



EXTRAORDINARY SKIES.  
UNCOMMON GROUND.

## CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minute summary of the regular meeting of the City Council of Sierra Vista held on the 25<sup>TH</sup> day of July 2024. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8<sup>TH</sup> day of August, 2024

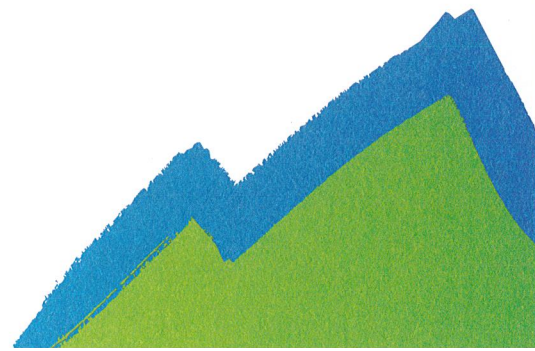
SEAL

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  
Meeting Minutes  
July 25, 2024

Mayor Pro Tem Umphrey called the June 27, 2024, City Council Regular Meeting to order at 5:00 p.m., City Hall Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Roll Call:

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

Others Present:

Victoria Yarbrough, Assistant City Manager  
Chuck Potucek, City Manager  
Chris Hiser, Police Chief  
Lis Chatham, Police Department Commander  
Brian Jones, Fire Chief  
Sharon Flissar, Public Works Director  
Laura Wilson, Leisure, Parks, and Library Services Director  
Emily Duchon, Library, Recreation, and Cultural Services Manager  
Matt McLachlan, Community Development Director  
Jill Adams, City Clerk  
Nathan J. Williams, City Attorney  
Adam Curtis, Marketing and Communications Manager  
David Felix, Chief Financial Officer  
Jennifer Dillaha, Financial Officer  
Tony Boone, Economic Development Manager  
Mark Slania, Attorney for the Industrial Development Authority  
Michael Hoerig, Heinfeld Meech and Company, P.C., Audit Partner

Invocation – Council Member Messmer led the audience in prayer.

Pledge of Allegiance – Council Member Landry led the Pledge of Allegiance.

Item 1 Acceptance of the Agenda

Council Member Johnson moved that the agenda for the Regular City Council Meeting of July 25, 2024, be approved. Council Member Landry seconded the motion. The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

Awards and Presentations

A proclamation declaring August 2024 as Hummingbird Month in the City of Sierra Vista was presented to Emily Duchon.

Ms. Duchon thanked the Mayor and Council and stated that there will be a whole month worth of activities and events planned from art to hiking events, sporting events. She encouraged people to look in the Vista 411 or online at the City's website for a list of those events. She thanked the City's friends and internal partners that helped with this effort, Economic Development, who was instrumental in providing guidance through the Hummingbird Heros, the business community to get them involved, and the Marketing and Communications Department who helped publicize these events with their standout flyers and posters. In closing, she thanked Southeastern Arizona Bird Observatory (SABO) and the Southwest Wings Inc.

Chris Hubard with Southwest Wings Inc. stated that this is their 33rd year and noted that they have been in Sierra Vista for a long time with its festival which is a fabulous gathering for people and an opportunity to learn about birds, wildlife, and everything that makes the area special - the sky islands. He noted that the field trip registration is closed, but there are free talks and birding walks starting Wednesday, July 31, 2024 through Saturday, August 3, 2024. The talks are all at the Sierra Vista Mall on butterflies, birds, beavers, and jaguars along with various vendors and exhibitors.

Heinfeld Meech and Company, P.C. [presentation of Fiscal Year 2023 audit](#) as required by Arizona Revised Statute §9-481- Mr. Hoerig stated that State Statute requires the presentation of the results of the audit each year to City Council. He noted that the audit is a lot of different things, the financial statement audit, the federal compliance piece of the audit, and some state compliance as well.

A slide was displayed about the different stakeholders and the people who are interested in the different reports, grantors, state agencies, and federal agencies that the City reports to.

