

Sierra Vista City Council  
Work Session Minutes  
March 26, 2024

Mayor McCaa called the March 26, 2024, City Council Work Session to order at 3:00 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Mayor Clea McCaa – present  
Mayor Pro Tem Carolyn Umphrey – present  
Council Member William Benning – present  
Council Member Gregory Johnson – present  
Council Member Angelica Landry – present  
Council Member Marta Messmer - present  
Council Member Mark Rodriguez – present

Others Present:

Chuck Potucek, City Manager  
Victoria Yarbrough, Assistant City Manager  
Chris Hiser, Police Chief  
Brian Jones, Fire Chief  
Sharon Flissar, Public Works Director  
Gabriel Squires, Public Works Internal Operations Manager  
Laura Wilson, Leisure, Parks, and Library Director  
David Felix, Chief Financial Officer  
Jennifer Dillaha, Budget Officer/Management Analyst II  
Tony Boone, Economic Development Director  
Adam Curtis, Marketing and Communications Manager  
Elizabeth Wrozek, PIO  
Laura Mielcarek, Professional Landscape Architect, Principal, Wheat Design Group  
Jenny Moscato, Designer, Project Manager, Wheat Design Group  
Yennifer Yarosz, Designer, Wheat Design Group

2. Presentation and Discussion:

A. March 28, 2024 Council Meeting Agenda Items ([agenda attached](#))

Mayor McCaa stated that the agenda starts with the call to order, roll call, invocation led by Pastor Justin McPeak, Thunder Mountain Church, the Pledge of Allegiance led by the Girl Scout troops, Brownie 419, Junior 104, and Cadette Senior 1224, followed by a Proclamation declaring March 12 through 18, 2023 as the 112<sup>TH</sup> year of Girl Scouts in the United States.

In response to Mayor McCaa, Mr. Potucek stated that the State Route 90 Sewer Reroute Project bids are scheduled to be open on Friday, March 29, 2024, the needs assessment for the municipal court are currently under negotiation for the scope of work with the one respondent that the City had some projects planned for a while, the pedestrian walkway connection, shared use paths, ADA ramps, sidewalk, and driveway bid has been awarded to KE & G for \$577,000, the Annual Street Maintenance Project, which includes asphalt patching, crack seal and liquid sand seal, has also been awarded to KE & G for \$800,000, the feasibility study for the space reentry port at the airport was awarded to the firm of Launch on Demand and should be kicking

off that will lead to a permit, and at long last, the Animal Control Center Project is underway and scheduled for completion in September.

Item 2.1 Discussion and Possible Action of the Work Session Minutes of March 12, 2024 – There was no discussion.

Item 2.2 Discussion and Possible Action of the Special Meeting Minutes of March 14, 2024 – There was no discussion.

Item 2.3 Discussion and Possible Action of the Regular Meeting Minutes of March 14, 2024 – There was no discussion.

Item 2.4 Discussion and Possible Action of Resolution 2024-014, Appointment of Richard Rhodes to the Sierra Vista Transportation Commission, said term to expire April 30, 2026 – There was no discussion.

Public Hearing, Item 3 Discussion and Possible Action of Resolution 2024-015, Multi-License Acquisition of Control for a Series 12 Liquor License for Andrea Dahlman Lewkowitz on behalf of RMH Franchise Corporation dba Applebee's Neighborhood Grill and Bar

Ms. Adams stated that this is an administrative acquisition of control change for the Applebee's liquor licenses as they are doing some corporate restructuring, and they must go through the process to have the right corporation listed as the owner. There are no changes to personnel, nor agent. This is merely administrative. The notice of the public hearing was posted, and no comments have been received pro or con.

Item 4 Discussion and Possible Action of Resolution 2024-016, Authorization to Take Legal Action Against Edwin Groover – Mr. Williams stated that in January 2024, Mr. Edwin Groover, a Cochise County resident, recorded a couple of security interests that he styled as a security claim of commercial lien and affidavits against the City. These liens have no basis and there were no grounds for them. Mr. Groover has undertaken a campaign of recording false and groundless documents against various governmental entities and multiple government employees in the County and the City was caught up in his efforts. These are two of the liens that he has recorded. Absent his voluntary retraction of these liens, the City must act pursuant to Arizona law to have these set aside. This resolution authorizes the City Attorney's office to pursue action against Mr. Groover, which most likely will involve retaining outside counsel. In closing he stated that he has a professional conflict in pursuing Mr. Groover personally; therefore, he has been in contact with one attorney who has represented the City of Benson in the same type of action. He represents many of the cities and towns throughout the State through the Arizona Municipal Risk Pool and he is willing to give the City the government rate, which is a significant discount.

