



EXTRAORDINARY SKIES.
UNCOMMON GROUND.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minute summary of the work session of the City Council of Sierra Vista held on the 10TH day of June 2024. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 27TH day of July 2024

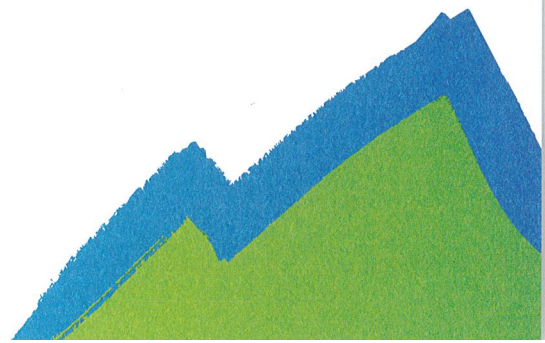
SEAL

A handwritten signature in black ink, appearing to read "Maria G. Marsh", written over a horizontal line.

Maria G. Marsh
Deputy City Clerk

A handwritten signature in blue ink, appearing to read "Jill Adams", written over a horizontal line.

Jill Adams
City Clerk



Sierra Vista City Council

Work Session Minutes

June 10, 2023

1. Mayor McCaa called the June 10, 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 – absent
Council Member Gregory Johnson – present
Council Member Angelica Landry – absent
Council Member Marta Messmer - present
Council Member Mark Rodriguez – absent

Others Present:

Chuck Potucek, City Manager
Victoria Yarbrough, Assistant City Manager
Chris Hiser, Police Chief
Armin Lewis, Deputy Police Chief
Lis Chatham, Police Department Commander
Brian Jones, Fire Chief
Brade Dever, Deputy Fire Chief
Laura Wilson, Leisure, Parks, and Library Director
Sharon Flissar, Public Works Director
Gabriel Squires, Public Works Internal Operations Manager
Matt McLachlan, Community Development Director
David Felix, Chief Financial Officer
Jennifer Dillaha, Budget Officer/Management Analyst II
Adam Curtis, Marketing and Communications Manager
Elizabeth Wrozek, PIO
Tony Boone, Economic Development Manager
Barbara Fleming, Human Resources Manager
Kennie Downing, Chief Procurement Officer
Abe Rubio, Chief IT Officer

2. Discussion regarding [FY 2024-2025 Budget - Presentation](#)

Mr. Potucek stated that this is the budget for Fiscal Year 24/25 and during the whole year Council has had budget meetings on pieces of the budget. The process goes through the entire half year of the calendar year, and then starts over again when finished. Council is well apprised of everything that is going to be presented. He noted that Ms. Yarbrough has led the budget team including Mr. Felix and Ms. Dillaha. The balanced budget would not have been possible without the support and help of the department heads. He thanked them for all their efforts to get the City to this point.

Ms. Yarbrough thanked Ms. Dillaha, Mr. Felix, department heads, and Council for their support and stated that she could not ask for a better budget team.

FY25 General Fund changes to date: Ms. Dillaha found a double entry in IT software. NERIS is a new fire reporting software, \$35,000 that the Fire Department is moving towards. Ms. Dillaha removed the double entry, but the cost of it was a little higher than what it was thought it would be, therefore, there is a \$6,002 dollar increase. However, due to the double entry, \$27,000 were restored to the IT Office Equipment Maintenance Fund. Added was the two percent market shift in January for both full time and part time staff for a total of \$288,559. Also, Ms. Dillaha recalculated all the allocations:

- Personnel \$56,756 more
- O&M \$5,360 less

Estimated allocations and personnel numbers were based off last year and were presented during the personnel part of the budget. Ms. Dillaha has recalculated those since the actual allocations and personnel numbers became available. There were some changes to the Capital Improvement Fund to fit in the additional raise for staff. Therefore, the Roadrunner Park Project was decreased by \$500,000 and the fire station parking lot and bay door projects were moved into Capital. However, the actual numbers ended up being higher because of the differences in the estimates for allocation and personnel, a total amount that ended up being decreased, \$235,550, which will be transferred in from the Capital Improvement Fund to cover those projects. This means that the Roadrunner Park Project will end up being over \$700,000.

