

Sierra Vista City Council
Meeting Summary
May 26, 2022

Mayor Mueller called the May 26, 2022, 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 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
Brad Dever, Deputy Fire Chief
Sharon Flissar, Public Works Director
Laura Wilson, Parks, Recreation, and Library Director
Gabriel Squires, Public Works Internal Operations Manager
Jill Adams, City Clerk
Nathan J. Williams, City Attorney
Tony Boone, Economic Development Manager
Judy Hector, Marketing and Communications Manager
David Felix, Chief Financial Officer
Mike Hoerig, CPA, HeinfeldMeech

Invocation - Michael Sanders, Village Baptist Meadows Church, led everyone present in prayer.

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

[Item 1](#) Acceptance of the Agenda

Council Member Benning moved that the agenda for the Regular City Council Meeting of May 26, 2022, be approved. Council Member Johnson seconded the motion. The motion unanimously carried, 7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

Presentations and Awards

Proclamation declaring the Month of May as Nurse’s Month – Mayor Mueller stated that it is his pleasure to present the proclamation and shared that most people are not aware that his mother was a registered nurse; therefore, he holds a special spot in his heart for nurses. Ms. Malone on behalf of the nursing community in Sierra Vista, thanked Mayor Mueller for his support of Nurse Appreciation Month in the City of Sierra Vista. She also thanked Mayor Pro Tem Gray and City Council Members for their support as well. She noted that many times nurses will collaborate tirelessly with a patient for hours in a hot gown to protect themselves, their loved ones, and

someone will come in and say oh, “they are just the nurse.” Therefore, nurses have decided to take that phrase and turn it around. She encouraged everyone to use their voice for the nursing community using hashtag yes, I am just the nurse with stories of what the nursing community means to them. Lastly, she stated that if anyone ever feels that they want to show their appreciation to a nurse, they love food, and they will gladly accept it.

Auditor Presentation per [ARS §9-481\(H\)](#) – Mayor Mueller stated the City does an audit every year and has an audit team. It is usually several different people on the audit team that come in and specifically meet with the City Manager and the Mayor before they start the audit. They ask if there is anything specific and explain what they are looking at. They ask if there is anything else that needs to be looked at or if there are any concerns. Those conversations are held once they do the audit and, in the past, they have gone back and filled out a report and sent it back to the City in the mail. He further stated that the City has had clean audits for the last couple of years. Therefore, that has not been a concern. However, one fellow citizen(s) in the Valley, when they were going through their process, found stuff and for some reason did not make it public, which upset a couple of people in the Legislature. Therefore, everyone is required to make sure that the audit is out to the public in a public meeting forum rather than being on the internet as it used to be.

Mayor Mueller noted that the City’s previous audits have all been posted on the internet and this will be the first time that the auditor will brief Council during a Council Meeting, a new procedure which is required by the legislature, and the item is not a part of the Consent Agenda.

Mr. Hoerig, CPA with HeinfeldMeech, stated that the new statute states that within 90-days of the auditor’s issuance, the auditor must present the audit to the Council in person. He noted that this will be an annual meeting to cover what is in the reports, which has always been in the reports that they have issued. However, the presentation is the new piece and that is why he is present. There are assorted reasons for the audit. They are ensuring that the financial statements are correctly stated. The City issues its financial statements to a number of stakeholders and the City is demonstrating its fiscal responsibility, federal or state grant requirements, bond covenants, etc. There is a number of reasons why these audits are done. The audit process itself is a long one that starts in August. The Auditor does some onsite work in October/November, and a lot of work in between and after November.

Mr. Hoerig displayed a slide with the list of the City’s stakeholders and the various procedures that the auditor performs. The financial statements are issued in March; however, this year the City received the financials and the annual expenditure limitation report in March. He also presented a slide listing the various reports that the City’s staff prepares, and that the auditor issues an opinion on. The communication, the governance, is a report that the auditor has always issued, which is almost the same thing as the presentation that the statute now requires to be in a public setting by the auditor; but they have always communicated these things to Council as well as the annual comprehensive financial report, the single audit reporting package that is the City’s federal compliance related to the federal monies that the City expends, ELR that is the spending limit, and the HURF compliance examination to determine whether the City spent that money in accordance with State Statute.