Item 5 Discussion and Possible Action of Resolution 2024-017, Request to Amend Resolution to Issue Bonds – Education Facility Revenue Bonds (Champion Schools Project), Series 2024 - In an Amount Not to Exceed \$35,000,000

Mr. Slania stated that the resolution merely amends the resolution. It changes the underwriter for the Champion School Bonds. The Sierra Vista Industrial Development Authority and the City Council previously approved their resolutions authorizing the issuance of these bonds, but the bonds did not get issued prior to the end of 2023. The underwriter moved the person who was working at the underwriting firm from one underwriting firm to another. He is experienced with

this school, and they would like to move with him. However, since it was authorized as part of the bond purchase agreement, they need to come back and get an amending resolution from the Sierra Vista Industrial Development Authority and the City Sierra Vista. The Sierra Vista Industrial Development Authority has already approved the resolution that changes the Series designation to 2024. However, nothing has changed about the school, the project, the amount, nor anything else.

Item 6 Discussion and Possible Action of Ordinance 2024-003, Development Code Text Amendments - Administrative Modification of Dimensional Standards, Section 151.04.005

Mr. McLachlan stated that on February 8, 2024, City Council approved a 30-day public comment period for the amendments to the Administrative Modification Section in the Development Code that would apply to residentially zoned properties fronting a street that have a right-of-way that exceeds the required right-of-way for the functional classification assigned to it under the Roadway Design Manual. The amendment will allow for the reduction of the front yard setback to equal or less than the distance between the back of the sidewalk and the right-of-way line for residential home additions; thereby, providing more flexibility in the Development Code to improve residential properties. No public comments have been received to-date, and staff will recommend adoption of the ordinance as presented on Thursday, March 28, 2024.

B. [Roadrunner Park Design Concepts](#)

Ms. Wilson stated she was before Council a couple of weeks ago and was asked to bring these concepts back because not all Council Members were in the room, and this is a very popular topic. Wheat Design Group is online, and they will be presenting the concepts. She further stated that since the City was able to acquire the land affectionately known as Roadrunner Park on the corner of Saint Andrews Drive and Canyon De Flores, staff has been able to do a lot of work in trying to make sure that the public's voices were heard within this space. In June 2022, an Engage Platform Survey was completed as well as two onsite surveys completed in person at the space. The City received over 1,400 responses, which is a huge response for any of the City's public outreach efforts. This is good news because this lets the City know that it is headed in the right direction and the community is really excited about this.

Wheat Design Group was selected as the City's partner to provide the concepts for the future Roadrunner Park. They were awarded the contract in August 2023, and since then, they have met internally with the City's partners and have had several discussions throughout the process.

Ms. Wilson thanked the partners that have sat at the table through discussions, Sharon Flissar, Tony Boone, the Parks Maintenance Team, and Matt McLachlan. Therefore, after getting all those inputs together, listing, and keeping the focal point to all the surveys from the public, there are now the two concepts that Laura Malcrek, Principal with Wheat Design Group, and her team designed.

Laura Malcrek thanked the Mayor and Council for allowing Wheat Design Group to present the two concepts for Roadrunner Park. She stated that she is the Principal and owner of Wheat Design Group, a landscape architecture firm in Tucson that has been doing projects throughout Southern Arizona for the last 40 years. She introduced two of her designers, Yennifer Yarosz and Jenny Moscato.

Ms. Yennifer Yarosz stated that Concept I, Adventurous Play, is one of the concepts that Wheat Design Group worked on after researching the topic. The main and big picture about this

concept was to create a cohesive park that has five unique segments that will blend and at the end engage users in all the spaces around it.

The design goals were to explore and challenge, discover, and celebrate. The Wheat Design Group wanted people to explore different options of physical activity, social interactions, to feel comfortable, and celebrate the desert around the Sierra Vista area. These goals will have an ultimate objective, which is to support health, wellness, and social connections that at the end will provide opportunities for healthy lifestyles.

