Sierra Vista City Council
Work Session Minutes
May 10, 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 – present
Council Member Alesia Ash – present
Council Member Gwen Calhoun – present
Council Member Rachel Gray – absent (in Washington, D.C.)
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
Sharon Flissar, Public Works Director
Victoria Yarbrough, Library and Leisure Services Director
Carson Bise, TischlerBise

2. Presentation and discussion:

A. May 12, 2016 Council Meeting Agenda Items (agenda attached)

There was no discussion on the proposed agenda for May 12th.

B. Development Impact Fee Updates: Land Use Assumptions (LUA) and the Infrastructure Improvement Plan (IIP)

Ms. Jacobs stated that on the May 12th agenda for Council's action is the to Land Use Assumptions (LUA) and the Infrastructure Improvement Plan (IIP) that is a required step in the process of adopting updated development fees. About a month ago, there was a public hearing and questions were brought up as a result of the discussion by Council. There is a detailed memorandum provided by the City's consultant TischlerBise responding to each of the items and today Carson Bise who is the Principle of Tischler Bise will brief Council on a recommendation.

Mr. Bise briefed Council on the onerous adoption process that is required in the State of Arizona. There is a minimum of 225 days to process and it is defined by State Law and City Ordinance. There are several methodological assumptions under pinning that are tightly defined within SB1525. As part of the update process there are different junctures where there is opportunity for public input including the two public hearings and Council Meetings.

There are two major written components:
- Approval of the land Use Assumptions and Infrastructure Improvement Plan; and
- Approval of the final report and development fee schedule.

Mr. Bise provided the process calendar for the Land Use Assumptions and Infrastructure Improvements Plan:

- February - Land Use Assumptions and Infrastructure Improvements Plan published on the City's website along with a notice of public hearing in 60 days;
- April 12 – Public hearing on Land Use Assumptions and Infrastructure Improvements Plan;
- May 12 – Council adoption of Land Use Assumptions and Infrastructure Improvements Plan;
- May 13 – approved Land Use Assumptions and Infrastructure Improvements Plan and proposed development fees published on City website along with a notice of public hearing on proposed development fees in 30 days;
- June 23 – public hearing on proposed development fees;
- July 28 – Council to vote on resolution to adopt new development fee schedule; and
- October 17 – recommended effective date for new development fees that has to be a minimum of 75 days of the day of adoption.

There are three options in terms of the options provided to Council as it relates to transportation that vary the projected number of lane miles, which in turn influences the amount of the actual development fee.

There are also options, which are offshoots of those options where the residential increases are kept the same as under Options 1, 2A and 3A; but it maintains the current rates for nonresidential fees under Options 2B and 3B.

Option 1 – 10 lane miles and this is the option that it takes to maintain current levels of service on the road network. The single family units have a fee of about $4,467 and increase of $622 over the current single family amount. The multifamily unit and manufactured housing go down slightly. From a nonresidential perspective, hotel room fee increases $685 to a total of $1,565 per room. Commercial is assessed on a per 1,000 square foot basis and that would be $7.28, an increase of 40 percent over the current amount and then there is office and other services as well as industrial that are lower than the retail commercial option.

Option 2A reduces the Infrastructure Improvements Plan and fees will be based over the ten year period to five lane miles. Under this approach the fees go down for all of the residential categories and using single family as the benchmark that fee would go down to $619 over the current amount; but there would still be increases to the nonresidential fee schedule.

Option 2B is the same assumption for the Infrastructure Improvements Plan. The nonresidential fees remain at the current levels that the City is collecting at this point and time.

Option 3A is a compromise between the five and the ten and under this approach the fees go down slightly for the single family and if that is used as the benchmark, it goes down about $180 over the current fee. The multifamily and manufacturing housing go down significantly. The nonresidential fees are still more that what the City is collecting.

Option 3B keeps those fees at the same amount that the City is collecting.

Mr. Bise stated that one of the tenants that are had with impact fees is that the entities are really not allowed to arbitrarily discriminate against classes of property. The City cannot charge residential development for roads and not charge nonresidential at all because there are equal protection issues. The City cannot arbitrarily waive fees for nonresidential or categories within nonresidential itself unless one were to try some economic policy/goal that is

stated in the Comprehensive Plan and/or making itself whole through another resource. By reducing the fees and keeping the fees at the same level from a nonresidential perspective, the City will have to make up the difference from another revenue source, which would be the General Fund.

