

Sierra Vista City Council
Work Session Minutes
February 9, 2016

1. Call to order – 3:00 p.m. in the City Hall, Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Roll Call

Mayor Rick Mueller – present
Mayor Pro Tem Bob Blanchard – absent
Council Member Alesia Ash – present
Council Member Gwen Calhoun – present
Council Member Rachel Gray – present
Council Member Hank Huisking – present
Council Member Craig Mount – present

Others Present:

Chuck Potucek, City Manager
Mary Jacobs, Assistant City Manager
Adam Thrasher, Police Chief
Brain Jones, Battalion Chief Jones, Fire Department
Matt McLachlan, Community Development Director
Richard Cayer, Public Works
Simone McFarland, Economic Development Manager
Judy Hector, PIO
Pam Weir, Management Analyst
Jill Adams, City Clerk
Rainey and Associates

2. Presentation and discussion:

- A. February 11, 2016 Council Meeting Agenda Items (agenda attached)

Mayor Mueller noted that there will be a proclamation declaring 2016 as The Year of Promoting 2-1-1.

Consent Agenda – There was no discussion.

Item 3 Resolution 2016-009, Approving the City of Sierra Vista 2016 Legislative Agenda

Ms. Jacobs stated that this is a follow-up to the conversation held with Council two weeks ago where the legislative agenda was reviewed. This will allow the City and its lobbying firm to be able to share that the City Council has actually adopted the Legislative Agenda and provide the City with support. This is the broad policy direction on the part of the Council that will assist in supporting or not to supporting various bills that pop up very quickly at the Legislature. If there is anything outside of the direction that is provided in the agenda, then unless she receives specific direction on the part of the City Council, there will none taken by the City's lobbyists on its behalf.

Mayor Mueller added that when something pops up that is unexpected or outside the norm, the lobbyist will let Council know as well.

In response to Council Member Calhoun, Mayor Mueller stated that if the policy needs to be changed, the lobbyists will let Council know and added that a lot of times things will happen and it is after the fact. It is hard to get everyone together without a predetermined consensus to do anything.

Council Member Calhoun asked if Council could still provide feedback, even if it were not the entire Council. Ms. Jacobs indicated that it is correct and in her experience, there have been very few things that have fallen outside of the policy direction as it is general enough.

Ms. Jacobs reported that there is a bill right now that is being proposed that the way that it is written right now would preclude the Council, should the Council, years in the future ever choose to acquire a local water utility, from incorporating the purchase price into the rate structure. That is something that the City would oppose because this Council does not want to tie the hands of future City Councils and this is a local control issue. The City has been working with Triadvocates and a number of other communities that are concerned about the bill as well.

Item 4 – Resolution 2016-010, Establishing a Fee for the Foreclosure Registry

Mr. McLachlan stated that last December the City Council adopted Ordinance 15-009, which added Chapter 155, Foreclosure Registry for a real property system to the Code of Ordinances. This implements Section 155.04 that states that the Council will adopt a fee to implement the provisions of that chapter.

Staff is recommending that the fee be set at \$150, which is in line with what Bullhead City adopted.

Council Member Ash asked what the fee covers. Mr. McLachlan states that it covers the staff process time to accept/review the application and the cost for performing the outreach to notify the banks of the registry system. The Department has already had good success as 20 percent of the open cases fall under this provision and the department has had good success connecting the service companies, making them aware of the City's code and making them aware and getting those properties into their system for future maintenance.

Council Member Ash noted that this was brought up at the last Carmichael Neighborhood Association Meeting that was highly lauded by the attendees and so it seems like a really great tool to have. Mr. McLachlan stated that it has already started working.

Council Member Calhoun asked who pays. Mr. McLachlan stated that the banks.

In response to Council Member Huisking, Mr. McLachlan explained that the fee system is essentially setting up a registry for vacant buildings under the custody of the bank/mortgage lender to register and provide their important contact information. Generally there is a higher incidence of property maintenance violations associated with these properties and so it provides the City with that line of communication to notify the mortgage lender of violations of City Code so that they get those over to their asset managers and service companies for remedial action.

Council Member Gray asked if the City is doing anything to enforce the registration by the banks. Mr. McLachlan stated that it is a code requirement so failure to comply with that provisions would be a violation, a Class 1 Misdemeanor; but the goal is to match up those properties to the data base so that the line of communication can be established when there is a problem.

Council Member Calhoun asked if there is a fee for property that is not foreclosed, for sale or for rent; but is empty. Mr. McLachlan stated that even if the property owner moves away, they are still obligated to register under this ordinance even if it is not foreclosed. In order to create that heightened awareness, that line of communication, the owner contact information if and when an issue arises relative to the condition of the property so that the City can contact them.

Council Member Huisking asked how the information is being disseminated to the public. Mr. McLachlan stated that through a number of ways, through social media as Mr. Adams prepared an alert as well as the service companies, i.e., Safe Guard. They are very much in tune with these types of ordinances so the word gets out relatively quickly. The Department is looking at setting up a breakfast with a handful of these types companies, the asset managers, to establish relationships and communicate what the code requires and hopefully work together to resolve issues. It is already working as the Department has tickets in that were not in before just by going through this procedure of notifying the asset managers of the issues because they alert the banks. Also general and targeted announcements will take place.

Item 5 Resolution 2016-011, Appointment of Ariana Heinrich to the Youth Commission, said term to expire July 9, 2017 – There was no discussion

B. Presentation by Rainey and Associates of Cyber security Market and Targeted Industry Analysis

Mayor Mueller acknowledged the many citizens that worked diligently to identify this sector for future industrial growth in Sierra Vista and publicly thanked them all for their participation in this process.

Ms. McFarland stated that a few months ago staff came to Council with the Economic Development Strategy and within that Strategy one of the areas for attraction was cyber security and at the same time talked about was the need for information to make sure that this was something that the City should be going after for attraction efforts and to grow their own within the community. The White Hats Committee, the good guys, was created. The Committee has been the advisory committee and they have helped by guiding the Department along the process.

Ms. McFarland recognized the following individuals: Bruce Washington, Chuck Atkins, Dr. Jim Shockley, Jerry Proctor, Lt. Col. Eric Vandewig, Steve Pedigo, Dr. Randy Groth and Wallis Ricks. These individuals were instrumental in moving the City forward. However, in discussions it was found that more information was needed. A contract was taken out with Tom Rainey and Associates to do a cyber security market and analysis study to find out what the market is doing, how Sierra Vista plays in that market, what can the City do and what are some of the suggestions.

Ms. McFarland added that today seems a little fructuous because she was reading that the Department of Homeland Security and Justice Department were hacked into yesterday and there was no private information stolen; but they take in emails, employees addresses, phone

numbers, job titles and etc. that is on the heels of the 22 Million Americans that had information lost through the office of personnel management. Also, President Obama released his final budget proposal and in it is \$19 Billion suggested for the Cyber Security Initiative. This market is hot.

