

Sierra Vista City Council  
Work Session Minutes  
June 22, 2021

1. Call to Order:

Mayor Mueller called the June 22, 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 – absent  
Council Member Mark Rodriguez - present  
Council Member Carolyn Umphrey - present

Others Present:

Victoria Yarbrough, Assistant City Manager  
Adam Thrasher, Police Chief  
Brian Jones, Fire Chief  
Matt McLachlan, Community Development Director  
Blake Fisher, Planner  
Laura Kilberg, Parks, Recreation and Special Events Manager  
Sharon Flissar, Public Works Director  
Irene Zuniga, Engineer  
Tony Boone, Economic Development Manager  
Jennifer Osburn, Budget Officer  
David Felix, Chief Financial Officer  
Judy Hector, Marketing and Communications Manager  
Jill Adams, City Clerk

2. Presentation and Discussion:

A. June 24, 2021 Council Meeting Agenda Items ([agenda attached](#))

Mayor Mueller stated that the Council Meeting for Thursday, June 24, 2021, starts at 5:00 p.m. with the call to order, roll call, invocation, Pledge, and the acceptance of the agenda.

In response to Mayor Mueller, Council Members stated that they do not want to add nor delete items on the agenda.

In response to Mayor Mueller, Ms. Yarbrough stated that most of the items on the Procurement Report have already been reported, except for the rebid of the Fry Boulevard/North Garden Improvements Phase I Project. The bids that came in are good and it has been awarded to KE&G, although the contract is still pending.

Item 2.1 Approval of the Special City Council Meeting Minutes of June 7, 2021 – There were no comments.

Item 2.2 Approval of the Special City Council Meeting Minutes of June 8, 2021 – There were no comments.

Item 2.3 Approval of the Regular City Council Meeting Minutes of June 10, 2021 – There were no comments.

Item 2.4 Resolution 2021-045, Approval of a Pre-Annexation Agreement with Veritas Christian Community School, 3992 S. Highway 92, Sierra Vista, AZ – Mayor Mueller stated that Veritas is taking over a building that used to be a feed store that is in the County, but they want to be annexed into the City to be connected to the sewer.

Item 3 Resolution 2021-046, Public Hearing, Amendment to City Code, Chapter 33, City Departments, and declaring a 30-day public comment period – Ms. Yarbrough stated that this is a housekeeping item. There have been several changes to departments over the years, administrative changes, and the most notable change is that this ordinance still has the Department of Parks and Leisure and the Department of Library Services listed. With multiple administrative changes over the past few years, it was realized that this chapter needed to be updated. These changes just generalize the scope of services that each department offers, and staff will not need to come back for future changes. This resolution cleans it up and places it for a 30-day review period.

Mayor Mueller asked if this reflects what the city is doing rather than what was done when it was originally approved. Ms. Yarbrough stated that he is correct.

Item 4 Resolution 2021-047, Declaration of Intent for the Increase of Sewer Connection Fees – Mr. Felix stated that back in 2009 the city did a review of the sewer connection fees that was done as the Tribute Plant was being look at as a package plant or expanding the current plant. Staff has reviewed them and not changed the fees from that time coming forward. There is the expansion of the plant or package plant that is programmed into the fees. The cost submitted at that time was \$10 million but given the changes in construction that the city has recently received, the city needs to adjust for construction fees for the plant and for any of the repairs and replacements related to the connection fees.

The basis of connection fees is established under Arizona Revised Statute 9-511.01. It is very specific on the steps that must be taken to raise any fee rate charge within the sewer wastewater operations. This is the first step to be able to do that. However, there is no reason to review any of the other fees in the system because the system is operating fine. This is to bring the construction cost back into line. This also buys capacity in the current plant in the system that the city has.