A slide was displayed of the layout of Concept I, Adventurous Play, which will have a main central plaza. There will be multi-use open space, a challenge course, a main entrance with parking, and guidance to the main plaza. There will be a playground, a splash pad, a bike skill area, and a fitness area that will be built with sidewalks and exploratory views.

The plaza is the center and will be connected to all the entrances of the park, from the existing parking, neighborhood, main entrance, and from all the other entrances. There is also a big loop around the whole space for all those users who may want to walk around.

Some of the elements that were worked with are the central plaza, water feature, playground, splash pad, event space, challenge course, fitness, and bike skills. The center area is where the plaza is located that will be the main connection to all the spaces because the goal is to have the users exposed to different things, i.e., walking, biking, or sitting. The main entrance has a parking lot with 40 spaces, an emphasized promenade of trees, and plants all around to create shade. There will also be picnic benches, a playground area next to the big parking lot, a splash pad, equipment for the playground for ages five to 12 and a sandbox for the smaller kids ages two to five.

There will be a big multi-use open space with a ramada and a small loop for walking around at the corner of Saint Andrews and Canyon the Flores, which will be surrounded by the promenade of trees. There is a nice mountain view that could be a photo spot with a raised platform framed by trees. The corner where the neighborhood is closer to the park will have a challenge course with rope climbing and a boot camp style exercise area. All these features will be next to the main entrance and at the same time be connected to the main plaza.

The northeast area will include a big loop for bikes and a bike skill area that will be surrounded by the fitness section which will have different exercise equipment.

Pictures were displayed of shade structures for the main plaza, water features for the main entrance that will create a cooling effect during the more heated months, an example of the playground that is envisioned that will have the elements separated, creating different areas for kids to play. Also shown were pictures of the playground that will have different features, but that will also work during certain months of the year, as well as examples of how the main ramada will look like for concerts, weddings, or parties. Lastly, samples of challenge courses, bike skills, and an outdoor gym were displayed.

Jenny Mascato stated that Concept II, Sky Island Vista, is meant to enhance and celebrate the beautiful natural resources of the Sky Islands that Sierra Vista is situated in. This park will also immerse users in the site where they will observe and interact with elements that are unique to the area.

The design goals can be synthesized into three words, natural, experiential, and sustainable.

Natural means highlighting the aspects of the Sky Island environment that Sierra Vista is known for, its beautiful outdoors, and bird watching. The experiential is about creating spaces where users interact and engage with different elements around the site. Sustainable signifies the goal of protecting the natural environment from necessary impact, restoring areas of the park that have been degraded over time, and encouraging walkability from the surrounding neighborhoods.

A slide was displayed of the main overview of the main attractions in the park for Concept II, the park to really engage all the users. There is a connection on the south edge with a 70-car parking lot. Although it encourages people to access the park from this area if they must drive, there are also smaller entrances that connect to the nearby neighborhoods along the corners. There is also a habitat boardwalk that goes through a riparian zone for nature lovers, over a mile of gravel nature trails that are through restored desert habitat, hummingbird gardens located throughout different size patches throughout the park that are more densely planted, and in some areas gathering spaces for bird watching. There are interactive play areas and interactive sculptures placed throughout the park for users who want a more hands on experience. There are also areas for more social hanging out with friends or family, an amphitheater and gathering spaces with shade structures that can be used with some flexibility for small parties, outdoor learning, or hosting community events.

The elements, nature trails, water play, nature playground, habitat restoration, bird watching, habitat boardwalk, hummingbird garden, riparian zone, and amphitheater will work together on the plan and merging these experiences creates a richer experience for the park users.

The main entrance shows the connection into the park, the main plaza, and playgrounds. From the entry point a person can either take the nature trail that leads to some picnic areas and ramadas that are around the nature playgrounds. There is also the option to walk on the paved path from the main entry plaza and move through the sculpture plaza area that has more densely planted hummingbird gardens. These could have educational signage to teach users about native plants in Sierra Vista that are meant to support local pollinators and attract hummingbird species and other migratory birds. The main paved path leads to the existing parking space that is already at the northwest corner of the park.

