

Sierra Vista City Council  
Work Session Minutes  
May 2, 2023

1. Call to Order

Mayor McCaa called the May 2, 2023, City Council Work Session to order at 3:00 p.m., Council Chambers, City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona.

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

Others Present:

Chuck Potucek, City Manager  
Victoria Yarbrough, Assistant City Manager  
Adam Thrasher, Police Chief  
Brian Jones, Fire Chief  
Laura Wilson, Leisure, Parks, and Library Director  
Sharon Flissar, Public Works Director  
Gabriel Squires, Public Works Internal Operations Manager  
Matt McLachlan, Community Development Director  
David Felix, Chief Financial Officer  
Jennifer Dillaha, Budget Officer  
Judy Hector, Marketing and Communications Manager  
Mike Cline, Management Analyst  
Tony Boone, Economic Development Manager  
Dianna Cameron, Management Analyst  
Abe Rubio, Chief IT Officer  
John Healy, Sports Coordinator  
Jill Adams, City Clerk

2. Presentation and Discussion:

A. May 4, 2023 Council Meeting Agenda Items ([agenda attached](#))

Mayor McCaa stated that on the agenda for May 2, 2023, is the call to order, roll call, invocation by Council Member Messmer, Pledge of Allegiance led by Mayor Pro Tem Umphrey followed by presentation of the 2023 Water Wise Youth's Poster Contest Awardees, a Proclamation declaring the Month of April as Water Awareness Month, a Certificate of Appreciation to Patrick Jones for his support and dedication to the City of Sierra Vista Fire Department and surrounding communities, and a Proclamation declaring the Month of May as Mental Health Month.

In response to Mayor McCaa, Mr. Potucek reported that on Thursday, May 4, 2023 he will report

on routine projects because the next SEACOM meeting that he would normally report on is not until next Thursday, May 11, 2023.

Council Member Benning stated that this is a matter of semantics because if Council is not approving the City Board Commission Guidelines until later in the agenda, he wonders if the Council may still assign people to what Council has not yet approved. Ms. Adams stated that the policy and procedure guidelines are simply that, guidelines for operation. The appointments of the members all relate back to Council's resolution where Council made them Council's advisory bodies. The Consent agenda is just adding people to Council's commissions.

#### Consent Agenda

Item 2.1 Discussion and Possible Action of the Work Session Minutes of March 21, 2023

Item 2.2 Discussion and Possible Action of the Work Session Minutes of April 4, 2023

Item 2.3 Discussion and Possible Action of the City Council Special Meeting Minutes of April 6, 2023

Item 2.4 Discussion and Possible Action of Resolution 2023-021, Appointment of Ana Smith to the Tourism Commission, said term to expire April 30, 2025

Item 2.5 Discussion and Possible Action of Resolution 2023-022, Appointments of Michelle McCollum, Pamela Anderson, Julia McCaa, Tait Wilcox, and Rosie Mackey to the Neighborhoods Commission, said terms to expire April 30, 2025

Item 2.6 Discussion and Possible Action of Resolution 2023-023, Appointment of Alfred Spurgeon to the Transportation Commission, said term to expire April 30, 2025

Item 2.7 Discussion and Possible Action of Resolution 2023-024, Appointments of Bruce Phillips, Patrick Murphy, and Steve Spearman to the Environmental Stewardship Commission, said terms to expire April 30, 2025

Item 2.8 Discussion and Possible Action of Resolution 2023-025, Appointment of Aubrey Travis, Sophia Rosa, Ryann Brooks, and Ryley Absalon to the Youth Commission, said terms to expire April 30, 2025

Item 2.9 Discussion and Possible Action of Resolution 2023-026, Appointment of Lori Schectman, Liza Quinones, Sherron Driver, and Verna Williams to the Commission on Disability Issues, said terms to expire April 30, 2025

Item 2.10 Discussion and Possible Action of Resolution 2023-027, Appointment of Rebecca Dailous, Carolyn Cruz, Radford Hyde, Gwen Calhoun, Karly Scarbrough and Judy Wand to the Arts, Humanities, and Cultural Diversity Commission, said terms to expire April 30, 2025

Public Hearing Item 3 Discussion and Possible Action of Resolution 2023-028, new license, Series 12 Liquor License for Fernando Mora Perez on behalf of the Takomaki Restaurant, 1481 E Fry Boulevard, Sierra Vista, Arizona – Ms. Adams stated that this is a standard new application for a restaurant liquor license for Tacomaki restaurant at 1481 E Fry. The notice of the public hearing, which is required by State Law, was posted on the facility more than 20 days prior to the meeting. The City has not received comments pro or con, regarding the application. The Police Department has done their background check of the applicant and has no objection to this moving forward.

Council Member Rodriguez asked if the location of the Tacomaki restaurant is where the Bamboo Garden is located. Ms. Adams stated that he is correct and noted that there are three establishments located next to each other.

Public Hearing Item 4 Consideration of DRAFT PY 2023 Community Development Block Grant (CDBG) Program Annual Action Plan – Mr. McLachlan stated this is the City's draft Annual Action Plan for the proposed use of Community Development Block Grant funds for the coming

year. The public hearing on Thursday, May 4, 2023, will be the second of the two public hearings that are required to be held. The draft Plan was posted on the City's website for a 30-day public comment period, starting on April 17, 2023 and ending on May 17, 2023. Any comments that are received during that period, will come before Council for final approval on May 25, 2023.

Mr. McLachlan stated that the City is expected to receive \$250,075 in block grant funding. The proposed allocations reflect the feedback and direction that staff received following the applicants' presentations of the proposed activities that are consistent with the City's Five-Year Consolidated Plan and HUD eligibility requirements. The bulk of the funds will be set aside for installing ten to twelve strategically spaced fire hydrants in the Montebello Subdivision. This neighborhood is one of the target areas for CDBG investment. The maximum amount available for program services is being divided amongst the three nonprofits that made application, United Way of Sierra Vista, Cochise County, and the Cochise Family Advocacy Center, where each proposal will receive \$15,750 as well as \$6,000 going to the Southern Arizona Legal Aid for services, benefiting low to moderate income clientele. The draft Plan also sets aside \$50,000 for the update to the City's Five-Year Consolidated Plan and other regulatory compliance measures. The public hearing is another opportunity for the public to weigh in on the priorities established in the Plan.

Council Member Benning stated he is glad that the funding was split up fairly amongst all three nonprofits that made application. He noted that he will recuse himself and added that this is a good plan.

In response to Council Member Messmer, Mr. McLachlan stated that Thursday, May 4, 2023 will be Council's second public hearing, and following that public hearing, the Plan will come back to Council for final approval on May 25, 2023.

Item 5 Discussion and Possible Action of Resolution 2023-029, Amendment to the City Board and Commission Guidelines – Ms. Adams stated that the item is for approval of the City Board and Commission Guidelines, which are a similar document to the Council Policy and Procedure Guidelines. There have been no changes to the document that was reviewed and discussed during the April 4, 2023h work session, except for an explanation in the body as to why there are six initial members of the Arts, Humanities and Cultural Diversity Commission, which will shrink to five by attrition because they were all standing members who wanted to be appointed. She added that she noticed a couple of typos that she will clean up before putting it into the official record.

Item 6 Discussion and Possible Action of Resolution 2023-030, Amendment to the City Council Policy and Procedure Guidelines – Ms. Adams stated that this is the Policy and Procedure Guidelines that applies to the City Council Members. This was discussed by Council at the work session on April 4, 2023, and the primary change was in the travel section with regards to the requirement of a trip report for Council travel. The rest of it was minor updates and clean up that staff does every couple of years.

