

Sierra Vista City
Council Work
Session Minutes
May 24, 2022

1. Call to Order

Mayor Mueller called the May 24, 2022, City Council Work Session to order at 3:00 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Mayor Rick Mueller – present
Mayor Pro Tem Rachel Gray – present
Council Member William Benning – present
Council Member Gregory Johnson – present
Council Member Angelica Landry – present
Council Member Mark Rodriguez - present
Council Member Carolyn Umphrey - present

Others Present:

Chuck Potucek, City Manager
Victoria Yarbrough, Assistant City Manager
Adam Thrasher, Police Chief
Brian Jones, Fire Chief
Laura Wilson, Leisure, Library and Parks Director
Sharon Flissar, Public Works Director
Matt McLachlan, Community Development Director
David Felix, Chief Finance Officer
Jennifer Dillaha, Budget Officer
Barbara Fleming, Chief Human Resources Officer
Gabriel Squires, Public Works Internal Operations Manager
Irene Zuniga, Engineer
Judy Hector, Marketing and Communications Manager
Mike Cline, SEACOM
Dianna Cameron, Management Analyst

1. Presentation and Discussion:

A. May 26, 2022 Council Meeting Agenda Items ([agenda attached](#))

Mayor Mueller stated that the Council Meeting for Thursday, May 24, 2022, starts at 5:00 p.m. with the call to order, roll call, invocation, pledge, and the acceptance of the agenda followed by a proclamation for nurses and an auditor presentation.

In response to Mayor Mueller, Mr. Potucek stated he had nothing specific to report.

Item 2 Discussion and Possible Action of Resolution 2022-029, a location and owner transfer of a Series 6 Liquor License for Aaron Marshall Hennequin on behalf of Doc's Watering Hole Company, 1959 Frontage Road, Sierra Vista, Arizona – Ms. Adams stated that this an application for an owner and location transfer of a Series 6 liquor license, which is a full liquor license to be located at 1959 Frontage Road in Sierra Vista. The business will be Doc's

Watering Hole Company. The notice of the public hearing for Thursday, May 26, 2022, was posted on the premises and to-date no comments have been received from the public pro or con. The Police Department has done their background check of the applicant and has no objection with this license moving forward, and if approved on Thursday, May 26, 2022, the license will be returned to the State for last action.

In response to Council Member Rodriguez, Ms. Adams stated that the transfer of the liquor license is from Huachuca City.

Item 3 Discussion and Possible Action of Resolution 2022-030, new license, Series 12 Liquor License for Dewayne Brewton on behalf of the Angry German, Inc., 355 W Wilcox, Sierra Vista, Arizona – Ms. Adams stated that this is a new series twelve application, which is a restaurant liquor license submitted for the Angry German at 355 West Wilcox. The notice of the public hearing was posted on the facility, and there have not been any comments, pro or con. The Police Department performed their background check of the applicant and has now objection to this moving forward, and if approved on Thursday, May 26, 2022, it will be returned for last action to the State.

Item 4 Discussion and Possible Action of Resolution 2022-031, Codification of Code of Ordinances and declaring a 30-day Public Record – Ms. Adams stated that this is one of the items that is usually done annually or up to 18 months depending on the number of ordinances that the Council passes during the time. Staff decided that this would be a fun time to do this because there were Development Code updates that were done in the past year. She added that these are listed on the staff memo and noted that not every ordinance goes into the City Code. Those that are selected get codified into the City Code, which means that they are officially accepted as the public and final record for the City. These ordinances are effective after the waiting period when they are passed, and they are updated on the City's website. This is the final stage of the process where Council accepts them, staff will come back in 30-days for public comments and have them adopted formally and then update the hard copy of the Code Book, of which there are only five.

Item 5 Discussion and Possible Action of the Regular City Council Meeting Minutes of May 12, 2022 – There was no discussion.

