

MINUTES

Board of Directors Meeting
Douglas Public Facility Municipal Property Corporation

Wednesday, January 19, 2022, at 5:30 p.m.

at

Douglas Golf Course
1372 Fairway Drive
Douglas, AZ 85607

1. Call to Order

Meeting was called to order by Mr. Selchow at 5:28 pm

2. Roll Call

Board Members present were: Bosco Selchow, Ruben Robles, Manny Robles, Francisco "Tachi" Durazo, David Arzate. Nick Forsythe and Kevin Alvarado absent. City Official(s) present was Ana Urquijo, City Manager and Luis Pedroza, Deputy City Manager/City Treasurer.

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.

None.

4. Report on Balance Sheet and/or Bank Balance(s) update/report on current months for the Douglas Public Facility Municipal Property Corporation, as well as discussion/presentation on the MPC Golf subsidy (if report is available).

Bosco Selchow reported the bank balance of \$23,179.

David Arzate asked how much was left from IDA. Mr. Selchow reported no money is left.

5. Discussion/Presentation/Direction and possible decision regarding the proposed 2020/2021 budget for the Douglas Public Facility Municipal Property Corporation (MPC).

Luis Pedroza provided a brief update, because it was discussed in executive session, is the ongoing negotiations and for consideration the golf course sale, RV park and La Perilla apartments. Ana Urquijo reported that council directed staff to continue negotiating on the topic, and that is the only item that was made public. All stated the plan is to get information, take it to them to be more specific in their direction and move into conversation with the board as well. Lastly, the negotiations had been in executive session.

Mr. Arzate commented that a couple of potential suitors have been out on deck. What have been some of the reservations that people have been expressing before even putting in a bid.

Ms. Urquijo responded she can share some of those things because those were not in executive session. As far as the conversations overall in operations, water is exactly one of the big items. She recently drove around and got an update on the capital needs of the property, primarily the reservations of taking everything or consideration of the water issue and how to get beyond that. As far as the potential sale, they hope to bring them more after the February 2nd meeting.

Mr. Selchow expressed that a lot of people, employees, and members that play regularly are asking questions and he does not know the answer. He stated once information becomes available it would be shared.

6. Information/Discussion, and possible Direction regarding discussions with City of Tucson and their experience with a golf management company for their City owned golf courses and water management

Ms. Urquijo reported they are doing research to make sure that council is well informed on all avenues they could possibly take. The Deputy Director for Parks and Recreation for City of Tucson manages all the contracts with OB Sports for all their golf courses, and they provided an overview on how the management agreement operates and pays, and also the results of the fee. She added what resonated to them is the way OB Sports markets for increased operations from all perspectives. Ms. Urquijo said it was promising, and they are making sure that council is well informed on some of those opportunities. What is a huge issue is how to meet the capital needs because the irrigation has to be revamped. The pond structure is a very similar, and common structure to irrigate the golf courses, the ponds are usually lined and this one was never lined, so there is seepage and inefficiencies that are created as a result. Ms. Urquijo was unaware if an assessment has been done on refurbishing. To be able to determine what it would require to go through a process, whether it is concrete or other forms, to get it sped out. They are taking a look at an assessment of all city wells as the City grows or anticipates growth in the community. The water distribution system is a huge concern. Information is being gathered to give a comprehensive view to mayor and council to make the best-informed decision and not only take it as sale, but of other options and amenities that a future city should have.

Mr. Arzate asked about moving forward with selling, and what is more appealing to the press, to the council or the City of Douglas, to divest of the asset or to retain.

Ms. Urquijo answered they are trying to get them to make the right decision by giving Council all angles. Part of the reason was to discuss with OB Sports and try to do their financial analysis by similar comparison like El Rio golf course. In speaking to those professionals the issue of the pond became very clear that pond is needed, but it should have been lined. Ms. Urquijo added they are going through a visioning process with mayor and council that will include conversations. To determine an experience with a golf management company, and benefits current condition and future operating.