The heart of the park has multiple activities concentrated in the region, but it is still closely connected to that main entryway. There is an amphitheater that seats about 75 people and has some flex open space in case there is a need to add movable tables and chairs for a larger event, or to be used more intimately for like an outdoor classroom setting or just an informal resting spot along the paved trail. It is also conveniently located near the new proposed restrooms and other major features of the park.

Slides were shown of real-life images of what the water clay area could look like, as well as the boardwalk and the habitat riparian zone. Examples of the water clay element were shown which are unique and not like the typical splash pad. This is meant to be lower water use, just an area that mimics the San Pedro River Corridor that is nearby and special. This is meant to be more sustainable than your typical splash pad, so it can recirculate water that would require a pump and cleaning system for this to function.

Slides were shown of proposed interactive sculptures that are meant to play off the nature theme of Concept II. Therefore, weathered steel could be used to create a shape of a bird's nest, and tree trunk forms for an entry to a nature trail. Another idea was to include sculptures that light up that engage people throughout the day and night at the park. Also shown were

images from a Creative Machines, a firm out of Tucson, that specializes in creating interactive sculptures that light up with a push button or are motion activated.

Examples of nature playgrounds, a popular theme, were displayed. Some are more custom designed, but there are also very well-known playground manufacturers that have a natural feel to them with a warranty and safety guarantee, which are more budget friendly than a custom designed nature park.

Also shown was an example of the habitat boardwalk to be in a concentrated pocket of the park, an area that is meant to be more peaceful, more immersed in the nature of the park where people can walk, bird watch, or sit along the boardwalk. The fact that this walkway could be lifted off the ground could make it a lower impact on vegetation and critters that may make their home in the area for people to look at. Also, by separating it from the ground level, it will discourage people from going off trail and making unnecessary disturbance in the area that will be more sensitive if it is planted more densely with native plants.

The next slide showed the riparian zone that the boardwalk moves through that is meant to represent the native riparian areas that are found near Sierra Vista. This is also at the low point of the park. Therefore, there must be some creative ways to use the storm water that is going to be collected on site and maybe it can move into this site. It is more dynamic because it changes with the weather and could be a cool place for people to come and see. This will create a rich environment for bird watching.

Examples of the amphitheater area were displayed. This will be situated on the high point of the site so it can take in those amazing views of the Huachuca Mountains. There could be open space for flexibility, different strategies for seating that could also become a play area and that is comfortable year-round with trees as shade or shade structures. This is a central point where a lot of trails and pathways connect. Therefore, it must be very focal and comfortable for people to use.

Mayor McCaa asked if this project is still in the comment period. Ms. Wilson stated that the Engage Platform is open for comments through April 2, 2024.

In response to Mayor McCaa, Mr. Kraps stated that he has posted his comments online.

Council Member Rodriguez thanked Wheat Design Group for presenting, noted that he has seen the concepts during some of the City's commission meetings, and stressed that community feedback is important because this is a big task and comments range from doing nothing to everything, and everything in between. He stated that these are good options and everybody that he has talked too has asked for a third option, an a la carte of both. Lastly, he commented on water features, attraction of animals, maintenance, safety warranties for the bigger structures and their cost replacement, the lack of parking, and the confusion as to whether it is Linear Park or Roadrunner Park.

Council Member Benning thanked Wheat Design Group for putting all this together, concurred in that both concepts are great, and stated that he too has heard feedback about a third option to merge features from one to the other. He also thanked the Parks and Recreation Commission because they have been a part of this since the beginning and stated that he is leaning more towards Concept II and keeping it natural. However, Concept I has amazing features, but he would add to it.

Council Member Rodriguez asked about the name of the park because he has had a lot of people ask about renaming the park and naming the features. Ms. Wilson stated that the Parks and Recreation Commission just looked at that process and they have some recommendations that will be forthcoming to Council for consideration on how to hone-in that process and making it easier and very clear for the public.

Mayor McCaa shared that he lives two blocks from the park and parking will be a concern if Concept I is selected because it has only 40 spaces. He noted that if there is a water feature the animals are going to be feeding on that every night, and since there is a water crisis, he wonders if the features will be reclaimed water. Ms. Wilson stated that there are different options, and she was told by Wheat Design Group that some of these must be hand activated and are not on all the time. There is currently a lot of water collecting on those sites, especially in the Linear Park area where animals come, which staff will clean up after, but there are a lot of different ways to look at this. She further stated that she believes that this park is going to be a blend of the two concepts that is going to take compromises. Once there is a final concept, staff will then start looking into the exact features, how those things will be mitigated, and meeting the needs of the public, while ensuring that the City is being water conscious as well.