The communication letter was displayed that talks about a number of items. The financial statements are only as good as the estimates that are involved. For instance, Public Safety, ASRS, pension and OPEP - a big estimate. As estimates change, the financial statements will change, which is all that this letter is trying to convey and explain in that they had no difficulties in performing the audit, that they had no disagreements with management, that they had no

audit adjustments of the financial information that was provided. It further conveys that the auditor had no material, nor did they detect material errors, and those numbers are all things that are a part of this letter that they are required to communicate to Council, absent the Statute that requires the auditor to be before Council. Finally, there is the engagement letter as well as the management representation letter which are attached to that document that are prepared at the beginning of the audit and at the end of the audit that are also included in that document just for transparency purposes.

The audit opinion was a clean, unmodified audit opinion in fiscal Year 2021. The ACFR has been submitted to GFOA for their award program. Some minor reclassifications of fiduciary activities are due to new accounting pronouncements, GASB 84 for Fiscal Year 2021, things that used to be called an agency fund and are now called a custodial fund, but otherwise there were no significant changes in accounting principles. Overall, a net increase of \$11.6 million in the City's net position because of coronavirus relief funding, the one-time CARES Act money that came from the Governor's Office, which was about \$5 million of that, and the changes in TPT.

It was explained that as any government spends at least \$750,000 in federal money, the single audit is triggered (slide of a list of all the different federal grants that the City received, and how much was spent on each was displayed). Covid-19 was a big piece of it and the City spent about \$7.3 million in federal monies, \$6.1 million of that was Covid-related, whether it is coronavirus relief, CDBG, Airport; but of the \$7.3 million of federal expenditure, \$6.1 million is COVID, \$5 million of the \$6.1 million Coronavirus relief.

As the single audit is performed, the auditor identified major federal programs and Coronavirus relief was one that was looked at, and the federal transit cluster was another one that was looked at. Also in that report, the auditor indicates on page ten that any audit findings that they came across had something related to cash reconciliations. There were no material misstatements in the financial statements. However, the issue that the auditor had was with cash reconciliations due to timeliness, but eventually staff got done. The auditor believes that there was turnover, and COVID issues during Fiscal Year 2021. Eventually, it all got done and there were no material misstatements. The finding is really-more rooted in the timeliness of that key internal control. Lastly, management does provide a response on pages 12 and 13, where it shows that the City is on its way to making that correction in the fall, which is when it is anticipated to being back up to speed.

Mr. Hoerig thanked everyone on City staff and stated that an audit is not a fun experience, and the auditors ask a lot of questions, but everybody at the City is always friendly to work with, they respond quickly, they put aside their day-to-day stuff when the auditors are on site, and make the auditor a priority, which is huge for the auditors, and they appreciate that. The GASB 87 is another change that will take effect for Fiscal Year 2022. This will require research on the City staff's part to find all the contracts that have been entered into and determine whether they fit under the new classification - lease under GASB 87 standard.

Mr. Potucek stated that the audit that the City goes through every year is very comprehensive and a lot of time and effort go into that, both on the part of the auditors and on the staff. He added that this is not something to be feared like an IRS audit, and he welcomes the audit process because he views them as partners in the process. He added that he likes to see where the auditors can identify and make recommendations as to where the City can improve its financial operations and internal controls. The City has had particularly good audits; therefore, he appreciates Mr. Hoerig having come in and presenting.

Mayor Mueller stated that with regards to internal controls, people need to understand that this is what allows the City to say that the tax money is being spent where it is supposed to be spent, and that the City is not pilfering off or making mistakes or spending frivolously on things that have not been approved. The City is doing things legally and effectively and that is important for the public to know.

