

Sierra Vista City Council  
Work Session Minutes  
July 26, 2022

1. Call to Order

Mayor Mueller called the July 26, 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  
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 (telephonically)

Others Present:

Chuck Potucek, City Manager  
Victoria Yarbrough, Assistant City Manager  
Jon Kosmider, Deputy Police Chief  
Brad Dever, Deputy Fire Chief  
Laura Wilson, Leisure, Parks, and Library Director  
Gabriel Squires, Public Works Internal Operations Manager  
Matt McLachlan, Community Development Director  
Blake Fisher, Planner  
David Felix, Chief Financial Officer  
Jennifer Dillaha, Budget Officer  
Barbara Fleming, Chief Human Resources Officer  
Tony Boone, Economic Development Manager  
Dianna Cameron, Management Analyst  
Jill Adams, City Clerk

1. Presentation and Discussion:

A. July 28, 2022 Council Meeting Agenda Items (agenda attached)

Mayor Mueller stated that the Council Meeting for Thursday, July 28, 2022, starts at 5:00 p.m. with the call to order, roll call, invocation, pledge, and the acceptance of the agenda.

In response to Mayor Mueller, Mr. Potucek reported that with regards to the Public Safety Personnel Retirement System status, the police numbers went down from \$36,900,000 to \$23,900,000, and Fire is down from \$17 million to \$13 million. The combination of these two would be the City's total remaining liability. He added that while the City's Financial Policy that the Council implemented, that certainly helped, the biggest contributor to that was the high investment returns from last year. This year does not look as promising; therefore, there are going to be fluctuations, but this shows how dramatic the numbers could change depending on the investment performance of the fund.

Mayor Mueller stated that this is what got the funds in the problem before, the lack of performance on what they were invested in. He added that he hopes that the market, although it

has been down significantly, would get back up by the end of the year to be back to relatively normal, but it is not going to be a banner year next year.

Item 2.1 Approval of the City Council Regular Meeting Minutes of July 14, 2022 – There were no comments.

Item 2.2 Approval of the City Council Special Meeting Minutes of July 21, 2022 – There were no comments.

Item 2.3 Discussion and Possible Action of Resolution 2022-052, Designating David J. Felix, Chief Financial Officer, as the person authorized to sign and submit the City's Annual Expenditure Limitation Report for FY 2023 – Mr. Felix stated that this is the third time that the City has had to do this. He added that every year with the first year, the City must do this as a blanket resolution is not acceptable. This resolution designates who will be signing the Expenditure Limitation Report at the end of the year. It is required to specifically name a person every year, and this is an annual part of the process.

Item 3 Discussion and Possible Action of Resolution 2022-053, Series 9 liquor license application for an interim permit, owner transfer, limited liability company-type of ownership for Mohammed Shafiqur Rahman on behalf of Vista Beverage House at 999 E Fry Boulevard, Sierra Vista, Arizona – Ms. Adams stated that this is a standard run of the mill owner transfer of a liquor license for a liquor store located at 999 E Fry Boulevard. The public hearing notice was posted on the premises for more than the required twenty days, and no comments have been received from the public pro or con. The background check by the Police Department raised no red flags and they have no objection to this moving forward if passed on Thursday, July 28, 2022.

Council Member Rodriguez noted that Council just passed this liquor license for Mr. Kim. Ms. Adams stated that this is common concerning ownership changes with convenience stores, gas stations and restaurants in town.

Item 4 Discussion and Possible Action of Resolution 2022-054, Reaffirmation to Continue Annexation Proceedings – Mr. Fisher stated that this is step two of three in the formal annexation process. This is a reaffirmation of Resolution 2022-049, South City Annexation request to proceed albeit done in a public hearing setting. The South City Annexation area as defined in the legal map consists of 19 general business owned properties, totaling approximately 67 acres and of the 19 properties five are undeveloped, one is for utility services, three are quasi-public services such as religious services, two are industrial, two are mini storage, and six are retail/office space. Areas defined for annexation were largely depicted in the City's long term Annexation Plan Map, which was approved by Council resolution in 2008. In addition to the described parcels, several pieces of right-of-way have also been included in the annexation area. This includes east Monsanto Drive, a portion of east Golden Acres Drive, as the rest has already been annexed in the City's incorporated limits, and a small portion of east Glen Road as well as the Highway 92 east section that has already been annexed and is maintained and under the jurisdiction of the Arizona Department of Transportation. There is also a small undeveloped section currently where the sewer main line runs and there is currently no road there. For the annexation to be successful, staff is required to collect the minimum number of signatures of one half or greater in value of the real and personal property and more than one half of the persons owning real and personal property that would be subject to taxation by the City. The City currently possesses eight qualifying pre-annexation agreements for the annexation area which are of sufficient quantity and value to effectuate the annexation via