Mayor Pro Tem Umphrey asked for clarification on the NERIS amount. Ms. Dillaha explained that MUNIS had two entries for the NERIS system, one for \$35,000 and another for \$42,500, but the estimate should be \$48,502; therefore, she removed the \$35,000 and upped it to the \$48,502. Ms. Yarbrough stated that this happened after the Tentative Budget Book was printed.

A slide of the budget by major fund was displayed:

- General Fund increase is primarily due to the raises this year, \$54,735,651.
- HURF decreased due to differences in grants applied for last year versus this year, \$64,695,885.
- Local Transportation Assistance Fund decreased due to differences in grants applied for last year versus this year, 8,112,863.
- Airport Fund increased due to more capital projects and an increase in revenue, \$12,216,165.
- Capital Improvement Fund, \$3,558,332.

The Capital Improvement Fund has seen a lot of change over the past few years and that is due to the Schneider Electric Project that was budgeted in Fiscal Year 23. There has been a trend over the next two years and the City was able to put more capital in the General Fund in Fiscal Year 24 due to the additional COVID money that was still in the budget. This money is no longer in the budget; therefore, the City has been shifting more capital back into the Capital Improvement Fund.

- Sewer Fund decreased due to projects being finished, \$6,913,827.

There was a commercial sewer line repair in the budget that is not in there this year.

- Refuse Fund increase is primarily due to a \$360,000 increase in vehicle maintenance, a \$65,000 increase in fuel, and the rest is the increase in salaries.

Council Member Johnson asked for an update on the enterprise fund. Ms. Yarbrough stated that

the fund is not looking good. The City has been spending down the fund balance in the Refuse Fund and the Sewer Fund. The Refuse Fund may go into the red at the end of Fiscal Year 24; therefore, Mr. Felix has been keeping a close eye on the fund. Mr. Potucek added that this will most assuredly result in staff's recommendations for Sewer and Refuse Fund rate increases. These recommendations will be forthcoming to Council later in the summer.

Mr. Potucek further added that when doing the budget, it is a warning signal when shifting capital away from the General Fund to the Capital Improvements Fund, i.e. projects like the fire project. Therefore, when smaller maintenance type projects are shifted over into the Capital Improvements Fund, that is a signal that the General Fund is not able to carry those types of projects anymore. These trends have been seen, but it is a signal that the General Fund is experiencing some stress.

- All other funds, \$16,408,708

There has also been a lot of change in the All-other funds category, Grants Fund, SEACOM, MPO, Development Fee Fund, health insurance, and debt service. Also, over the past few years there was a placeholder for stimulus funds, but that did not happen, it was just in case. She noted that the EMS Substation was budgeted out of this fund and there was a \$10 million potential broadband grant.

A slide of the budget broken out by expenditure was displayed, Personnel, \$45,929,507, Operations and Maintenance, \$31,228,950, Capital \$91,408,076, and Debt, \$3,926,476. The Capital cost is as high as it is because of transportation related grants.

The revenue summary for this year showed the following significant changes:

- City sales tax, \$26,914,016: a 3.2 percent change which is a 2.5 percent increase over last fiscal year's actuals. Therefore, the number is 3.2 percent and not 2.5 percent. The 3.2 percent is below where the City is currently at this year to date, considered more of a flat revenue projection.
- The increase in franchise fees, \$1,575,000, is based on actuals for this year which is the same with building permits in the licenses and permits line.
- Local government payments are SEACOM and contracts, \$3,947,231.
- State shared revenue includes the vehicle licensing tax, sales tax, and urban revenue sharing numbers, \$23,162,500.
- Ambulance fees went up due to actuals trending upward, \$2,900,000.
- GMC revenues, \$2,055,000, is trending up that are fuel parts and labor.
- Airport revenues shows that fuel sales are significantly up, trending actuals over last year's fuel sales, \$2,267,500.
- The decrease in Parks, Recreation, and Library revenue is primarily due to the Sparks Program ending, \$1,034,700.
- The investment income is going up, \$800,000. The City benefits in this area when

interest rates are higher. This is a result of the interest being what they currently are.