Mr. Felix presented ARS §9-481H approved by the State Legislature and read for the record the last half of a sentence, "...and the governing body shall demonstrate compliance with section 1494 of Section 41 of the revised statutes."

Mr. Felix noted that there has not been any discussion, nor guidance on what a city/town is supposed to do to show compliance. He added that the League does not know, and he has talked with the City Attorney on this; hence, the verbal report that should satisfy the statute. The City is not spending any money or mandating that any employee go on any training that tries to assess any sort of blame on society or events in a society based on race, creed, color, religion. He stated that he suspects that something happened back east, and this is the Legislature's reaction to it. The City does not have a plethora of money to spend. All travel and training are job-related, departments are tight, and department heads manage money very carefully. The City's only mandatory training has been in the past anger management training and there has never been any sort of empathy training. It is not something that the City would be spending money on, and no department head would ever want to even try and spend money on this when there are much more important things to spend their budget on. The City follows the law and State Statutes.

City Manager's Report: Mr. Potucek stated that the next work session is scheduled for June 7, 2022 at 3:00 p.m. in the Council Chambers and the next regular Council Meeting will be on June 9, 2022 at 5:00 p.m. also in the Council Chambers. The primary budget work session for the fiscal year is scheduled for Monday, June 13, 2022 at 3:00 p.m. in the Council Chambers, and then if needed, sessions have been scheduled for June 14 and 15 also at 3:00 p.m. He reported that the solicitation for the Cashless Farebox ticketing and Kiosk System for the City's Transit System closed on Wednesday, May 25, 2022. The City received two proposals that are currently in evaluation. The bids for the GPS for Transit and the on-board video surveillance camera systems for the busses and refuse trucks are due on June 3, 2022. The Construction Manager At Risk and Design Engineering Services for the Animal Control Center improvement and expansion project's kickoff meeting will occur on June 8, 2022 to get that process started. There are also several road projects out at Avenida Escuela starting after Memorial Day, the Charleston Road Improvement Project will be beginning at that point, with some traffic rerouting. The EMS Substation will hopefully be substantially finished in June so that there can be a temporary certificate of occupancy issued to at least start operating out of the building, but there are still a few things, i.e., the backup generators and HVAC systems that the City is still waiting for. Full completion will probably occur during July or August, but the EMS Substation should be able to start operating sooner than that, and there will be a ribbon cutting ceremony when that occurs. Finally, he reported that he had a meeting with the County representatives on the Rate Review Advisory Board and the Tourism Council. There will be no changes recommended to the Board of Supervisors for tipping fees and the Solid Waste System is operating in a smooth financial manner. The biggest issue that is being dealt with is the increasing cost of diesel fuel, but they have a handle on where to break even. The Cochise County Tourism Council reported that the City of Benson has voted to take themselves out of the consortium, which is unfortunate; but the rest of the group has indicated a desire to continue. Therefore, they will do that in hopes that they will come back later. In closing, he stated that the City offices will be

closed on Monday, May 30, 2022 in observance of Memorial Day. Therefore, Monday's refuse pickup will be on Tuesday and Tuesday's pickup will be on Wednesday. There will be no special pickups that week. He reminded everybody to drive safely and noted that the City will be participating in the DUI Task Force; therefore, people may want to also be cognizant of that while they are out driving. He encouraged people to be safe and to remember those who gave their all for the freedoms.

In response to Council Member Umphrey, Mr. Potucek stated that the City issues the temporary certificate of occupancy so that the EMS Substation will be able to operate out of the building, but the building needs to meet all appropriate safety codes. It is hoped that they can do this, knowing that there are still a couple of things to finish.