Item 6 Discussion and Possible Action of Resolution 2022-032, Intergovernmental Agreement with the Palominas School District for Fleet Maintenance Services – Mr. Squires stated that the City currently has twenty-one fleet maintenance repair intergovernmental agreements in place. These fleet intergovernmental agreements help both the City and local government agencies minimize costs and maximize benefits with regards to vehicle maintenance and repair services. Staff was recently approached by the Palominas Elementary School District to initiate a maintenance agreement. The types of vehicles that would be subject to this agreement are mainly busses and passenger vans. The City Fleet Section has capacity and can help the Palominas Elementary School District. The resolution is to authorize the execution of an intergovernmental agreement with the Palominas Elementary School District for fleet and maintenance repair services.

Council Member Johnson asked if the rate per hour is within industry standards. Mr. Squires stated that it is. He added that Fleet Services has not raised its rates since 2014. Not quite a year ago, staff did an analysis for rates, and they will be raised on July 1, 2022, starting the new fiscal year. These rates were compared based on what the City must estimate to covers its cost and to industry standards in Sierra Vista. They also took information from Tucson as well. The

new rates starting in July, for light and medium is \$109 per hour, which is labor. Staff's analysis for light and medium vehicles for industry was \$110, and for the heavy, the new rates will be \$120 per hour, which was up to \$155 for average.

Council Member Johnson asked if the new rates would affect the Palominas Elementary School District. Mr. Squires stated that it will affect them, and they were given both sets of rates, and they agreed.

Mayor Mueller asked if market price is charged for parts. Mr. Squires stated that they charge an overhead price of 15 percent.

B. [Fiscal Year 2023 Budget Update](#)

Ms. Yarbrough stated that she prefaced the presentation a couple of months ago, when she talked about grants that are available and that this was going to substantially increase the budget. She stated that staff wanted to go through in detail what is increasing the budget and the reasons for the increase as it refers to grants.

An overview of the funds that have grants in them was displayed so that the disparity could be seen compared to last year. The General Fund is over \$50,000,000 of the total budget, and the rest is broken up into various funds. These are not all the funds that the City has as these are the ones that primarily have grants in them. The total budget for the year is expected to come in at over \$200 million, but the two biggest reasons where the grants are focused are going to be in the HURF due to all the infrastructure grants that are out there, and in the Capital Improvement Fund – the Schnieder Electric Project. These two alone are over \$75 million of budget increase for next year.

HURF Grants – Ms. Yarbrough stated that accounting for all these grants is creating room in the budget. By State Law, the City must account for these grants whether the City receives them or not because if the City receives them and they are not in the budget, then they cannot be accepted. This does not mean that if the City does not get the grant that the project will go forward. The City does not have this money. There are very few of these projects that would go forward if the City does not get the grant. Staff has been hard at work applying for these grants. There are three major grants, RAISE grants, MPDG grants and MEGA grants. A few are subsidiaries of each other. THE MPDG is multimodal project discretionary grant that is the MEGA grant.

Shared Use Path Connector - If the City receives this grant through a RAISE grant, it will primarily complete the multiuse path loop around the City, Coronado to Campus along Highway 90, Seventh to Coronado along Highway 90 and then BST down to Kachina along Highway 92, an entire unbroken loop. There are no other multiuse path grants in the budget for this year.

Buffalo Soldier Trail – This is a priority in terms of applying for grant funding because of the expense at hand of resurfacing Buffalo Soldier Trail. There are three grants, and the City has budgeted for the largest grant that was applied for – the MEGA grant for \$25 million that would redo the entirety of Buffalo Soldier from Hatfield down to Highway 92. The MPDG and RAISE grants would do smaller sections of this, but the City is budgeting for the largest one and if the City happens to get either the smaller ones, or not the larger one, it will still fit within this pot. This is the more efficient way than budgeting for each one, which would just continue to increase the budget. There are also matches, but the City is not budgeting almost \$10 million in matches for grants.

The other projects, Wilcox, Fry Boulevard, Seventh Street are projects that rank highly in need and expense on the Street Improvements List. Therefore, applications have gone in for those. The West End Improvements Project would be to construct the improvements on N Garden, design, and construct the rest of the improvements on Fry Boulevard, the Revitalization Project. If that grant is received, it would construct the rest of the project in one fell swoop. The grant for the Cyr Park shared use paths has been received that will complete the path and is in the budget because the project will not be completed by the end of June; therefore, it is a carryover for next year.