The audit process for Fiscal Year 2023 started about a year ago, remotely since things have gotten more electronic, but some of the work does lend itself to site visits because of the record keeping maintained in a hard copy fashion. There are a lot of interviews when auditors are on site and the auditors were at City Hall in September and January. The types of audit procedures performed are internal controls, data analytics, analytical comparisons, and substantive procedures like vouching and confirming. Ultimately the last step of the audit is the core financial statement document, ACFR, thereby performing the quality control review of that document, working with Mr. Felix's team and ensuring that those adhere to proper accounting standards.

The various audit reports that were issued this year are the Communication to Governance, Annual Comprehensive Financial Report, ACRF, Single Audit Report, Expenditure Limitation Report, ELR, Highway User Revenue Fund (HURF), and State Compliance Reports. The Communication to Governance, letter provided to the Mayor and Council is meant to be a summary of the audit. Each of the following correspond to a paragraph in that letter:

- Identification of sensitive accounting estimates;
- No difficulties encountered in performing the audit or disagreements with management;
- No significant audit adjustments;
- Reminder of the importance of internal controls and management oversight regarding fraud;
- Engagement letter provided to management; and
- Management representation letter provided by management.

The auditor is required to provide this summary to the Mayor and Council under the professional auditing standards. The accounting estimates is for awareness in that any financial statement has some estimated numbers in it. There is discussion in that letter about the various estimates and the most critical estimates, one of which being the pension and Other Post-Employment Benefits (OBEB) numbers that are in the report, which are highly driven by the actuary and are estimated numbers.

The auditor did not encounter difficulties in performing the audit and there were no disagreements with management regarding the financial statements or the note disclosures that are in the document. There were also no significant audit adjustments and the numbers that were provided matched up with the audit procedures. There was nothing suggested to be adjusted for proper presentation.

The reminder of the importance of internal controls and management oversight regarding fraud, engagement letter provided to management; and the management representation letter provided by management are additional attachments to that letter.

In terms of the financial statements, the Annual Comprehensive Financial Report (ACFR) was dated in late June, and it was a clean, unmodified audit opinion, which means that there were no material misstatements in all the different audit procedures performed. The City has since submitted that to the Government Finance officers Association (GFOA) for the certificate program that the City has received each year.

There were no significant changes in the financial statements. There were some new accounting standards that applied in Fiscal Year 2023 to all governments, but in the case of Sierra Vista, nothing that would have impacted the financial statements. They did not apply as much or maybe they did not have a material impact on the City's financials.

There is an increase in net position of about \$14,000,000, largely driven by the Transaction Privilege Tax (TPT) as well as some of the federal funding that is still coming through the COVID grants.

The Single Audit Report is a report on internal controls over financial reporting as well as federal compliance, a combination of the two into this single audit report. The SEFA is the Schedule of Expenditures of Federal Awards, and this is where everything that the City spent that was federal in nature, about \$6.8 million in Fiscal Year 2023 is listed. The auditors must identify major federal programs and that is really the focus of the federal piece of the audit. A lot of times the bigger programs get the focus. SEFA shows that the bigger programs are outdoor recreation, coronavirus, state, and local fiscal recovery. These were the major federal programs that were focused on during the federal audit that makes up about 70 percent of the SEFA.

There were no federal compliance findings. The only item of note would be the financial statement finding, the internal controls over financial statements on page nine that had to do with the cash reconciliation issue. This is something that was reported in previous years as well and it has to do with the timeliness of that process. It is such a key critical piece of any governmental organization, but improvements are occurring with that in 2023 compared to the previous year. The timeliness is being corrected. Pages 10 to 13 of the SEFA is management's response to that finding. There is a very lengthy and thorough plan in place to address the finding and the auditor believes that the City is well on its way to getting rid of the issue.

In closing, Mr. Hoerig thanked everybody at the City involved with the audit for their support.

[Presentation by David Felix](#) of compliance with Arizona Revised Statute §41-1494 – Mr. Felix stated that the State Legislature passed the law about having the auditor presenting on the audit at a public meeting. They also passed Arizona Revised Statute §41-1494 that states that the City is to show compliance in not spending any money on any training, harassment, or otherwise that lays blame for any fault of anything based on race, gender, color, etc. There is no explanation of how the City is supposed to certify, but the City goes through this step every year. None of this is in any sort of citywide training and the City has not provided any training that would fall under these guidelines. Department heads have already a thin budget and they have much more important things to spend their money on for employee training than things like this. The employees do go through harassment training periodically, Fair Labor Standards training, and Labor Laws that get organized through the City, but none of these would fall under any of the things that are not allowed by Arizona Revised Statute §41-1494. Also, this statement must be given at a public meeting.