Public Hearing

[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

Council Member Rodriguez moved that 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 located at 1959 Frontage Road, Sierra Vista, Arizona, be approved. Council Member Umphrey seconded the motion. The motion unanimously carried, 7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

[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

Council Member Landry moved that Resolution 2022-030, a new license, Series 12 Liquor License for Dewayne Brewton on behalf of the Angry German, Inc., located at 355 W Wilcox, Sierra Vista, Arizona, be approved. Mayor Pro Tem Gray seconded the motion. The motion unanimously carried, 7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

[Item 4](#) Discussion and Possible Action of Resolution 2022-031, Codification of Code of Ordinances and declaring a 30-day Public Record

Council Member Umphrey moved that Resolution 2022-031, codification of the Code of Ordinances and declaring a 30-day public record, be approved. Council Member Benning seconded the motion. The motion unanimously carried, 7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

New Business

[Item 5](#) Discussion and Possible Action of the Regular City Council Meeting Minutes of May 12, 2022

Mayor Pro Tem Gray moved that the Regular City Council Meeting Minutes of May 12, 2022, be approved. Council Member Umphrey seconded the motion. The motion unanimously carried,

7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

Item 6 Discussion and Possible Action of Resolution 2022-032, Intergovernmental Agreement with the Palominas School District for Fleet Maintenance Services

Council Member Johnson moved that Resolution 2022-032, an Intergovernmental Agreement with the Palominas School District for Fleet Maintenance Services, be approved. Mayor Pro Tem Gray seconded the motion. The motion unanimously carried, 7/0. Mayor Mueller, Mayor Pro Tem Gray, Council Members Benning, Johnson, Rodriguez, Landry, and Umphrey voting in favor.

Call to the Public – There was no response.

Comments and Requests of the Council

Council Member Johnson stated that Memorial Day is not to be confused with Veterans' Day. It is truly an American Holiday, observed the last Monday of May honoring the men and women while serving the country. It was originally known as Decoration Day that originated in the years immediately following the Civil War, which ended in the spring of 1865 that claimed more lives than any conflict in U.S. history. It created and required the establishment of the first National Veterans' cemeteries. He announced that the Southern Arizona Veterans Memorial Cemetery will have a Memorial Day Ceremony on Monday, May 30, 2022, at 8:30 a.m. In closing, he encouraged people as they begin the Memorial Day weekend to remember the sacrifices given by so many so that everyone could live in a free country. It is not a Happy Memorial Day; it is a solemn one.

Council Member Benning concurred with Council Member Johnson and thanked him for the history lesson because a lot of people confuse Memorial Day and Veterans' Day. He added that as a Veteran as well as his fellow Veterans on Council, they get thanked for their services, but that is not what Memorial Day is for as some gave all. He thanked his brothers and sisters in Arms for giving all and doing what they did for the country. He commented on his tour of the new Village Meadows Baptist Church that hosted the Prayer Breakfast and thanked them for their blessing. He announced that on Saturday, May 28, 2022 from 12:00 p.m. until 7:00 p.m. taking place will be the Wine, Beer, and Spirit Festival at Veterans' Memorial Park. Lastly, he thanked Edifying Pursuit who came out to the City as they do a lot of the events put on by the City. He also noted to Veronica that he put the word out for her, and he wants an invite to the special day. He shared that he has seen a lot of doctors in his 51 years of living, for a whole bunch of medical conditions, and the doctors come to the office for maybe ten twenty minutes or they conduct the actual procedure, but it is the nurses there that make sure everything is going well, and on top of that comforting the patient. He disagrees with the phrase, just a nurse, because they are the lifeline and the glue.

Council Member Rodriguez thanked fellow veterans, Council Member Johnson for reminding everyone what the weekend is for, the veteran organizations, i.e., the VFW and the Legion that do things to remember everybody i.e., putting up the crosses throughout the different cemeteries around the world. He asked people to remember the people of Uvalde, Texas, his home state, in dealing with recent tragedy. He announced the Buena High School Graduation, which he plans to attend as well as Project Graduation. He thanked all the volunteers as it is a good event that he enjoys volunteering for, being able to see all the first responders there all night, keeping everyone safe, and encouraged people to avoid Charleston Road if they do not

have a parking pass to go to the Buena High School Graduation. He shared that his stepson is graduating from Buena High School, and he is happy to support him. He also shared that on May 25, 2022, his twins graduated from Joyce Clark Middle School. He congratulated every graduate in town, the teachers, and parents who got them there. Lastly, he shared that he was honored to give the invocation at the NCO Academies Change of Responsibility for First Sergeant Rick Hollin, Change of Order for First Sergeant Chereese Brumer, and stated that he agrees with Council Member Benning regarding the hashtag, "yes, I am just a nurse." From birth to hospice, the nurse is seen, and the doctor is seen every now and then and they do good things, but it is the nurses that really rock.