Mr. Bise displayed Options 2, 2A and 2B, which depicted that the City has an obligation to make up the difference and noted that there is a substantial contribution in order to make the City whole. The City's obligation under Option 2B increases and under Option 3, seven lane miles, the full fees are different and they go up slightly. There is a commiserating increase in what the developer would have to contribute versus what the City would contribute.

The five-year revenue collections provide an idea as to what the cash flow would be if the developer projections hold true. There is no offset for parks and libraries from the General Fund because it is assumed that those fees are adopted at 100 percent of the recommended amount and there is not a nonresidential fee component to those fees. Cash flow in police fees is a little more than two thirds, one third contribution from the private sector versus what the City would have to contribute to offset the discount. The infrastructure category is the streets category, the largest collection point for the impact fees, and is also two thirds, one third split in terms of what the private sector would contribute versus what the City would have to contribute to be whole. A similar situation exists with fire because there is a nonresidential component there. The total fees would range from a low $400,000 to a high of $925,000, depending on the year. The offsets would be commensurate with the amount of fee revenue that the City would bring in.

Ms. Jacobs explained that the resolution for the Thursday meeting was written in such a way that it was left open to get guidance from Council at the work session as to which of the three options Council would choose. Council can also make that decision at the meeting on Thursday as well. The City Manager and she are recommending Option 2.B, five lane miles.

Ms. Jacobs stated that it would reduce the single family residence development fee from $3,845 to $3,226, a $4,000 reduction in the multi family and manufactured housing and all of the nonresidential fees would remain exactly as they are today.

Option 2 on the projected revenues and expenditures schedule depicts the City's obligation and reflects the Council's existing policy to establish the fees at 75 percent of their maximum supportable value. The Council's policy is to chip in that difference, 25 percent, and it comes from a special construction sales tax, higher than the City's transaction privilege tax, 2.4 versus the 1.99 City sales taxes. It would increase the City's obligation from what it currently is and if there were those types of structures that were built in the future then there would need to be an increase. The Council needs to know that the finance manager waits until the end of the fiscal year, adds up all that has been collected, calculates that 25 percent and transfers that from the revenue collected into the specially held accounts required by law to be kept separate. If for some reason there was not enough revenue to transfer at the end of the year during the next three-year period that money can be budgeted the following year. It is a commitment on the part of the Council and there is nothing that states that it has to be done on that particular fiscal year; as long as there can be some documentation that the City has met that obligation. It is flexible as the staff does not want to be worried and not try to recruit new businesses because there might be an additional offset on the part of the City. New development is wanted and it is not a huge risk.

Council Member Mount stated that he is ok with Option 2B as it sorts of answers what he was asking for, a decrease in the residential proposed fees and also keeping everything else static. It is really about not having the increases and that is a good compromise.

Council Member Calhoun asked if Option 2B backs City a little bit so that there is not so much expected growth as there was previously. Mr. Potucek stated that basically the City is betting on that development will stay slow over the next three-year period. Staff believes that there is not a risk in having a lower fee set at this time. Some might say that having a lower fee might attract businesses; but the risk has to pay more to make up in the event that a store comes into Sierra Vista.

Council Member Calhoun asked the City can say that they will pay for it the following year if something large were to come in, figuring out how to increase the fund for the following year. Mr. Potucek stated that there are two ways to primarily fund that. One would be to take a look at the City's year end fund balance in the General Fund and if there is enough room there, the finance manager could make the transfer from those funds during that fiscal year. The other way would be to identify the amount and actually budget for it the following fiscal year.

Mayor Pro Tem Blanchard asked if staff is recommending Option 2. Mr. Potucek and Ms. Jacobs clarified that it is Option 2B.

Council Member Huisking asked if the City would get into trouble by not having enough revenue to be able to meet the City's commitments by not keeping commercial the way that they are and increasing the City's obligation. Mr. Potucek stated that there is a risk if all of a sudden the City gets hundreds in building permits requested during the course of that year; but based on the numbers seen during the last few years, he does not think that it will happen. Ms. Jacobs noted that if the City were to get a $95,000 square foot box store, not also would that increase the City's sales tax revenue; but the City may not get it in that particular year and Council could also budget over a two-year period until activity is seen.