Staff has the grants budgeted. This was another factor as to why the budget year was difficult because when looking at this, there is \$9.7 million in required grant matches, but there is no way that the City is going to get all the grants. However, the City must account for the match because staff is optimistic that the City will get some of these grants. Early on during the budget work sessions in the Capital Improvement presentation, the construction of North Garden Avenue was the priority project; therefore, \$2.5 million was budgeted for that project. That money was transferred to the HURF Fund because if Council approves the budget, it will be a road project and that is a potential match for one of the grants. If the City does not receive any grants that pertain to West End improvements, that money would then go towards the construction of North Garden Avenue.

At another budget work session during the year, it was noted that the projects that were budgeted in the current fiscal year became part of the Schneider Electric Project for next year and that amount to \$1.7 million. It was \$1.5 million for the grant match for the LWCF Fund and \$200,000 in the Capital Improvement Fund for the parking structure at the Police Department. This is another \$1.7 million that is currently budgeted in the Capital Improvement Plan as a potential grant match. If grants are not received to match that money to, it will remain in the Capital Improvements Fund for a future year. If the City is lucky to get one of the other grants, i.e., MEGA Grant of \$25 million, and needed is \$5 million dollars, this would be an excellent reason to finance the match if the City is going to be able to redo entirety of Buffalo Soldier Trail. The City with this budget would be able to go ahead and finance the \$5 million to do the construction.

In response to Mayor Mueller, Ms. Yarbrough stated that it has been a massive juggling act and offered kudos to Ms. Dillaha and Mr. Felix for working this out. Mr. Potucek stated that the City has a tremendous opportunity with the amount of grants that the City was able to apply for. There was discussion about street maintenance during the last work session, and if the City can get grants for Buffalo Soldier Trail, Wilcox, Seventh, and Fry – that is a major chunk of street maintenance that could be done with grants. Staff looked at budgeting for this in the most efficient way in knowing that the City may get grants, otherwise there would be a \$3 million budget. Ms. Yarbrough noted that the City would not be doing other projects because the City would have to find the money to budget those grant matches which the City might not get. It was not worth doing that and taking away from other projects. This is potential money in addition to the \$1.5 million that have been budgeted for street maintenance regardless of what grants are received. At least the \$2.5 million is budgeted for North Garden, which is \$2.5 million in street improvements in addition to the \$1.5 million.

A slide was presented the showed that the LTAF grants are primarily transit grants and standard. This is carryover, which is the why an increase is seen over last year. Everything at the top of the slide is federal fiscal year 20 and CARES Act carryovers. The City is having

trouble getting vehicles and equipment in within a fiscal year. Therefore, they are all being carried over. The projects listed at the bottom of the slide are newer projects.

Ms. Yarbrough noted that the multi-use paths are mislabeled as they are going to be sidewalks, but it is a multi-use path fund. It is ADA Accessibility and sidewalks for Judd, Fifth and Belair sidewalks, and the City is going to try and add streetlights.

Also listed on the slide is a new bus and software. Ms. Flissar explained that the B2G Now Software is used by Ms. Velasquez in the Finance Department to track compliance with the federal grant process. This software would help the City to stay compliant with the FTA regarding the transit grants.

Mayor Pro Tem Gray asked if the funds for the LTAF projects a part of the funds to be used to do multi-use connectivity between bus stops. Mr. McLachlan stated that it is the same pot of money accessibly improvements within a half mile of a bus stop. There is discretion as to whether a shared-use path, sidewalks, street lighting, ADA ramps fit into that category of the grant.

In response to Mayor Pro Tem Gray, Mr. McLachlan stated that the proposed sidewalks would fill in the gaps along Belaire, Judd, Fifth, and Taylor.

Ms. Yarbrough asked if this is related to the right-of-way dedication that happened weeks ago. Mr. McLachlan stated that this will enables the project to go forward. On Belaire there is McDonalds on one end and Belair Mobile Home Park on the other with pedestrian activity as well as at Fifth Street and Fry Town Neighborhood to include the park along Taylor.