Mr. Thomas Rainey, President of Rainey and Associates, stated that the firm does technology based economic development projects all over the country. During the last eight years, he has worked in Arizona doing projects all the way from Flagstaff to Sierra Vista. During that last three months, he has spent looking at available assets in the City for cyber security to put together a comprehensive strategy around economic development focus on cyber security.

The purpose of the study was to gage the:

- Worldwide cyber security market;
- Niche markets that may be viable for Sierra Vista to plan current cyber security assets in the City, surrounding area and State.
- Potential champions and partners that could come together with the City to create an initiative;
- Best practices and benchmarks from around the country that could be looked to as examples, communities that are similar to Sierra Vista that were successful in launching similar initiatives; and
- Looking at educational requirements and obstacles to overcome.

The desired outcomes are:

- Job creation and retention;

The number one is job creation and retention of the talent in the City as it was pointed out to him repeatedly that the City has very deep knowledge of cyber security.

- Economic diversification, particularly with defense downsizing and in trying to make sure that Sierra Vista is diversifying away from defense spending by looking at industries that are nondefense that could be adjacent markets that the City could move into
- Technology commercialization by developing a technology cluster and trying to create some more synergies around the particular theme.
- Supporting the mission of Fort Huachuca, which is very important particularly given other defense communities around the country and the informal competition that is going on to either retain or attract new military assets.
- Community development;
- More entrepreneurial culture; and
- Tax revenue generation.

Mr. Rainey stated that he spent time interviewing subject matter experts locally, trying to find out what resources the City has available, talking to civic and business leaders, subject matter experts from around the country and state, academic leaders, potential funding sources and looking at secondary data, which is Sierra Vista demographics, and at some of the previous economic development work already done so as not to replicate, i.e., the McGuire Report.

The conclusion of the study is the development of a technology cluster focused on cyber security in Sierra Vista is conditionally feasible. There are prerequisites to success and if developed, it must be done in phases and with the right public and private partners.

Mr. Rainey defined cyber security as a nebulous term and stated that everyone has a different idea of what cyber security is all about. The National Security Agency's definition is that it comprises a wide range of discrete technologies, capabilities and services developed and ever evolving to provide information and network security in a globally connected digital age. It is software and hardware products, best practices, processes for storing and ensuring data over the internet and between computer devices. From there it can be splintered off into many directions. There are law firms and insurance companies that are now specialized in cyber security as it is a huge and growing industry in its infancy.

Mr. Rainey stated that in the report he listed all of the various cyber threats out there, i.e., the individual hackers, activists with a political agenda, criminal gangs located all around the world and more recently threats to the State's infrastructure (open flood gates and turn off power grids). Due to eminent threat and the fact that there is this severity and nature of threat, last April first, President Obama declared a national emergency to deal with the threat. As of today, he submitted out of the \$4 trillion budget, \$19 billion has been set aside this year for cyber security because it is such a looming threat.

The worldwide market is vast and the cyber security solutions area can be segmented as network security, endpoint security, application security, content security, wireless (mobile) and cloud security. On the services side it can be segmented as consulting, design and integration, risk and threat assessment, managed security solutions, education and training.

Mr. Rainey noted that he found a lot of the latter on the cyber security services in Sierra Vista.

The worldwide cyber security market numbers need to be adjusted based on the budget that just came out. The Federal fiscal year budget was projected to be \$14 billion across the US government and is now \$19 billion and is estimated to reach \$65 billion between 2015 and 2020 with a growth rate of 6.2 percent.

The global market is also huge at \$106 billion in 2015 and projected to increase to \$170 billion by 2020 with a growth rate of 9.8 percent.

The United States is the leader in cyber security around the world; but the only other country that comes close is Israel that has a very strong cyber security industry.

Possible niche areas for the City based on the 68 interviews:

- Cyber intelligence and risk analysis;
- Cyber risk management/training
- Simulations and training;
- Testing, evaluation and demonstrations;
- Cyber security solutions for internet of things, i.e., normal household devices from the refrigerator to a vehicle, medical devices in the body, i.e., a pacemaker;
- Supply chain cyber security.

Based on community feedback when talking to subject matter experts and community leaders there is a very high level of support and compelling partnerships were identified which are already heavily involved. Several academic institutions are prepared to collaborate and are

already heavily involved in cyber security. Most saw the benefit of a program focused on hands on education, training, testing, demonstration and product development.

There is an opportunity to set up an Arizona Cyber Warfare Range in Sierra Vista; but there was concern about the base realignment and potential threats of being heavily reliant on the U.S. military installation. The fact that there was concern about developing an initiative and whether or not there would be enough deal flow to support some of the aspects of this initiative that is being explored. One was a business incubator that might potentially be dedicated to cyber security.

The local industry's greatest needs are access to more qualified cyber security professionals and worker retention.

Council Member Ash asked if the shortage of qualified workers a reflection of the lack of educational programs. Mr. Rainey stated that it is dictated by the fact that there are so many states and companies now that require cyber security training. There are not enough of them coming out of the academic institutions and the military to meet all of those needs. Jobs for cyber security listed on Monster.com for Sierra Vista totaled 209. Nationwide there were 219,000 jobs listed that are unfilled right now because there are simply not enough people coming through. The flip side of that is that there is an opportunity for Sierra Vista to turn out more skilled people with a concerted effort to train more students from K through 12 and to get them excited about cyber security and by virtue that it is a cyber career, it can be done anywhere.

Mayor Mueller stated that one of the challenges explained to him while talking to U of A South and Cochise College is that as they have individuals in these programs, there is such a shortage on the outside that before they complete their appropriate certifications, they are being hired away for good money and they don't necessarily complete all of the certifications. They are trying to work flexibility with the employers so that they do in fact get the students to get through the proper certifications and move on to the next level of certifications. This is an employment issue as well.

Mr. Rainey stated that employers are also getting creative and providing incentives, i.e., as setting up apprenticeship programs and on the job training; but with strings attached that once they get the apprenticeship, they need to stay with the company for a certain number of years.

The initiative is feasible because of the market demand, large and growing global market. The timing is good because of the national urgency; but there are also other more local reasons and that is because the Arizona Commerce Authority has already received some Department of Defense funding to do economic diversification in Arizona. There is potentially an opportunity as the Arizona Commerce Authority goes back for more funding that Sierra Vista be included and request federal funding to do a program in the City that would be part of an economic diversification strategy for Arizona and that is something that Ms. McFarland has been involved to get some of the seed funding.

There also seems to be very strong political and community support for the initiative. Cyber security is like mom and apple pie. It is a clean industry and would fit well in the community.

Regional strengths are Fort Huachuca/Netcom. Having them come is a huge critical asset to the development. Leveraging the resources there and further supporting the mission of the Fort is very important.

The existing local cluster of defense, security, aviation companies and expertise is critical to an initiative as well as the opportunities to partner with similar Arizona communities from a funding standpoint.

Key potential partners identified were talked to and they all support the City. The City has headed the charge with the study and Ms. McFarland has played a very pivotal role in pulling people together, particularly the White Hats Committee.