The fund is currently \$1.3 million cash negative and that is for the interceptors that have been constructed over time, one by the School District, going south towards the Tribute area, and the expansion to the plant to handle new capacity. As people connect, this sewer fund will then become cash positive. The city wants to have cash in the fund so that when it comes time to expand the plant, the city can get started on it. If a point is reached of capacity at the current plant, the city must immediately start construction or expansion of the plant and start going through the steps to do it. It would be best to have the ability and the cash in hand to do this.

The city is simply trying to adjust those original costs from 2009 back to the present, and it is based off the Phoenix construction cost index over this time, but raising by a large amount in one year is not beneficial to the city or the developers; therefore, it is being proposed to phase it

in over three years and at the end of the three years, the fees will be reviewed and to what has happened to the construction industry between now and then, raise rates, hold them off for awhile but this will provide a three year tier into where the city should be.

Council Member Johnson stated that since the city has not done anything with the fees in over 12 years, and the city must keep the enterprise fund solid, it is reasonable to do this. He added that he was concerned about the 20 percent per year, but his worries have been alleviated.

Mayor Mueller stated that this is for a 30-day review period so that there is public comment. Mr. Felix stated that at the meeting in August, people can speak about this as well. He added that the fees may be raised up to, but not over the proposed amount. They can be raised less or not at all.

Item 5 Resolution 2021-048 Approval of the Tentative Budget for Fiscal Year 2021-2022 – Ms. Yarbrough stated that this item will set the Tentative Budget for Fiscal Year 2021-2022 at \$115,711,558. According to Arizona Revised Statutes, the final amount can be less than or equal to the cap that is set with the Tentative Budget, but it cannot go over. Things can be moved around within in the budget, but not exceed the cap. She added that it is relatively rare that things would be moved around in the final budget.

There are two minor changes to the budget:

- Spotlight Breakfast, \$1,500

There was no Spotlight Breakfast last year and supplies had not been budgeted for FY 21-22.

- Easement for the electrical meter at the Veterans Parks Sports Complex, \$26,000 (carryover to install the meter)

In May there was an agenda item before Council regarding the easement for the electrical meter at Veterans Parks Sports Complex.

Ms. Yarbrough stated that there is one special note that was added to the resolution and reported that she attended the School Board Meeting to present the city's proposal to purchase the land adjacent to Roadrunner Park for \$366,000. The School Board listened to the presentation, and they are going to schedule another meeting to discuss it and then another meeting to vote on it. There is still time to wait before hearing of their decision. However, when the city has purchased land over past years, the title company has requested a resolution specific to approving that purchase; therefore, a special note has been added to the resolution regarding the potential purchase of this land should the Governing Board and City Council approve it.

Mayor Mueller asked if the amount that would be spent in the budget. Ms. Yarbrough stated that he is correct.

Mayor Mueller noted that this action sets the cap. Ms. Yarbrough stated that he is correct.

Mayor Mueller asked when the final budget is approved. He also asked about setting the tax rate. Ms. Yarbrough stated that the vote on the final budget is set for July 22, 2021, and the hearing for the property tax levy is scheduled for August 12, 2021.

Mayor Mueller stated that there is no proposal to increase property taxes.

Council Member Johnson stated that the budget is looked at every six months but based on the squirrely nature of the grants and what the federal government is doing, he suggested looking at the budget quarterly. Mayor Mueller stated that staff is very wary of things that the city is getting from the State as well as grants. They do a very good job and as those things change, they report back to Council; therefore, he does not see a need other than the six months. He further stated that he is aware that the federal government is squirrely, especially when the federal government is already talking about call backs, a new term where they take money that was already granted, primarily the COVID money. Obviously, if the city applies for a grant, it is in the budget and if the city does not get the money, then those funds are not spent. Occasionally there are adjustments. If it is below \$10,000, the city manager can handle it, but if it is above then it will go back to Council for approval. If there is something in between the six months that is unusual that is over \$10,000, the Council will vote on it. If it is under \$10,000, the Council has already authorized the city manager to adjust without having to bring it back to Council.

Ms. Yarbrough stated that staff will be happy to note in the Executive Report any major grants received, status, and changes.