A slide was shown of the General Grants Fund which is typical of the grants year to year. Listed are the regular CDBG projects, advertising and PIO, football, and baseball grants. Staff included a general placeholder at the top, the potential federal grants, just in case the City has room, and added \$4 million for a grant that has not yet been found nor applied for. This is a little bit of room for an unnamed grant that might come up.

The Airport Layout Plan Narrative is a Master Plan update through the FAA for the Airport. The airport hangars are a continuation from last year that is a potential for the Forrest Service building. The City is in a process working with the Forrest Service for a potential building. This would allow match and a grant application for that.

The Schnieder Electric Project was broken up between facilities, parks, aquatics, and the bond issuance costs. There is a potential property purchase, which was talked about during an executive session. There is another note, \$2.5 million project for North Garden that was budgeted, but that money has been transferred over to HURF.

Staff is working hard to get the budget books out by Friday, May 27, 2022. The one-on-one Council Member Meeting are scheduled for the following week, and the budget work sessions were placed on Council's calendar earlier in the week. Monday, June 13, 2022 was marked on Council's calendar, which is a firm date, and the next two days were added as tentative in case they are needed. The Tentative Budget vote will be on June 23, 2022 and the final vote on the budget and the property tax rate hearing will be on July 28, 2022 with August 11, 2022 for the property tax vote.

In response to Mayor Mueller, Mr. Potucek stated that the assessed value goes up and the rate goes down.

A. [PSPRS presentation to Council](#)

Mr. Felix stated that the City of Sierra Vista joined PSPRS in 1972, and once in the system, and entity cannot get out. Every year an actuarial is hired by PSPRS and they produce a liability and a contribution amount for each individual entity. The City's Police Department has one valuation, and the City Fire Department has a separate valuation. The assets and liabilities are separate. The Fire Department is funded at 200 percent and the Police Department at 135, 20 years ago. They all change individually as raises and returns go. The reports are put out on the PSPRS website. Assumptions are updated every five years. They go back through and see what happened with the market, returns, costs, life expectancies, and things that have changed.

Mr. Felix pointed out that at times, it may be heard that fire fighters all die within five years of retirement due to the hazards that they experience. However, the actuarials do not agree with that. They look at all the medical trends, history and how people in that industry are doing. They make it specific to the industry.

Substantial changes that occurred in PSPRS over the last few years:

- In 2016 they changed how the annual increase was done.

Before it was called a Permanent Benefit Increase (PBI) and in one year any excess return over nine percent was split. Half went back into the system and the other half went into the employee/retiree as a permanent adjustment. It is not an average, but a one-time thing.

- In 2003 and 2004, the system lost 25 percent of a whole portfolio value as they had invested in tax stocks.
- The next year they had a 17 percent return, not close to getting back to where they were; but they got a four percent permanent adjustment.
- In 2008 they decided to get into real estate and lost 25 percent of the value again. The member's rate is fixed, and the City made up the difference on the shortfall.
- A year or two later there is an excess return, permanent adjustment.

The four percent return is not the same percentage increase for all, a dollar increase was calculated, and every member got the same dollar increase. A high-level paid retiree it would be less than four percent and a low pay in the scale retiree got an excess of four percent annual increase.

- In 2019, PSPRS changed its actuarial company.

Actuarials have their own opinions on assumptions. They have updated the system and that is why for a couple of a data points, they provide a three-year history and not a longer history. This this is simply a mathematical guess estimate of what is owed to the people, current employees, and retirees to fund the promised retirement payments for the rest of their lives. This is a guess estimate and small assumption changes can have a huge effect.

Mr. Felix stated that when the City first had the open liability, he disagreed with the insurance actuarial, and for a half percent change in the assumption increase on the insurance costs, cut the liability in half. A \$20 million variation based on a half percent change in the cost estimate of the increase in medical.

There are police officers and firefighters that go into it, and they need to look at who is retiring, who is going to leave beforehand – a guess estimate. They also look at if they retire at 25, 30, 32 years, and what will the retirement pay be, how many raises are they going to be given, are they getting promotions, are they going to get market adjustments, how long are they going to live after they retire, and what will the return on the investment be - are they going to make that return.