Cochise College has been involved in delivering educational services and the U of A South is putting together a curriculum to do even more cyber security education training. The Eller College of Management at the U of A's main campus is interested in developing an educational center of excellence around cyber security.

Mr. Rainey noted that he met with the direction of the program, who is interested in connecting the dots between what they are doing up at the main campus and here. They did \$90 million in sponsor research over the last ten years. They are talking about ways to do some of the sponsor research, more of the applied research.

Ms. McFarland met with the Arizona State University Cyber Security Program. Cyber Security and Visual Forensics just launched a multimillion dollar program and they are interested in collaborating with Fort Huachuca and the City. Some of the key people at the Fort have been met with, i.e., NETCOM and others about their collaboration and they are very supportive.

There is also a local real estate developer who is interested in being involved and might potentially provide some space for this type of thing.

Security Canyon which is a City of Phoenix funded initiative; but receives federal funding to do this that is a statewide resource is an attempt to really carve out a niche for Arizona as a center for cyber security.

The Arizona Commerce Authority is a potential funding supporter. They would not provide their funding; but they have access to funding through U.S. Department of Defense that could be made available. Department of Defense has an Office of Economic Adjustment that supports communities that are heavily defense dependent and Ms McFarland has visited with them.

Mr. Rainey stated that Good Year and Mesa are two cities in Arizona that are actively pursuing defense diversification. One of the suggestions in the report was to combine forces and create cluster of defense communities in Arizona to share information.

The Arizona Cyber Warfare Range exists in Mesa at the former Williams Airforce Base. They have created this range where White Hat Hackers, the good guys, come together and attempt to hack into software and hardware products that are donated by sponsors. They have received millions of dollars of sponsorships from big corporations and they have set up this range where people gather and provide white papers back to the sponsors on how vulnerable their products are. They are looking for a good location in the State and they have equipment that has been donated to them that is sitting in a warehouse that could be set up in another location in Arizona as a second Arizona Cyber Warfare Range. It is hands on training for people that are trying to prevent hacking.

The Arizona Cyber Threat Response Alliance is a group that has been in existence in Arizona for a long time and they are based in Phoenix. They would be very receptive to have Sierra Vista partner with them as they all recognize the importance of what is going on with Fort Huachuca and the defense contractors.

The other key potential partner and that has a similar profile to Sierra Vista is Huntsville, Alabama. They have launched Cyber Huntsville Initiative and it is largely based on that they are a smaller defense community with a lot of defense assets. They started their initiative five years ago that could be a good model for Sierra Vista.

One prospective accelerator client was found that is a startup company in the works that would be interested in having services of a business incubator. If the program was started in phases, there may be other opportunities that could potentially come out. This is a second priority; but could be part of the overall strategy.

The Department of Defense Office of Economic Adjustment funding that the Arizona Commerce Authority could go after does require a 10 percent match, one of the lowest matches compared to other federal agencies.

Dr. Randy Groth has a facility and he is interested in having that facility serve as a focal point for the initiative.

Mr. Rainey stated that recommended activities start with some of the initiatives that are already underway:

- The educational partnerships that are critical;
- The Cyber Workforce Development does an excellent job in cyber security training and certifications as well as Cochise College;
- Cyber Testing and Validation Center;

Mr. Rainey stated that Cyber Testing and Validation Center does not yet exist; but when visiting with NETCOM, they were told that it would be attractive to them to have a facility where vendors could actually test and showcase their new cyber security solutions off the Fort where they don't have to go through the logistics of having to get on the Fort.

- Arizona Cyber Warfare Range;
- Applied research and development opportunities particularly the ones from ASU, U of A, Eller School and another center, if there was one in Sierra Vista;
- Pilot business accelerator program because there is only one company interested and potentially lure others and an opportunity for other incubators to partner as an affiliate;
- Strategic partnerships; and
- Branding and marketing campaign

Mr. Rainey stated that if Sierra Vista jumps into this, there would be an opportunity to brand the City similar to Langley, Virginia, automatically thinking intelligence. There is fierce competition for that claim because there are communities around the country that want to be the center for cyber security.

Over the next couple of months, the Arizona Commerce Authority plans to submit a proposal for two years of funding to the U.S. Department of Defense, Office of Economic Adjustment and this is something that could kick start the initiative and the way to get this funded initially.

After that there would need to be sustainability strategy with sponsors and supporters to keep the initiative going.

Mr. Rainey provided the following goals:

- Goal 1 Governance and Management;

Naming a highly credible Council of Advisors - The City has the White Hats Committee that is phenomenal and is a blue ribbon group, the cyber security specialists from the private sector, academic and government as a starting point.

Mr. Rainey stated that he has also provided other contacts for the committee.

Another important part would be to work with a nonprofit organization to serve as development partner/fiscal agent to support launch of the program if the City gets the funding to hire someone to run the program.

- Goal 2 Form academic partnerships;

The good news is that the City has exciting things occurring and even K through Buena High and Col Smith Middle School working on the Air Force Cyber Patriots Program. They are top contenders for the competitions and known for being a center for cyber security expertise kids.

Cochise College has been offering certification courses and educational programs for awhile. The U of A South is proposing a cyber operations program. The Eller College of Management has a cyber security center of academic excellence and they are making a big push in the area because of the demand and all of the funding flowing into the community. The Arizona State University Center for Cyber Security and Digital Forensics has a large program and one of their senior managers met with Ms. McFarland and they are excited about working with the City.

- Goal 3 Join Arizona Defense Entrepreneurship cluster;

Mr. Rainey stated that he had mentioned the ability to partner with several defense communities and the City of Mesa's AZ Labs Program has been doing defense adjustment and working with defense related companies to include some cyber security companies and they also host the Cyber Security Range. There would be opportunities to share subject matter experts that they have on board, training, branding and marketing and strategies for leveraging DOD procurement and veteran business development.

They are ahead of Sierra Vista and they are willing to share and talked about the opportunity of having a video conferencing at a center where when they bring in a subject matter expert from Washington, D.C., they could be beamed into the space in the City and actually present to a group in Sierra Vista or vice versa.

- Goal 4 Explore facility option at 150 S Coronado Drive;

Through the study it was found that the facility at 150 S. Coronado Drive is currently vacant and it has very impressive IT assets, common areas, access to high speed data, proximity to services/amenities and it is a central, high-profile location. There is potential for high security access and the owner is a civic-minded and eager to support the cyber security initiative.

- Goal 5 Create Arizona Cyber Warfare Range South;
- Goal 6 Establish ties to Cyber Huntsville Initiative;

Mr. Rainey commented that Huntsville is very similar to Sierra Vista. They are home to the U.S. Army Aviation and Missile Command, Redstone Arsenal, NASA's Marshall Space Flight Center and many defense contractors (some are the same as to what is in the City of Sierra Vista). It would be very interesting to create a sister cyber security initiative potentially working with the City of Huntsville; but staff has not yet reached out to them.