Item 6 Ordinance 2021-005, Adoption of Development Code Text Amendment to Section 151.22.026, Recreational Vehicle Park (RVP) Overlay District – Mr. McLachlan stated that the city is at the adoption stage on this item, having held two public hearings in the 30-day review period. Staff is proposing a new overlay that would allow large, manufactured home parks to increase the number of spaces set aside for RV use beyond the 30 percent cap that is currently in place to provide flexibility to respond to changes in the market.

During the background presentations, several of the manufactured home parks on the West End are under new ownership and are in the process of being cleared out and rehabilitated leaving rows of empty idle spaces and providing a pathway for expanded RV use can help bridge the gap and make the properties more economically productive.

Staff finds that manufactured home parks that are 10 acres in size or greater with appropriate buffering and centralized management can be adapted into appropriate locations for recreational vehicle parks on a primary or secondary basis with additional requirements being met.

Public comments that were received are included in staff's memo. Council heard from and had a letter from Goon Living Ventures in support of the ordinance, a statement in favor from friogirl78, a resident who is next to the Garden Canyon Manufactured Home Park that seems to indicate support of the RV Overlay but raises concerns regarding historical issues within the park itself, fire, storm damage and flooding.

The concerns were relayed to Good Living Ventures, and they indicated that the cleanup efforts will lead to less vacant units and fields for arsonists and by necessity infrastructure improvements will be included with the more major renovation of Garden Canyon.

Mr. McLachlan noted that the overlay is not an automatic entitlement, and a property owner would still need to go through the rezoning process to receive this designation, which involves holding a neighborhood meeting as well as a public hearing with property owner notifications and approval by Council. By Code, staff's evaluation includes an examination of appropriate

public services and utilities.

Mike Meyers supports the proposal but would like a time limit added. The Department does not have the staff resources to monitor and enforce length of stay provisions. The conventional Recreational Vehicle Park District does not impose a time limit. The intent is to provide for short term occupancy, which is typically the case with RV living. The Department is more attuned to whether the properties are being maintained and quality standard are being met.

There also appears to be continued confusion about the difference between manufactured home parks and subdivisions. In simple terms, parks are rental and more transient like an apartment community. Subdivisions are owner-occupied and more permanent and stable in nature like a residential neighborhood. Moreover, parks are on large, buffered property with centralized management and amenities where subdivisions have platted lots with site built or manufactured homes with front and back yards that are privately owned. This character distinction is reflected in the regulations.

Staff is recommending adoption of the amendments as provided in Resolution 2021-031, which has been supported by the Planning and Zoning Commission.

Council Member Umphrey stated that mentioned was a person that contacted the city about the fire hydrant issue, but it sounds like Mr. McLachlan already spoke to Good Living Ventures and she wonders if they plan to install another one. Mr. McLachlan stated that this is the last park that they will be working on, and they will make the necessary infrastructure improvements.

Council Member Umphrey asked if it is necessary. Mr. McLachlan stated that it would be ideal to boost the water service there and have an additional hydrant, but it is manageable in its current state. This is something that would be evaluated should they petition the city for this zoning overlay relative to the change the use for that property.

Mayor Mueller commented that one of the problems on the West Side is that it is an older system when talking about water pressure because there are a lot of leaks. Anytime that the city can get a developer to go in and fix their portion of the line or the water company to go in and fix their portion of the line, the better off it is going to be. This is part of the gargantuan effort that Mr. McLachlan and his team have made in cleaning up the West Side because it was not just the stuff that could be seen, junkie trailers. It was the infrastructure that supported them as well. The city is getting to the point now where enough of that has been cleaned out and where the city is attracting investors to put money into improving areas, a great thing. Lastly, he gave kudos to Mr. McLachlan and Mr. Jones.

Council Member Umphrey asked that if it were necessary in the future, would the city be responsible for installing the hydrant. Mayor Mueller stated that it is one of the challenges because in many cities, the entire water company is owned by the city. However, Sierra Vista does not own a water company and so each area that has a water company is responsible for maintaining and operating the fire lines, pressure, etc.