Ms. Jacobs added that the city manager is right and the risk seems to fit well in the current growth pattern. The City is required by City Ordinance to review the fees every three years. State Law states that it cannot be reviewed any sooner than two years and Council can decide at that point; it is a nine-month process, to review the fees.

Council Member Mount stated that he is glad that those points were brought up and added that there is goodness here. Businesses likes stability and right now by the City saying that they are not going to affect commercial or industrial fees means that they don't have to go back to their own drawings and board to re-evaluate the cost of construction that they may already have on the books. There could be some businesses that are already looking at Sierra Vista and stability is good for business. Although new construction is not being seen, it may be the delineator between somebody wanting to move out to Sierra Vista to retire and build a new house.

Council Member Mount added that he does not see too much of a risk. If the economy starts booming, the sole reason, an alternative would be for the City would make it up in sales tax revenue and the City will be ok.

Mayor Mueller asked the city manager to prepare a motion for Option 2B. There was no objection.

Council Member Mount stated that there is mention in the report about an advisory committee and Arizona Revised Statute 9-43.05, which discussion was held at a previous work session, and he would like to see that advisory committee put into place and appointed by Council so that three years from now, maybe Council can streamline some of the process by getting the local stakeholders more involved as opposed as going through the way that the process has been done in the past. This is the first thing that he would like to recommend to Council as the City can have an advisory committee. It is there and it is what the statement says and he would like to see one put into place.

Council Member Calhoun added that she is always in favor of getting as much input as they can get from the community; but she would like to see what parameters would be put up around an advisory committee. It is a fair idea.

Mayor Mueller stated that discussion needs to take place at a work session on the merits of changing the procedure.

Council Member Calhoun asked how much of the procedure is dictated by statute. Mayor Mueller explained that it is all by statute; but there are two ways. One is the way that it is currently being done and the other is to have an advisory committee. There are two ways that Council can approach it.

Council Member Calhoun asked if discussion would be held about changing the time line. Mayor Mueller stated that this would be for a future process.

Council Member Huisking asked if they are talking about changing it in three years. Mr. Potucek stated that there would need to be an ordinance.

Council Member Mount stated that he is talking about future processes and added that if there needs to be a work session to discuss this issue further, he would hold off on further comments.

C. Board and Commissions recommendations (In accordance with City Code Section 30.16 revised, this item is being notice for public comment)

Mayor Mueller stated that a number of recommendations were provided by the Boards and Commissions on what they would like to work on.

Ms. Jacobs stated that following regular updates by Board and Commission members, Council requested an opportunity to discuss the different recommendations that were made. They do a great job of presenting what they are doing. She added that she worked with the department directors and they called out what they felt were those items that were policy in nature, i.e., the Airport Commission had some things that they were working with staff and were not necessarily policy in nature or require to be budgeted. The spreadsheet in Council's packets is for review and consideration.

Ms. Jacobs noted that present are a few of the Commissions' chairs and they were invited via their liaisons to be present to answer questions. This is Council's opportunity to discuss and to provide the city manager with any direction and to provide an idea of what was included in the budget and those that were not.

Council Member Mount asked if the Tourism Commission piece, the allocated fixed portion of the lodging tax, resides with PAO. Ms. Jacobs stated that it does.

Council Member Mount asked about tourism promotion that it is not tied to the lodging tax. Ms. Jacobs stated that staff wanted to reflect that there are funds in the City's budget specifically for tourism; but there is no correlation to the lodging tax. The draft budget has a very slight increase to the PAO's budget for next fiscal year.

In response to Council Member Mount, Mr. Potucek stated that based on percentages of income coming in from the hotel tax; these would far exceed the PAO budget. The budget is very tight and if that is peeled into the tourism effort, he would have had to make significant cuts in other parts of the budget in order to make it balance.

Council Member Mount asked if the City could make up the percentile by looking at the number and stating what the budget is this time, divide that out and state that this is the percentage that would go in and then look at the next year. It is a comparative process. Mr. Potucek stated that he could generate that type of information.