ordinance. This can be done as soon as the next City Council session in August. In addition to public outreach notification, with relevant comments received and distributed to Council, staff has reached out to the City's Fire, Police and Public Works Departments for comments, and no objections have been received from these departments at this time. This resolution item is a reaffirmation of the prior approved request to proceed, passing of this resolution does not constitute final approval of the annexation; but rather allows staff to schedule the final ordinance on the upcoming agenda and circulate the recorded petition to the remaining property owners.

Council Member Rodriguez asked about fire hydrant issues in the area. Deputy Fire Chief Dever stated that there could be issues, but he does not know and will research it. Mayor Muller noted that normally it is the water companies that have the water protection requirement. Deputy Fire Chief Dever stated that he is correct, but there are different requirements since those building was put there. There could be water issues that is not unique to the City and often, there is not much that can be done, especially with existing properties. If there is any future development, the Fire Department would require water supply/hydrant.

Mr. Potucek added that he imagines that the Fire Department has made runs out to that area as part of the aid agreements with fire districts. Fire Chief Dever stated that he is correct. The department is already responding there quite frequently. This is in their first do response from Fire Station Two on Avenida Cochise, and they frequently run into areas that do not have hydrants.

Council Member Rodriguez thanked Mr. Fisher for the signs that he put out in the area regarding the annexation.

Item 5 Discussion of the Proposed Fiscal Year 2022-2023 Property Tax Levy – Ms. Dillaha stated in accordance with State Statute, the City is holding a public hearing on the property tax levy. The proposed primary property tax levy rate is .1098 per one \$100 of assessed value which will generate an estimated \$379,068 this fiscal year. The slight increase in total property tax revenue from the previous fiscal year is due to new construction. The Arizona Department of Revenue provides the Fiscal Year 2023 property tax levy rate and total collection amount to the City. The rate was adjusted slightly lower in Fiscal Year 2023 due to an increase in valuation of taxable property; therefore, the amount paid by citizens in Fiscal Year 2023 remains the same as the amount paid in Fiscal Year 2022. State Law refers to the actual total property levy collection amount when determining a property tax increase and whether truth in taxation requirements need to be met. For this proposed new rate, the City is not required to publish truth in taxation notices for the property tax levy.

Mayor Mueller asked if the property tax rate stays the same. Ms. Dillaha stated that the amount that is paid stays the same. The rate last year was .1108 and it is now .1098.

Mayor Mueller asked that if he paid \$200 on his property, he will be paying \$200 again, but the rate changes because the valuations have changed. Ms. Dillaha stated that he is correct. Mr. Potucek added that the rate went down, but the valuation went up and that is the way property tax works.

Item 6 Discussion and Possible Action of Resolution 2022-055, Final Budget for FY 2022–2023 – Ms. Dillaha stated that the resolution before the council today is for the adoption of the fiscal year 2022-2023 operating budget for the City. The final amount being \$204,417,694. The tentative budget as well as all state budget forms have been posted on the City's website. Two public comments via email have been received from citizens out of State. One email simply



states good, and the other said information. Both emails will put in the Reading Room for Council to look at. For the final step in the budgeting process, Council will meet on August 11, 2022 at 5:00 p.m. to vote on the primary property tax levy for Fiscal Year 2023.

In response to Mayor Mueller, Ms. Dillaha stated that the email comment was from New York and in the body of the email, it just stated information. She added that it looked like spam.