Mr. Selchow commented that played at the Benson golf course and started a conversation with their general manager. He asked how it was going with OB Sports, and management stated they can see a difference and it has been three months, the biggest asset that they have so far from OB Sports is a superintendent that oversees the entire golf course.

Ms. Urquijo commented that same information was reported at the mayors/managers luncheon by the City of Benson.

Mr. Pedroza reported they are working on a new well or refurbishing a well and the target date to get in line is in July. Engineers are developing a plan, by hopefully alleviating some of the water issues with more production. There is a need to pull back at times when certain water levels are reached and the City does not want to jeopardize production for citizens.

Mr. Durazo commented that nobody mentioned the pond needs to be dredged up. For the period of time that it is going to take to get that done the back line would essentially be without water. Typically ponds like in the mining industry are being sealed with high density polyethylene sheets, but the previous method was to use bentonite clay which was very effective.

Mr. Pedroza commented they were thinking that when the city did the wastewater beds use some kind of vinyl, and like Mr. Durazo said, very effective. The City of Tucson said the cost would be \$10,000 to \$12,000, did not seem high of a cost to line one of the ponds, but they would have to evaluate the work this one would require

7. Information/Discussion, and possible Decision pertaining to aspects to be presented in the periodic standing report from staff regarding maintenance of the golf course MPC facility, equipment, greens/fairways and water delivery system.

Mr. Selchow began the discussion noting water leaks are being repaired. Trees are being trimmed, and clean-up of the back nine. Back nine will be used for an MPC golf tournament that will be held January 30, 2022.

Mr. Robles inquired on the reason pipes were busting, is it the cold or age.
Mr. Selchow was unaware, but could have been pressure.

Ms. Urquijo asked who fixes broken pipes. Mr. Selchow answered the City Water Dept. fixes main line and maintenance fixes others.

Mr. Selchow reported there has been a few events in the hall the past month, and several upcoming events in the coming months. Carrizosa Family golf tournament will take place on March 5, 2022, which provides scholarships for local kids. He also mentioned they have a good inmate crew working, and a good mechanic.

Mr. Selchow mention it has been slow due to the weather.

Mr. Robles asked what was repaired recently in the RV park.

Mr. Selchow reported that the pipe that is used to connect water to an RV was damaged and repaired.

Mr. Arzate asked about the capital for the RV park.

Mr. Pedroza responded that funds were placed on hold until the sale of the property.

Mr. Arzate added if he was looking to buy a golf course, he would want the RV park to have 50 watts to retain it.

Mr. Pedroza commented they were not looking to retain it as an RV park, which is the reason they did not place funds into it. Money allocation was \$50,000 for only a section of RV park not all of RV park.

Mr. Selchow reported toilets were being replaced in the RV restroom.

8. Information/Update with a possible Discussion/Decision on current events, updates or concerns at the golf course since the November 23, 2021 meeting.

Mr. Selchow reported the Dancing Bear golf tournament was held and the next tournament on the January 30, 2022.
Douglas Golf Social Club will have a tournament on February 20, 2022.

Mr. R Robles reported annual MPC toy drive golf tournament was held on December 5, 2021 31 golfers participated and over \$1,000 worth of toys were delivered to the Douglas Fire Department. It was published in the Sierra Vista Herald.

Mr. Arzate asked about the lawn mower.
In response Mr. Selchow stated it was received four months ago.

Mr. R Robles added they had the fundraising tournament for Mr. Mario Chavez, golfer J.C. Chavez's father and approximately \$5,000 worth of donations was raised. Unfortunately, he recently passed.

Mr. R Robles commented about an incident with a customer bringing liquor unto golf course.

9. Discussion and direction/consensus for items to be discussed at future meetings.

None.

10. Adjournment

Motion by Manny Robles, second by Francisco "Tachi" Durazo to adjourn the meeting at 6:13 p.m. motion was approved unanimously.

Prepared by: Cynthia Acuna Robles
Deputy City Clerk