A couple of years ago, PSPRS made a half percent return on its investment and paid their investment fees of \$100 million to do that. Other years, they have had better returns, 17 percent or they have lost.

- How did we get here?

The Reinvestment Plan, 25 percent loss in 2003 and 2004 and a 25 percent loss in 2008 and 2009. These were big ones, the COLA structure with the PBI really hurt, the Drop Program hurt. When a person enters the Drop Program it will increase the liability \$1.4 million. When the contributions are made, discussed are 63 percent, 59 percent contributions as there are three portions. First is the normal cost that is what is said when there is no unfunded liability, and all is good like in years back - this is what should be put away every year. It runs about 10 to 12 percent just like ASRS. Then there is amortization of the unfunded liability, which is what really drives this up. There is also a small piece, a one percent for the health insurance for their long-term unfunded health benefit. This is how they produce the rate, they calculate the cost, how much to put aside for the year to fund the liability. Then they add in the unfunded liability, what is your payment this year to help fund the unfunded liability within a twenty-year period? Those two are added together to get the total cost for the year and then they calculate the underlying payroll. The underlying payroll is based on one date in the whole fiscal year, who is in the system on June 30th of the fiscal year. If the City has three officers retire the week before, all their salary information is taken out of this calculation, and that number has a huge effect on that percentage because that amount that must be paid is divided by the payroll, which brings up the percentage. Therefore, when payroll calculations dropped by \$300,000 from the prior year, which pushes it up. The importance of Tier One is that this continues to decrease, and all the new people are coming into Tier Three, the underlying payroll continues to decrease.

Mr. Felix noted that this is a key point when looking at the options that the City had, and what other cities had to do, i.e., bonds.

- Contribution Breakdown

A slide was shown of the City's contribution rates and funding percentages over the last 23 years that indicates that it has not been good. The last three actuarial reports show that they are starting to break down what has caused this change in increase. For the current year, payroll adjustment for the Police Department increased causing increases just over six percent in this contribution rate. This rate is kind of the number, but it is not a number to judge how well the City is doing on the system.

A slide was shown of the budgeted amount. The City takes the number, which includes extra numbers, extra calculations based off the policies. The important numbers that need to be focused on because this shows that the City is doing an excellent job. In 2021, 2023 the City's total pension costs have been decreasing. This is the City's required contribution, the important

number. The other important number is the funding ratio, assets to liabilities. Both have gone up significantly; therefore, what the City has been doing over the last three years is working and helping.

Mr. Felix noted that where the underlying payroll has been changing, this is where the funky increase in percentage comes in, yet the City is looking better, and the funding ratio is going up over 10 percent.

Council approved years back a policy; however, the City will contribute the mandatory amount. To help fund this, the City is also looking at a person entering the drop, the City is no longer required to fund them, but the City does. In the budget are included all the drop people and continue to contribute to PSPRS for them. The City is going to pay the whole budgeted amount even if there are no employees. The City budgets all the vacant police officers and firefighter positions. This is an extra contribution. The City has been striving to pay 100 percent of the contribution and has been able to do so for a couple of years, on the first of the new fiscal year. The City will also continue to pay at the higher percentage rate (chart which shows the contributions raised to 64 percent in police and 59 percent). The budget amount includes all those things, i.e., a home mortgage in keeping the higher rate that will help pay off the unfunded liability quicker.

- Other Options:

The first is bonding the unfunded liability, which in the City Manager and Chief Financial Officer's opinions, not a good option. This is what is called in the financial industry, an arbitrage play – I am going to hope that the money I pay on the bond I issue is less than the interest rate that PSPRS is going to earn; however, their track is not the best. The IRS knows that this is an arbitrage play so all the retirement bonds are taxable bonds. They do not get the tax-free interest rate like the City does when doing the Schneider Project. This is the reason seen is a five percent interest rate instead of a three percent interest rate for Bisbee when they issued it. Now they need to at least earn a five percent return on average for it to work out and again they paid it off, but in 15 years, they have a \$2 million bond payment, PSPRS has performed like it has, and now they are back to a \$2 million PSPRS payment, twice the payment and in the same boat. The only realistic way with a bond, is to take half of the savings and keep making extra payments to PSPRS and hope that they learn to do better.