Item 7 Discussion and Possible Action of Resolution 2023-031, Intergovernmental Agreement between the City of Sierra Vista, the Cochise County Sheriff's Office, and the Cochise County Community College District – Police Chief Thrasher stated that the resolution amounts to a continuation of previous agreements with Cochise College and the Sheriff's Office to operate the Academy at Cochise College. Everything will remain the same, except that it now specifies

that the Academy will be moving to the Sierra Vista Campus in January 2024.

Item 8 Discussion and Possible Action of Resolution 2023-032, Acceptance of the Arizona Department of Homeland Security Grant Funding-Operation Stonegarden Grant Program (Agreement #220425-01) – Police Chief Thrasher stated this resolution accepts grant funding from the Department of Homeland Security for Operation Stone Garden. This is the regular Stone Garden Grant funding that the City does every year. This particular year, there is a grand amount in the amount of \$182,640 for both overtime and employee related expenses, as well as \$10,000 for mileage. There is no match required and is reimbursable. This covers all employee related expenses including PSPRS.

Council Member Rodriguez asked if when it comes to Stone Garden, can the City use that money for vehicle maintenance. Police Chief Thrasher stated that the City gets reimbursed for mileage and that is how the City gets back its money for mileage.

Item 9 Discussion and Possible Action of Resolution 2023-033, Intergovernmental Support Agreement with Fort Huachuca to provide Fire Suppression Systems Inspection, Maintenance and Repair Services Provided by a Third-Party Contractor – Ms. Yarbrough stated that this is an Intergovernmental Services Agreement for Fort Huachuca to provide fire suppression systems inspection, maintenance, and repair services. She noted that this would be the City's second intergovernmental agreement with Fort Huachuca, and noted that over the past year or so, the Fort has been making an effort to look at the very large base OPS contract for all bases and to break it into smaller pieces and work with local governments to take some of these smaller pieces off the base OPS contracts that they really do not want to handle anymore. Intergovernmental agreements are easy for the City to pick up because the City is already providing this service, and the City already uses a third-party contractor to provide this service to its buildings. The City is piggybacking off an existing contract with Showtime Fire Protection located in Hereford to provide the service expanded up to Fort Huachuca as well. This would be a 10-year contract, one year to start with automatic renewal for nine option years. The amount that the City will be charging will cover the full amount of the contract, provide the services as well as administrative cost to the City.

Mr. Potucek stated that many years the Fort has an exceptionally large base OPS contract that included everything from picking up garbage to fire suppression. For several years, the City has been talking with its congressional delegation about this type of contract and how the City might be able to help, if it were broken out into smaller chunks, or if the City could identify things that the City could easily do. However, they would not do that and now they are moving forward with trying to break up some of these contracts. The City will see more of these in the future and the staff will evaluate them on a case-by-case basis and determine whether it is a good thing for both parties.

Item 10 Discussion and Possible Action of Resolution 2023-034, Dedication of the tennis courts located at the Veterans' Memorial Park Sports Complex to Steven Bokowski – Ms. Wilson stated that is a request to dedicate the tennis courts at the Veterans Memorial Park Sports Complex to, longtime resident and tennis coach, Steven Bokowski. Mr. Bokowski grew up in Tucson and played tennis for Pima Community College. He moved to Sierra Vista with his family in 1981 and taught tennis lessons for adults and children at the former Kings Court Tennis Club and the City of Sierra Vista. During his time teaching, Coach Steve worked with over 7,000 area tennis players and during his summer sessions you could always find his younger students on the court smashing water balloons, one of his signature instructor styles designed to keep kids cool while falling in love with the game of tennis. Coach Steve was also

charitable, and he used his love for the of the game of tennis to support local charities. He ran several local tournaments in Sierra Vista and utilized the funds for scholarships and to benefit a local crisis shelter. Many of Coach Steve's students went on to play in college to include his son Brian and his daughter Danielle. Five of his students went on to play professionally, and others are still playing in middle school and high school now because of the young ages that he started teaching them up through the ranks. Coach Steve passed away on June 16, 2021, and the impact he made is still felt through his family and those individuals that he taught. For these reasons, the Parks and Recreation Commission unanimously recommend that the newly renovated tennis courts located at the Veterans Memorial Sports Complex be dedicated as the Stephen Bukowski Tennis Courts.

Council Member Landry voiced her appreciation and shared that her son took lessons from Coach Steve years ago and it was great to see how he was with the kids because he really made it fun for them.

B. [FY 2023-2024 Budget: Personnel, Capital, and O&M](#)

Ms. Yarbrough stated that things have changed since this presentation and staff is working hard to balance the budget by Friday, May 12, 2023 to get next Tuesday's presentation to Council. She further stated that any changes will be presented to Council next week. The projected revenue has not changed yet. Staff included a three percent revenue increase over last year, but staff is considering whether a four percent increase makes sense, and that decision will be made by the end of the week to share with Council next week. Things are looking good at this point. However, two weeks ago when staff started looking at this, the City was at about \$7,500,000 out of balance and now the City is down to under \$905,000, which staff will be able to take care of that easily. This does include allocations and the City's Fiscal Year 23 versus Fiscal Year 24 O&M is about \$1,500,000 greater, but this is all funds, not just the General Fund O&M, and it does not include allocations.

Personnel is about \$2.3 million over last year because there are several requests for next year. The recommended Classification and Compensation Plan maintenance and market shift for next year is proposed for a two percent step increase for all staff as of July 1, 2023, and then a two percent market shift on January 1, 2024. The Human Resources Department kept a close eye on all the Class Comp studies that were done throughout the state and what the Valley area cities were doing. It looked like the City might see double digit percentage increases on raises for next year, but that did not happen. It looks like most people tempered that with forecasts on the economy. Therefore, the City can look at a two percent market adjustment to keep the City right around that 100% of market that is what the City aims for. The two percent step increase will be under \$400,000 for all staff and then the market adjustment in January will be under \$250,000 for all staff.

Council Member Johnson asked if the market adjustment in January will bring the City up to 100%. Ms. Yarbrough stated that the two percent should put the City at 100%. The City will be there without having to do additional adjustments.

Another major change that is forthcoming is that the City's Marketing and Communications Manager, Judy Jones, will be retiring at the beginning of June. Therefore, some changes are being made to the Marketing and Communications Division. Tourism is going to shift under Mr. Boone in Economic Development and, the Public Affairs Division will be under Adam Curtis and stay as a division under the City Manager's office.

There are several new personnel requests this year:

- Fire Department requested a management analyst to focus on their budget, grants, emergency planning, and other things.
- Human Resources requested an administrative secretary. Staff has been looking at ways to help Human Resources do things more efficiently, and an admin secretary is something the division used to have and when the previous person retired, the duties for that person were spread amongst the rest of the Human Resources Division. In trying to keep people more focused on their job, the Department would like to propose hiring an admin secretary to help get those things off existing staff's plate.
- Marketing and Communications management analyst is taking a part time staff member and bumping them up to full time, Kate Cox's position. Half of that position is paid for CCTEC (half of the \$88,000 is already covered).
- Parks and Recreation has requested a parks maintenance worker because the City has added a lot of acreage to the City's parks (20 some acre Veterans Park Sports Complex). The parks maintenance workers also take care of Fry Boulevard and soon North Garden and in the future Roadrunner Park that is in development.
- The Police Department has requested a records clerk because they have been falling behind through no fault of their own. The NIBERS reporting has put an increased burden on records clerks as well as the requests for body cam footage and redactions that must take place. Also, another parttime employee will be moved to fulltime (do not have the cost on that), and a few more community officers. The Department overfilled in the first round because there were many good applicants; therefore, one of these is funding an existing position and then adding one additional community service officer.