Mr. Rainey stated that he was tasked with looking at international collaboration and commented that one of the first things that Governor Ducey did upon taking office was to take a trade mission trip to Israel and signed agreements with the Governor of Israel on collaborating with Arizona. There is a city in Israel that has a very similar cyber security initiative and they are also a city with a strong military presence. This is not at the top of the priority list; but further on, there could be an opportunity and create a sister program in Israel.

- Goal 7 Pilot business accelerator ; and
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One company that could potentially go into that space is the Cochise College Small Development Center and the Arizona Business Incubation Association could be another great source.

- Goal 8 Branding and market.

The branding and market would be the City's responsibility initially to create the awareness around the initiative and the assets that the City has available. Partnering and becoming involved with Arizona Cyber Threat Response Alliance, Cyber Canyon, Arizona Infragard Program, FBI funded program, and others.

Mr. Rainey stated that the first and most important obstacle, because of the huge market for cyber security and the federal funding that is flowing in the area, is the intense competition to develop industry clusters. There are already some big ones in San Diego and Maryland. Some of the epicenters for cyber security where there are clusters and not only high technology companies but also defense industrial complex in the greater Washington, D.C. area.

Mr. Rainey stated that any attempt that Sierra Vista would have to break in and become a cluster player would have to be based on realistic expectations and basically a scale down to a city of Sierra Vista's size and this is the reason why he likes Huntsville's because it is an opportunity to mimic what they have already done in a smaller community.

Other potential obstacles:

- The distance to research university resources is a challenge because the fact that the City is a couple of hours away from UofA and ASU;
- Local business headquarters and the decision makers are out of state, even the military decision makers;
- Weak demand for the Business Accelerator at this time;

Mr. Rainey stated that in the community there was skepticism about the City's ability to execute the plan due to limited resources and that is why the ACA funding is important.

- Potential changes (down sizing realignment) at Fort Huachuca;

- Fierce competition for skilled cyber security professionals; and

Mr. Rainey indicated that this is important because it is not only critical to create the jobs in the City; but to create the lifestyle that these workers are looking for. Any initiative launched, cluster could not be developed in a vacuum. It has to be a part of the overall fabric of the City's economic development plan that includes quality of life amenities that professionals will want to engage in, i.e., microbreweries, art galleries, and etc.

- Funding dependent on ability of ACA to secure Department of Defense grant.

Mayor Mueller thanked Mr. Rainey for an informative briefing.

Council Member Calhoun stated that she believes that this is achievable for them and asked if it is realistic to see the City as a cyber security cluster due to the big picture and the discussions held with the White Hats Committee. Mr. Rainey stated that the conclusion reached after three months of digging into the issue is that it is conditionally feasible. The first condition would be getting the seed money that was talked about potentially through some grant funding through the Department of Defense Office of Economic Adjustment.

Mr. Rainey added that the participation of the local contractors, which have been supportive and the fact that they have been involved tells him that there is an opportunity for Sierra Vista.

Mr. Rainey also stated that one of the things that he likes to say during initiatives, has 24 developments all around the country, is that when there are partners around the table that are operating out of enlightened self interest and they want to do good in the community; but they are also doing something that is good for them, holds these types of initiatives together.

Mr. Rainey suggested that the City cobble together a coalition of people who are operating. The local defense contractors need to have that skilled work force and the retention, which is very important to them, i.e., supporting Fort Huachuca's mission, NETCOM and other missions that are critically important. It is a morale booster and it shows that the City is going the extra mile to support what they are doing.

It is feasible and it is going to take a lot of hard work and resources; but the stage is set. If the City can get the initial funding and local real estate partner on board that is willing to provide some space in exchange for services to operate a center.

Council Member Mount stated that he appreciates the presentation and disclosed that he is a vice president for a contracting firm and they are partners and they are also competitors with a lot of the people mentioned. Although, he sees this as the underpinning for something that he believes is fully achievable, he is trying to figure out, without being self serving, how does the Council function and how do they fulfill their goal in government as it relates to economic development under the two key principles that the government has to perform which are to prevent monopolies from happening and to set the stage for a competitive environment so that all business have the chance to flourish.

Council Member Mount noted that he sees this from two different perspectives, the side of himself that has business development rolled up underneath his own company for which he has been trying to hire more technical people for the Fort and from a Council position and its role on how to pick the people that are going to be the White Hat advisors who don't have necessarily a conflict of interest when it comes to the competitive market space.

Council Member Mount stated that he would like to know how to take the underpinnings that were presented and go back to:

- Look at the people involved;
- Look at local contract companies that have the most to lose as well as the most to gain;
- Look at the bigger ones that have the resources to make it a reality;
- Find a balancing act so that it is does not come across whether perceived or real that the conditions have already been set and that these are the winners and losers.

Council Member Mount stated that he believes that Council has some serious things to work out and can't just say that it is all great and go ahead and do it because Council cannot be involved in picking winners or losers at the government level. At the same time, he would like to know how does Council balance it out with the work that has already been done and make sure that people who have invested time and provided some of the resources also have a chance to go forward as well. There is so much complexity.

Council Member stated that his other concern is with the market space for cyber security that is heavily competitive to the point where the Center of Excellence changed its name from the Signal Center of Excellence to the Cyber Center of Excellence and there are Intel assets that for 30 years have been called Intel Collectors and are now called Cyber Collectors because everybody sees that \$19 Billion rolling around.

Council Member Mount asked if there is another facet, another piece of the market space that is tied to the way that information moves across networks that were just missing while everybody else is looking at the competitive space that is cyber security. He believes that the answer is yes; but are those people in the room to sit there and say that they love it when the City was doing the internet of things and how does the City make little devices talk to each other. There are not a lot of people doing that. There are the big vendors; but at the localized level it is not.

Council Member Mount stated that he believes that if some of the wickets can be worked out and prevent picking winners and losers, he would love to support this and go forward and \$50,000 is not too much of an investment. He also stated that he believes that it is about what it will take, if not a little bit more, in order to move this out, which would be great for the economy.

Mr. Rainey stated that one suggestion in the report is to look at a community like Huntsville that has already tackled some of these issues and try to understand how they have cobbled together a consortium of even friend enemies, companies that are competitors that are sitting around the table and understand that here is an asset that needs to be built on and that could be leveraged and doing everything in their power to create a conducive atmosphere for more business development. The City could even look closer because here in Arizona there are communities all around the state that have carved out niches in different cluster areas.

Mr. Rainey provided Flagstaff as an example that hired him eight years ago to develop a strategy that resulted in the Arizona Center for Emerging Technologies, which is a focal point in Flagstaff for entrepreneurship. They have launched 36 companies and brought in \$170 Million in outside funding for the startup companies. Initially, when he met with the community, one of the themes that they wanted to explore was clean energy and this could be another example that Sierra Vista could look at. They did not pick the winners; they created a platform

that companies could use as a springboard into starting their own companies, serving as investors and creating a much more entrepreneurial environment.