In response to Mayor McCaa, Ms. Wilson stated that staff was suggesting solar powered ramadas and electric grills that hook into solar, thus being more energy conscious. Staff also talked to Wheat Design Group about a dog park in the area, but it was not a most requested feature which is probably due to the large neighborhood and the fact that there is not a lot of apartment-living in that area. However, it is not off the table.

Council Member Landry thanked Wheat Design Group for the presentation and the site analysis that broke everything down as well as the opportunities and constraints. She noted that she has seen a lot of public discussion, and she is excited to see where everything goes.

### C. [Update on the Public Safety Personnel Retirement System](#)

Mr. Felix stated that the City joined the Public Safety Personnel Retirement System (PSPRS) in 1972 and noted that once in the system, they cannot get out; therefore, the City of Sierra Vista will always be in the retirement system, which is the same with the Arizona State Retirement System (ASRS). Every year the State has an actuarial that goes through and values the retirement system. Each police and fire are separate, and every entity that is a member of PSPRS is a separate entity that gets a separate valuation, which is different than the Arizona State Retirement System. There is one valuation, one contribution rate for every city in the system. For police and fire, for public safety, every single one has a different contribution rate depending on their individual circumstances. Every five years the system updates its actuarial assumptions, based on life changes, medical changes, returns on investments, and other things.

In 2016, the public passed a proposition which changed how annual increases are done. Prior to this it was called an excess return, any excess return over nine percent the retirees get half of that as a permanent adjustment. Therefore, if there was a 13 percent return, like they did one year, two percent of a permanent adjustment went to the retiree, the other two percent over the nine went back into the system, which is great, as long as things are going well; but when losing 25 percent of the value of the system, the year before when retirees were given a two percent permanent increase, created fundamental problems. In 2019, the State changed the actuarial that has different ideas on things and assumptions that hit the City for that next year.

What is actuarial liability? Employees that retire from the City that will be owed retirement income for the rest of their lives. An actuarial is going to try and guess when they are going to retire, what they are going to be making, how they are they going to do it, how many years of service they are going to have, the number of raises and promotions that they are going to get, the cost of living adjustments, how long they are going to live, the value of that, and the current liability based on all these assumptions. These are all guesses that they look at historical data, but as seen throughout history, sometimes employees will get a two percent raise, other times an eight percent raise, which also plays into it. Also looked at is the economy, returns, how the market and stock market are going to do, and investments in real estate like they did in 2008, and tech stocks in 2003.

How did we get Here? In 2003 - 2004, the investment company invested heavily in internet stocks, tech stocks and in 2007 - 2008, they invested in real estate.

In 2002, assets exceeded liabilities in the system as an aggregate. In 2011, the assets finally got back to where they were at in 2002, but the liabilities doubled. Assets were 50 percent of the liability in the system as an aggregate. In the retiree COLA structure, any return over nine percent was split between the employees, the retirees, and going back into the system. Therefore, the losses were never easily made-up. In 2005 when they gave a two percent return because that was the excess return and a couple years later it was a three percent, in 2008 they lost 25 percent of that value that they had put aside for them. The employees did not have to make it up because that was set by Statute, but the cities, fire districts, all had to make up that lost income.

The contribution breakdown is a normal cost that they have on what it is thought that it will be. However, the big one is the amortization of the unfunded liability because of the losses that have occurred, the structure of the system, and the benefits that were done that are the biggest challenge, a structural deficit, the amortization of the unfunded liabilities. There is a small portion that is also for health.

How is the contribution rate calculated? They go through and calculate the unfunded liability, the normal cost, and add the two together to get the contribution as to how much the city needs to do. They calculate the underlying payroll, but the key point is that this is the payroll on June 30th only. They take who is employed on that day, calculate an annual salary and that is the divisor of it (divide the cost by the underlying payroll that comes up with the percentage). Therefore, that underlying payroll can also have a significant impact on that specific day.

A slide was displayed of the history of the contribution rates depicting that in 2000, both systems were over funded, in 2020 it was 54 percent and 46 percent due to losses and some other things that happened. The drop did affect it.