Council Member Johnson asked if the numbers are strictly the salary or do these include the benefits and other things. Ms. Yarbrough stated that included in all burden.

Council Member Messmer asked if the addition of an administrative secretary in Human Resources will help in getting people hired sooner because it has been taking a long time to get people through the requirements that the City has. Mr. Potucek stated that things are improving in Human Resources since Mr. Cline, who resigned from SEACOM, was moved to Human Resources due to his extensive background in being able to do backgrounds. Therefore, the City can bring a lot of that back in-house and that has been already an immense help. What is needed is somebody that can perform the day-to-day administrative tasks that the rest of the staff picked up due to the loss of the position during the recession.

Ms. Yarbrough stated that there are several reclassification requests and there are two groups of reclassifications. One that department directors and division managers request Human Resources to look at, and the other is one-third of the City's positions that Human Resources sends out every year to get market comparisons on. Every three years, the City goes through all the positions for comparison. A reclassification is when either the staff or HR finds that somebody is working outside of their job description. Therefore, Human Resources goes out and they compare their job description and their duties with similar employees with similar job descriptions in other cities and see how they compare. The reclassification requests are difficult to deny because it is saying somebody is working beyond the job that they are currently asked to do.

- Community Development would move their admin secretary to a permit technician, giving that person at the front desk more capacity, more ability to help the person who is coming to the desk at that moment instead of calling somebody else to help them, better efficiency, and a boost to somebody very capable of doing that work.

- Animal Control requested to reclassify the existing supervisor into a higher-level position to get her off the frontline and focusing more on administrative tasks. They would then reclassify an employee to the Animal Control supervisor to focus on the day-to-day frontline operational issues.
- Public Works has requested three public works technicians for Airport, Compost and Refuse. These are in a special category and although the City has a lot of technician positions, Public Works has done a reorganization and these technicians do more and have more responsibility. Those positions came back reclassified slightly higher than where they previously were. This is similar for the streets traffic technicians. Their jobs have become very technical as all the City's streetlights are all computerized, which also came back reclassified higher than what they currently are.
- In the one-third of positions that Human Resources sent out this year, there positions that came back as classed lower than what they should have been:
  - o Animal Control assistance;
  - o Drafting technicians, which were well under where they are in other cities. This is a very technical position in high demand;
  - o Facilities maintenance workers,
  - o HR recruitment coordinator; and
  - o Police corporals which came in 10 percent under where they should have been. It is being recommended to move them that entire 10 percent which is why that number is so significant.

Ms. Yarbrough stated that she talked to HR and was told that there will be no compression issues with the sergeants. There was already a good spread between them.

A slide was displayed of the FY 24 General Fund Capital List:

- The Animal Control expansion

The City did not receive a \$1.2 million donation as thought and ended up with \$7,000 a year, not enough to expand the shelter. Therefore, staff is proposing for next year the entire \$2,000,000 cost for at least the first phase of expanding the shelter.

- Purchase of the half acre lot beside Fire Station II that has been on the market for a while for \$60,000, which will provide the ability to redo the driveway for Fire Station II because currently the firefighters must back their trucks in or make a tight turn to get them into the fire station.
- Public Works security cameras;
- Police Department license plate readers, which are part of the real Time Crime Center (different components).
- Sewer extension \$500,000, a grant match.

The City is going to apply for a Land Water Conservation Fund (LWCF) grant of \$3 million, a \$1,500,000 grant from LWCF, \$1,500,000 from the City. Also State Parks also let staff know that there is a second grant that the City may be able to combine to cover \$1,000,000 of the City's match. Therefore, \$500,000 is being budgeted for the City's portion. This project would run the sewer line from the OYCC down to the Domingo Paiz complex. It would install the restrooms, pave a small parking lot along Tacoma, and it would add some RV parking down near the pump track. There are sometimes components that LWCF look for that may not sound like they go but it is an important check mark for funding a grant; therefore, that was included. All these items are part of the Parks Master Plan, and it would get the City along the way on that Plan.

Council Member Rodriguez asked about the Public Works' security cameras. Mr. Rubio stated that these security cameras are strategically placed for the parking lots where the buses are and the fuel area. These will also be in front of the fleet building. He noted that last year there were vehicle break ins, and catalytic converters were stolen. This is also a part of the connection to the Real Time Crime Center. Mr. Potucek stated that the City is getting a genuinely nice network of security cameras to include the high school and hopefully looking at other schools as well as the City's park areas and some of the facility areas that can feed them into the Crime Center that is underway in police building. This should enhance security in a number of these areas at a low cost.

The Highway User Fund Capital list has changed recently, but the projects that are being budgeted are:

- The Buffalo Soldier Trail Extension that is for the proposed school that looks like is moving forward on the Tribute property, and the City is required to build about one-fourth mile of road to the school.

Ms. Yarbrough stated that the City is fortunate this year in that the City has additional money coming in this year and next year for the income tax allocation based on what the State did with the flat tax. The City will get additional money for two years and then drop below what the City usually gets the third year, but the City will get \$2,000,000 additional next year. Staff is proposing ear marking that for this project.

- \$2,500,000 to construct the North Garden improvements that should be out to bid soon and under construction early summer.
- \$1,000,000, not \$2,000,000 for additional street projects.

Staff is going to wait to designate the \$1,000,000 for street projects for a while because staff recently learned that there are projects that were proposed for appropriations through the State by the MPO. If they were awarded to the City, the City must spend about \$300,000 for matches. Therefore, staff will be budgeting that if needed to and will let Council know when they have that information.

- Raise and MPDG grants that the City will be applying for next year.

Ms. Yarbrough stated that staff pulled back on grant requests based on experience from last year. Last year staff did not know with all the infrastructure grant opportunities out there, and what the City's chances were, and budgeted for a whole lot of them. However, staff pulled that way back this year and staff has gotten a lot of valuable feedback on applications from last year. Staff believes that the City has the best chances for the RAISE grant and MPDG grants. The biggest one, the MPDG grant would be for repaving Buffalo Soldier Trail, Wilcox, Fry, and 7<sup>th</sup> Street.

In response to Council Member Benning, Ms. Yarbrough stated that there are no matches on the RAISE or MPDG grants.

Council Member Benning asked if more money is being budgeted towards streets. Mr. Potucek stated that these are actual capital projects. Ms. Yarbrough stated that there is currently \$1.5 million in HURF for annual street maintenance.



Council Member Johnson asked about the West End improvements. Ms. Yarbrough stated that it is the reimbursement for the \$2.5 million that the City is going to spend on North Garden and rest of Fry Boulevard to 7th Street.

Council Member Rodriguez asked if the BST extension goes all the way out to where they are building a school. Ms. Yarbrough stated that it is a quarter mile east of Highway 92.

In response to Council Member Rodriguez, Ms. Yarbrough stated that the school construction has not yet started and noted that out there is the quarry. Mr. Potucek stated that this is a tough project to have to do. The City is required to provide access and the school needs that. The expense is due to rising costs. The City must match the intersection on the State Highway up with the lights and everything across the way. The unfortunate part are those heavy trucks that were mentioned by Council Member Rodriguez coming out of the gravel pit, which will be extremely hard on the asphalt that is going to be put down there. The City is going to have to a thick base and layer of asphalt there to handle that type of heavy truck traffic.