Council Member Mount noted that he is not stating that it has to be a raw five percent out of hotel tax as that would be excessive. Mayor Mueller stated that one problem in the past was that there was a linkage and the numbers did not work because they were getting way too much for what was being invested and there were problems with tracking it. He also stated that he does not have a problem of the .2 percent being charged for hotel tax with 25 percent, 37 percent or 50 percent of that going specifically to the PAO for tourism.

Council Member Mount suggested looking at it from a different perspective and explained that if Council understands what the number is on that hotel tax, either going up or down year over year, it is that which is attributed to the success of the tourism efforts that the City is putting forward; simply tracking that revenue number alone and enough to then correlate it to without having to do the mental to get to the right revenue number.

Council Member Mount asked if this could be looked at to say that if the hotel tax revenue gets to a certain point then that would trigger an increase in tourism dollars for the City to figure out why the efforts are or are not working. Mr. Potucek stated that staff could absolutely pull out that revenue as there is a category for that. In years past, the great majority of hotel tax revenue was associated with Fort Huachuca travel. The tourism side of that was minuscule in comparison; but now that has changed and there may be more correlation now in those figures and it might be easier for staff to analyze tourism impacts.

Council Member Mount stated that even if it is on a trial basis as it will scratch his itch as far for the one strategic objective that Council had as an economic metric to balance at least something against. It gets the City closer to where it is now where the budget is increased or decreased without really knowing why. Mr. Potucek stated that staff can absolutely do that analysis.

Council Member Calhoun asked if there were recommendations from the West End Commission or Commission on Cultural Diversity. Ms. Jacobs apologized and stated that she missed those commissions. Mayor Mueller stated that he believes that the ongoing thing for the West End is the West End Fair, which they are trying to break even on and the Commission on Cultural Diversity has the Heritage Fair and they are also trying to break even Mr. Potucek stated that staff can provide the numbers on what is spent on those fairs; but he does not think that there were any requests over and above on what they are currently doing.

Council Member Calhoun inquired about the category, “budget required” and noted that she did not recall any of the Commissions suggesting what they expected to spend or bring in. Ms. Jacobs stated that in looking at their requests and recommendations to Council none of them tied specific dollars to it. The Arts and Humanities Commission have been recommending a performing arts facility did not tie a particular dollar amount or the Tourism Commission recommending that the visitor center be relocated. Those are things that they wanted to bring before Council for some consideration. Based on Council’s discussion and strategic direction and maybe Council may want to bring up for discussion in the next strategic plan review that would be next March, staff would come back and advised them of a plan and do an assessment.

Council Member Calhoun stated that there are several items that require effort and whether staff or the commission is going to do that, council needs to sort through that. Several things are interesting; but they have heavy time consuming efforts and whether it becomes a part of a work session for Council to talk about and maybe even do some prioritizing individually to see what makes more sense. Some may already fit in the strategic plan and some would need to come off.

Council Member Huisking asked who gets to explore funding options to increase tourism as Council would love to increase tourism spending; but given the current staffing and resources, is there time to do that or is staff always doing it. Ms. Jacobs stated that staff in many ways is looking as part of the analysis and marketing approach at which areas will be focused on, which ones will be spent money that the City is trying to attract and the groups that are the best fit for Sierra Vista, i.e. bicycling is a new main focus that is based a lot on data:

- What do those people spend; and
- How long they stay.

Part of it is already being done and the purpose for putting this on the agenda is to get some direction from Council. Staff would like to know if there are any recommendations that Council would like to be put on a list or does Council want to reserve discussion at the strategic plan retreat or is something really pressing. Some don’t require dollars, i.e., Parks and Recreation Commission recommending a broader definition of smoking at the City facilities. That is something that Ms. Yarbrough and her staff is already taking a look at to see what may be done along with Mr. McLachlan and staff will come before Council with some thoughts and that will not have a dollar amount tied to it; but it is something that the staff heard loud and clear.