Council Member Umphrey asked if it would be between the water company and Good Living Ventures. Mayor Mueller stated that it would also include the fire marshal who goes out and inspects to make sure that they have the right flow and that they can open the hydrants. The city does an inspection/monitoring. Fire Chief Jones stated that Mayor Mueller is correct.

Mr. McLachlan stated that his department does a concurrency review and looks at the ability of

services and infrastructures to support the proposed development. In this case it is tricky because it was grandfathered as a manufactured home park, absent a change in use, the city is limited in what it can do. Mayor Mueller added that this is one of the challenges that the city has with areas that have been annexed in from the county. They were established and built in the county, they come into the city where there is a higher standard with building/fire codes, and they are grandfathered in and the city must persuade the new owners to upgrade or they get offered incentives like on the West End for ADA, fire suppression, etc.

B. [Council Executive Report](#)

Council Member Umphrey asked about the Fry Boulevard's items that were removed. Ms. Yarbrough stated that the only items that ended up not being in the final award were the pylon signs because they were expensive, and staff decided that it would be a better idea to pull those out of the project and develop something else down the road that is more artistically representative for that part of the project.

Council Member Umphrey asked about the excess material that is being moved at the airport. Mr. Boone stated that the excess material that is on the 13 acres of undeveloped municipal property is the pile of dirt. The negotiation with the Fort was to move it to the Fort's side so that the material could be retained for future projects for both the Fort and the City. It was also intended to reduce the cost, but as it stands, they are still charging roughly \$5 a cubic yard to move any material and that is why it is \$1.3, and it has not been put out to bid yet. This is the architect's cost estimate.

Council Member Umphrey stated that she likes the airport sign and asked how the Airport Commission reacted to it. Mr. Boone stated that he believes that it was positive. It was not what they had initially requested and there were conversations about it. In the end they understand that the quality of the sign in its current configuration will fail. He added that he had backup help from Ms. Flissar and at the end of the day it was worked within the Code, Ordinance, and with the Airport Commission to replace the sign that was expected to fail probably within the next six to 12 months. It depends on the monsoons, but in the end the concerns were alleviated.

Council Member Johnson asked about the wave machine at the Cove. Ms. Flissar stated that the most recent update from Facilities is that they believe that the part that is malfunctioning is a relay that is very inexpensive; however, since the wave machine it is still under warranty, they do not want to touch it because if they make a change and it blows a more expensive component and more difficult to fix, they are responsible for that. They are currently waiting on a response back from the wave machine builder company called Wave Tech confirming the issue and allowing them to change out that failed component. As soon as they get the ok, then they should be able to bring the wave machine back online.

Ms. Flissar stated that there were some issues noted last week about some cracking. She looked at the pictures and she does not believe that it is structural cracking because it looks like standard hairline cracks as would be expected with concrete as it ages. A message was put into Schneider Electric, and they will be reaching out to their subcontractor to confirm that what she is seeing is accurate and that no additional repairs are needed. At this time, she does not believe that this would hold up the reopening of the waves at the Cove after the relay is fixed.

Mayor Pro Tem Gray asked Mr. Boone to brief Council on the Comprehensive Economic Development Strategy. Mr. Boone explained that the city has been working with Southeastern Arizona Governments Organization (SEAGO) for several months. SEAGO's region covers

Cochise, Graham, Greenlee, and Santa Cruz Counties and when SEAGO comes together, this comprehensive strategy covers all four counties. The base line of this and the most important element for his office is that when the city goes after an Economic Development Administration Grant or EDA, the first question that they will ask is if the project is in the strategy. He added that during the first discussion with the dirt aka Mount Dooley, this was the first question. There are a lot of details that goes into this, but the bottom line is to ensure that the strategy is there, approved and published, which will now allow the city to go after things like EDA grants. The general process – the city took their projects, and they had a voting segment that SEAGO did across their membership and the four counties.