Ms. Wilson displayed a slide of the FY25 LTAF Capital List and noted that the City has a lot of carry over projects. They are in progress, but they just move slowly sometimes, and the engineers are working as fast as they can. However, the City has also been short on some engineers.

The multiuse path needs to be renamed. This was an FTA grant that the City was awarded earlier this year. It is another connectivity project that will do sidewalk, curb, gutter, and asphalt patching on 5<sup>th</sup> Street, Bel Aire, Judd, Taylor, Bartow, and the Fab Avenue improvements that were mentioned when the concept plan was discussed.

In response to Mayor Pro Tem Umphrey, Ms. Yarbrough stated that the difference between the bus shelter projects and the bus stops - everything is a bus stop, but not everything has a shelter. The larger amount will be relocating some bus stops that create issues, and one of the smaller ones goes with the Walmart pad to improve the stop at Walmart.

Mayor Pro Tem Umphrey asked why it is expensive to move a bus stop and wonders if this is to accommodate the new routes. Ms. Yarbrough stated that a pad must be poured, the bus shelter must be purchased, and the number seen are multiple ones. Ms. Flissar stated that this is based on current routing, but also starting to look towards the future of changes that may be coming. Primarily it is to address current bus shelters and the shelters that are noncompliant with current standards and those must be upgraded overtime.

Mayor Pro Tem Umphrey suggested waiting until a study is done for the transit system before putting money into all the bus stops. Ms. Flissar stated that they are looking at a study for the transit system, but at the same time, staff expects a lot of the stops that are currently in use to remain stops in the future. Some of these stops have doubled or tripled in ridership in the last couple of months. However, staff does not foresee major changes to the stops that are currently being utilized. How the City services those stops may change, but not the stops themselves because it is all driven by volume where people want to get from and where they want to go to. Ms. Yarbrough stated that they will certainly take a second look at the stops.

Council Member Rodriguez stated that staff has looked at the stops already, i.e., the Walmart stop that needs to be widened, the stop at the hospital that has no pad and is only gravel, the stop at Hobby Lobby, which is behind Hobby Lobby and is just dirt, and the stop for SEBHS is

dirt as well.

Council Member Benning asked if the \$8.8 million has a grant. Ms. Yarbrough stated that the \$2.5 million for the last project is a grant, the \$2.5 million for the connectivity and safety project carry over is a grant, the \$1.278 million pedestrian walkway connection construction is a grant, the BST pathway connectivity, and SR92 connectivity program, are both grants. Most of the carry overs are grants.

Council Member Benning noted that it is \$8.8 million to spend on transit. Council Member Rodriguez noted that the City is never going to make money on transit.

Ms. Yarbrough displayed a slide of the FS24 Sewer Capital list and noted that she is unsure on how many of these are going to be on the final list, but this is what was requested. The River Stone effluent conveyance would be a grant if the City were to receive it. She noted that one thing is not on this list, but Council will see in a future presentation is the Sewer Master Plan which is in the budget for this current year that ended up coming in far above what was budgeted. Staff had budgeted \$150,000, \$175,000, but it came in at \$520,000. It was started this year, and the balance will be budgeted out of next year. However, this is going to analyze the current infrastructure and map the City's system, look at the current plant capacity, forecast and create a model to tell the City when to expand the Plan, and then guidance on the type of expansion needed. Although, it is an expensive study, it is very much needed and will be extremely useful for planning the future expansion of the Plan.

Council Member Rodriguez asked about the MLK bypass. Ms. Flissar state that this section of sewer line has been challenging for several years. She added that she believes this one has a significant dip in it, and it is one of those projects that has been difficult to tackle due to its location. Anything involving State Route 90 and trying to work around that is going to be extremely difficult, but the line is to the point now that the City is going to need to look at a major repair on that line because that line feeds the whole north side of the City, goes under State Route 90, and heads over to the sewer treatment plan.

Mayor Pro Tem Umphrey asked if there is a way to coordinate the project with ADOT when the work on State Route 90 takes place. Ms. Yarbrough stated that staff has talked about that, and staff will see how it develops and the urgency of the project. Ms. Flissar added that Ms. Zuniga is in regular communication with ADOT, talking about the project, and she is the one that ADOT has been getting a hold of to coordinate their work schedule, determine night work, and because she is involved in both of these, if there is an opportunity to coordinate that work to happen at the same time, The Department would absolutely take that. She added that staff does not know which ones on the list are going to make the final budget yet, but they will have to see how the enterprise funds shake out. Mr. Potucek stated that this is especially important work to do and noted that sewer systems are one of the largest assets besides streets. However, it does point out that there is going to be a lot of work being done at the 90/92 intersection in the coming year and it is going to create some travel challenges and challenges for public safety as well. He added that staff will have to get that word out to the public as best as they can when it is going to happen, but it is going to happen during the next year.

Ms. Yarbrough displayed a slide of FY24 Refuse Capital list and noted that there is one small item, a trash can cleaner.

A slide was shown of FY24 Airport Capital list, which will have some changes. The Airport Master Plan update is primarily grant funded. The City is waiting for its grant award letter from

the FAA before moving forward, and the City has a small match on that, 4.47 percent.

The Master Plan and design remodeling the terminal interior is still being evaluated and will be pulled off. The City does not yet have a tenant; therefore, it does not make sense to renovate it before having a tenant.

Listed are two generator replacements and a \$3 million airport utility installation that will be the City's DSIP grant application for this year that will run the sewer line to the area that is going to be developed. However, it is difficult to develop that area on septic. The City is going to try and include the conduit for fiber in the future to internet. The obstacle for the DSIP grant is that the City also needs an easement from Fort Huachuca. The City is going to connect that sewer line to the Huachuca City sewer line that goes to the Fort Huachuca Wastewater Treatment Plant. Therefore, Mr. Boone is working hard on that and trying to get that done as quickly as possible so that the City can apply for that DSIP grant this year.

Council Member Rodriguez stated that if the City gets a tenant for the Airport at some point, the tenant could be the one responsible for remodeling or take on that cost. Ms. Yarbrough stated that it is certainly a point for negotiation. Mr. Potucek stated that doing things like moving the mound of dirt that the City did a few years back, any infrastructure or grants that the City can bring in to reduce the costs and make that land more developable is going to end up with lower lease costs for the potential tenants. This gives the City a leg up in terms of trying to attract an employer there.

Council Member Rodriguez stated that nobody is going to come to the airport unless there is infrastructure. There is no concrete, no utilities, nobody is going to come. Mr. Potucek stated that the grant will help with that.

Council Member Landry asked if the City is working with any of the water companies regarding the Sewer Master Plan. Ms. Yarbrough stated that the City does not typically work with the water companies on that. Ms. Flissar stated that the biggest challenge with working with the water companies is the number that are in the area. They are all private companies and there is Arizona Water, Liberty Water, PDS, etc.; but there are a bunch of little ones. However, the connection with the water companies ends up being what comes into the City's sewer line. In terms of a nexus to a Water Master Plan, she is not sure that would have a lot of interest in contributing to the Sewer Master Plan. She added that staff can certainly reach out to them and ask that question. However, she is not sure what they would be able to assist with in that effort.