A slide was displayed of the unfunded liability depicting the assets from the valuation report. PSPRS puts out two reports for each entity, the Gatsby Report, the Government Accounting Standards Board Report, which goes into the financial report, and the actuarial report/evaluation report, which is what is used to calculate the contribution rate. The difference is on the asset side, but the liability on the two reports is the same. The difference is on the asset side because they will smooth the earnings on this one so that there are not big swings up and down. For instance, in 2021 the Police Department had interest earnings of \$6.6 million, but in 2022 they lost \$1.2 million. In 2021, fire gained \$5.3 million and in 2022 lost \$1,000,000. The assets can vary by over \$2,000,000 between the two reports; therefore, if these numbers are used, they will be different than what is seen in the financial report. One of the key factors that they will tell you



to look at is the asset funding ratio. Over time that has been increasing, a good thing because the City wants to get back to 100 percent. The liability is like a mortgage, it must be paid off at a certain date and every year, one year comes off that amortization schedule which also plays into the funding percentage. In 2021, police have gone from 51.7 percent to 53.7 percent and fire has gone from 59.2 percent to 63.2 percent. The losses are included as well as the extra contributions that the City has made.

The City Fiscal Policy approved by Council is to make the mandatory payment, strive to contribute for the people that are in the Deferred Retirement Option Plan (Drop); however, legally the City does not have to contribute for these people. Vacant positions will be budgeted; however, that was changed about two to three years ago to start moving those vacant positions to budget them at max salary for the contribution rate, not for the salary itself. The total budgeted amount will be paid in the first quarter of the year.

Mr. Felix noted that In the last two years, the City has paid it the first week of the fiscal year; thereby making the contribution, the whole year budgeted, upfront. He added that Scott McCarthy, who works for Queen Creek, estimates that they get an extra \$50,000 a year on interest earnings, assuming the market is good.

The rate will also be kept at the highest rate paid. The Police Department and the Fire Department dropped a couple times; therefore, they were kept at the higher contribution rate, which also helps contribute excess funds.

A slide was shown of actual excess contributions that have been reported by PSPRS for each year. The City has met about \$3.6 million in extra contributions over the last three years (only three years were displayed because these are the only ones that were broken out). The newest part of the recent valuation shows that the City will get the effect of these excess contributions on its contribution rate amount. Cumulatively the City's rate next year for PSPRS would be 4.59 percent higher than it is and for Fire it would be 4.11 percent higher than it is. This is a savings to the City. Using the higher rate is beneficial because that shows that the City is putting extra money in this year and next year as well. The City will continue to have these extra contributions if it can continue.

The pension cost for Police has gone down three years consecutively. Fire went up slightly in 2023 due to the amortization and some of their loss. Despite that the funding ratio with the additional contributions versus where the City would be if the extra contributions had not been made. The extra contributions are making a significant impact on the City's funding ratio, and they are helping with the cost. The City lost about \$1.2 million in 2022, and two weeks ago, Council approved putting \$1.2 million extra to Police, which basically makes up their loss and close to making up the loss for the Fire as well. Unfortunately for the PSPRS, the only way to put money into it is either through investment earnings, which everyone knows from the market is a hit or miss, or the actual contributions. The City's contributions are having a positive effect. The extra contributions and the policies that Council has agreed to do and what is being done during the budgeting process is helping the City pay down quicker that will help in the long run.

Council Member Johnson noted that the City of Bisbee borrowed money to pay off their unfunded liability and asked Mr. Felix to brief Council about the danger of that type of payment of unfunded liability. Mr. Felix stated that last fiscal year they took and issued bonds and paid it to the State for the unfunded liability. The State just lost \$1.2 million of interest, and everyone saw what the State did with the investment before. In 10 years, a city could have a bond

payment of \$3 or \$4 million and be right back with its PSPRS contribution of \$3.4 million. Now they have just made it worse given the fact of the question on the investment side, the challenges of the investment side. They bank on the fact that a city is saving money, and they are financing it at a lot lower rate. However, if they still cannot keep the investment rate up, to keep the liability at what it should be annually, a city could easily slide back to where they were at because it went from 111 percent, 127 percent to 50 percent.