- The donation line, \$1,527,965, fluctuates a lot, primarily organizational grants and what is being projected for next year. These are not federal and state grants because they end up in different categories. An organizational grant would be like the Legacy Foundation or Diamondbacks.
- The notes payable, \$1,162,980 reflects the fire truck that was ordered last year and the three ambulances, two that are hopefully going to have delivered this month, and then one that was ordered last year, which will be probably another year.
- The carryover line, \$18,154,987, are the projects that are carried over year to year, capital projects, and the fund balance from last year moving to this year.
- Debt, \$3,926,476, the City does finance certain capital projects, but it depends on a variety of things, i.e., type of the project, cost, and the expected life term. Primarily, the City only finances things that have a longer life term. There are two types of debt, bonds for longer term projects, i.e., the Schneider Electric projects that were funded through municipal revenue bonds or a lease purchase, which sometimes is used for vehicles.

A slide was shown regarding outstanding debt that looked good for next year because there is no debt currently budgeted for last year nor this year out of the General Fund or HURF. The refuse fund is carrying some debt from the last truck purchased and the sewer debt is due to the 2018 bond refinance, which was paid off in 2028. The debt service is paying off the Schneider Electric Project over the next few years.

Mr. Potucek stated that this is a good picture in terms of debt service obligations, which was hard won over a long period of time, working these debt numbers down, and they are coming into play now with having to tighten the budget in the revenue picture. It is good to have low debt during times.

A slide was shown of the overall numbers on how much debt the City is carrying for next year, \$29.6 million.

Council Member Johnson noted that the bond for the Schneider II Project resulted in a favorable interest rate. Mr. Potucek stated that it was 3.3 percent. He further stated that most of the debt that the City has on the list being displayed is wrapped up into the two Schneider Electric Projects. However, the beauty of those projects are the savings in terms of the energy utility costs and some of the revenue that is gained from some of that, especially the sports projects. Therefore, it helps to pay the debt service on those notes.

A slide was displayed of operations and maintenance for all funds, \$30,904,505. However, two funds that are not really covered in the slide are the change in the City Manager Department because it is not just the City Manager's Office as it also includes the Economic Development and Tourism, Finance, and Communications Departments. The decrease is primarily due to the placeholder budgeted in the Economic Development Division for an EDA grant for \$360,000 and the increase in court and legal is for outside legal costs that the City Attorney does not cover due to current claims and potential claims.

The court agreement for next year increased about \$75,000 from last year. The case numbers ticked up slightly and the costs increased as well.

The City Manager's division also had a \$60,000 decrease due to the removal of the resource management plan funding that was for the coordinator due to receiving the America the Beautiful grant which will be paying for her services over the next few years.

Microsoft has changed the way they license their O365 accounts; therefore, this was a significant increase of \$112,000 in IT for the citywide O365 licenses for next year. Also in software, the fire reporting system, \$48,502, was adjusted along with a couple of decreases due to the Open Gov Capital software, \$20,581, that was added last year, part of that was the setup cost and it has been decreased to its regular annual maintenance cost, and the Blue Ink Platform, \$15,300, for a three-year service agreement; therefore, \$15,300 came out of the budget.

The IT Department was on an aggressive PC replacement cycle for the past few years, trying to catch up with things that were out of life cycle that the City had not been able to replace over the previous years. Therefore, the City has finally reached the place where it should be. Consequently, the specialized supplies line was to decrease down to a regular amount each year for PC replacements, \$44,500.

Finance was reduced by \$25,000 due the payment of the impact fee update scheduled. However, there is a carryover of some of that, but \$25,000 was paid out over the past year.

The City will have an election forthcoming, \$48,000; therefore, under City Clerk there is an increase for that.

Marketing and Communications reduced advertising, \$23,760, to match actuals from this year. This was primarily a reduction in PD recruitment. Not that there is a reduction of Police Department recruitment in any way, but there were some special and significant ad campaigns that were programmed that are no longer needed because things are a lot better in PD recruitment.

