

Minutes

MAYOR AND COUNCIL

The City of Douglas Mayor and Council met on Friday, July 16, 2021, at 12:00 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.** 12:00 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council
3. **ROLL CALL.**

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

4. **DISCUSSION/DEICSION on APPROVAL of SECOND reading of Ordinance No. 21-1135, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the SALE of CITY OWNED REAL PROPERTY located at 357 E. 10th STREET known as the RIVERA BUILDING, as lots 31-32, Block 85 of DOUGLAS TOWNSITE as parcel #409-07-06306 to HARRELL COOLEY LLC, pursuant to terms entered into by the parties; establishing severability of components of Ordinance; and establishing an effective date thereof.**

Council Member Lindemann inquired if the hardwood floor at the Rivera Building was a roller-skating rink at one time.

Luis Pedroza confirmed.

Motion by Council Member Shelton, **second** by Council Member Acosta to approve the second reading of Ordinance 21-1135.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann, Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. **Voted Against:** None.

5. **DISCUSSION/DECISION on APPROVAL of Resolution No. 21-1469, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, ADOPTING the CITY OF DOUGLAS BUDGET for Fiscal Year 2021/2022.**

Monica Miranda provided background information and stated the final budget total was \$88,626,891 which included ARPA funding of \$4,385,561 dollars and \$40M in Pension Bond Obligation (PSPRS), which brings the budget total down to \$48,626,891 and was under the State's expenditure limitation.

Additionally, Ms. Miranda commented the draft budget was presented to Mayor and Council on June 9, 2021, the Council adopted a tentative budget via Resolution No. 21-1463 on June 9, 2021, and by adopting the tentative budget, Council established a maximum expenditure limit. Moreover, Ms. Miranda stated in the final adoption, the Council may decrease or move funding from one area to another within the same fund, however expenditures cannot be increased.

Ms. Miranda provided the following budget highlights:

- Use of one-time ARP Act funding in the amount of \$4,385,561 provided by the Federal government through the state of Arizona for COVID-19 response to cover public safety regular salaries and benefits. This in turn gives us capacity in the General Fund for:

- One-time capital project purchases to include:
 - Investment into our 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 - \$2.2M
 - 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. (\$40M in bond proceeds do not count towards the City's expenditure limitation imposed by the State. Douglas' expenditure limitation is \$73,370,847. Total current expenditures are \$88,626,891 less the \$40M puts us at \$48,626,891, which is well under the State's expenditure limitation.
- Utilize FY 20/21 carryovers from Capital Projects and Enterprise funds to complete capital projects in the new year in the amounts of \$717,592, and \$204,000 respectively
- Provide a GF subsidy to Housing and/or utilize their reserves in the amount up to \$31,838, GF subsidy to Airport of \$30,165, and Golf Course subsidy of \$180,000.

Furthermore, Ms. Miranda commented depending on surplus at the end of FY 20/21, would look into providing a one-time distribution to employees before the end of the 2021 calendar year.

Motion by Council Member Baldenegro, **second** by Council Member Shelton to approve Resolution 21-1469.

Council Member Lindemann inquired if the city were to sell the Golf Course, does the city not provide them any funds.

In response Mr. Pedroza stated the sale of the Golf Course according to the RFP, buyer would take over all operations, however, the official contract would dictate terms and terms would be approved by council. Additionally, Mr. Pedroza commented the city expected for buyer to take over expenses but the city would work with whomever buys the Golf Course on the water deal to get them eventually to pay full price for water.

Mayor Huish commented that a lot of expenditures happen during the summer time and it could be accelerated at summertime and wouldn't be a direct 12-month distribution.

Council Member Morales thanked Ms. Miranda, Mr. Pedroza and Finance Committee Chair- Mr. Grijalva and committee members for their hard work and dedication towards budget work.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann, Danya Acosta, Ray Shelton, Michael Baldenegro, and Jose Grijalva. **Voted Against:** None.

6. **ADJOURNMENT.**

Motion by Council Member Morales, **second** by Council Member Acosta to adjourn the meeting at 12:11 p.m.

Mayor Huish thanked everyone for their patience with the city, those viewing at home and the ones who could not make it due to the timeframe.

Prepared by:



Alma Andrade, City Clerk