Item 7 Discussion and Possible Action of Resolution 2022-056, Donation of the Forensic Computer, Forensic Recovery Evidence Device (FRED), to Cochise County Sherriff's Office – Deputy Police Chief Kosmider explained that Fred is the Police Department's forensic system that is used for computer forensics, often sexual-based crimes. The Department has had the system since 2010, which was purchased with civilian grant money. It is still a functioning system and is very capable, but due to the partnerships that have been developed over the years with other agencies, to include federal partners, the Department has had the opportunity through the Secret Service to attend training and at the conclusion of that training often comes new equipment that it received at no cost and the training is usually free as well. The Department has this system as access at this point and again it is functional, and Cochise County would be able to use that and help progress their abilities in computer forensics.

Council Member Benning asked if Cochise County officers are going to need training on the use of the device. Deputy Police Chief Kosmider stated that he is not aware of the level of training that the County detectives have, but they do have detectives with some basic training on use of those types of systems. If need be, the City's detective that specializes in that could help them out as well.

Council Member Landry stated that it is great to hear that that the system is still functional and that it can be shared with the County to be able to continue to get use out of it.

Item 8 Discussion and Possible Action of Resolution 2022-057, Amendments to the Personnel Rules and Regulations – Ms. Fleming stated that this is a request for Council's consideration to make an amendment to the current Personnel Rules and Regulations. This involves the residency requirements for take-home vehicles for public safety and specifically the sworn police officers. The City adopted the Rules in 2019, which contains the 15-mile residency requirement from the corporate city limits to have a take-home vehicle. The Department has seen that the City is in a period currently where there should be more flexibility and to remove the 15-mile requirement. It has been a couple of years that the State of Arizona enacted a Statute that states that police officers can no longer be required to live in the city. This provides the City with more opportunity to have officers that may reside in other cities that are not too far away, but one condition comes up in the recruitment of those as well as the retention of those is that they cannot use the take-home vehicle with the 15-mile requirement. Staff is asking for Council's consideration to allow for the removal of the 15-mile limitation and allow that to be at the discretion of the Public Safety Department with the approval of the City Manager.

Mayor Mueller stated that his understanding is that the City needs this as a recruiting tool to enhance the City's ability to acquire officers, and that they can find comparable places where they can live and commute from that are outside of the 15-mile limit. Ms. Fleming stated that he is correct.

Mayor Mueller asked if there will still be a mile limit. Ms. Fleming stated that it is within their department policy and at the discretion of the Police Chief with the approval of the City Manager.

Mayor Mueller asked if this will be on a case-by-case basis. Ms. Fleming stated that he is correct. It is a policy that is asking for that type of flexibility.

In response to Council Member Johnson, Ms. Fleming stated that the amendment is Rule Three, Section Two, Residency on page twenty. She added that there is also language on page 18, Rule Two. Staff is cleaning up some language regarding residency.

Mayor Mueller asked if this could be applied to other city employees that the City is having issues with retention. Mr. Potucek stated that currently, the Department is looking at public safety, police, and to a lesser extent fire, but not really looking to extend that because for administrative personnel there is really no reason to have a take-home vehicle.

B. Report on Recent Trips, Meetings and Future Meetings

Ms. Yarbrough stated that the legislative update is scheduled for August 23, 2022 work session, and she is aiming for the work session on September 13, 2022 for the commission discussion.

Mayor Mueller announced the dates for the executive session for the replacement on the Council. He reported that there were 11 people that applied, and Council took time last week to go through in depth the resumes items that were submitted and resumes and had the discussion and whittled that number down to four. Council will be meeting with them soon to appoint a replacement on the on the City Council. Council is in the process and following all the instructions as per the Ordinances and the State Law.

C. Future Discussion Items and Council Requests

There was nothing to discuss.

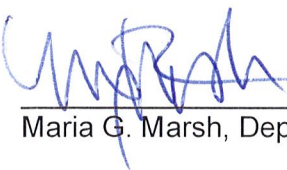
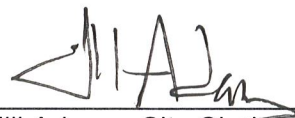
3. Adjourn

Mayor Mueller adjourned the July 26, 2022, work session of the Sierra Vista City Council at 3:23 p.m.

  
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Frederick W. Mueller, Mayor

Minutes prepared by:

Attest:

  
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Maria G. Marsh, Deputy Clerk  
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Jill Adams, City Clerk