City Manager's Report: Mr. Potucek announced that the next Council work session is on August 6, 2024, at 3:00 p.m. in Council Chambers, and the next regularly scheduled Council Meeting is on August 8, 2024, at 5:00 p.m. also in Council Chambers. The annual Spotlight Breakfast is on August 13, 2024 from 6:30 a.m. until 8:30 a.m. at Cochise College in the Student Union Building. He reported that after the Council approved the acquisition of the PDS Golf Course, staff has been working on a contract with Paradigm Group and they may be taking over the operation by September 6, 2024, but staff is also working in parallel on a contingency plan to operate in case that contract is not done by that date. The golf course name will be the Golf Center of Sierra Vista at Pueblo del Sol. Staff had to move fast on that because Paradigm is also working on setting up the website and the Golf Now App for setting up tee times etc. There will be opportunities if Council feels the need to rename the golf course after somebody in the future. He also reported that the City has received from an estate a donation of \$1,000,000 for the Animal Control Center and that money will be put towards the project that is currently going on. Originally staff thought the City had a \$1,000,000 bequest for the facility but found out that the City was only going to get the annual interest from that, which the City is getting. However, now there is a new donation and staff will get in touch with the family and see if anything can be done to honor them at the time that the facility is completed. Lastly, he reported that the Sierra Vista Pavement Conditions Survey, part of Council's Strategic Plan, has been completed and once reviewed by Ms. Flissar and her staff, there will be a work session on that. In closing, he mentioned that the sales tax report for the last month and the City's actuals over last year at this time were .6 percent over, 5.29 percent over the budget which always underscores the value of budgeting conservatively.

## Item 2 Consent Agenda

[Item 2.1](#) Discussion and Possible Approval of the Work Session Minutes of June 25, 2024

[Item 2.2](#) Discussion and Possible Approval of the Special Minutes of June 27, 2024

[Item 2.3](#) Discussion and Possible Approval of the Regular City Council Meeting Minutes of June 27, 2024

[Item 2.4](#) Discussion and Possible Approval of the Special City Council Meeting Minutes of July 8, 2024

[Item 2.5](#) Discussion and Possible Action of Resolution 2024-047, Reappointment of Gary Smith and Victoria Yarbrough to the Fire and Police Pension Boards, said terms to expire August 1, 2028

[Item 2.6](#) Discussion and Possible Action of Resolution 2024-048, Accepting the resignations of Sophia Rosa and Lexi Prickett with regret from the Youth Commission and Appointing Ian Burnett and Anna Burnett, said terms to expire April 30, 2026

Council Member Johnson moved that the Consent Agenda consisting of the City Council minutes of the June 25, 2024 Work Session, June 27, 2024 Special Meeting, June 27, 2024 Regular Meeting, July 8, 2024 Special Meeting, Resolution 2024-047, reappointment of Gary Smith and Victoria Yarbrough to the Fire and Police Pension Boards, said terms to expire August 1, 2028, and Resolution 2024-048, accepting the resignations of Sophia Rosa and Lexi Prickett, with regret from the Youth Commission, and appointing Ian Burnett and Anna Burnett, said terms to expire April 30, 2026, be approved. Council Member Rodriguez seconded the motion.

Council Member Rodriguez thanked Sophia Rosa and Lexi Prickett and wished them well as they move onto college and do great things at ASU. He also stated that he looks forward to working with the new members, Ian and Anna Burnett.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

Public Hearing – There was no response.

[Item 3](#) Discussion of Fiscal Year 2024-2025 Property Tax Levy

Ms. Dillaha stated that in accordance with State Statute, this is the time for the City's public hearing on the property tax levy for Fiscal Year 2025. The rate is proposed at .1033 per \$100.00 of assessed value, which will generate an estimated \$387,167 this fiscal year. This is a slight increase in revenue from the previous fiscal years due to new construction and the rate was adjusted slightly lower in Fiscal Year 2025 due to the increased valuation of tax for property. The actual dollar amount paid by the citizens is the same in Fiscal Year 2025 as what they paid in Fiscal Year 2024. For this proposed new rate, the City is not required to publish truth and taxation notices for the property tax levy.