Council Member Ash stated that the Arts and Humanities Commission’s recommendation to evaluate sun sail addition to the Centennial Pavilion seating may be something that could be worked through grants or the Rotary Club might rally around. Ms. Yarbrough stated that grants for that kind of thing are few and far between and staff could look into it; but they tend to be rather expensive, tens, thousands of dollars for these sails. Some clubs may be interested in donating towards them; but her opinion is that it would be highly unlikely to have them fully covered by a group and the City would probably have to budget for it.

Council Member Calhoun stated that Council Member Ash made a good point and the City will have to work out the process that the City uses. She also stated that she was looking at developing incentive policies for commercial development in infill areas, which is marked with a yes and a no and is probably something that will cost; but there may be others way. She would like to go back to the Commissions and ask what ideas have they generated or to generate ideas and work from there forward and open it even bigger and having the public involved to generate ideas and then Council could pick and choose from those ideas.

Council Member Calhoun stated that a lot of the recommendations are interesting and she could see how to move forward; but it is a lot and some type of prioritizing needs to take place for Council and to be able to get ideas from others.

Council Member Huisking asked if that isn't what Council should do, prioritize, i.e., as there are seven items under Environmental Affairs and all of them make sense to her.

Council Member Calhoun explained that Council could get ideas from a lot of people coming in and making suggestions; but Council could prioritize the incentive. Council Member Huisking stated that she would like to know what the Council thinks is worth pursuing.

Mayor Mueller stated that it is why the Commissions brought those before Council and read the Commission on Disability's recommendations and noted that there are a lot of things that staff or the commission already do and the Commission is going to need to monitor, plan or assist.

Council Member Huisking stated that the Commission could even bring to Council a particular area so that if a grant does come, it will be the first thing to be done.

Mayor Mueller stated that the Tourism Commission recommends:

- Addressing border safety perception;

That is something that all Council Members need to work on and that should essentially be a PR campaign and not only for the City but for the County and the other cities in the area.

- Exploring options to increase spending of tourists in town is something that PAO has done and has been doing and is working with the lodging association as well;
- Relocation the visitor center has been a desire for a number of years; but when it gets to the actual cost and location it becomes an issue for a permanent location and perhaps an option is to look at the Chamber.

Council Member Huisking stated that it is open. Mayor Mueller noted that for a temporary fix, he does not believe that it is appropriate.

- Lodging tax was previously discussed;
- Permanent events/group tourism coordinator position;

Mayor Mueller asked if it is the responsibility of the City, a Chamber function or CR and he believes that the City could participate; but it is not necessarily a Tourism Commission issue.

Council Member Calhoun suggested that each Council Member take the list and prioritize it. Mayor Mueller stated that he believes that the place to do this is during the strategic plan; but he would like to tell the Chairs, i.e., Parks and Recreation Commission Chair who is present that Council would be more than happy for them to look at a more comprehensive smoking policy for City facilities and parks. Council Member Calhoun asked if he meant now. Mayor Mueller stated that is correct.

Council Member Mount noted that there will be another opportunity as Council has not yet received the budget book and once they have the draft budget book, look it over and if the see something that can be cut and replaced with something else then Council can have those budget discussions. At this point, the feedback from staff is that in order to gain something, unless Council wants to raise taxes, then something has to be cut out. He also noted that he is

not going to fight much if things are just being swapped in and out; but if Council is going to do the relocation of the visitor center and it is going to cost $100,000 then he is suggesting finding $100,000 in the budget to eliminate and then Council can see what they can do.

Council Member Huisking asked if that is something that the Tourism Commission can do before Council gets to the strategic plan and added that Council could at least provide recommendations or maybe that is a private business as an event planner and the City would just feed into it.

Council Member Huisking stated that people come to the city manager, SEAHA, Council and state that they want to host an event and if there was one person to go to, that would really help. She then asked if that should it be a City function and stated that she thinks that it would be worth it if the Tourism Commission took that on and looked at options. Mayor Mueller stated that he does not have a problem with Commissions having a general recommendation and to come up with options, i.e., the relocation of the visitor center whether it is temporary and permanent. If the City does have the funding to move it or enhance it, whatever the recommendation is, then that needs to be handed over to staff and they will go through that and assign cost numbers to have a meaningful discussion. However, he is not sure that it is going to happen before they go through the budget cycle. Some recommendations are more complicated than others, i.e., the solar that is a good idea but it is very detailed and costly and the things that are being proposed may not be feasible because the City does not own all of the street lights in town.