Mr. Potucek stated that staff talks about this and there are risks associated with doing the bond pay off, but some communities were so far underwater with their PSPRS contributions. He added that he does not blame them for doing that. They really had no other way out at that point in time and in a low interest rate environment it makes a lot more sense than doing it now since interest rates are higher. They run the risk that if their investments do not pan out, that they will be making double payments in the future. Lastly, he stated that the \$2,000,000 that Council approved to go into these funds could have been used for some other projects that are sorely needed, but unfortunately because of the situation that the City is in, it is better to take that money and try to make headway with this problem.

Council Member Benning asked if the City's contribution rates based off a State percentage. Mr. Felix stated that it is based off individual items with the Police Department and individual items with the Fire Department. They look at the number of people in the system, the number of retirees in the system, they value the assets, they value the liabilities, and they look at changes. As an example, there were two police officers that recently got disability and out of the current year contribution increase, three percent was attributed to other, and one and a half percent of the other was the two officers going on disability. One was twice the other one's liability; one was over \$500,000 and the other was a couple \$100,000. One of the two is significantly a bigger impact on that than the other, basically one and a half a percent. This is the type of thing where if something happens, a person goes on disability, when people go into the drop, it is as if they have retired and that affects the rate too. Mr. Potucek stated that disabilities cannot be planned on occurring. The recent trend has been nationwide and being seen is a lot more disability claims that negatively impacts the numbers as well.

Council Member Benning stated that he is pushing legislators to work their magic on this PSPRS and build one retirement system. Mr. Potucek noted that the State is very good at trying to fund theirs, but not so good at funding cities and counties. He added that Mr. Felix is recognized as one of the leading experts in the State on PSPRS, and the City of Sierra Vista is very fortunate to have him. He has a better understanding than most people do, probably people that work there as well.

Council Member Rodriguez thanked Mr. Felix for putting the information together because it is informational and a lot to understand, numbers wise. He added that the money that the City receives from the legalization of marijuana in Arizona goes into this PSPRS pay down and that falls into the contribution side. Mr. Felix stated that it is included in the extra contribution amount. He added that the City also takes the Fire credit that the City gets every year and put that towards it as well. Mr. Potucek stated that another key thing that will be seen in the upcoming budget is the budgeting of everyone to the maximum amount. This kind of hard wires and extra contribution within the budget every year. The City absorbs that and then can make excess contributions by budgeting in that fashion.

Mayor Pro Tem Umphrey stated that the City is not legally obligated to pay when someone is in the drop, but she wonders why the City would not be legally obligated at that point if they are that close to retirement. Mr. Felix stated that when an officer or firefighter enters the drop, they

have retired. Technically, for the retirement system, they have retired, and their money gets put into a special account to give them a bonus when they leave, kind of a special savings account earning extra income, but as far as they look at the City side, they are retired. It does not count towards their retirement years. This is why the City does not have to do it because technically they are retired on that day and are just continuing to work. They are going to get a benefit on their side of the retirement amount. Mr. Potucek added that if the City did not fund that, the City would have more liability. This is another way that the City is trying to attack the problem.

D. [Council Executive Report](#)

Mr. Potucek stated that some of his comments were covered with the park presentation and added that he thinks Council made a wise decision to put that back out on engage for a comment because even out on the street he is getting comments from people about that, and they seem very pleased to be able to do that. He also talked a little about the street maintenance projects coming up and the report indicates that North Park, Eagle Ridge, Town and Country Estates, six and seven subdivisions will be the primary focus this year. Staff knows that work is needed in those areas. ADOT has told the City that they are working on our project, however, no one has seen any equipment or people out there, but theoretically they are supposed to be doing drawings and surveys. There is still no hard date in terms of how that is going. Also, in his report he indicated that the City has a Summer Internship Program that Ms. Cameron in Economic Development has been spearheading. The City has always had interns, but it has never been advertised or formalized. The City has always tried to help the youth in the community either high school or college so that they can get the work experience. This is an excellent way for outreach to the youth of the community and give them an opportunity to experience city government.

Council Member Rodriguez stated that this is always a good report, and he wishes everybody would read it because there is a lot of information. He reported that the Youth Commission was at the Youth Arts Festival, thanked Mr. Potucek for information on the grant side, the congressional appropriations, because people get confused and often ask why the City is getting money for certain projects and not State Route 92 - different pots of money. He noted that if people were to read this report, they would be educating themselves, but Council does this as well on their own while talking to people. He asked for a legit list of streets that will be worked on because Council gets asked all the time. Mr. Potucek stated that a list will be provided to Council.

