

Minutes

MAYOR AND COUNCIL

The City of Douglas Mayor and Council met in a Special Meeting on Monday, May 24, 2021, at 5:00 p.m. in the Council Chamber of City Hall, 425 10th Street. The Honorable Mayor Huish called the meeting to order.

1. **CALL TO ORDER: MAYOR, DONALD C. HUISH: 5:00 p.m.**
2. **CALL TO ORDER: CHAIR, JOSE GRIJALVA**
3. **PLEDGE OF ALLEGIANCE: by Council and Finance Committee Members**
4. **ROLL CALL: MAYOR, DONALD C. HUISH**

	PRESENT	ABSENT
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN		X (excused)
COUNCILMEMBER, DANYA ACOSTA		X (excused)
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MICHAEL BALDENEGRO	X	
COUNCILMEMBER, JOSE GRIJALVA		X (excused)
INTERIM CITY MANAGER/CITY TREASURER, LUIS PEDROZA	X	
CITY CLERK, ALMA ANDRADE	X	

5. **ROLL CALL: CHAIR, JOSE GRIJALVA**

	PRESENT	ABSENT
CHAIR, JOSE GRIJALVA		X (excused)
MEMBER, ALEX BONEO	X	
MEMBER, ANEL LOPEZ	X (telephonically)	
MEMBER, ADAM BRAKE		X
MEMBER, PETE CORDOVA	X	
LIAISON, MICHAEL BALDENEGRO	X	
INTERIM CITY MANAGER, LUIS PEDROZA	X	
FINANCE MANAGER, MONICA MIRANDA	X	
ACCOUNT CLERK III, MARI DANIEL	X	

6. **PERSONS WISHING TO ADDRESS THE COUNCIL OR THE FINANCE COMMITTEE IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.**

Ms. Andrade stated no public participation requests were submitted.

7. **PRESENTATION/DISCUSSION Regarding FY 2021/2022 OPERATING BUDGET.**

Luis Pedroza provided background information and stated that the Budget team composed of Ms. Monica Miranda, Chief Kraig Fullen, Mr. Damian Dorame, and Mrs. Rocio G. Pedroza, would present on the operating budget.

P:\21-21 Budget Work Session\Tentative Budget, Joint Council-FinComm Mtg..pptx

Mr. Pedroza commented the city has \$4.3M in ARP funds which would go towards Public Safety Salaries, and provided the following bullet points:

- Investment into Streets Equipment Infrastructure \$1M
- Community Projects \$1.1M
- Public Safety \$829,000
- Downtown Revitalization \$300,000
- POE Water/Sewer Infrastructure \$500,000

Other major investments.

- Water Infrastructure including new Well \$2.2
 - Streets Project \$500,000
- Addressing a major financial obligation for now and future years
- Pension Bond Obligation of \$40M to alleviate our unfunded liability and save approx. \$15.7M over 18 years

Mayor Huish inquired if the ARP Funds for Public Safety Salaries was the safest way to be in compliance with utilization of funds.

In response Mr. Pedroza agreed.

Mr. Pedroza continued with the presentation.

WHERE WE ARE THIS YEAR – ENTERING FY 2021-22

- Steady revenue stream – Sales Tax Revenues increased 25.4% compared to last year July through March.
- Roadmap for budget – updated Strategic Plan and Strategic Action Plan with strategies & goals identifying revenue priorities
- Economic Development
- POE Efforts on the port of entry continue to show progress
 - Funding from 2 sources
 - 2 Key studies finalized

Monica Miranda presented on the following points:

Current Financial Picture & Projections

- Through March 31, 2021 sales tax revenues grew 25.4% or \$148,848 on average per month in real growth compared to last year.
- From July 1, 2020 through March 31, 2021 the GF showed a surplus of \$871,086.
- March 2021 was the first month that no longer included the Border Wall Contractors, while continuing to have the Border opened only to essential travel. Sales tax in March 2021, came in at 12%, or \$73,308 above last year's March totals.
- Similar activity projected for April through June
- Projections to finish the FY21-22 year: \$1M surplus in the GF conservatively

CITY FUNDS DISCUSSION

- General Fund
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds

FY2021-22 Revenues v. Requests

- Fund
- Sources & Revenues
- Commitments & Dept Requests
- Comments

Mayor Huish inquired if all were in the General Fund.