Mr. Potucek stated that they are really two different systems. He added that it is difficult for water companies to make major improvements to their lines. They must go through the Arizona Corporation Commission, and they must put all these projects in a rate case. Rates must go up because of doing that. Therefore, trying to time anything that might work with the City is exceedingly difficult to do with a private water company. Not that it cannot be done, but the timing and everything really is difficult.

A slide was displayed of FY24 CDBG Capital list, the City's proposed project of fire hydrants in Montebello.

The FY24 Facilities Maintenance list contains a couple projects that staff is still evaluating. The Council Chambers remodel is included, but regarding Fire Station I plumbing repairs, staff is evaluating whether it needs to be as expensive as it is currently proposed. There are some roof repairs for Fire Station III, and the big project is the Cove pool. The surface replacement,

replacing the pebble deck, which is starting to disintegrate which is not good for people in the pool or the filters trying to filter out that debris. There are also some other plumbing repairs at Fire Station III as well.

A slide was displayed of FY24 Vehicle requests. Ms. Yarbrough noted that a lot of the vehicles are pre2010, two of them are pre2000, late nineties. Consequently, the City should be getting to the end of all the outdated vehicles that need to be replaced. Staff is hopeful that the list will be a lot shorter next year.

Included are four police vehicles and they are on a regular rotation, an ambulance and the City will not be paying for that ambulance this year nor next year because they take about 18 to 24 months to be delivered. However, a new ambulance is needed in two years, and it needs to get on the list so that it can get ordered.

Mayor Pro Tem Umphrey asked if the ambulance must be included in the budget, even if there is no plan to get it. Ms. Yarbrough stated that it will not be paid for or financed until it comes in. However, the ambulance needs to be listed and approved so it can be ordered. Mr. Potucek added that these will be financed. Hard cash is only 10 percent for the coming year on these items, but it will not happen.

Council Member Johnson noted page 313 of the budget book and asked if the slide is a consolidated listing of what is shown in the budget book. Ms. Yarbrough stated that she will look at the book and provide him with an answer.

Council Member Johnson noted that there are a lot more vehicles in the budget book than on the slide. Ms. Yarbrough stated that there are a lot of vehicles on the list, but staff does not order them all in one year. Staff looks at what is absolutely needed for this year and for next year. There are also vehicles for the enterprise funds that are not on this list because this is just General Fund. Staff is still working on the enterprise fund budgets. There are varied reasons why there are more in the budget book. Mr. Potucek added that last year's list was bigger, but on the list are vehicles from 1999, early 2000, and it is a function of trying to catch up where the City should be because during the recession, 10 years, the City was not buying a lot of vehicles at that time.

Mayor McCaa asked if the vehicles being removed from inventory going to be auctioned or are they going to be donated to the City's Sister City. Mr. Potucek stated that the vehicles will be evaluated, and he has already advised Ms. Yarbrough and Ms. Kennie that certain types of vehicles might be able to help Cananea. A garbage truck is what they need the most, but they also need help in other areas. Staff does not want to just give them the worst stuff, but stuff that is going to be functional that they can keep going.

Ms. Yarbrough stated that staff is working on balancing the remaining funds and the general fund by Friday, May 5, 2023. Therefore, there is a lot of work on. After that, staff will do a presentation next Tuesday, May 9, 2023 of at least a balanced general fund. Then Ms. Dillaha will be hard at work completing the tentative budget book by the Friday before Memorial Day. The week after there will be one-on-one meetings with Council. June 12, 2023 through June 14, 2023 will be the special budget work sessions and that is when staff will present everything. Staff always schedules three days, but they are hardly ever needed. On June 22, 2023 on Council's agenda will be the tentative budget adoption followed by a public hearing on the property tax levy and the final budget adoption on July 27, 2023. The last action for the budget process will be on August 10, 2023 with the tax levy adoption.

Council Member Rodriguez asked that if a continued resolution can take place if the date for the adoption is not accomplished. Ms. Yarbrough stated that the State does not allow that. The City will meet those dates.

Council Member Rodriguez voiced his appreciation at all the demanding work that goes into getting them on time.

C. [Update on the Schneider Electric Project](#)

Ms. Wilson stated that the Energy Project with Schneider Electric is a capital recovery and investment program. This program identifies opportunities to save energy and recapture those funds so that the City can use that money to reinvest it into making improvements that will save energy and use those operational savings to make payments on the improvements. Therefore, if the City is paying \$1,000 on its electric bill, and the City makes a bunch of improvements, and the electric payment is down to \$300 then Schneider Electric would be guaranteeing the savings of the \$700.00, and the City can use that money to pay off its loans that were used to finance those improvements.

Mayor Pro Tem Umphrey noted that this is backed by law, Ms. Wilson stated that she is correct. She noted that there has been a lot of questions on exactly what an energy performance contract is. It sounds weird to those of in government service; but it is an innovative funding approach to attack some problems that are often seen in governments, from federal governments to a local government, state government, and school districts. This is a customary practice to utilize, and it allows for an energy savings company (ESCO) to partner with agencies to address any deferred maintenance projects and facility improvements with energy efficient solutions. This also allows the government to utilize that that money to pay for the debt service on those improvements.

This is an actual real strategy for paying for much needed improvement. It is encouraged as an acquisition strategy from the FAR, the Federal Acquisition Regulation, (FAR) 23.205, and it uses the words that they encourage it because it allows for the use of old HVAC systems to be replaced over their life. It is State Law and permitted in all fifty states, but it can put constraints, it cannot exceed the federal laws on how it can be utilized. The State of Arizona is under A.R.S. 34-105. Several state national cooperative contracts offer pre-qualified professional service Escos for use, which is what the City staff did the first time they went out for this in doing a lot of our research. Staff looked under cooperative contracts and found a bunch of pre-qualified vendors. Staff took that list of eight and did a competitive process, even though they were already available for use to find the City's partner Schneider Electric.

Council Member Landry asked if the City has a lot of deferred maintenance, and if there are controls in place to make sure it does not reoccur. Mr. Potucek stated that during the recession, when talking about vehicles, which was deferred maintenance. The City had a lot of deferred maintenance that the City was simply unable to get to, particularly when it came to facilities. Deferred maintenance is one of the worst things a government must deal with in terms of budgeting because once it falls behind, it never seems that to be caught up. He noted that the School District had a lot of deferred maintenance, and it was not until they had their bond issue passed a few years back, that barely made it, that they were finally able to address a lot of their deferred maintenance items. The City was falling into a similar situation but it is now able to use its existing budget without raising taxes, and without going out to a vote by using this method to catch up with a lot of its deferred maintenance, i.e., HVAC systems, the roof going up on City

Hall, a lot of things that really did not get attended to the way that they should have been during the recession. Therefore, the City now has a chance to catch up with a lot of that deferred maintenance, but the trick going forward is not to fall back into that hole again, or getting into a situation where the City must ask for a bond issue or whatever to catch up again. Lastly, he stated that not only is the City getting a lot of these projects and warranties, but the energy savings that comes out of the project helps generate the money savings within the budget to help pay for the financing that Council undertook to do all these things. The funding is not being taken out of the budget, and the advantage of doing this type of work, is that a lot is being done in a noticeably short amount of time. This would have taken years to do, and it would have come out of the budget, with limited staffing and limited resources. By Council approving this, it is really going to benefit the community.