Fire increased, \$34,500, due to the uniform allowance due to making a change to meet IRS Code and to bring the City into better compliance with the program. It will be easier to administrate, and it is also matching it to the Police Department's policy. Therefore, the policy will be applied the same way across for both the Police and Fire Departments.

In professional services there is a \$40,000 decrease because that was in there to pay for the organizational assessment that will be completed by the end of this fiscal year.

Replacement equipment, \$16,276, and EMS supplies, \$30,000 increased.

Engineering professional services was increased by \$5,000 for the construction inspections needed due to ALLO implementing their services throughout the community. This is for materials testing for concrete, asphalt, soils, and the compaction.

There was a significant decrease in in the Public Works line due to projects being completed. There is an increase in the professional services line, \$99,000, because Climatec increased their contractual costs about \$30,000 this year. Also, there will be an electrical assessment of the Ethel Burger Center being conducted due to the age of the building.

There were substantial decreases in both building maintenance, \$185,000 and infrastructure

maintenance, \$691,500. Each year there is a new list of things that need to be maintained. Last year there were several roof repairs and some painting, which has gotten a lot more expensive than it used to be. Infrastructure maintenance depicts a decrease because the Cove's pool and tile resurfacing, which was rather significantly expensive, was done last year.

Fleet increased, \$20,000, due to increases in fuel costs.

In Community Development there is an increase for abatements by \$15,000 that is also a Strategic Plan goal of City Council to address abatements throughout the community.

The West Sierra Vista Partnership Program will maintain its funding this year at \$85,000 and this year the total amount will be spent or even a little more.

The Parks, Recreation, and Library's event supplies decreased, \$28,500. There was a decrease due to West End event changes and then there was a purchase of supplies in Fiscal Year 24 that will be used both this year and in the future.

The increase of \$20,000 for well maintenance is a shifting of costs from Public Works to the Parks Division. The Parks Division will be responsible for the wells that are in their parks.

The list changes year to year for what needs to be done in infrastructure maintenance, Public Works, and facilities maintenance. Last year there was a lot of playground sand, portable bleachers, ADA water fountains, top dressing for parks, landscaping, and rocks. However, that stuff is not in there this year and there is a different list of things. Sand and ADA water fountains were covered last year.

The Child and Family Division decreased, \$3,000, due to the Sparks Program cancellation.

On the sports side, professional services, \$23,500, increased for the tennis and pickleball contract instructor payments. There is an increase in demand and that increase is completely offset by revenue.

Recreation supplies, \$19,200, decreased because the Veterans Park Sports Complex was finished last year and there was money in that budget for equipment for the concession stand in Veterans Park.

The specialized supplies, \$10,000, changed again because of the different needs year to year. Last year there were a portable pitching mound, traffic control equipment, and sports field fencing were done that do not need to be done this year.

In the Library's professional services, the security contract increased to \$16,732.00 and there are increases in various office supply costs, \$8,000.

A slide of O&M was displayed totaling \$30,904,505 in expenditures.

Personnel changes for Fiscal Year 25 are the addition of an animal control assistant due to the expansion of the Nancy J Brewer Center, \$49,359; one graphic designer due to the current part time graphic designer retiring at the end of the month and the other part time graphic designer moving into more of a once a week assisting status, \$60,645; two facility maintenance workers, \$122,200, who will be handling the washer and dryer maintenance on Fort Huachuca since the City was awarded that contract. The revenue from that contract will completely cover the

salaries for those two new employees. Lastly, the addition of one transit driver due to the increase in demand for ridership in transit service, \$49,986, and one unfunded police officer that had been in the budget for some time that was a previously an unfunded position, \$108,891. Recruitment has been going very well.

There are a few classifications this year due to market comparisons and department requests.

