design plans are at 100 percent and bids will be put out on the construction soon as it is hoped to start the actual construction in the summer.

- Annual pothole repair, \$100,000
- Annual street maintenance, \$1,500,000

Council will receive a list of the street maintenance with the Five-Year Capital Maintenance and Replacement Plan along with the Tentative Budget Book.

Mayor Mueller asked if the annual street maintenance in the amount of \$800,000 noted as carryover mean that it is work that was not done last year. Council Member Umphrey stated that it is work that was not completed. She further stated that the City just awarded KE&G the \$800,777.

Council Member Johnson stated that during the strategic planning, which was very enlightening, there was discussion about annual street maintenance and getting that number up because the longer that these streets deteriorate, the more it is going to cost in the long run. He further stated that he is looking at the \$2 Million budgeted for the multi-use paths and it makes him wonder. Mayor Mueller noted that those funds are grant money, 80 percent out of that is coming to the City and the City is only putting in 20 percent.

Council Member Johnson voiced his concern because thousands are being thrown around like nickels.

Mr. Potucek stated that these are different pots of money, street maintenance primarily is out of HURF and then the capital improvements fund is sometimes used to supplement HURF dollars. The Multi-use paths are coming out of a transit grant, which is through the local Transportation Assistance Fund. There are probably restrictions on that grant fund in terms of the usage of those monies.

In response to Council Member Johnson, Mayor Mueller stated that there is all kind of rules that will have to be explained. Mr. Potucek noted that budgeting and budget items can be very complex and take a while to learn.

Council Member Benning stated that it was discussed earlier in the year to have lights at the entrance to Charleston, the plaza where Hobby Lobby is located. He wonders if there is anything that can be done with HURF to accomplish that. Mayor Mueller asked if this is on Charleston Road between the highway and the College. Ms. Flissar stated that as luck would have it, that section of roadway is coming up on the Annual Street Maintenance Plan. Anyone who has driven down that section of road knows that it is rough. The Department is looking at a complete replacement, like what was done on Coronado Drive. When that is done, there will be an opportunity to put conduits under that roadway to prepare for a future traffic signal, which will then make the process of installing a traffic signal much easier.

- Design and installation of adaptive signal control, Phase 1, \$910,224 carryover

Ms. Yarbrough stated that this is also a grant.

Council Member Pacheco asked about the location of the adaptive controllers. Ms. Flissar stated that the adaptive controllers is a City-wide project. It changes the traffic controllers inside of the signal and makes them better able to respond to real time traffic conditions, and therefore, operate more efficiently.

A slide was displayed of the Airport carryovers: \$1,790,500 carryover.

- Site improvements at the Airport addressing the mountain of dirt and improvement for potential in the future.
- Apron and Taxiway J rehabilitation

Ms. Osburn stated that this is also a grant with creation of the pad at the Apron and Taxiway J.

Mayor Mueller asked if there is any idea as to when Taxiway J rehabilitation will be completed. Ms. Flissar stated that the Department is currently awaiting a grant from the FAA for that project. It is expected for the grant to come through, and the Department would look to go to construction after they start of the City's fiscal year. It is a couple-month long project; therefore, the completion would be sometime in the fall.

Council Member Pacheco asked about the cross runway that Fort Huachuca was going to stop maintaining. She also asked if the runway would be retired. Ms. Flissar stated that it is Runway 321. The Fort is looking at the long-term plans for that runway and have not made any final decision in that regard. When a final decision is made, if the City wants to keep it as a runway, then there would be financial implications for the City. If it is downgraded to a taxiway, then the maintenance would stay like the agreements between the City and the Fort. There is a lot to still to happen and it is being discussed at high levels in the Army, and it is not a given yet that the runway is going to be downgraded.

Council Member Pacheco stated that she was thinking about the impact of downgrading one of the runways in the recruitment for economic development and businesses out at the Airport. Ms. Flissar stated that the challenge from the Army's perspective is that the runway is very short. The availability for the type of aircraft that they operate, the uses of that runway are extremely limited. There is more of a general aviation benefit to that runway, but those discussions are far from complete now. Lastly, she stated that she has not yet heard back from the Libby Army Airfield Manager that this is by any means a done deal. When that moves further on the Army side, the City will be notified so that the City can take appropriate action.

Council Member Johnson stated that he would like to hear from Mr. Boone regarding that issue with respect to the runway because this is his big project. Mr. Boone stated that he sees no impact on Runway 321 in the long term. The intent is to go after large aviation, which is going to use Runway 26. He is trying to find a light user, large aircraft to balance with Fort Huachuca. Anything in that realm would not be able to use Runway 321. Most of it is going to be the general aviation side as Ms. Flissar explained.

Council Member Johnson asked Mr. Boone if he does not believe that this would have a negative aspect to his planning. Mr. Boone stated that it may be positive if it is turned into a taxiway because it would allow for use of the current apron that the City owns. There are limitations on how close the City can build off a primary runway. There may be actual benefits down the road. Mr. Potucek added that those would be access benefits particularly to the land.

Ms. Osburn displayed a slide with a list of items on the Capital Improvement Plan that did not make the cut for the budget year. As staff continually evaluates the future needs, Council may see these in the next two to five years.