Council Member Landry asked if the City is going to be paying for some of the projects even though some of them will outlive their useful life. Ms. Wilson stated that in the State of Arizona, the City can go up to 25 years on a project, but the payback period cannot extend the useful life of the project, not the warranty period, but the useful life. The City had some HVAC systems that were 30 years old, the City Hall roof is 40 years old, some of the artificial turf's top layer will have to be replaced in 12 to 15 years; but the overall project, the useful life will be well beyond 25 years. She noted that Mr. Potucek and Ms. Yarbrough work also with Mr. Felix on paying that debt service back quickly. Mr. Potucek stated that this is why both projects, the first one that was financed was in that 10-year period and that is not going to be an issue. The biggest issue will be the turf fields because the second financing is at 17 years, and the City is going to be bumping up towards that seventeen on the fields, but everything else should fall within the useful life.

Ms. Wilson stated that there is a National Turf Council, where they produce the information on what the expected use of a field is, and where they get the warranty information. The City was at about 30 percent of the usage as a national average. Therefore, when the City is told that they warranty the fields for eight years, based on a cost benefit analysis that was run on the City's usage, and plussing it up with a factor, over time, it is estimated at 12 to 15 years, pushing more toward the 15 years. However, if the City gets busy and tears up those fields because of the constant use, then it will need only the top layer. The entire base layer of the system where all the drainage system goes into, the most expensive part of that project, has a 30-year warranty.

Ms. Wilson stated that there are many benefits in using an ESCO, although it is not right for every type of project. Per Arizona Revised Statute an ESCO must conduct a study in partnership with the agency that establishes the scope of the contract, and this is why this is a partnership. The ESCO itself is on the hook for the performance of the products and this is why the City is getting such amazing products out of this with long lifespans. They identify the methodology used for determining the savings and they guarantee the amount, which means that if they made an error in the math, and the City does not recoup the energy that they are promising, they pay the difference. The cities are not on the hook, the key to what makes an ESCO so advantageous for cities to use on all their deferred maintenance issues as a funding mechanism.

Schneider Electric has agreed to complete the entire scope of the project; therefore, the City gets everything from the reach of their thousands of engineering experts over their nationwide company, their onsite program managers, who run everything on the project that are an extension of the City. They are project managing this project from beginning to end and they coordinate it with the City staff. The City is lucky with its partnership, and they conduct weekly

meetings onsite with City staff and all their subcontractors. Also, when it comes time for something that is getting ready to be completed, or nearing completion, and the trainings need to be set up to commission something over to the City, the City's staff is on site with Schneider Electric to ask questions, walk through the projects, attending all the trainings, everyone is at the table.

Ms. Wilson stated that when all this started, before signing a contract, there is about a year of work that goes into investigating if it is a good fit for the entity before to Mr. Potucek or Ms. Yarbrough stand before Council and recommend consideration. Once it is decided that it is a good fit, then wheels are up, and they start running.

Council Member Benning asked who identifies the methodology used for determining savings. Ms. Wilson stated that it is Schneider Electric and the City. Mr. Potucek stated that the potential liability, if there is a math error, is on them. The City does not incur that risk. Ms. Wilson added that it is third party certified. Ms. Yarbrough stated that the first project had a lot of deferred maintenance and the energy savings from that was balance against the revenue generation projects, which is why the City did the HVAC systems, LED light bulbs. This also helped pay for the turf fields that were done, which do not really have a lot of energy savings with them, but the revenue generation is a component. Staff balanced the projects based on how much is energy savings, and how much is revenue generation.

Council Member Benning stated that he has not seen an asset management program. Ms. Flissar stated that staff is currently working on an overall facilities assessment asset management program; unfortunately, the person that was working on that has been at Transit for the last four months assisting with efforts there. Therefore, as soon as Ms. Kirkpatrick is back at the Pedro Castro Maintenance Center, she will resume that effort. She noted that she did see a work product in progress and Ms. Kirkpatrick was making satisfactory progress on it. Mr. Potucek stated that staff has an inventory of the fixed assets and that goes through accounting, but earlier during the discussion about the Sewer Master Plan, and that project is going to inventory all sewer assets and come up with recommendations for when they need to be repaired, or when the plant needs to be expanded. Staff must take it off in in chunks. The street maintenance is going through the MPO, which was approved and hopefully that is going to be done in November, and then Council will have an idea of street assets and a better idea of what needs to be done.

Council Member Johnson asked who is involved in the punch list, the final approval regarding quality assurance. Ms. Wilson stated that is whoever oversees that asset. She explained that Greg Barrett, Facilities Supervisor, is at every single meeting and punch walk because a lot of those projects fall under him. She added that if it is a sports field, it is park maintenance, it must be an okayed by the staff and then it comes before her to do the final as the City's representative for this project. It is then turned over to the Chief Procurement Officer. That is all hardbound in her office and it can be seen anytime. It is riveting, everything from drawings to the entire history of a particular portion of the project. She added that as a former procurement officer, it is the most comprehensive, professional, closeout documentation she has ever seen, and she has worked federal. Staff also gets it on a flash drive, and it is available to all of City staff who is in charge from everything from facilities to Public Works, as well as her staff.

Council Member Johnson noted that he wants to make sure that the City is getting bang for its buck. Mr. Potucek stated that Ms. Wilson explained why she is the PM on this project. Not only are there a lot of the facilities that are being worked on in her area as director, but she brings an extensive background in procurement and federal procurement to the table on this project. It is

then up to her to interface with Public Works when dealing with the airport and facilities, but there is documentation on all of this.

Ms. Wilson noted that another thing that might feel different for the City is a firm fixed price model. A firm fixed price contract is extremely common on the federal side and not so much on a municipal side. This means that once the City develops the scope, the City gets all of it without change orders for this price. A firm fixed price contract incentivizes a contractor, in this case Schneider, to do an excellent job and get it done fast. This is seen from the time ground was broken, last year in July, to nearing completion on 90 percent of this by the end of June. It is amazingly fast, and it is unheard of in municipal government. Therefore, it seems too good to be true, but luckily, the City had a successful Phase I. Many agencies use Escos. The Sierra Vista Unified School District has used them and Fort Huachuca as well, who uses Schneider Electric.

A slide was displayed of Phase I results: five synthetic turf soccer fields at Eddie Cyr Park and Domingo Paiz, LED Sports field lighting at 17 fields and courts, 3,500 LED replacement citywide, many HVAC replacements and upgrades, electric infrastructure at Veterans Memorial Park and replacement of the inoperable wave machine, and wastewater aeration control upgrades resulting in \$13.9 million in City modernization and efficiency upgrades with \$740,000 in projected annual savings and revenue. The actual 2019 through 21 impact economic impact is at \$3.3 million and during this time almost 11,500 visitors and twenty-eight tournaments were a result of these improvements. The City did not have any of those tournaments before, except for a few Little League ones. This totaled \$482,000 in electricity savings loan.

Council Member Landry asked if would have been better to have smaller chunks on some of the replacements/upgrades and piece it along, i.e., LED replacements, HVAC upgrades, etc. Ms. Wilson stated that it is certainly one way to go and that is currently being seen with other projects that staff is talking about. The fleet replacing is being done that way, but there is not much of an impact, and this is about economies of scale. An ESCO-type project requires a large economy of scale so that there is massive recouping of energy savings at one time. Piecemealing those puts strain on already strained staff. The City already has staffing situations, so it helps with that as well. It brings everybody down like little magical fairies and they go through and replace all the light bulbs. Ms. Flissar's team had been working on an LED replacement project for years, and this got it done in two months through the entire City. Now her team can just worry about taking care of the maintenance so that the City does not get into a deferred situation again. This is extremely helpful on the strain on staff while also giving the maximum impact and the benefits.