In response to Council Member Rodriguez, Ms. Dillaha stated that the property taxes have not gone up. The rate is adjusted; therefore, what was paid last year is the same as what will be paid this year, a different rate, but the same amount of money. Mr. Potucek added that the property tax levy is very minuscule compared to the overall property tax bill. The majority of that is generated by the school district, college, and the County.

[Item 4](#) Discussion and Possible Action of Resolution 2024-049, Final Budget for Fiscal Year 2024–2025

Council Member Rodriguez moved that Resolution 2024-049, Final Budget for Fiscal Year 2024–2025 in the amount of \$172,359,341, be approved. Council Member Council Member Landry seconded the motion.

Ms. Dillaha stated that following the public hearing, the resolution before council today is for the adoption of Fiscal Year 2024-2025 budget for the City. The final amount being \$172,359,341 and there have been no changes since the tentative budget vote on June 27, 2024. The tentative budget as well as all State's budget forms have been posted on the City's website.

There was one public comment received since the work session on Tuesday, July 23, 2024. The first question pertained to a possible donation for the scoreboard and the second is related to a carryover amount for Roadrunner Park's design.

The final step in the budgeting process required Council to meet on August 8, 2024 at 5:00 p.m. to vote on the primary property tax levy for Fiscal Year 24-25.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

#### New Business

Item 5 Discussion and Possible Action of Resolution 2024-050, Authorizing the issuance of its Education Facility Revenue Bonds, American Leadership Academy Project, in an aggregate principal amount not to exceed \$250,000,000, the proceeds of which will be loaned to American Leadership Academy Inc., a nonprofit corporation

Council Member Messmer moved that Resolution 2024-050, authorizing the issuance of its Education Facility Revenue Bonds, American Leadership Academy Project, in an aggregate principal amount not to exceed \$250,000,000, the proceeds of which will be loaned to American Leadership Academy Inc., a nonprofit corporation, be approved. Council Member Johnson seconded the motion.

Mr. Slania stated that this resolution is for the approval of the proceedings of the Sierra Vista Industrial Development Authority approving the issuance of revenue bonds for American Leadership Academy. Last year the Sierra Vista Industrial Development Authority issued bonds for American Leadership Academy for two other schools. This is a supplemental issue to those. It is two more schools, one of which they are buying that they currently lease, the other one that they are building; therefore, these are supplements to the original documents. A separate bond issue under the law.

The resolution approves the proceedings of the Sierra Vista Industrial Development Authority regarding these bonds. These are revenue bonds and are payable only from the revenues of American Leadership Academy that neither the City nor the Sierra Vista Industrial Development Authority are pledging their general credit, any credit, nor the credit of the State for the payment of these bonds. There are also other revenue bonds outstanding for American Leadership Academy. They aggregate all the revenues and then the trustees for the bonds pay those bondholders that that money. Fees paid to the Sierra Vista Industrial Development Authority are then used for not only their administrative purposes, but for economic development within the City.

Council Member Landry voiced her appreciation at Mr. Slania for breaking down the issue and explaining that the City is not liable.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

Item 6 Discussion and Possible Action of Resolution 2024-051, Intergovernmental Agreement with Cochise County for Funding of a Consultant to Promote Retention and Expansion of Missions of the U.S. Army at Fort Huachuca

Council Member Rodriguez moved that Resolution 2024-051, an Intergovernmental Agreement with Cochise County for funding of a consultant to promote retention and expansion of Missions of the U.S. Army at Fort Huachuca, be approved. Council Member Johnson seconded the motion.