Council Member Calhoun stated that as Council, they should make some priorities about some of the recommendations. Mayor Mueller stated that they should decide the priority of all of them and the best time for that is during the strategic planning session.

Council Member Calhoun noted that she would hate to wait that long. Council Member Huisking stated that she would hate to waste time. Mayor Mueller stated that the smoking policy is something that can be taken care of now and there may be others, i.e., the Airport Commission coming up with ideas to reduce hangar vacancies.

Council Member Calhoun stated that she thought it was a good idea to turn it back over to the Commissions to get some of their ideas and then Council could plow through the ideas. Mayor Mueller noted that what they have before them is a list of ideas.

Council Member Calhoun stated that she is trying to say is that the idea is yes, i.e., to increase hangar space; but how the City does that is something that the Commission may have some creative ideas for. Mayor Mueller stated that he does not have a problem in saying to the Commission to come up with creative ideas to do that and he would be happy to sign a letter to each of the Commissions saying that Council appreciates the ideas and here are a couple of things that Council thinks that they need to spend their time on in this next year and get that out to them now rather waiting until next March.

Council Member Huisking asked if they are able to prioritize. Mayor Mueller stated that the question is, “what is doable without money right now?” There are only three/four issues that are doable. Council Member Huisking stated that all Council Members should decide that. Mayor Mueller stated that he believes that staff has done a good job on the list and he does not have a problem with Council Members noting their priorities; but practical decisions have to be made.

Council Member Mount stated that they could go down the list; but they don't have a draft budget book. If Council is not willing to raise taxes or if they want to raise taxes and that is an option, then it has to be a swap out. Some cost estimates have been done with the recommendations in order to determine whether they can get into the budget, i.e., the relocation of the visitor center ballpark swag. He would like to know what it will cost and what it can be replaced with in the budget in order to make that happen. That is the game that they are playing right now and Council does not have the numbers.

Mayor Mueller stated that it is a good idea to say that it is a good idea to move the visitor center; but right now it is on hold and go down the list. Council Member Mount stated that the point he is trying to make is that there is not enough information to make a tangible decision without a budget book. Mayor Mueller concurred.

Mr. Potucek stated that yes in terms of the current budget because if Council wants to do something, then a way has to be found to cut something in order to keep the budget balanced. If Council is looking at items in the strategic planning process, then staff knows that it is a Council priority and will budget around it.

Council Member Mount noted that everything that is in the budget now would have been determined as a strategic priority. Mr. Potucek stated that it is; but Council is looking at adding these in the strategic plan that were not in there before.

Council Member Calhoun stated that she does not believe that the recommendations were meant to be added in the budget this year; but if one can be added to the budget, that is great. Council always need time to go through the issues, plan and talk about the recommendations for the following budget year or the next. The important thing is to have an action around the items sooner than later.

Mr. Potucek noted that there are other considerations with the new visitor center, i.e., lease of commercial space and the cost for equipping it or is the City going to build it and then there are other types of decisions.

Council Member Ash stated that she does not know how much of a priority there is for a visitor center; but all of the places that she has visited, she has never been into one as she gets all of the information that she needs on line. Increasing the City's presence on line whether that is face book, instagram or website would be more of a priority. Council Member Mount concurred and Council Member Huisking stated that Council Member Ash makes a good point.

Council Member Calhoun stated that the Commission may even come to that decision with enough conversation about it.

Council Member Huisking stated that she believes that there is an opportunity for a white paper or something from the commissions tackling these issues thereby allowing them to come up with ideas on how to address the recommendation. She asked if the staff should decide how to address them. Mayor Mueller stated that it is a good point and added that one of the benefits in having the commissions is having a diversity of opinions and experience.

Mayor Mueller stated that he does not have a problem with the commissions coming up with a white paper that says how they are going to do it with pluses and minuses nor does he have an issue if they want to make a subcommittee to study a recommendation because they are looking at potential policy issues.

