

**Sierra Vista City Council
Work Session Minutes
June 23, 2015**

Mayor Mueller called the Sierra Vista City Council Work Session to order at 4:33 p.m. in the City Hall, Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Members Present:

Mayor Rick Mueller, Council Members Alesia Ash, Gwen Calhoun, Hank Huisking, and Craig Mount

Members Absent: Mayor Pro Tem Bob Blanchard, Council Member Rachel Gray

Others Present:

City Manager Chuck Potucek, Asst. City Manager Mary Jacobs, Fire Chief Ron York, Community Development Director Don Brush, City Clerk Jill Adams

1. Presentation and discussion:

B. June 25, 2015 Council Meeting Agenda Items (agenda attached)

Res. 2015-058, Reaffirming and expanding City of Sierra Vista, Sierra Vista Economic Development Foundation façade Improvement Program: Council Member Mount asked about expansion of EDF Façade program. Mr. Potucek explained that the new agreement expands the scope of the program to include other approved projects.

Res. 2015-063, Approval of the City of Sierra Vista Classification and Compensation Plan: Barbara Fleming briefed the Council on the FY 15-16 Classification and Compensation Plan. She stated that this is the first time in 17 years the City has performed a full study and the result is the new comprehensive class and comp plan. This resolution provides that employees will be paid under the FY 14-15 class/comp plan until 7/25. The new plan will be implemented effective 7/26 and will be paid beginning the pay period ending August 9. Ms. Fleming also briefed on a variety of changes including titles, exempt/non-exempt status, the combination of some positions, and the addition of new positions.

Council Member Calhoun asked about the deleted positions, Ms. Fleming stated that the positions are either vacant or they are being changed/reclassified. It is essentially a cleanup of the plan.

Council Member Mount asked if the delay in the TPT implementation affect this plan. Mr. Potucek indicated that the loss of revenue resulting from the delay in the implementation of the sales tax increase will be taken from the add back for public works facility maintenance budget.

Council Member Calhoun asked about the nonexempt employees and if the 2% annual increase is not automatic. Mr. Potucek stated that no, future raises including step raises will be determined by Council during the budget approval process. Future employee increases will have to be determined by available funds.

Res. 2015-064, Intergovernmental Agreement with the State of Arizona Department of Revenue for the Administration of Transaction Privilege Taxes: Mr. Felix briefed Council on the State Legislature's tax simplification program and the resulting need for the current new IGA to continue having the State DOR to administer our tax collections.

Res. 2015-065, Adoption of a City of Sierra Vista DBE Program and ADOT's Disparity Study for use in the City of Sierra Vista's DBE Program: Mr. Felix briefed on Disadvantaged Business Enterprise (DBE) program. The City had been operating under State programs in the past, new federal requirements are pushing up the need for Cities to develop, adopt and implement their own programs. Staff is currently attending training to learn more about this process to assist our vendors.

Council Member Mount asked about the consequences if the City fails to provide the DBE program. Mr. Felix stated that it is his understanding that the program is a goal. There may not be a DBE bidder; the DBE may not meet the requirements. Mr. Potucek stated that the key is having a policy in place, and that we make a good faith effort to attract DBE vendors.

B. Town Center Update and Final Report by Don Brush

Mr. Brush explained that the report is the culmination of a two-year strategic objective. Over the two years, organized a task force, opportunity statement (aka Dream Your City and Branding Process). The VISTA 2030 had a vision statement that included the development of a town center. About a year ago staff brought three options for potential locations of the development to the Council at a work session. The consensus was the state trust land adjacent to Veterans' Memorial Park was the preferred location. Ms. Jacobs has met with the State Land Department; they have put new rules in place for purchase of State Trust Land. Mr. Brush's presentation (Power Point Attached) included the land acquisition process, Concept Plans, and what the next steps will be. Mr. Brush explained he will soon be retiring but his successor comes with experience designing a town center. Under his direction the City can begin with visioning and analysis very quickly.

Council Member Calhoun thanked Mr. Brush for his efforts, keeping the idea alive is great.

Council Member Mount commented that he would like to see the planning included and asked if staff has a way to put together a more comprehensive cost of the planning phase which would lead to milestone of a decision point. Stakeholders and staff have been heavily involved. He doesn't believe the City can afford it at this time. He also feels there is a definite need to put together a list of stakeholders who would be involved in the process.

Council Member Huisking thanked Mr. Brush and the planning staff. She also stated that she is glad that the project is still alive and agrees with Council Member Mount that there are some real concerns about the cost of the process, particularly considering the cost of the land alone. She also stated that she would like to see energy put to purchasing the land.

Mayor Mueller stated that he agrees with Council Member Mount. He doesn't think that the City should be doing commercial development. He is concerned about moving forward based on studies, surveys etc. of a minority of the City population. There is a lot of vacant commercial space in the city now, putting more on market will have tendency to have negative

impact. The process needs to be done carefully and deliberately. We want to insure that this doesn't become our own version of Rio Nuevo. We need to make sure we think it all through, have a plan, and have public support.

C. Discussion of City Manager Staff Meeting Minutes

Council Member Huisking asked if a date for the forum in September has been scheduled. Ms. Jacobs stated that staff is waiting for confirmation and looking at a date towards the end of the month. It will be part of Mayor Manager Meeting hosted by the City. She will advise council when it is scheduled.

Council Member Calhoun asked if the document shredding is only for City documents. Yes, the City does statutory document shredding each July.

Council Member Mount asked about the Cyber Security workshop. Ms. Jacobs explained that this is just to get more information from people who know the business better.

Council Member Huisking asked about the abatements. Mr. Brush explained that the process has been accelerated with the assistance of Procurement. They are working their way through the list.

D. Report on Recent Trips, Meetings and Future Meetings – There was nothing discussed.

E. Future Discussion Items and Council Requests

Council Member Calhoun asked about extra time before taxes can be finalized. She also asked if another budget session could be scheduled to flesh out and understand the issue in greater detail.

Mr. Potucek stated that the issue can be put on the next regular council work session in July. The meeting next week (July 2, 2015) is to adopt the tentative budget, or the cap. The discussion at the work sessions included add ins, but now with the delay in the tax implementation those add ins have been adjusted to account for the loss of revenue. In other words, the lost revenue will be deducted from the 686,000 added back in for building maintenance.

Council Member Mount stated that he is concerned that the increased tax rate was developed after spending, including add backs, was decided. Now, some of those things have been taken off the table. We raised taxes to do these things, and now they won't all get in. So, next fiscal year we have to do this all again and make the decisions what to do. So, what we raised taxes to do, won't be done. Mr. Mount requested a list of the public works projects that are being pulled as a result of the TPT implementation delay.

Mayor Mueller stated that he sees no reason to go back and rehash. Mr. Potucek stated that the new list of projects will be provided to Council. He stated that there was always going to be a lag, this just extends the lag.

Mayor Mueller asked when does Council have to vote on the cap. Mr. Potucek stated that next Thursday, will be the vote on the cap. Council can prioritize within the CAP, but the cap can't be exceeded after the passage of the resolution on July 2, 2015. So, if a change in the cap is wanted, it will have to be incorporated into the resolution for July 2.

2. Adjourn

Mayor Mueller adjourned the work session at 5:23 p.m.

Mayor Frederick W. Mueller

Minutes prepared by:

Attest:

Jill Adams, City Clerk

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