Council Member Landry thanked the nurses present and noted that it is great to have a Nurse's Month. She shared that almost a year ago, she had to deal with a whole lot of nurses, and they do so much, give regardless of being hungry and tired. She encouraged people to stop by the park during the weekend for Sips and Skys, where there will be beer, wine, and other things, but to make sure that they have somebody to drive them to be safe. She announced that at the animal shelter, the cat room has been closed off for a while as there are cats that are not feeling well. However, the shelter needs more dog walkers and if people want, they can make donations, cat food, cat treats, etc.

Council Member Umphrey thanked Council Member Johnson for his words about Memorial Day, announced that she plans to also be at Sips and Skys, and prior to that the Summit Challenge. She congratulated all the students graduating and stated that she is proud of her sons, Liam, now an eighth grader, Levi, now a Fifth grader, and her niece, Kristen, a Sophomore at Buena High School. She thanked all the teachers, staff, and parents. Lastly, she stated that before Ms. Malone explained where the nurses got the hashtag, she thought, because of her experience with nurses, that it was because everyone mistook them for superheroes. She voiced her appreciation for everything that nurses do, especially during the pandemic.

Mayor Pro Tem Gray echoed everyone's sentiments about Memorial Day, added that most everyone has people in their lives that have served and that a debt of gratitude is owed, and encouraged people to take a few minutes between the barbecues and all the things that happen on Memorial Day to remember them. She thanked Ms. Malone, and the Mayor for doing the proclamation, and shared that her health care provider is a nurse practitioner, who is amazing. She thanked the nurses for all their sacrifices and everything that they do. In closing, she voiced her appreciation at Council Member Landry's comments, and noted that she cannot have any more foster puppies in her house; therefore, she encourages people to help the shelter by adopting some of the cats and dogs.

Mayor Mueller stated that everyone is saddened by the actions in Uvalde, Texas as it is very disturbing for many. He further stated that he has asked the City Manager to direct the Police Chief to contact the Sierra Vista School Board, Sierra Vista Superintendent of Schools as well as the private schools in the area and help in going through all security plans and training since things have changed/added over the years. He added that he would like for the Police Chief to work with the churches and any commercial kindergartens to do whatever training is necessary to get everyone educated on how to protect the community's kids. He noted that the City Police Department goes out on a regular basis and trains these situations along with the Sheriff Department and Fort Huachuca so that tactical teams are ready to manage these situations. The training is the easy part, but the tough part is the mental health part; therefore, he recommended identifying and seeking help for individuals struggling early so that there are not series of acts like Uvalde, where someone acts in a heinous manner towards his own grandmother and young children. He encouraged people to think about what is going on

because everyone needs to love one another, take the time to understand, and get folks to the right people that can help with mental health, a challenge in Cochise County due to the number of beds at the hospital. In closing, he stated that the country band concert in the park was canceled, but the next concert will be the Sierra Vista Symphony Orchestra, a pop concert in the park for free. He mentioned the Summit Challenge that will take place over the weekend as well as the Wine and Beer Festival, announced the Southern Arizona Veterans Memorial Day services at the cemetery at 8:30 a.m., the Post ceremony at 11:00 a.m., and a ceremony at 10:00 a.m. at the cemetery on the east side of town. In closing, he congratulated all the graduates, and encouraged people to be safe while travelling during the weekend and not to be drinking excessively because the friends in blue will be out there.

Adjournment

Mayor Mueller adjourned the May 26, 2022 meeting of the Sierra Vista City Council at 5:51 p.m.