There is a new Section 115 Trust Plan that cities are looking at. It is not included in the calculation of unfunded liability. It allows the cities to control where the money is put into and to get a different return based on who it is invested with. If it is not included in the calculation, then the funding ratio will be down because it will not count in the extra contributions being made. Staff is recommending and doing it this year as the police officers and fire fighters leave, at the high salary and bringing in new people at the low salary, the City is going to calculate that PSPRS contribution at exiting officer's salary. This is again an extra contribution.

Mr. Felix stated that Queen Creek budgets their retirement calculation as if everybody were maxed out. Currently this is a substantial chunk; therefore, the City is going to do this as time goes on, every year as officers and fire fighters leave and new ones come in.

Council Member Johnson stated that he liked the presentation as this has always been very troublesome since he has been on Council to try and understand everything that is going on. He further stated that he noticed that Bisbee did bonds and they were lamenting because they ended up with a 5.6 percent. He reported that he attended the PSPRS seminar where there

were conversations that they were doing about 7.3, but the record is not good. He then asked Mr. Felix how long it will be before the City can catch up?

Mr. Felix stated that he believes that the City is at 21 years. This is the amortization, but every year the amortization goes down a year. When the State Law got put into place and the Legislature started to fix it, they started out with a 30-year amortization; therefore, every year it was set to pay off in 2050 or earlier. By making extra contributions, Sierra Vista can pay off earlier. He further stated that they are developing a model that cities can use to see what the extra contributions will do for each city. However, these are all guess estimates. There are only two ways that money gets put into the system. One is the contribution, and the other is the return, but the return is a lottery card.

Mr. Potucek stated that unfortunately Bisbee is one of the communities where their rates are well over 100 percent in terms of what they must pay. Sierra Vista is not in a position where pension bonds would be recommended to pay off the liability, but this is the only option that communities must get out from under the situation that they are in. The reason he would not recommend that is because of what might happen with the returns going forward. He added that when locking in a pension bond, there is that payment that is there, but it is independent of the returns that are coming in. If the returns are bad, not only do is there a bond payment, but there is now extra payment over on top of that. Sierra Vista's approach is a much more measured approach as pension bonds are riskier.

Council Member Rodriguez voiced his appreciation at how the City is doing as everyone has seen other cities in Arizona that do not do well when it comes to tackling PSPRS. He stated that he dislikes terms i.e., liability because to him that term is used for insurance, or for someone who done something bad, and it loses the human aspect of the whole thing. It is the City's responsibility to these people, who serve in the City, firefighters, and police officers. They have been working 9:00 a.m. until 5:00 p.m., they all have that one bad call that they had to deal with every day for the rest of their life. PSPRS is a vast number, but what is that for, where does that come from – it is somebody's livelihood. They did not just do three or four years and leave; this is their career. They have cancer for the rest of their life because they put on equipment that is full of cancer and nobody else must do that, no other jobs require that. There are on-duty deaths, missed lunches, etc. He added that these people are busy on the scene all the time and it is a whole different ballgame for. This is their pension and not just PSPRS.

Mr. Potucek stated that Mr. Felix is probably the leading expert CFO in the State, who knows more about the system than anybody else. The City is fortunate to have him.

Mayor Pro Tem Gray thanked Mr. Felix for his presentation and stated that she likes his recommendations and options as they make the most logical sense. She asked how long it will take for the City to pay off the liability while funding at maximum ranges. Mr. Felix stated that the police officers will go quicker than the firefighters. Mr. Potucek explained that it is being done based on attrition rates.

Mayor Mueller stated that it was a good presentation and noted that this is a part of the retirement system; however, there are still challenges with ASRS as well. He asked to have a presentation on the ASRS so that Council may know where the City stands going into the budget.

B. [SEACOM presentation](#)

Mr. Cline provided noted that SEACOM is a critical link in the law enforcement continuum in the region. Folks at SEACOM are the first that everyone talks to when they have an emergent situation in their lives. SEACOM is then responsible in handing it out to those who are responding, i.e., police, fire, Sheriff Department, and other ambulance companies.