- City Clerk Division, reclassification of the administrative secretary to a department specialist, \$9,087, and the City Clerk position that came back low on the market survey, \$9,283.
- Fire had changes due to market comparisons on all the public safety this year, both police and fire. The fire battalion chief will be reclassified up, four positions, \$42,127. The fire captain, nine positions, \$35,230, and the fire paramedic ad-pay, \$71,821, 34 positions, came back low, which will be moving from \$5,980 to \$7,321.
- Engineers were also low; therefore, those were reclassified to bump the civil engineers up, two positions, \$16,327.
- Transit had a part time to full time pay, \$3,228 increase, due to the difficulty in recruiting part time drivers.

Retirement contributions for next year are the PSPRS contribution, \$553,278 increase from FY24 for a total contribution of \$7,507,937 due to the change in Council Policy on budgeting all public safety positions at the maximum rate to really build in an additional payment. Even as the City's contribution rate is trending down, it is being kept at the highest rate it was to build in an extra payment. ASRS contribution has an increase of \$73,715 due to additional positions and raises for a total of \$2,144,177.

A chart was shown of the breakdown of personnel costs by a fund, \$45,929,507 total:

- General Fund, \$36,536,901;
- HURF, \$1,868,743;
- LTAF, \$942,693;
- Airport, \$92,666;
- MPO, \$253,963;
- SEACOM, \$2,103,466;
- Sewer, \$2,038,643; and
- Refuse, \$2,092,432

The change is due to the two percent step increase on July 1, 2024, which will be approximately \$460,000, the two percent market adjustment in January of next year, \$254,000, and the couple of additional personnel reclassifications.

Capital projects are as follows:

Police Department:

- The Animal Control Center expansion will be completed in the next few months, a Strategic Plan goal, \$2,050,000.
- Police Department purchase of five Tahoes for this year, \$525,000, along with carryover items due to outfitting, 178,385.
- VHF Radio System is a state grant, \$350,000 carry over.
- Border related crimes grants, \$13,000, and grappler, \$70,000 carry over.

- License plate reader grant, \$300,000.
- General police equipment, 100,000.

Fire Department:

- New fire truck on the list for next year, 1,200,000.
- Carrying over three ambulances, \$1,074,419; although the department hopes to get two of those this month.

IT Department:

- Fire Station I security cameras for next year, \$26,000.
- Firewalls, \$44,000, and servers, \$15,500, need to be replaced due their end of life.
- Public Works training room to receive an AV upgrade, \$72,000.
- The retractable movie screen at the pavilion is still working for now, but maybe not for long, \$35,500.

Facilities Department:

- Cove structural improvements, \$50,000, and the water feature replacement, 75,000, which are getting dingy and not safe.
- Replace Police Department card scanners, \$35,000. There are doors in the police station that need to be badged entry.
- Fire Station II bay door modification, \$75,000, and parking lot expansion, \$397,000 due to the purchase of the adjacent land this current fiscal year just yet.

Mayor Pro Tem Umphrey asked about the replacement of the water feature at the Cove. Ms. Yarbrough stated that the children's water feature in the children's area will be replaced. Ms. Wilson noted that it is the shipwreck feature and hopefully the mushroom feature can be replaced as well.

Community Development:

- Moving to Citizen Serve software, \$150,000, which is permitting and not just used by Community Development, but also by engineering, a Strategic Plan goal on simplifying digital access for the community.

City Manager: The special project set aside in the Capital Improvement Fund is a placeholder to be determined later, \$1,000,000. This money was from the additional income tax that is being received but ends this year. Therefore, that additional funding will not be seen next year.

SEACOM: The radio upgrade is the annual cost, 10-year contract with Motorola, \$386,000.

Parks:

- Replacing the large playground at Len Roberts, \$15,000, shade structures, \$44,000, and the tot turf, \$55,000, that are all a part of the Parks Master Plan and Strategic Plan.
- Carryover items, sheds at Veterans Park, \$75,000.
- One pickup truck, \$75,000.
- The Fab Fry Redevelopment, the design of the lot at the corner of Fab and Fry, \$120,000.
- The public sewer mainline extension, \$1,500,000, the sewer extension and bathrooms from the OYCC down to Domingo Paiz, still planning on pursuing from the State Parks Foundation this year.
- Roadrunner Park design, \$173,882 carry over, is underway.
- First phase of Roadrunner Park construction, \$764,450 after the allocation changes and

personnel numbers were updated.