Council Member Rodriguez noted that the stats are good for Code Enforcement and their budget is blown and they are hanging on until they can get more money. They have a lot of stuff they could be doing, but do not have the money in their budget. He added that there are issues with the tennis courts and the motel behind Hana Tokyo, which is still not boarded up by the company that owns it and is in Vegas. People are living there, breaking windows every day, but they do not seem to care, and it would cost the City \$20,000 that it does not have to board it up. Lastly, he stated that he appreciates the write up from Animal Control working on the issues there and in trying to get things improved.

Council Member Landry stated that it is always nice to go through the report because it has a lot of really good information, and she too wishes that everybody would read it because it would answer a lot of questions. She further stated that she always appreciates the different spotlights and gave a shout out to Jocelyn Hite at Aquatics, who has taken on a new certification as a water safety instructor, and teaching participants of all ages on how to be safe in the pool; Officer Paul Clark in the Police Department who serves as a drug recognition expert and in

2023 completed 115 drug DRE evaluations, more than any other law enforcement officer in the state; Susan Immes in the Police Department, who during her work breaks will stock the bird feeders in the Police Station with bird feed and water and she also volunteers as a dog walker.

Council Member Benning stated that he likes Let's Talk Sierra Vista, a good podcast that is being recognized and getting hits, Police Chief Hiser's episode receiving 300 downloads, making it the most popular of the podcasts, and the employee spotlights.

#### E. Report on Recent Trips, Meetings and Future Meetings

Council Member Rodriguez stated that he recently attended the National League of Cities Conference in Washington, DC, and was able to talk to all the cities and states that are involved, and there was a lot of discussions about immigration. It was good to talk about Arizona and what is going on in the State and how Arizona is connect to other states in the United States, dealing with the highspeed chases and how they deal with the back end of it. Therefore, having people in that room that are interested in knowing more and want to talk about it and how everyone can help each other from state to state. He added that the Youth Commission was in attendance, and they got to talk to their senators and congressmen firsthand while they were voting on issues that day in the capital. They were able to watch both sides debate and before that they had the opportunity to talk to them on how the border situation is affecting them, social media, and voting on TikTok. To have their voices heard by the legislators was a priceless moment that can never be replicated.

Mayor Pro Tem Umphrey thanked staff for their support with the sixth graders from Smith Middle School. She noted that there were about 80 kids all in Council Chambers at one point. They had a lot of questions that would have been for Mr. Boone and Ms. Cameron in Economic Development, which were asked of all staff and handled great. She also thanked the Fire Department and Police Department for placing their vehicles outside, a perfect ending. They were playing with the drone and the new robot. There was a lot of enthusiasm, and they were asking how they could work for the City; therefore, she told them about the internship.

Council Member Benning announced the Council Meet and Greet on Thursday, March 28, 2024 at the Farmers' Market starting at 12:00 p.m.

Council Member Landry reported that the Transportation Commission met on April 30, 2024 and voted on a new member that will be swearing in soon. There was a General Plan update that was given by Mr. Pregler. The next Transportation Commission meeting will be at the airport on May 1, 2024 at 3:30 p.m.

Mayor McCaa announced the Tip A Cop at Pit Stop Burgers for the Special Olympics from 3:00 p.m. until 9:00 p.m. on Tuesday, March 26, 2024.

#### F. Future Discussion Items and Council Requests

In response to Mayor McCaa, Ms. Yarbrough stated that there are two issues scheduled for the next work session in April, the Six-month Strategic Plan update and the first budget presentation on revenue projections and debt.

### 3. Adjourn

Mayor McCaa adjourned the March 26, 2024 work session of the Sierra Vista City Council at

4:22 p.m.

\_\_\_\_\_  
Clea McCaa II, Mayor

Minutes prepared by:

Attest:

\_\_\_\_\_  
Maria G. Marsh, Deputy Clerk

\_\_\_\_\_  
Jill Adams, City Clerk

A recording of the Council Meeting is available at:

[https://www.youtube.com/channel/UC8PtUpIbkQsixlhSy-jeR\\_Q/videos](https://www.youtube.com/channel/UC8PtUpIbkQsixlhSy-jeR_Q/videos)