Mayor Mueller asked about the additional acreage west of the EOP. Ms. Yarbrough stated that it is vacant land and not an addition to the EOP. Economic Development identified that if the City wants to develop that empty land that could be used for future development projects.

Mayor Mueller stated that he understands that there was a brown field in that area and several other things. Mr. Boone stated that he is correct. This is the former gravel pit and is contiguous to the

EOP, bank-owned that was foreclosed. Staff has watched the price for three years and it provides interesting options with the EOP, if there was an expansion required. There is some potential land, which is all County.

Mayor Mueller asked about its purpose and noted that the EOP is there and there is still significant capacity for recharge. There is talk about maybe taking some recharge and potentially moving it closer to the river on a couple of projects in the future. However, he does not understand why that land acquisition would be considered, unless that is an area that could be set up for industrial, but that would include investment on roads, power, etc. Mr. Boone stated that it goes back on the inventory. In looking through the inventory of available property within the City, this is one that has been identified as a potential location. Mr. Potucek stated that there is extreme shortage of commercial and industrial property.

Mayor Mueller stated that when 10, 20 or 40 acres prepared are being requested with already access, power, etc., the City does not have that. This may be a good thing to have on the list.

Mayor Pro Tem Gray asked about what was factored into putting off the Bartow Drive rehabilitation. Mr. Potucek stated that it is on the radar, but currently it is a money issue, and within a year or two, the City should be able to get to that. To do it properly, it needs to be engineered first and there are some issues with some owners and drainage is a big factor. Mayor Mueller stated that another thing is phasing based on when the money is available to complete the rest of Fry Boulevard. If Wilcox is where it needs to be for the downtown improvement, then Fry can be done and then the backbone, Bartow that runs in the middle of that and getting that addressed with parking etc. to resurface that area. Mr. Potucek added that it is much like Fry Boulevard, it will have to be phased.

Mayor Pro Tem Gray asked if the total cost is \$800,000 because it seems low. Mr. Potucek stated that it is a rough estimate.

Ms. Osburn went over the budget timeline:

- April 20, 2021 work session to review the Revenue, Personnel and O&M
- May 11, 2021 presentation of balanced budget
- May 28, 2021 Tentative Budget Book
- June 7 - 9, 2021 One-on-one sessions

Mayor Mueller encouraged Council Members to talk to Ms. Yarbrough, Ms. Osburn or Mr. Felix if they have questions about the budget briefing.

C. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller reported that he sat in on two meetings with Senator Kelly during the week when he was out at the Paper's headquarters and the Chamber. He noted that he explained to him the fact that the community does not have any capability of carrying for folks that are coming across the border because the community is basically stressed with its homeless shelter due to COVID. There were a lot of interesting one-on-one conversations, which he does not want to speak about in public, but if there are questions, he would be happy to share information with each Council Member individually. Also, the Senator gave a good briefing out at the Post and was excited enough to say that he wanted to come back.

D. Future Discussion Items and Council Requests

Ms. Yarbrough reviewed future discussion items:

- First draft of the Strategic Plan on April 20, 2021 work session.
- Parks Master Plan on May 11, 2021 work session.

E. COVID-19 Status Report

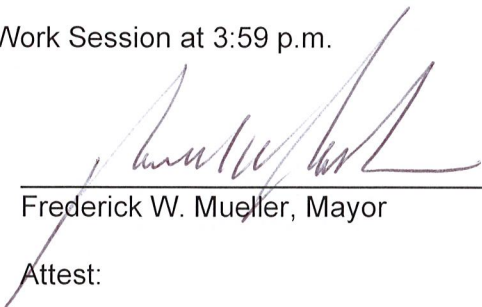
Mr. Potucek stated that as announced at the last Council Meeting, the facilities are now open and operating at full capacity. Transit is still kind of an issue in terms of dealing with masks, distancing, etc. He plans on talking to Ms. Flissar about it to come up with a plan, but Transit is continuing to operate the way that it was.

Mayor Mueller stated that the City wants to be able to get back to where it was before COVID, to at least make enough money in the Transit System to cover its costs. The challenge is that people must still wear masks. There needs to be a balance to make sure that the drivers and passengers are being taken care of, meeting federal requirements, while at the same time being fiscally responsible.

Mr. Potucek stated that Transit never makes money. Mayor Mueller noted that there are two programs, the regular bus, and the paratransit. Mr. Potucek stated that it is why there is about a \$400,000 subsidy to the Transit System every year. The City is operating probably at a higher cost rate because there are two busses running the orange line to accommodate social distancing, etc. It is going to take some transitioning/process to go back to the one buss, which will cut down some operating costs and in getting the public and the ridership used to it. Currently the turnaround time is half as much as the way that it was operating before.

3. Adjourn

Mayor Mueller adjourned the City Council Work Session at 3:59 p.m.



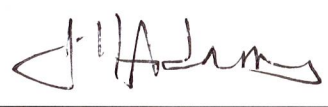
Frederick W. Mueller, Mayor

Minutes prepared by:

Attest:



Maria G. Marsh, Deputy Clerk



Jill Adams, City Clerk