Ms. Yarbrough stated that there is the potential for the City to receive a rebate on its solar covered parking and potentially EV chargers, \$750,000. If that money is received, it will also go towards phase one of Roadrunner Park.

Council Member Johnson asked what the City is going to get for the \$764,000. Ms. Yarbrough stated that it is still in design. Staff is still working with Wheat Design on what the final design of the park will look like.

Council Member Johnson stated that he is aware that it is a place holder, but he does not believe that the City will get much for that money. Mr. Potucek stated that when staff receives the plan, they will be able to figure out how to phase development. This plus that rebate can get the City a decent phase one start.

Airport:

- Spaceport license is in the budget, \$700,000.
- Feasibility study is underway and expected to wrap up later in the fall.
- Mower, \$9,000, and a sweeper, \$270,000, are needed.
- NEPA Study on the 238 acres, \$300,000, a Strategic Plan item.
- Automatic Weather Observation Station upgrade, \$500,000, which is something the pilots have been asking for vocally.
- The Master Plan update, \$200,000, is continuing and will be carried over.
- Airport utility installation, 7,800,000, and the DCIP Environmental Study and design, \$315,000, that is related to the Defense Community Infrastructure Program grant that staff will apply for again this year to extend sewer line and internet out to the airport.
- Reconstruction Project near the self-serve fuel area, \$150,000.

Sewer Fund:

- A grant for the River Stone Water Conservation project, \$925,000 carry over.
- Lawley sewer line reconstruction across Highway 90, \$480,323.

Refuse Fund:

- Conversion of one of the refuse trucks, \$125,000
- Improvement to the camera and tracking system on each truck, \$30,055.
- Rebuild of a Packer truck, \$40,000, which is still in good shape and can be rebuilt instead of purchasing a new truck.

Highway User Revenue Fund projects for next year:

- Buffalo Soldier Trail extension at South Route 90 to serve the American Leadership Academy School, \$2,000,000.

The numbers came back, and it looks like that should come in under budget, which is great news for the North Garden construction.

- Fry/North Garden construction, \$4,500,000.

Staff is still waiting to hear the results of the RAISE grant, \$20,258,827, listed as the West End improvements. If the City receives the RAISE grant, that will free up the \$4.5 million that currently have been budgeted for North Garden Construction. That money will go towards a match for the Buffalo Soldier Trail Reconstruction Project that Congressman Ciscomani put into

reconstruct the entirety of Buffalo Soldier Trail. Wilcox Drive was also high on the priority list and if that money is freed up, there will be another conversation about where that money goes.

- Martin Luther King Reconstruction Project, \$1,205,350, that is still on the list and should be underway in late summer, early fall.
- Annual street maintenance, \$1,500,000.
- HURF needed the culvert camera, \$35,000, and the liquid road buggy, \$125,000.
- Buffalo Soldier Trail Reconstruction Phase I, \$4,024,265, and Phase II, \$25,726,221.

Still have Phase I for which the City received funding appropriations for last year and then next year which will complete the project.

- Theatre Drive, \$1,800,000, was the State appropriation money received last year that is currently under design.

Mayor Pro Tem Umphrey asked about the match if the City gets the 25,000,000. Ms. Yarbrough stated that she believes that it is five percent, about \$1.2 million.

Council Member Johnson asked if \$1,500,000 sufficient to bring local streets up to par. Ms. Flissar stated that this is consistent with what has been budgeted over the last few years for annual street maintenance. As the streets age, the need increases, but things like the appropriations for BST, that will certainly help a lot, and hopefully helping the City to increase that number a little. Last year, most of the funds were strategically allocated to local road reconstruction projects because it is important to the community.

Mr. Potucek stated that the grants help because then the City can use other resources for those.