Mr. Rainey added that he actually helped Flagstaff forge that strategy and then he was recruited to Arizona also eight years ago to serve as the initial president of that initiative to get it started and so he helped to get it up and running and then it was a turnkey operation and they raised \$5.5 Million from the Department of Commerce to build a building that served as the focal point. It is a long term strategy; but Sierra Vista already has so many really good ingredients to work with.

Mayor Mueller stated that he believes one of Council Member Mount's concerns is the governance piece; but there are models in Flagstaff for the City to follow. The City has in the past worked with nonprofit agencies and essentially, what he sees is an advisory board that has to come up with for profit players that want to organize internal governance where the Council is not the driver. However Council can assist, be a member and help promote; but that nonprofit advisory board would be the one to drive the initiative and they would operate as a private entity and establish its own rules. There would be public/private partnerships.

Council Member Mount stated that he has a concern with utilizing tax payers' money. Mayor Mueller pointed out that for the initial startup and anytime that there is money from the government it entails tax payers' money.

Council Member Mount noted that it is the 10 percent. Mayor Mueller stated that it was the case working with the EDF. The City continued to do that; but he thinks that if it is on a short term basis, an initial basis, he does not have a problem with it as long as they remain open to everybody participating. However, on a long term basis, he does not believe that the City should continue to fund it.

Council Member Mount stated that he agrees with that and he thinks that as this thing starts to uncoil, it is what government needs to be there because he believes that it truly can't just jump over especially with the Council as they represent the people of Sierra Vista. If there is putting a 10 percent stake into this, then the City has to have at least stakes in it as well to make sure that the City is represented well and that the City is not doing anything that comes across in bad light and he would hate to see friend enemies that are not enemies about this; but are heavily competing on other things and then that starts to bleed over and everyone knows that it has happened before, not necessarily with the City or companies in the community.

Mayor Mueller stated that it goes back to the governance piece and Council needs to make sure that their involvement is a fair broker as a Council.

Council Member Ash asked if most of the \$19 Billion is tied to the Department of Defense and how that money trickles down to communities. Mr. Rainey stated that it is spread out to government agencies from the Department of Homeland Security to FBI to multiple government agencies. The way it trickles down to communities like Sierra Vista is often times through grants, solicitations that come out for funding for new cyber security solutions or SBRR grants that companies can go after to pursue new cyber security solutions. There will be multiple ways that the funding will trickle down; but it is going to be up to the leaders around the table who are keeping an eye on the opportunities to figure out exactly where in Sierra Vista can step in and again, that the funding source that is identified, if funding that is already exists for communities that are defense communities that are potentially vulnerable to defense downsizing. Based on the research done, Sierra Vista would fit the bill; but then one of the

White Hats group very astutely pointed out that in addition to the branding and marketing role that the City would play there would be an opportunity for the City to also identify grant funding, grant writing that could be done to support the initiative.

With regard to the governance issue, there are ways that cities all around the country are sort of creating firewalls between themselves and these technology based economic development strategies. Rainey Associates, on a pro bono basis, can provide several very detailed overviews on how that happens locally. It is a problem that has already been dealt with.

Mayor Mueller asked Ms. McFarland for proposed next steps and budget impacts. Ms. McFarland stated that Mr. Rainey has outlined eight steps presented in the strategy and they will be looking at those steps and see how to move forward in each of those areas. They will definitely be applying for the OEA Grant and they have been working with the Arizona Commerce Authority (ACA) and the City of Goodyear to put together that grant proposal. Mr. Rainey will be writing that grant proposal for the City and he is already on ACA's payroll for some other things and he will be including Sierra Vista for that grant at no cost to the City. The City will have to provide the match and it looks like they will be applying for the \$50,000; but it will be a two-year project. It will be \$25,000 for the first year and \$25,000 for the second year.

Council Member Gray asked about the partnership with Goodyear for the \$50,000. Ms. McFarland stated that the \$50,000 would be Sierra Vista's portion.

Council Member Mount asked that if it is going to be \$25,000 this year and taxes are not raised, what will be taken off the plate. Ms. McFarland stated that those issues will be discussed during the budget process. Mayor Mueller pointed out that she is correct.

Ms. McFarland stated that the second area of focus is the cyber range and they have been in discussions to bring the range to the City. The City already has all of the equipment and they want to be in Sierra Vista as they recognize the assets; but it is a matter of finding a building that the City can put them in that is free or is donated.

Ms. McFarland noted that Mr. Rainey talked a lot about connecting the dots and in the future the City has a lot of information with the 68 people that he interviewed. She likened it to a puzzle and added that with the analysis that Mr. Rainey has done, he has now formed the outside of the puzzle and now there are pieces that need to fit in so in the future that is one of the things that will be looked at:

- How do these opportunities come forward;
- How can the City match;
- How can the City partner with them;
- There may be other puzzle pieces that come in and how do those fit together; and
- How does the City tie all that together?

The White Hats' overall vision and discussed was that Sierra Vista would become a Tech Campus and it would not just be a campus on UofA, Cochise or etc., it would be the whole City. Maybe there would be education portions at Cochise College and R&D at UofA. These different things that are going on would be tied together. Also looked at would be how to fund all of this and solidifying the vision as they start to move forward.

One of the things talked about when the range is brought over to Sierra Vista is workforce development. The UofA is looking at developing the Center of Academic Excellence in cyber operations; but a concern is how to tie in Cochise College and then going all the way down

from K through 12. They have started meeting with all of the different entities to talk about how to create the pathway for success.

The White Hats Committee will be expanded to include technical people that have been identified through the process and that have technical skill sets and understand cyber a lot more in depth to use their expertise and leverage their knowledge.

The other thing being looked at is the feasibility of the testing and evaluation center; but they are in the preliminary steps right now. The last thing that will be looked at is the branding as they move through the budget process as to what needs to be done to make that happen and how to get the word out that Sierra Vista is actively wanting to engage and creating this cluster.

Council Member Huisking stated that she appreciates the research that is very thorough and the community's input and noted that she is very impressed.

Mayor Mueller stated that it seems to him that the City is just dipping its toe in the water as there are a lot of decisions.

Council Member Ash asked about the advantage of having a testing facility off of installation for potential vendors. Ms. McFarland stated that there are a lot of regulations on post that they would not have off post.

Ms. McFarland stated that they have done this in three months and next week will be her one year anniversary and she thanked everybody and closed by pointing out that the City has gone from 0 to 100 in a year.

C. Presentation on the Development Impact Fee Process

Ms. Weir stated that the goal is to let Council know what is coming up in the development impact fee process as well as providing a preview of policy options that Council will be considering in 60 days at a work session. As prescribed by state law the entire process takes a minimum of 125 days so this will not be wrapped up until mid October. The methodology is tightly defined in state law as well as the City's ordinance. There are several opportunities for public input including two public hearings and those will be Council work sessions and two Council meetings where Council will be making two decision points about the fee schedule.

The two major components are the approval of land use assumptions and infrastructure improvement plan documents prepared by TischlerBise and they go through the entire methodology of all the different fee categories, the basis for developing what the fee rates will ultimately be. Once those have been approved, after another public comment period, there will be an approval of the development fee schedule.