Mr. Boone voiced his appreciation to staff for helping him flesh the objectives out, which were then taken to Mayor Pro Tem Gray, who submitted them to the greater whole of the SEAGO evaluation process. They built a voting mechanism and what is before Council is what came out for their prioritization. Certain things went much higher, but on a person note, Mr. Boone noted that SEAGO's criteria was very focused on border trade, border warehousing etc. and the city's efforts did not necessarily meet the higher of the elements. During conversations with the Arizona EDA Representative, the number has never been in the equations so at least it does not appear on the surface that a prioritization 40 versus a prioritization 20 will have any impact on future grant money. Lastly, Mr. Boone stated that from SEAGO's perspective, this is a living document so changes may continue. There was quite a bit of staff work bouncing this forward to try to frame out the five objectives and push them out to give the city the wedge to move things forward in the future.

Council Member Benning echoed Mr. Potucek's comments in that the City's loss is SEACOM's gain because Mr. Cline is going to be missed, but SEACOM is in good hands with him as the director. He congratulated Mr. Cline and stated that he is sorry to see him leave the city.

Mayor Mueller stated that he is not concerned that Mr. Cline is going to go over and not do a great job because he will. He added that he has spoken to management because Mr. Cline did a great job on the street project in talking to individual businesses as the ombudsman. This position has been very difficult to fill to the level that Mr. Cline executed it and getting a person that is not from within the community is going to take time to get them up to speed to be at least half as effective as Mr. Cline since he is from the community and knew a lot of the business owners and had already established trust and rapport. The city has a challenge in getting the right person to fill the position.

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

Mayor Mueller talked about the importance of attending the League of Cities Conference especially for a first-time Council Member.

Ms. Yarbrough stated that on July 8, 2021, she has tentatively listed the court agreement and magistrate contract. She also reminded everyone about the Spotlight Breakfast on August 10, 2021.

Mayor Mueller announced the breakfast with the Chamber that is scheduled for July 13, 2021, at 8:00 a.m. at Cochise College.

Council Member Johnson announced the SVMPO Meeting scheduled for June 24, 2021, at 2:45 p.m. at City Hall in the City Manager's Conference Room.

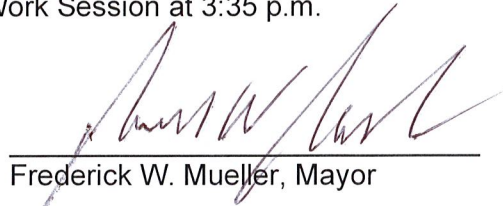
D. Future Discussion Items and Council Requests

Mayor Mueller stated that later in August the Council will meet to discuss economic development. He then asked about movies in the park because he did not see anything about them in the Executive Report. Ms. Killberg stated that during the last movie at the park there were about 400 people and the next one is Wonder Woman 1984, which is scheduled for Saturday, June 26, 2021.

Lastly, Mayor Mueller stated that he will be talking about the July 4, 2021, events on Thursday, June 24, 2021, Council Meeting.

3. Adjourn

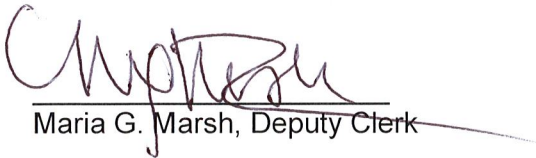
Mayor Mueller adjourned the City Council Work Session at 3:35 p.m.



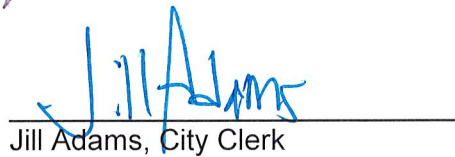
Frederick W. Mueller, Mayor

Minutes prepared by:

Attest:



Maria G. Marsh, Deputy Clerk



Jill Adams, City Clerk