SEACOM is called a public safety entering point (PSAP), one of eighty-one entering points in the State of Arizona. SEACOM is the only regional PSPA in the state. Through the State 911 Office, they have tried to regionalize to consolidate costs, and technology that goes into the PSAPs. SEACOM is the only one in the State that employ a priority dispatch protocols. This allows for training in priority dispatch, which is given to police, fire, and Ems prearrival instructions to the callers.

SEACOM is governed by a board of directors, managed by Mike Cline, Director, Susan Papatrefon, Administrator, and Melissa Clark as a supervisor who is currently involved as a line dispatcher. They are allotted twenty dispatch positions, two supervisors, one of which is vacant, and a Records/GIS Clerk. Currently they are at a 35 percent staffing level, seven dispatchers with Ms. Clark dispatching fulltime. They have part timers and assistance through the City with six Fire Department members and National Guard Members to supplement upon taking and triaging phone calls.

SEACOM currently serves sixteen fire departments through the region and in those instances, those fire departments are small volunteer departments out on the east valley, and they do not pay a subscription to SEACOM, which was preordained at the onset. SEACOM also has dispatch services for HCI, an ambulance company that covers the I-10 corridor, and the National Park Service. There are six law enforcement agencies served, the Tombstone Marshal's Office, City of Bisbee, contracted on a part time basis during the evenings, weekends, and holidays, the Cochise County Sheriff Department, City of Sierra Vista, Huachuca City, and the Park Service.

A slide was displayed of the 2021 SEACOM annual data:

- 54,888 9-1-1 calls received
- 134,973 calls received on the admin/non-emergency lines

Mr. Cline explained that this is split because often received are 9-1-1 calls on the admin lines due to the way the phone system is set up. These calls have an impact because when staff starts to triage calls, they not only must be careful who is triaging those calls, but they must make sure they have the same level of caliber training to be able to deal with the potential emergency or transfer it quickly.

- 100,889 calls for service entered in the computer aided dispatch (CAD)
- 519 calls per day

Ms. Papatrefon can look at the other agencies' call load through the CAD and The Spillman Records Management Systems. By comparison, the smaller towns around the region have about 50 to 60 calls.

SEACOM was developed in 2018 and as a part of that collaboration between the City and the County challenges were experienced. In taking different work forces, policies, procedures, people and in putting them all together, there was a whole lot of work that had to be done in trying to get that smoothed out. SEACOM continues to deal with those challenges, but despite that, SEACOM is offering a level of service unlike any other PSAP in the State of Arizona

because of the training that is done, the caliber of the people that are hired. To continue that, SEACOM must be competitive in the world. Those efforts have already come through Human Resources to get there and stay there in terms of competitiveness in the marketplace. The entire hiring process has been evaluated and polished to look for people, recruit people, test people and get to know them well enough to make them a viable candidate.

In March 2022, administered was a four percent market and a two percent step increase using unexpended salaries. Another four percent market shift and a two percent increase in July 2022, followed by another two percent market in January 2023. At this time, SEACOM will be at the market for this position with peer organizations in the State. The adjustments are reflected in the budget and have been proposed to the JPA Board and the Cochise County Board of Supervisors.

SEACOM is growing and recently a contract was completed with Sunsites Pearce. Bisbee Police and Fire joined in April 2022 and SEACOM is currently working with County Procurement and IT on the Fire Station Alerting Program, which is progressing.

Through the work of Chief of Staff Alinen at the Sheriff's Office, SEACOM is potentially enjoying the benefits of a \$4.8 million DEMA Grant award. This can be used across the participants in SEACOM, but this relates to costs associated with computer systems and stuff at SEACOM. More specifically, \$501,275 directly to SEACOM will make an incredible impact through the 28/29 fiscal budget by offsetting costs associated with computer systems, Motorola and the systems that are run at the counsel. With all the grants, staff budgets for it, and have backup plans; however, there is every indication that this money will be received.

A slide was shown of the budget by category. The highest cost is \$1.9 million for personnel that is already in the budget, which accounts for the increases. Travel and training remained even and due to low staff, there are no people to send them for training. This applies to the memberships as well.