Mrs. Miranda agreed.

Mrs. Miranda continued with her presentation on Major Changes in GF Expenditures.

Mr. Pedroza clarified on the \$40M PSPRS Unfunded Liability Payments were in Bonds, exchanging current liability of \$2.5M that city would pay every year for pension obligation, and the city was replacing the \$2.3M debt service amount, which has a positive net of \$200,000 dollars.

Damian Dorame continued with the presentation on FY 21-22 CIP Request – General Fund on several departmental requests.

- Request
- Total Project Amount Requested
- Amount Recommended
- Carryover

Mayor Huish commented that on the Economic Development Study request was assist to pursue grants and to have better data for jobs creation.

Mayor Huish added that the Information Technology CIP requests was also to replace all at once and not have a budget burden in the future.

Chief Fullen continued with the CIP Requests – General Fund

- Cemetery
- LS Parks
- LS Recreation
- LS Aquatics
- Visitor Center

Luis Pedroza continued with the presentation on CIP Requests – General Fund

- Fire/EMS
- Police
- Public Works Administration
- Public Works Construction
- Public Works Fleet Maintenance
- Public Works Streets (HURF)
- Airport
- Golf Course
- Transit

Council Member Morales inquired if the bus without the camera was an older bus.

Mr. Pedroza agreed.

Mr. Pedroza continued with the presentation:

- Sanitation
- Water Division
- Water CIP
- Water Field
- Water Office
- Wastewater CIP
- Wastewater Field

Rocio G. Pedroza presented on the following slides:

- Best Assets – Employees
- Employee benefits
- Reclassifications
- New positions requests (not included in budget)
- Increase in funding that are being recommended
- Based on surplus at the end of FY20/21, a one-time distribution to employees before the end of 2021 calendar year.
- Pending items: Health insurance, Risk Liability Insurance, Workers Compensation Insurance, Final State Shared Revenue and ARP Coronavirus Local First Recovery Fund Guidance.
- Budget Calendar

Mayor Huish thanked staff for the presentation. Mayor Huish continued to say the presentation was an introduction to the budget and for Finance Committee members and council to take documents home to look at and document any questions that could arise to send to Ms. Miranda.

Mayor Huish commented he would like everyone involved in budget discussions.

Council Member Shelton inquired on the ambulance fee decrease.

Ms. Miranda responded that the city was moving away from interfacility transfers, therefore, the city was no longer billing for transfers to out of town cities such as Tucson, Phoenix and Sierra Vista.

Furthermore, Council Member Shelton asked who was billing for the transfers.

In response, Ms. Miranda stated it was Arizona Ambulance.

Mayor Huish added that the Fire Department was backup in handling travels to prevent overflow, the city was still available and participant.

Mr. Pedroza added that although there was a revenue decreased, the city saved but not transferring patients out of town.

Council Member Baldenegro inquired if the Grant Writer was in attendance.

Mayor Huish responded he was.

Council Member Baldenegro asked if the Grant Writer was part of the Finance Committee.

In response Mr. Pedroza stated he was part of the Finance Department but not to the committee.

8. **ADJOURNMENT: MAYOR DONALD C. HUISH**

Motion by Council Member Shelton, **second** by Council Member Morales to adjourn the meeting at 6:26 p.m.

9. **ADJOURNMENT: CHAIR, JOSE GRIJALVA**

Motion by Board Member Pete Cordova, **second** by Board Member Alex Boneo to adjourn the meeting at 6:26 p.m.

Prepared by

A handwritten signature in black ink, appearing to be 'Alma Andrade', written over the text 'Prepared by'.

Alma Andrade, City Clerk