The draft land use assumptions and infrastructure improvement plan documents have been published on the City's web site. There are three different options published because Council has not made their final decision on which direction to go with some of assumptions. They will be posted for 60 days before the public hearing, which is scheduled for April 12th. Policy alternatives will be discussed at the work session for Council to reach an agreement so that staff can then develop the resolution and bring it back to Council 30 days after another public comment period for Council approval on May 12th.

Once the documents have been approved the development fee setting process begins. The day after Council approves the documents, staff will post the approved documents as well as the proposed fee schedules for the public's viewing for 30 days to be followed by a second major public hearing, which will be another work session where Council will discuss in more depth the fee structures. Thirty days after that roughly on July 28th during the regular Council Meeting, Council will have a vote on a resolution to adopt the new development fee schedule. State Law prescribes that there must be a 75 day waiting period before those fees actually take effect. Any changes to the fees would not impact the community until mid October.

It is over 200 days of opportunities to continue to involve the business community and the public as well as to contemplate the various options.

Since the last work session held with TischlerBise Council arrived at a couple of conclusions; but there were still some outstanding policy options left regarding the direction that Council wants to head with the development fees. Staff did move the construction of multiuse paths to the transportation fee category and that was after input from TischlerBise as well as Council regarding the use of those multiuse paths and charging new development some of the costs of constructing multiuse paths because they are used for transpiration as well as recreation and to continue not charging parks fees to commercial development as a result of that move. All three draft options have included these changes.

The remaining decision revolves around the number of projected lane miles the City tends to build in the next ten years. Three different ways can be approached in order to impact the fee amounts:

- Promise to build more or less based on new development;
- Choose to reduce a fee; but under State Law the City has to identify an alternate funding source to make up the difference;

Ms. Weir stated that if new development is not paying for what was promised to build, the City needs to show that it will make up the difference. That is already done in one way by subsidizing 25 percent of the development fees using proceeds from the construction's sales tax. If Council went in this direction, it would then be a process of determine how that would happen. Within the side of how much to build, the three options are projected 10 lane miles to be built seven and five and those affect the fees, the amount that the developers pay in fees for the transportation fee category; but it also impacts the amount of infrastructure that will be supported by new development. The full report based on all projections recommends 10 lane miles.

Mayor Mueller asked over how many years. Ms. Weir stated that it is over 10 years. Stepping down from that would alter the methodology.

The fourth option would be on the fee schedule side to make a targeted reduction of the fees; but the City would have to make that up some other way.

Ms. Weir provided the following slides regarding the options:

- Option 1: 10 lane miles

The fees in all of the nonresidential development categories would increase and in the residential categories there would be an increase in single family unites; but a reduction in multifamily and manufactured housing.

- Option 2: 7 lane miles

Seen are a reduction in all residential categories and a smaller increase in all of the nonresidential categories.

- Option 3: 5 lane miles

There is a significant reduction in all residential fees and a moderate increase in the nonresidential fees. This sort of follows the standard methodology and this would be without playing with the financial side of things. This lowest that the fees can get if that is Council's goal; but it also means the smaller amount of infrastructure supported by the fees.

- Option 4: targeted reduction

The Council would still need to decide a projected level of infrastructure that they want supported and once that was decided and they have those fees, then they could make the policy decision to use a percentage to target a reduction of those fees. It would have to be made up through another funding source and Council would potentially looking at general fund, capital improvements and taking away from those sources in order to support growth associated with new development.

Council Member Huisking asked that if an option could be changed if it was decided that it really was not working for Sierra Vista and would the City have to wait another three years in order to change it. Ms. Weir stated that it is her understanding that the City looks at the fees every year and so there would be an opportunity. Ms. Jacobs stated that the City Ordinance stated that the City is required to look at the fees every three years; but they could be looked at sooner.

Council Member Huisking asked if the City could change its course if needed. Ms. Weir and Ms. Jacobs stated that definitely the course could be changed.

Council Member Mount asked if TischlerBise has to be paid, if Council chose to look at the fees annually and differed to State Law and worked with the local developers. Ms. Jacobs stated that the City could likely keep many of the projections if the City was looking at it from one year to the next, i.e., growth projections and those could be updated. The City would need to go through the methodology because they have to go through that methodology and if the City has someone on staff that can go through that then the City can certainly do the calculations. The calculations have to be made one way or another, whether it is external or internal. The report has to be created every time that Council adopts the fees.

Council Member Mount asked if there is anyone on staff that can do it. Ms. Jacobs stated that when Ms. Weir leaves, the answer will be no and it would have to be seen at that time.

Mayor Mueller thanked Ms. Weir for her report.

D. Presentation Regarding CDBG Annual Action Plan and Upcoming Grant Process

Mr. McLachlan explained that the Community Development Block Program which is commonly referred to by its acronym, CDBG is a federally authorized program under Title 1 of the

Housing and Community Development Act of 1974. It is run by the US Department of Housing and Urban Development.

In February 2013 the Office of Management Budget added Sierra Vista and Douglas to the list of metropolitan areas, which qualified Sierra Vista to become an entitlement community. Prior to that year, CDBG funds flowed through the Arizona Department of Housing with the Southeastern Arizona Governments Organization (SEAGO) serving as a clearing house on a two year application cycle.

Mr. McLachlan stated that the presentation will provide a refresher on the National Objectives and focus areas of the CDBG Program, the relationship to the City's Five Year Consolidated Plan and the steps being gone through the development of this year's Annual Action Plan. He will conclude with a status update on Fiscal year 2014-2015 projects.

The primary objective of the Housing and Community Development Act of 1974 is the creation of viable urban communities and while urban may not be the first adjective that comes to mind in describing Sierra Vista, the simple definition of urban is of or relating to cities and the people that live in them. More specifically the Act concentrates on providing low to moderate income persons with suitable living environments, creating sustainable neighborhoods that offer safe and decent housing with adequate infrastructure, i.e., streets, parks, sewers, drainage facilities as a basis for community development. Expanded economic opportunities include things like job training and access to child care that facilitate employment.

For a project to be eligible, the project must fulfill one of the National Objectives and be specifically authorized by CDBG as an eligible activity under the code of federal regulations. The three National Objectives are:

- Project that benefits low and moderate income (LMI) persons;

LMI's projects are the easiest way to qualify a project and Sierra Vista has four census tracks that are designated as LMI, which are depict and described in Exhibit A of the Department's memo.

- Prevention or removal of slum and blight

The City has designated portions of the west end to be an urban infill and redevelopment area pursuant to State Statute and there are areas within that designation that could certainly qualify under this objective.

- An activity which meets an urgent need where existing conditions pose serious and imminent threat to the health or welfare of the community.

This category is not something that is planned for and is rarely used; but it is an available option if the need ever arises.

The low to moderate income threshold is 80 percent or less of the HUD Area Median Income (AMI). For the 2015 Program year the upper median income limit for a family of four in Cochise County was \$43,100. The low to moderate income benefit can be an area benefit with the prerequisites being more than half of the households being under the income threshold and residing within a predominantly residential area. The activity must be designed to primarily benefit current residents of the service area and not future development.