IT services is an essential element as it is the lifeblood of the agency. The computers, radios, etc. and for that reason it is at \$591,193.

SEACOM works with Cochise County on the building and maintenance, and it is stable. The other line items are in line. The total budget is \$2,694,391. To get to that, SEACOM has subscriber agencies that pay for their services. However, not all of them pay because they simply do not have the funds to do it. These small volunteer fire departments do not have those funds. SEACOM works up its budget and acknowledge that they are running at a deficit on the front side. The way that the intergovernmental agreement is organized, the City and the County as the principles split the difference on the deficit.

This year based on the total budget of \$2,694,394 balanced against the assessments of \$2,065,995.50, there is a deficit of \$628,399. Split at \$314,199 a piece ends up a cost to the City of \$885,399, down from last year by \$141,800. This is largely due to the grant funds.

Mayor Mueller thanked Mr. Cline for his presentation and noted that the people over at SEACOM are special people that keep the community safe. This is a detailed oriented job and people must be motivated to do it; therefore, he is glad that Mr. Cline is leading the process. In closing, he thanked the workers at SEACOM.

Council Member Rodriguez thanked Mr. Cline and stated that SEACOM has come far. The dispatch was always good when it was over at the Police Department. It has been an amazing job in trying to mesh all the services, districts, outlying agencies, etc. Lastly, he stated that he applauds the people working at SEACOM as it is a stressful job, and it is hard to keep people.

Council Member Benning voiced his appreciation at everything that the SEACOM employees do and noted that it is about twenty-two calls per hour, 24 hours, 365 days - not a fund job and a stressful job.

C. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller reported that he attended via skype the League of Cities Board Meeting. He stated that there is not much going on because the Legislature has not been doing a whole lot. There has not been any discussion on budget items. However, the Board did the admin things that the League has to do with the budget. The League also has a property corporation that owns their building and the parking lot etc., which is supervised by the Board; therefore, there was a Property Corporation Meeting.

Council Member Benning stated that he attended a Fourth of July Meeting and noted that there will be fireworks and everything else will go on as planned. Mayor Mueller noted that the check went out to the Rotary.

Council Member Benning stated that there is hope that Charleston will be finished by July 4, 2022 so that it is not closed.

Mr. Potucek stated that he will be attending a meeting of the Cochise County Solid Waste Rate Review and Advisory Board Meeting that he chairs as well as the Cochise County Tourism Council, which he also chairs. He further stated that he does not anticipate recommendations for increased rates and tipping fees at that meeting. There are issues with the Tourism Council as they got word that Benson was going to pull out of the Tourism Council; therefore, there will be discussions with the rest of the group as to how they want to proceed moving forward. He noted that he talked with the County, and they have indicated a desire to collaborate with the City. There be a form of Tourism Council moving forward and he should be able to report on that to Council on Thursday, May 26, 2022.

Mayor Pro Tem Gray asked if Bisbee and Tombstone still a part of the Tourism Council. Mr. Potucek stated that Tombstone is not, but Bisbee is.


In response to Council Member Johnson, Mayor Pro Tem Gray stated that there was an MPO work session on the Theater Drive Study. It was a TAC Board and the MPO Board that met along with a consultant, a facilitated meeting about what everyone would like to see happen with Theater Drive going forward. The consensus was in making it walkable, bikeable, lit and safe. Safety was the number one priority that came out of that meeting, which was not surprising. They will go back to Engineering and Design Firm to work on it and that is when there will be public outreach and education and they will look at how it is going to be funded.

D. Future Discussion Items and Council Requests

In response to Mayor Mueller, Ms. Yarbrough stated that the only items she has are the Legislative Session update, which will be later in the summer, and the commission discussion that Council wants to have.

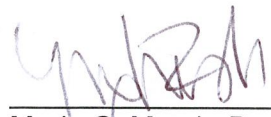
3. Adjourn

Mayor Mueller adjourned the May 24, 2022, work session of the Sierra Vista City Council at 4:21 p.m.



Frederick W. Mueller, Mayor

Minutes prepared by:



Maria G. Marsh, Deputy Clerk

Attest:



Jill Adams, City Clerk