Council Member Mount stated that he agrees with Mayor Mueller and noted that he has had the opportunity to sit through the commissions' annual updates twice and as much as it is great to see what they have done, it does not allow for any form of action. He stressed that he does not have time for an update briefing, he wants to know what the commissions are doing for the next two weeks, six months and twelve months out so that Council can allocate resources ahead of time or find resources to help them out if it is something within their wheelhouse or if the City has to go out and find external help.

Council Member Mount suggested tweaking the annual reports to where when they come up, it is five minutes of all of the great things done, which Council should already know because they communicate at meetings what they are doing. It should be the commissions asking the Council what it is that Council wants them to focus on for the following year and at that time; the commissions can talk to Council about their ideas.

Council Member Calhoun stated that she would turn that around and because the commissions have presented ideas that they have and it is now up to Council to tell them what Council wants them to focus on. Council needs to prioritize the recommendations and Council should focus on what is it that fits what Council thinks is important for the City. The commissions cannot focus on everything on their list and Council needs to prioritize the recommendations and choose the areas for each commission.

Council Member Mount stated that he thinks that this was intended to influence the budget. Ms. Jacobs stated that this is the first time that after the regular presentations by the commissions that a request was made for this opportunity to look at all of the recommendations. Council is forging new territory.

Council Member Mount noted that the brief summary contains the following columns: budget required and budget included. This informs Council that somewhere a decision was made on these items specifically. Ms. Jacobs explained that the information provided on the spreadsheet was to inform Council. Some of the ideas have been bouncing around at staff level as well and have been talked about and that is why they have been included; but it was really meant to inform Council as to whether or not progress is being made.

Council Member Calhoun added that things change and explained that when she first came on the Council, one of the understandings that she had is that Council Members as individuals do not request the commissions to do anything. The request made of the commissions is what is requested as a Council; but formal decisions have not been made.

Mayor Mueller stated that a couple of them had prior votes before Council Member Calhoun came on board.

Council Member Mount stated that he needs to know what the commissions want to get out of this information and what they need to know before going forward.

Council Member Huisking stated that the whole thing was to get a presentation every year with recommendations; but the commissions would not get feedback. This was done so that they could receive feedback for the first time and it is not because they want to have money attached to it as the Mayor says, Council knows that it is not going to happen this year or the next; but the commissions should have a point of view and it should not be this difficult.

Council Member Ash stated that it is helpful to get updates from the commissions and ongoing discussion about it. Mayor Mueller stated that he hope that the liaisons get to a specific point and schedule with City staff a briefing to Council. This could be a part of the monthly report.

Mayor Mueller stated that whether it is budget required or not, he has no problem with writing a note and ask the commissions to look at their suggestions and provide ideas whether there is money or not and come up with a white paper for Council.

Mr. Potucek stated that some recommendations are simple tasks, i.e., smoking in City facilities and at the parks. Staff looks at this issue during their normal work course; but others are major and have capital attached to them. The issue is with the current process as Council Member Mount pointed out. Council does not ask the commissions what they want to see and it would be more productive and should coincide with the strategic plan. However, it is now too late in the game to add the issues to the budget. There needs to be a way to improve the process and timing for a more meaningful discussion and then that way it can be included in the budget. The commissions meet once a month and they are not going to do this; that will fall to staff.

Council Member Calhoun stated that the list represents that and it is up to Council on how it is responded to. Mr. Potucek noted that Council is getting it now and cramming it into the budget would be difficult; but now would be the time to get it into the strategic plan.

Council Member Huisking stated that the present information needs to be modified before including it in the strategic plan in order to have something to work with, more concrete information with suggestions.

Council Member Mount stated that there are some opportunities here. Council wants the commissions to be involved and nothing is stopping Council from resetting and having it in time before the strategic plan to get another set of briefs and start the clock to plan against that because it is too late now. Mayor Mueller stated that it is reasonable. Council Member Calhoun noted that there is nothing wrong with the list.

Council Member Ash asked if the commissions provide Council with something that looks like the summary/chart. Mayor Mueller stated that not all of them do it and it has been considered in the past. Mr. Potucek stated that there are issues that come up that are day to day work things; but these could be brought up at any meeting to apprise Council. This would not be any different than some sort of major initiative, i.e., solar, convention center, hangars. Council could provide guidance to the commissions as opposed to having worked with them and have a mixture in the list. It would be more helpful to have more major initiatives for the strategic plan. There are some; but they require more work.