LTAF fund: There are no changes to the list from what Council saw in other presentations:

- Walmart PAD and other improvements, \$46,306 carry over;
- Bus shelter enhancement, \$44,538 carry over;
- Bus Shelter enhancement, \$100,000 carry over;
- BST-Pathway Connectivity Program, \$987,565 carry over;
- SR92-Pathway Connectivity Program, \$682,573 carry over;
- Pedestrian walkway connection-design, \$50,000 carry over;
- Pedestrian walkway connection-construction, \$1,278,797 carry over;
- Contract management and LCP tracker software, \$60,000 carry over;
- Connectivity and safety projects, \$2,500,000 carry over;
- Door installation and ADA improvements, \$25,000;
- Two small passenger busses, \$250,000;
- Transit Master Plan, \$200,000 carry over;
- B2GNOW software, \$60,000; and
- Transit scheduling software and hardware, \$115,420.

The BST-Pathway Connectivity Program, SR92-Pathway Connectivity Program, Pedestrian walkway connection-design, Pedestrian walkway connection-construction, and the connectivity and safety projects are all FTA grants. These carry over year to year until they are implemented. The federal portion of those projects is 80 percent, with the City paying 20 percent.

Future issues remain the same:

- Maintaining the Class Comp Plan;

Raises in the Valley area have been substantially more this year than what the City is able to do; therefore, staff keeps a close eye on what the rest of the State is doing.

- Public Safety Retirements;

Public Safety Retirements will always remain a concern, but being budgeted is a significant amount of money towards those year to year.

- Street Maintenance;
- Impact on local revenue from state actions;

There is still no word on the budget and although the League update this morning said that there has been a lot of discussion between the Governor's Office and the Legislature, and that they are hoping since both houses are back in session that there may be some news on the budget. Also, hoping that action does not come with any revenue being taken away from cities and towns.

- Census;

The Census continues to impact the local revenue. Even though Sierra Vista grows a very small amount year to year, the City does not grow at the same rate as the cities in the Valley. Therefore, the pie is only as big as the as the pie is going to be and the City's portion shrinks as the others grow faster, and that impacts local revenue as well.

- Need to increase sewer and refuse rates;

This discussion will be upcoming this year.

- Economy in general and how that is affecting the local economy.

Upcoming budget meetings:

- June 27, 2024, tentative Budget adoption;
- July 25, 2024, public hearing on the property tax levy/final budget adoption; and
- August 8, tax levy adoption.

Mayor Pro Tem Umphrey stated that staff did well with what they must work with this year because it is getting trickier. She added that this is her sixth time doing this and she is still in awe as to how staff makes it happen. She thanked staff for their hard work and for putting it together and finding new avenues to make up for the way that the City is losing money through the State so that Council does not have to do anything that they do not want to do when it comes to taxes.

Mayor McCaa thanked staff for being conservative. Mr. Potucek thanked the Mayor and shared that again revenues are running flat which is not a surprise during this time of year. The City has been working on half a year on flat revenues. Fortunately, last year the City budgeted very conservatively for sales tax revenue. Therefore, the City is still running ahead of that, and it looks like a very conservative number is programmed in for next year. This is something that staff will have to keep an eye on and make sure that if it starts falling underneath to take some actions, but Council would be apprised.


In response to Mayor Pro Tem Umphrey, Ms. Yarbrough stated that the RAISE grant was

thought be announced in May. Therefore, staff is waiting to hear any day about the RAISE grant. On the rebate, staff is working through the registration and application process. Therefore, she does not have a timeline yet.

Mr. Potucek stated that staff is very good about following up and finding these grant funds, which helps the budget and projects. Staff will continue to search for those opportunities, and they are always prepared for the opportunity when it comes as well, which helps. Staff will continue to do that in hopes of meeting Council's Strategic Plan goals. In closing, he stated that he and his staff appreciate all the meetings that Council sat through this year on the budget.

3. Adjourn

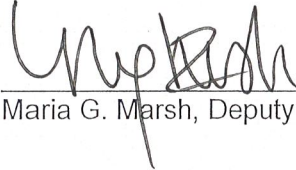
Mayor McCaa adjourned the June 10, 2024 work session of the Sierra Vista City Council at 3:46 p.m.



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/UC8PtUplbkQsixlhSy-jeR_Q/videos