Ms. Yarbrough stated that the City could have done each one of these projects on its own and as a whole or individual project by individual project for both Phase I and II. Each project would have cost less than the total amount paid to Schneider Electric. However, each project would have taken at least 10 years to accomplish. Trying to get each one of those projects, i.e., replacing LED lights when there was time, got all done in one month. The same applies with the turf fields, track replacements, construction of a new Sports Complex. The City could have done it on its own and it would have saved money, maybe; but it would have taken many years to accomplish it. Using this type of mechanism, gave the City the opportunity to get it all done at one time and the funding mechanism was available to the City that was not available. The City would have had to either budget capital improvement funds or finance it individually. By doing this the City can say that it takes the energy savings, applies that energy savings that must pay for the project by State Law, and it gives the City the tool of using the sales tax revenue bonds to pay for the project.



Mr. Potucek pointed out that the City has seen rampant inflation over the last couple of years. The City was able to lock in prices at a low interest rate over the last two projects. This one was fortunately acquired at a 3.15 percent before the rates skyrocketed. He added that if a cost benefit analysis was done, and cranked in rates of inflation that are being seen, the City may not have saved money doing itself in small chunks. Council Member Johnson noted that Station IV is a prime example.

Ms. Wilson added that the reason that she personally felt that this is such an interesting thing to take part in and to recommend is due to the types of projects that are being done. It is aligned well with the City's economic development efforts, in reaching out to the local sporting community, and asking for their trust in providing a landscape for them to service their missions. This has gone such a long way and they have overproduced. They continue to surprise her with what they are doing, and they are very responsible in utilizing these assets. This is much more than just changing a light bulb project. Therefore, she is immensely proud personally to see what is being done.

Ms. Flissar stated that this touches the Public Works Department in a unique way than has been mentioned. A lot of these projects if being done internally would have an engineering staff member assigned to run the project and they would work with whichever department is involved. For a sports field, they would work directly with Ms. Wilson's department and bring that from cradle to grave, develop the project scope, work with Procurement to get that project out, oversee the construction, go to the weekly construction meetings, do the punch list walk at the end, and work on any warranty issues that come up. One of the things that this project has enabled the Public Works Department to do is to keep engineering staff focused on other projects, the grants that are currently being applied for, millions of dollars in grants. If there was staff devoted to managing each aspect of this project, it would have an opportunity cost associated with it. Public Works could not have them doing other things and as noted, the engineering crew is short staffed, which has made it even more of a challenge. The Public Works Department has been able to gain in terms of other projects that would be sitting, is being able to move these forward because this has been handled a unique way and it has been huge in the Department's ability to pursue other opportunities for the City.

Ms. Wilson displayed a slide of Council's Strategic Plan goals and noted that this also works on the goals and directly impacts them. The City engaged with Schneider Electric for Phase II because of the results of Phase I. There were a lot of people wanting to see if there were still other projects that would fit the bill. Therefore, the City moved on to Phase II that kick started the Parks Master Plan for the Veterans Memorial Park Sports Complex, providing lots of new athletic amenities, in a highly visible place. All the sports fields have always been tucked behind and out of the way, but this really provides an amazing view going down MLK. This also provides the best opportunity at capturing any of the revenue benefits that can be seen from having a complex like, which helps in meeting the economic impact goals.

A slide was shown of the project scope for Phase II that includes the football field and track to new irrigation lines. Ms. Wilson noted that there was no irrigation out on the football field and track area, little baseball field that staff has been watering by hand so that the middle school could play that for two years. They wanted to keep their home field and so the Sports Division Team did the best that they could to make it look nice. They are really going to be impressed next season. She further noted that a lot of ADA pathways were added, a requirement of the Land Water Conservation Fund \$1.5 million match. It is the first connection to the Sports Complex Park because the ADA pathway starts near Howard Field and the Skate Park. People

would walk from that parking lot over. The energy initiative did not cover the parking lot and there is no way for the City to recoup any cost from a parking lot. Therefore, this is the reason that connection is coming from that direction.

Phase II includes EV charging stations, LED runway lights and controls over at the airport. Also, for energy and infrastructure, a smart irrigation system that enables the parks maintenance crew to feel cool. They can utilize their smart controls by tablet. There were more Cove renovations, solar covered parking, HVAC systems at the Sports building and to come a fire alarm control at the old gymnasium at the Sports Complex.

Ms. Wilson reported that currently the irrigation, stadium seating, football and soccer fields are also complete as well as the track that looks amazing, which Mayor McCaa was given a tour of. She further reported that the LED sports field lighting is complete, and they are getting ready to do their night testing. The basketball court will have repainting of the lines and lighting on the backside of the gym for the basketball courts that will come early during the month. The ADA pathways are about finished. However, new irrigation lines are complete as well as the well tank and booster pump station that feeds both Veterans Memorial Park and the Veterans Memorial Park Sports Complex. This well tank and booster pump station are primed for growth. Therefore, if the City is successful in getting the State land next to it or it is decided to expand up north some generation from now, that should handle the capacity for that upgrade. The gym and HVAC system is complete, and the tennis courts are nearing completion.

Mayor Pro Tem Umphrey asked if the gym has real air conditioning. Ms. Wilson stated that staff decided to replace the swamp coolers. Mr. Potucek explained that it did not make sense to put an air conditioning system on a 50-year-old temporary building. Ms. Yarbrough noted that it would be \$200,000 to do air conditioning. Ms. Wilson stated that it feels like a different system because the prior system was incredibly old that had particles coming out of the bed which was hanging off the side of the building on chains. They are now set on the ground.

Ms. Wilson displayed a before and after slide of the track which is something to be proud of and continued with updating Council on the status of the Schneider Electric Project.

All level II charging stations are up and ready to go, Level III are not ready because the SIM cards are backlogged, but they might be in by mid-May. The current cost is \$0.23/kWH, \$6 for a full charge. The LED runway light and control upgrades and the fiber optic cable installations are complete. The sign and taxi edge lighting illumination should happen this week. The verification and the final connections on the civilian and military side is going to be coordinated with Fort Huachuca.

Council Member Rodriguez asked if the EV charging stations are on the plug share app. Ms. Wilson stated that it is and it works.

Council Member Rodriguez asked about the runway lights on the military side and noted that he would like to know what they are they paying for versus what the City paying for. He added that he would like to know if the City is paying for something that the city is never going to be able to touch. Ms. Flissar stated that the military is very jealous of the City's lights and signs, and they love the way everything looks and will be undertaking a project on their side of the airfield soon to upgrade to what the City has. As soon as their airfield manager can break some money loose, they will upgrade all their stuff because the City's looks nice and is expected to have huge savings. She added that she does not know how old those lights were on the City's side, but they predated her time at the City. They were incredibly old, but no, the City is just paying

for stuff on the City's side and the fiber to connect it to the control system which is located on the Fort's side.

Council Member Rodriguez asked if the Fort has access to the control system if they must. Ms. Flissar stated that currently they do not have that access with this upgrade, but they will restore that access because the air traffic control tower is on the Fort's side. Therefore, depending on situations, they may need to have that access from the air traffic control tower. However, the City also has a switch on the City's side that controls the City's lighting as well.