Council Member Calhoun stated that Council needs to clarify to the commissions what is major and what is routine; but not ask them to start over to move forward for the strategic planning.

Mr. Potucek stated that he tried to include them; but he was not successful. There is time now to get more developed ideas to the Council and to include them in the discussions.

Council Member Mount noted that his commission, Library Advisory, did not have any recommendations. Council Member Calhoun noted that her commissions were not even present.

Mr. Potucek stated that staff has developed a timeline and definitions in the planning process and those will be brought to Council to get their blessing. There is time to have commissions develop their ideas more fully and bring presentations forward. Staff will work with them. Commissions will find that to be more meaningful work than what they are doing now and they will also be able to see their efforts.

In response to Council Member Calhoun, Mr. Potucek stated that the commissions can start working on process. The budget will be over in the next month and there is time to move forward with that and work with the commissions. It is a better approach.

Council Member Huisking noted that the message is that staff is working on the process for things that can be done and things that need research.

Council Member Mount stated that there has to be a way to standardize requirements, a drill, cost schedule and scope schedule. Mr. Potucek stated that they have current definitions.

Council Member Calhoun asked about the CAC's evaluation regarding the commissions. Mr. Potucek stated that it is a separate issue.

Council Member Calhoun asked if that evaluation is moving forward. Ms. Jacobs stated that the item is on the next work session.

D. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller reported that he will be at the League on Friday, May 13th for the election of new officers.

Council Member Calhoun reported that she will be attending the Arizona League Conference in August.

Council Member Huisking asked about the Arizona League Conference. Ms. Jacobs indicated that staff is working on getting the information together and will make it available.

E. Board and Commission Liaison Update

Council Member Huisking announced that Council will be provided a presentation on Thursday by a young man that went to Radabeul, Germany. He got a lot out of it and he continues to communicate with the people that he met in Radabeul. There is now more interest about this trip than there are spaces. Interviews will be conducted and the students will have to write an essay. It also helps that there is a German teacher at Buena High School and a German Club.

Council Member Calhoun stated that it is an economic development advantage by the Sister Cities Commission and that program.

Council Member Huisking announced that the Mayor got a list with dates from Cananea, Sonora Mexico regarding future trips to Cananea and the Commission sent a list back to them with dates that would be good. Mayor Mueller noted that he has not seen anything to which Council Member Huisking stated that she would make sure that all Council Member get the list.

Council Member Huisking state that the Commission does not get that about economic development as they see the opportunity as a cultural exchange; but there are opportunities

and she would not like to see them passed by. She also reported that the Town Hall in Mexico was finished and Economic Development played a part and she hopes Ms. McFarland brings it to Council to examine what is possible.

Council Member Calhoun commented that the Commission on Cultural Diversity is having a Meet and Greet for all of the commissions to attend in order cross pollinate for projects. Each commission should have a list so that they know what the other commissions are looking at.

Council Member Calhoun also reported on the fairs for the West End Commission and the Commission on Cultural Diversity where there was a lot of interaction.

F. Future Discussion Items and Council Requests

Ms. Jacobs provided a list of subjects on the May 24th Work Session:

- Council Executive Report;
- Tasking to review boards and commissions.

Ms. Jacobs stated that Ms. McFarland will provide an update on economic developing during the month of June.

Council Member Mount stated that if economic development is going to be attached to the budget then it should be in a commission and that has to be put into place. He added that he is not going to let it go. Council has a commission's decision to put to bed first and the restructure of some; but he would like an economic development commission because it is more important. Most of the commission are a niche, some are broad, some affect policy and some are facility based; but there is a need for an economic development commission.

Mayor Mueller stated that once the structure for the commissions is sorted out there needs to be discussion on whether or not Council is going to have an economic development commission. Council Member agreed and noted that all commissions have a hook.

3. Adjourn

Mayor Mueller adjourned the work session at 4:28 p.m.

_____
Mayor Frederick W. Mueller

Minutes prepared by:

Attest:

_____
Maria G. Marsh, Deputy City Clerk

_____
Jill Adams, City Clerk