Ms. Yarbrough stated that this will be the third time this intergovernmental agreement that has been before Council for consideration, most recently in 2014 and 2019 when it was approved. This intergovernmental agreement lays out the partnership between the Fort Huachuca 50 and Cochise County to fund a consultant who helps in Washington, DC with advocacy efforts for expanded missions on Fort Huachuca, monitoring for potential threats, and who has recently assisted the partnership with such efforts as including language in the National Defense Authorization Act related to the acquisition of the 203 acres adjacent to the airport, and also such things as project funding requests to assist Fort Huachuca. The partnership currently works with Joe Corrigan of Corrigan Ussery and has been very pleased with his assistance in these endeavors.

Council Member Rodriguez noted that it is a very important mission, and he is happy to see the partnership with the Huachuca 50 that does their part as well to make sure that the mission and Fort Huachuca is always promoted at places like DC. Mayor McCaa noted that Mr. Corrigan does great work.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

Item 7 Discussion and Possible Action of Resolution 2024-052, Approval of Release of Payment Plan with Castle & Cooke Arizona

Council Member Landry moved that Resolution 2024-052, forgiving a payment plan by Castle and Cooke, Arizona, contingent upon a successful closure and transfer of the Pueblo Del Sol Country Club and Golf Course to the City of Sierra Vista based on the outstanding balance on the day of the closure, be approved. Council Member Johnson seconded the motion.

Mr. Felix stated that in 1999, the Avenida del Sol Pueblo del Sol sewer extension done that was intended to both have this effluent from Tribute and then also it ended up being beneficial as the City got the effluent from Southland Utilities to count towards the City's recharge for the groundwater. At that time, the Code required that the developer either put in the interceptor or have an agreement with the City where the City would put in the interceptor if they would guarantee it, and then they would be reimbursed over time as people connected into that specific line. That was unwieldy and very difficult; therefore, the City changed the method and bought into the whole system. A study was done in 2009 that took all the outstanding interceptor values and included it in the connection fee that developers pay when they hook to the sewer system. Throughout that time, part of the agreement with Castle and Cooke was that they would guarantee the repayment of the principal and interest, and the City charged prime rate at the time, within 20 years. The 20 years came up and the City agreed to do a 10-year payment plan of the interest. The principal portion is the City's and Castle and Cooke does not have to be reimbursed for it over time of the connection fees as they come in. Castle and Cooke made



three payments of the \$1,000,000, over \$300,000 towards the note. As part of the agreement with the golf course, they would transfer the golf course to the City at no cost and the City will forgive this note. In the agreement is a statement that it is contingent on the transfer to the City. If they transfer it to another entity for some reason, the note is not forgiven, and in case there are delays in the closure, it will be the time of the outstanding balance at the time of closure. The payment plan is once a year and they have made their July payment of this year. Therefore, the outstanding balance is what it is because that is what is expected to be on the proposed closing date of September.

Council Member Johnson asked if the City would be paying the forgiven debt from Castle and Cooke back to the sewer fund over time. Mr. Felix stated that he is hoping that the City can take last year's excess revenue and recommend to Council that the whole payment be out of 2024 funds and just have it off the books so that there is no need to track it and worry about it anymore. However, staff will not get a better feel for that until all the bills come in for last fiscal year and the revenue is all logged in. If not, the staff will come up with a payment plan over time as the General Fund can afford to pay it.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

#### Item 8 Discussion and Possible Action of Resolution 2024-053, Amendment to Personnel Rules and Regulations

Council Member Johnson moved that Resolution 2024-053, amendments to Rule 1, Section 3, Rule 3, Section 5, Rule 4, Section 13, Rule 10, Sections 1 and 13 of the Personnel Rules and Regulations, effective August 1, 2024, be approved. Council Member Landry seconded the motion.

Ms. Yarbrough stated that there are various staff groups that have been working on a few personnel rule changes over the past few months and this is the first batch coming before Council for consideration. The first change and the last are tied together. One, adding a definition of a domestic partner, a domestic partner is an eligible family member for the purpose of bereavement leave and would also extend bereavement leave from 24 hours to 40 hours, tied to the last change that the Employee Council recommended.

The City Personnel Rules currently state that if somebody does what is considered falsifying an application to the City, that they are forever barred from applying to the City again. It was felt that this is too strict; therefore, it would change to a limit of two years before they could apply to the City again and it would be up to the City and the folks hiring to determine if the falsification of application was egregious enough to not consider their application in the future.