A slide was shown of Phase II highlights that depicted the total project cost at \$27 million, \$1.5 million of that as the Land Water Conservation Fund grant. The City will also be receiving \$1,000,000 IRS energy tax credit for the solar project. The annual savings is estimated \$2.2 million for utility OM savings. The breakdown is \$223,000 a year in direct revenue benefits, over \$1.7 million in capital costs avoidance. The life cycle savings is estimated at \$37.3 million, a combination of savings revenue and the avoided cost which is allowable by Arizona Revised Statute. The life cycle economic impact of the project is estimated at \$101 million over the full 25-year partnership.

Council Member Rodriguez asked about the alarm control for the gymnasium. Ms. Wilson stated that there are not any fire alarms at the gymnasium because it was built sometime in the eighties. Ms. Flissar stated that it is older than that.

Council Member Rodriguez asked if the box tells what zone the alarm went off. Ms. Flissar stated that she believes that he is accurate. She shared that her husband graduated the same year as Mayor McCaa, and he remembers this building in middle school. Therefore, it has been around a while. Fire Chief Jones stated that there was no system in the gymnasium. This system allows for there to be alerts if something were to go on there from a fire nature. It is a safety issue.

Council Member Rodriguez asked if the system alerts SEACOM. Fire Chief Jones stated that it does.

The project is kickstarting \$15 million of progress on the Parks Master Plan, providing the community with new amenities, increasing tourism reach, launching the City's EV infrastructure pilot for the community, saving a lot of energy and water that will generate over \$37 million in savings and \$101 million in economic impact. In addition to that it will be addressing a lot of critical infrastructure needs, helping city staff and allowing the community to benefit from all the progress made there.

Ms. Wilson voiced her appreciation in being able to work on the project, her bosses for having trust in her and the Mayor and Council for being open to new innovative approaches and ideas. She stated that she is aware that it feels different to a lot of people, but she would not have her name associated with anything that she would not state her reputation on, and she believes in this project and deeply appreciates everyone's support.

Council Member Messmer stated that she is sure that that the gym was put in the early sixties. She recalled that her brothers went there. She added that she liked that all the track amenities were kept. The public could not practice or do things there, but now they can. Ms. Wilson stated that the Department reached out to all the community partners in track and field. That community also showed up and everyone can see the details that went within this, i.e., being able to run one hundred meters from East West or West East, depending on which way the

wind blows because that has influence in the time. The long jump is rated beyond college, which runs both ways and people will not have to walk around to restart it. These intricate details let people know that they were thought about in the design.

Council Member Benning thanked Ms. Wilson and stated that the track looks amazing, and he cannot wait to see people play football on it. He asked for a total breakdown of the loan costs/interest for the period, on top of the \$27 million. Mr. Potucek stated that he has the information on the financing with the interest, and he can provide that to Council. He also has the debt service payments, and the energy savings, revenue and staff can break out as well.

Council Member Rodriguez thanked Ms. Wilson for everything that she has been doing associated with this project. He added that he is aware that she has been fielding a lot of phone calls because there have been a lot of misunderstanding, fields are being renamed, demolished to make parking lots, and a lot of misinformation out there. He further added that he believes that this is important because Strategic Plan 10, quality of life that the City's people still have access to it. They used to walk the track out in the mornings and late at night after work to have somewhere to walk around in circles. The City did not care about it then because it really was not important, but now that the City put millions of dollars into it, the City will have to lock it up at certain times because some people will tear up the soccer fields, put things upside down, etc. He then asked if the plan is to have it open as early as possible for the people that walk before work and get some exercise in without having to rent it. Ms. Wilson stated that this is perfectly situated near the Sports Division Building, and it will mirror the park hours. They will have staffing around there at regular times. However, the biggest hurdle to get over is making sure that the public is not taking their pets on the track because it is not going to be permitted, things like sunflower seeds and gum cannot be on there. There are rules and this is going to take a bit of behavior management on everyone's part.

Council Member Rodriguez asked if there is now an alternative loop with the new ADA path, if somebody that has a dog, and they want to walk around the outside. Ms. Wilson stated that it is permissible. The whole multi youth pass system is right there as well, but this is not a park. These are ball fields that were recently distinguished by Ordinance, which was step one in this. However, there will be lots of signage.

In response to Council Member Rodriguez, Ms. Wilson stated that the snack bar with a bathroom in the back is going to go closer to the South entrance of the football field and track. It will be on the outside of the fenced area, closer to the softball fields, southeast side of the fields.

In response to Mayor McCaa, Ms. Wilson stated that the sand volleyball courts in the baseball field are on the northeast corner of that property that will be lit. There is a fenced rectangular area there that staff will be putting sand in for three sand volleyball courts. One unique feature of having a firm fixed price contract in the scope is that they were able to use all the material. Everybody wanted the dirt that was exhumed, but it was put back into it. The entire elevation of the football field area has risen over a foot, and they are using it also to build a grassy knoll in the back of the softball field to where people can set up chairs up on top and be able to watch softball on one side of it or volleyball on the other side.

Council Member Benning asked about pickleball courts. Ms. Wilson stated that it is hoped that once they have lit basketball courts on the Veterans Memorial Park Sports Complex side that they can expand pickleball in its remaining area. The basketball courts could be converted quite easily to three more pickleball, but she hesitates to start breaking up pickleball in other areas or having a tennis court because those are very communal areas.

Council Member Landry voiced her appreciation at everybody putting this together and sharing with Council because it was needed. She requested more of a breakdown because it would be helpful to Council. She then asked if the Council would have updates periodically to see how the process is going. Ms. Wilson stated that she can provide an update as many times as Council would. She would add it to the executive report, and if Council ever needs information, they can always reach out her and she would provide whatever they want to see.

Mayor Pro Tem Umphrey stated that she and Council Member Benning were on Council when the first phase was done, and they took for granted all the information that was given to them, but now there is a new Mayor and Council Members. She thanked Ms. Wilson for going over this again and being enthusiastic, which is why Council is grateful that she is where she is at, running her department because she does an excellent job. She also voiced her appreciation for the staff that the City has.

D. [18-month Update on Council's Strategic Plan](#)

Item moved to the work session of May 9, 2023.

E. Report on Recent Trips, Meetings and Future Meetings

Ms. Yarbrough stated that the next work session will include the balanced budget, SEACOM budget, and Council's 18-month Strategic Plan. Forthcoming will be a presentation at the second meeting in May on Tourism and CCTEC.

Mr. Potucek stated that he will be spending substantial portion of the day in Bisbee at the Melody Lane Complex on May 4, 2023 because the SEACOM proposed budget will be presented to the Board of Supervisors. Thereafter, he will be attending the Rate Review Board Meeting regarding refuse.

Mayor McCaa reported that he testified before the Subcommittee on Government Operations, Board of Management for of the US Senate Committee on Homeland Security and Government Affairs on the issue of examining the effects of increased migration on communities along the US border. He thanked Ms. Yarbrough, Police Chief Thrasher, and staff for putting together the numbers.

F. Future Discussion Items and Council Requests

Mayor Pro Tem Umphrey asked about a trip to Cananea. Mr. Potucek stated that staff needs to do some outreach with their staff to see if that can be coordinated.

Mayor Pro Tem Umphrey suggested that everybody have their passports updated or their passport card.

3. Adjourn

Mayor McCaa adjourned the May 2, 2023, work session of the Sierra Vista City Council at 4:55 p.m.

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Clea McCaa II, Mayor

Minutes prepared by:

Attest:

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Maria G. Marsh, Deputy Clerk

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Jill Adams, City Clerk