Mr. McLachlan presented to Council a map of the City with CDBG target areas and explained that the Fry Town site target area one on the map has the highest percentages of households qualifying as LMI at 78 percent followed by Sulger, Number two on the map at 66 percent and then Cloud Nine at 63 percent.

In response to Council Member Calhoun, Mr. McLachlan clarified that the \$43,000 was 80 percent Area Median Income for a family of four.

In response to Council Members Calhoun and Huisking, Mr. McLachlan explained that Target Number 3 is what the Department calls the Fry/Wilcox area at 62 percent.

In response to Council Member Calhoun, Mayor Mueller further explained that the area is where the apartments and the Bellaire Mobile Home Park are located.

Mr. McLachlan stated that there are aerial enlargements in Exhibit A of the memo to Council that more graphically depict the boundaries.

Mr. McLachlan stated that the City can also qualify an LMI project as a limited clientele benefit and this is one that benefits or is restricted to a specific group of people, at least 51 percent of whom are LMI. The category includes groups i.e., abused children, battered spouses, homeless persons, elderly persons, persons with severe disabilities, persons living with AIDS, and illiterate persons.

An LMI benefit can be a housing benefit which includes owner-occupied home rehabilitation, emergency home repair, down payment assistance, rental acquisition/rehab and homeowner counseling programs. To qualify the structure must be occupied by an income verified LMI household.

An LMI benefit can be directed towards job creation or retention activities designed to create or retain permanent jobs and at least 51 percent being made available to LMI persons.

Mr. McLachlan addressed a National Objective on remedying slum and blight – characteristics in the community that can be done in an area or spot basis. The selected activities must focus on conditions contributing to the deterioration of the area. Also the area basis must be Criteria One or Two and the City must document and find the public improvements to the area are in a general state of deterioration or at least 51 percent of the properties throughout the area experience one or more of the following conditions:

- Physical deterioration of buildings or public improvements;
- Abandonment of properties;
- Chronic high occupancy turnover or vacancy rates in commercial or industrial buildings;
- Significant decline in property values or abnormally low property values relative to other areas in the community; or
- Known or suspected contamination.

Slum and blight removal on a spot basis is addressing conditions within a single structure not located in area designated as slum and blight. Activities are limited to acquisition clearance, relocation, historic preservation, remediation of environmental contamination and building rehabilitation.

Mr. McLachlan stated that in Sierra Vista there is going to be a high overlap between LMI target areas and locations manifesting slum and blight characteristics. He also noted that it is important to remember that 70 percent of the City CDBG funds must be expended under the LMI objectives. It is very likely that some activities may qualify under more than one National Objective; but it is the Department's recommendation to choose one that is easiest to document.

Mr. McLachlan stated that he recommends that Council look first at the needs of the four target areas as they are documented as being LMI before spending time qualifying other areas of the community.

The City can allocate up to 15 percent of the CDBG Program revenue for public service activities, i.e., services for the homeless persons, health services, childcare services, services for the senior citizens and the like. This translates into about \$30,000 that could be devoted to such use. In order to qualify, the public service activity must be either be a new service or provide a measurable increase in the level of service that has been provided by the subrecipient over the previous 12 months.

Council Member Calhoun asked if that is a sustainable use and something that has to continue or can it be a one-time. Mr. McLachlan stated that the 30 percent can be set aside for this year's Annual Action Plan, which is the City's grant request to HUD for this year's round of funding and that would be on the gross that the City receives, estimated to be \$200,000.

Mayor Mueller noted that he heard two questions and provided the following example: The agency gets \$30,000 and at the end of next year they are going to have to show that they had an increase in service. That has to happen that year and they will have to reapply again for funds and again, they have to show an increase in services. This is part of the problem for some of these social agencies that want that money because they need to demonstrate that they are really increasing the service.

Council Member Calhoun asked if the reason is that they have to bring in some funds to sustain whatever service they are providing. Mayor Mueller noted that if in fact they get the funds the first year; but if another group gets the funding the next year, where is the first group going to get the additional funding to continue the program for the second year. This is another issue for the agency.

Council Member Calhoun asked if Council would have to make sure that the agency is going to sustain/maintain the growth. Mayor Mueller asked if Council should consider that as part of the decision of the award and he believes that they should; but it does not appear to be a requirement for the federal government.

Mr. McLachlan stated that the public service agency would enter into a subrecipient agreement and there would be certain performance expectations, contractual obligations that they would need to meet pursuant to grant request for the next three to five years.

Mayor Mueller noted that it could be challenge for the agency.

The Consolidated Plan is a five year planning document required by HUD detailing priorities of how the City plans to invest its resources to meet the ongoing affordable housing, community development, economic development and community service needs. The City's Consolidated Plan was adopted two years ago following an extensive community engagement process. By

HUD's definition, there are 35 percent of Sierra Vista's households at or below the 80 percent of AMI and qualifies LMI. The Consolidated Plan sets forth public improvements and infrastructure, rental assistance and homeowner repair as high priority needs.

The Annual Action Plan carries out the Consolidate Plan and is essentially the City's grant application to HUD for CDBG funding for the upcoming year. The Plan outlines the community's needs, budget priorities and proposed activities for FY2016. The Annual Action Plan begins with a notice of funding availability requesting applications for the proposed projects from public service agencies.

Mr. McLachlan stated that HUD has not yet released this year's allotment so advertised is an estimate of \$200,000 with \$160,000 being available for eligible projects and activities after administrative costs. In addition to a legal ad in the Sierra Vista Herald, direct mailing and community meetings were issued to the area of public service agencies. The first meeting is scheduled for today at the American Legion Post on Theater Drive, east of North Carmichael. The second meeting is scheduled for a week from today at City Hall at 2:00 p.m. Public agency requests are due on March 10th and staff will review the needs and identification forms for eligibility and forward them on to Council for consideration and ranking. The top eligible projects will be considered again at a public hearing on March 24th for approval and staff will then insert the approved projects to the Annual Action Plan and publish a 30 day notice that starts the review period. The final adoption of the Annual Action Plan is tentatively scheduled for April 28th; but if necessary could be pushed out to May 12th to meet the May 15th submission deadline to HUD.

Mr. McLachlan shared improvement projects status from the last two years:

- The City recently completed the FY2014 project entailing ADA accessibility improvements to Veterans' Memorial Park at a total cost of \$158,478.

- Concrete sidewalks totaling 14,800 square feet were installed along Jean Randall Way from Fry Boulevard and a continuous loop was built into the main area of the park and around the playground.

- ADA ramps were modified and installed.

The FY2015 project is still in design stage with construction documents to be prepared by early summer and bids going out in July with an estimated completion date of this September. There are two components to this project with an estimated cost of \$216,000. The first is installation of curb, gutter and sidewalk along the north side of Taylor from N. Garden Avenue to Tacoma and a redesign of the walkway into Soldier Creek Park to make it ADA accessible. The second component involves adding solar street lights in the incorporated limits of the Fry Town site area at Taylor Drive, Evans Drive, N. Carmichael Avenue, Ryan Drive and three along east Theater Drive.