The addition of a mandatory holdover for the Sierra Vista Fire and Medical Services Department definition in the compensation. This is a situation where the shift coming on does not have enough people to fill that shift, and so the people from the previous shift will be held over and not given the choice to go home. The Fire Department staff requested this change to compensate those folks at time and a half, which is consistent with the Public Works Department and other departments who have mandatory call outs and get compensated at time and 1/2 for that mandatory call out.

Ms. Yarbrough added that in speaking with the Fire Chief, the Department has held over staff 14 times in the last six months, anywhere from four to 24 hours at a time. Typically, it has been on

average about 12 hours. She and Mr. Potucek agreed that staff should be compensated because they do not have the option to go home.

The final change would change vacation use eligibility. Currently when a new employee comes on board, they must wait six months before they are able to use their accrued vacation time. The Recruitment and Retention Team that was formed under Council's Strategic Plan is recommending that this be changed to 30 days, which is consistent with a person being able to use sick leave. A new employee can use their sick leave after 30 days; therefore, vacation usage shall be consistent with that.

The motion unanimously carried, 5/0. Mayor McCaa, Council Members Johnson, Landry, Messmer, and Rodriguez voted in favor.

Call to the Public - There was no response.

Comments and Requests of the Council

Council Member Messmer invited everyone out to Veterans' Memorial Park on Saturday, July 27, 2024 for Buffalo Soldier Day from 4:00 p.m. until 8:00 p.m. where there will be speakers, music, food trucks, and vendors.

Council Member Landry gave a shout out to everyone involved in the Visitor Center's grand reopening and encouraged people to visit the Oscar Yrun Community Center where they can find a lot of great information and Sierra Vista swag. She announced that the Nancy J. Brua Animal Care Center has a dog sleepover program where people can take a dog home for as little as a night, a weekend, or as long as 30 days. The shelter will provide the food, bowls, and supplies. She noted that this is a great program that helps with socializing the dogs in the shelter while giving them a break from being in the kennel. She also gave a shout out to all the teachers and noted that school will be starting next week. She cautioned everyone to be extra mindful in the mornings and the afternoons in the school areas or crosswalks because the kids going back to school will be excited to see their friends, teachers, and will not be paying attention to traffic. Lastly, she encouraged everyone to give love to the teachers and check if they need any supplies.

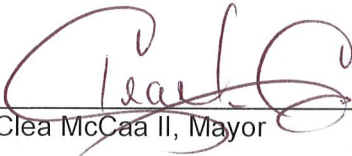
Council Member Johnson announced that July 30, 2024 is the Primary Election. He encouraged people to vote, whether Democrat, Republican, or Independent, and to please have their voices heard. He noted that there is a drop off box at Foothills Drive.

Council Member Rodriguez stated that last week, the Arizona District 8 Little League Tournaments took place in the City and there were cities from all over Arizona. He thanked staff for getting the fields ready due to the monsoon, and the volunteers who made it possible to play. He congratulated the Litchfield Park All-Stars for moving on to the west region, a great event. He added that he is looking forward to the Hummingbird Month events, thanked Southwest Wings for sharing information and Officer Bowser.

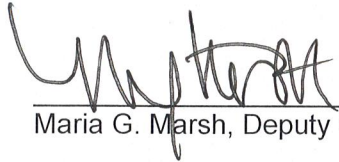
Mayor McCaa announced that Wednesday, July 31, 2024 is the first day of school and the 100 Men In Suits and Uniforms are scheduled for that day at 6:00 a.m. to welcome the high schoolers back into another year and to make them feel like rock stars at Buena High School. He also asked everyone to be safe, look out for their neighbors, and be kind to somebody.

Adjournment

Mayor McCaa adjourned the July 25, 2024, meeting of the Sierra Vista City Council at 5:47 p.m.

  
Clea McCaa II, Mayor

Minutes prepared by:

  
Maria G. Marsh, Deputy Clerk

Attest:

  
Jill Adams, City Clerk

A recording of the Council Meeting is available at:  
[https://www.youtube.com/channel/UC8PtUplbkQsixlhSy-jeR\\_Q/videos](https://www.youtube.com/channel/UC8PtUplbkQsixlhSy-jeR_Q/videos)