Mr. McLachlan stated that the exhibits are attached to Council's memo that depict and describe the existing development patterns within each of the four target areas as well as the precedence and extent of sidewalks, street lighting, and the Department agrees with the historical focus an emphasis of using CDBG funds to fill in the gaps to the network to **enhance**.

Council Member Huisking asked if one out of the four target areas has particular/great needs that need attention. She also asked about the history of the projects in other areas. Mr. McLachlan stated that he is only aware of the past two year's round of projects.

Mr. Potucek stated that clearly most of the work has been the Fry Town site. Also Cloud Nine after it was annexed because of the promised streets. CDBG funds were instrumental and most recently the Sulger Sewer Project, which has now been annexed into the City. The only area where they have not done any projects is Target Area No. 3 and there may be opportunities to look at the area more closely.

Council Member Calhoun asked if staff looks at the four target areas or do they rely on Council and the public. Mr. McLachlan explained that staff overlaid the projects that are in the City's CIP, which is a starting point. Going back to the Consolidated Plan and the document, Council may want to look at deficiencies i.e., Sulger has no proper drainage and streets.

Mayor Mueller stated that the answer to Council Member Calhoun's questions is yes to both.

Mr. Potucek stated that many different projects have been done across the spectrum and referred to the domestic shelter as an example. The City has also had the opportunity to work with the County to expand for infrastructure projects and that opportunity is presenting itself again. Staff will leverage funds and there will be other projects that come to Council.

Mayor Mueller explained how it worked in the past with the Southeastern Arizona Governments Organization (SEAGO). Mr. Potucek stated that the project coming forward is from the west end.

Council Member Ash asked how projects are coordinated with the County. Mr. McLahlan stated that the coordination has taken place. Mr. Potucek added to the explanation.

E. Presentation of Proposal by Council Member Calhoun for a Board and Commission Task Force

Council Member Calhoun, a former commission member, stated that the purpose of the review is to evaluate all non-statutory boards and commissions appointed by the Council and to make recommendations to ensure that the structure, the appointment process, the appointment of tasks and the work that the commissions meet the stated goal of Council.

Council Member Calhoun also proposed a task force made up of council members, current commission members, and members of the public to conduct the review, which would determine if the commissions were working as effectively and efficiently as they could be, in terms of achieving the goals set out for them in the resolutions that established them.

The council could then take action based on the findings of the task force, such as consolidating or expanding some of the commissions. The boards and commissions are one of the ways of connecting with the citizens in the community and it is one of the ways that the citizens have to give input to Council; but she wonders if the Council is actually using that ability of the boards and commissions to their best advantage.

The council itself should bear some of the responsibility as well, if it is determined that commissions and boards have drifted away from their intended purpose of proposing policy changes to the council.

Council could be doing a better job interacting with the commissions to get more information that would be helpful to Council in the decisions that are made.

Council Member Mount stated that he agrees in that the commissions need to be reviewed for effectiveness; but it is important for Council to first define its expectations as he thinks that the real question comes down to, what Council wants the commissions to do, before trying to figure out how to fix all of it. Maybe it is just a reshaping of what it is we expect.

Mayor Mueller noted that each commission has a mission adopted by resolution and that will need to be reviewed as well.

Council Member Calhoun stated that what she wants to avoid is a preconceived ideas of what she wants as all she is asking is to look at improving the communication. The annual reports have been lacking; but that could be because Council has not asked for what Council wants and that is why she is suggesting a task force.

Council Member Mount asked how the members would be picked out.

Council Member Huisking echoed his idea and stated that when the Council hears the annual reports from the commissions, Council often offers little feedback and that has been really discouraging for the commissions.

Council Member Huisking added that she also agrees that, if Council wants the commissions to come up with a product that serves the council and the strategic plan, she thinks that Council needs to be more proactive in what they want the commissions to do.

Council Member Huisking suggested that instead of a new task force, the already established Citizens Advisory Commission (CAC) could be tasked with the review. Unlike other city commissions, the CAC does not meet regularly and only reforms when given a specific task by the Council.

Council Member Calhoun stated that Council and current commissioners would be the best ones to make the decision to move forward; but she would include the CAC to be looked at as well. However, she is not sure that CAC is the best group to do that.

Council Member Mount agreed with Council Member Huisking and noted that by the time the task force is figured out, the CAC could be working on it and he likes the idea of them sitting with Council and staff and making recommendations. This would be a much more streamlined process.

Council Member Ash stated that she is not opposed to the CAC performing the review; but noted that it would have to be made clear in any resolution or direction to the CAC that it would not be tasked with reviewing itself.

Mayor Mueller stated that the two required by Statute are the P&Z and Pension Board.

In response to Council Member Ash, Mayor Mueller stated that the CAC could make a recommendation about themselves as the only mission they have is to periodically look at the CIP.

Council Member Ash agreed that the CAC could brief Council about themselves. Council Member Mount noted that the CAC would not go away.

Mayor Mueller stated that there is a consensus to use the CAC and noted that he has discussed this issue with Ms. Jacobs and what he expects is for the commissions' purpose and objectives to be reviewed before this comes back before Council in order to task the CAC.

Council Member Calhoun asked if a council member could sit at the CAC meetings while the task is performed. Council Member Gray stated yes. Mayor Mueller noted that a council member can go before the CAC and express what they want. This is appropriate; but the council Member would not have a vote or recommend as that would be inappropriate.

Mayor Mueller noted that there is a consensus to go back and review the proposal and amend it to state that the CAC would be tasked to perform the review.

Mr. Potucek stated that, over the years, the purpose of the various commissions has expanded beyond the original intent of the Council. The boards and commissions right now are doing a vast range of things, from being event planners to offering Council suggestions on policy, which he thinks was the original intent of the commissions, to provide policy recommendations to Council; but Council has them kind of all over the place.

Mr. Potucek stated that he thinks that it is time to look at the structure and at what they ask them to do. He also thinks that the CAC is a good way to do that.

Council Member Ash stated that at the Arts and Humanities Commission Meeting, she let them know what was going on and asked how the commissions would be informed about this. Mayor Mueller stated that the council liaison should make them aware so as not to blindside them.

Council Member Gray stated that it emphasizes the need for Council to take an active role in reviewing the missions of the commissions and boards to ensure they reflect the expectations of the council. She also noted that she just wants to make sure that Council is giving them a very clear definition of what Council is asking them to do because right now, it is very broad.

Mr. Potucek stated that the resolution would come back before Council in a future work session for a final review before being added to a city council agenda for action.

F. Future Discussion Items and Council Requests – nothing was discussed.

3. Adjourn

Mayor Mueller adjourned the work session at 5:00 p.m.

Mayor Frederick W. Mueller

Minutes prepared by:

Attest:

Maria G. Marsh, Deputy City Clerk

Jill Adams, City Clerk