

MINUTES

The City of Douglas Mayor and Council met in a Special Meeting on Wednesday, July 26, 2023, at 5:30 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Huish called the meeting to order.

1. **CALL TO ORDER. 5:30 p.m.**
2. **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	
CITY MANAGER, ANA URQUIJO	X	
CITY ATTORNEY, DENIS FITZGIBBONS	X	
CITY TREASURER, LUIS PEDROZA	X	
DEPUTY CITY CLERK, CYNTHIA ACUÑA	X	

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

Ms. Robles stated no public participation forms were submitted.

4. **DISCUSSION/DECISION on APPROVALS.**

- A. **RESOLUTION NO. 23-1557**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING** the City of Douglas **BUDGET** for Fiscal Year 2023/2024.

Ms. Urquijo presented on the balanced budget for final adoption in the amount of \$71,735,643 with a decrease change in about \$555,000 from tentative adoption last month.

Mr. Martinez summarized the changes from tentative to the final adoption. He reported the city would receive \$647,131 less than anticipated for state share revenues out of which \$555,638 effect the general budget directly. He continued with background information about the final budget.

Motion by Council Member Lindemann, second by Council Member Grijalva to approve Resolution No. 23-1557.

Council Member Grijalva stated it was the first time since he has been a council member that the council was not in the budget meetings. Council Member Grijalva added there is no longer money for four more police officers, and there was never money for a sprinkler system at the fire department; they had to get that through grants, also for employee appreciation it is not catered, employees grill themselves, and lastly the asphalt plant was something to be excited for because it puts the city in control of our streets, and added that the city can fix our streets because now the city is dependent on a private company through leases or relationships with other cities. Council Member Grijalva furthermore commented about the salary increases bringing the employees to market value after inflation sooner rather than late. He added hiring an economic development firm, while the city have a staff department, finding on the jobs page that there is an opening for tourism coordinator when he thought there was one already and raising the council projects line item by a hundred thousand dollars. Lastly, he would like for council to be sharing in the Growing Pains of this budget.

Motion by Council Member Grijalva, second by Council Member Baldenegro to amend by replacing the presented current budget with the original tentative budget and funding the \$555,638 shortfall with the funds of the \$400,000 from the council line item and the remaining \$155,638 from the reserve funding.

Ms. Urquijo asked to clarify what was stated since it was mentioned it had to be operating funds so time would be needed to assess what was stated to make sure on the recommendation and ask staff to see if that is what was implied.

Council Member Grijalva answered it is the first budget that they were presented before the shortfall.

Ms. Urquijo answered that the \$555,000 impact from the general fund the city needs to be able to take that from operating budget funds not from their reserve fund or their cash in the bank. Gave background information in detail on the reason it was done.

Mr. Pedroza helped clarified Ms. Urquijo's comment regarding the balance budget recommendations.

Council Member Grijalva stated it does not approve of needed personnel cuts from the budget, he also added he was not included in budget discussions.

Council Member Lindemann stated he does not believe reserves should be expended, and that the finance department worked hard on the budget, in addition the finance committee approved the changes that were implemented and would not want to see those backtracked.

Council Member Baldenegro asked if with the airport sale if that money could be used.

Luis Pedroza answered that those proceeds are being budgeted in this budget for capital improvements going back to the airport.

Mayor Huish asked about the delay in the asphalt plant service.

Ms. Urquijo answered there is much to do to be prepared to run an asphalt plant and that would have been delayed through the majority of this fiscal year. Ms. Urquijo added the recommendation of money set aside of \$438,000 down payment for financing of the plant that will be released and will be used to purchase more asphalt and help with the paving programs more effectively, and as for the nine positions for general fund purposes those are added positions.

Mayor Huish stated that the asphalt plant has always been a priority for him but has the concern if it is not ready.

Mr. Pedroza stated that the asphalt plant is working and requires maintenance since it is not a very fluid piece of machinery that can output the quality asphalt, which also required personnel to run the machine and laying the asphalt.

Ms. Urquijo suggested a line item Vision 2032 for Mayor and Council projects within city priorities which can be used as a plan B when ready to move on the asphalt plan within the fiscal year and make sure steps are taken to get the opportunity to try and also pilot programs with purchasing of asphalt.

Council Member Baldenegro asked what the cost of the ninth street project is.

Mr. Pedroza answered the finalized costs are not available yet but will get the entire cost when available.

Council Member Morales stated that the finance committee, Mr. Martinez and Mr. Pedroza have done an excellent job. Council Member Morales respects Mr. Grijalva's concerns but the concerns could have been addressed earlier. Lastly, Council Member Morales added the need to proceed with the budget adoption for fiscal year 2024.

Motion FAILED by a vote of 2-3. Roll call: Voted in Favor: Council Members: Michael Baldenegro and Jose Grijalva. Voted Against: Mayor Donald Huish, Council Members: Margaret Morales and Mitch Lindemann.

Council Member Lindemann thanked the finance committee for their time commitment to review the budget and recommend to council and also thanked the finance department for their diligence.

Motion PASSED by a vote of 3-2. Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann. Voted Against: Council Members: Michael Baldenegro and Jose Grijalva.

B. CONTRACT AWARD to KE&G CONSTRUCTION, INC. for the REPAIR and PAVING of WASHINGTON AVENUE at Hohokam Drive.

Mr. Pedroza provided background on the repair and paving of Washington Avenue at Hohokam Drive.

Motion by Council Member Lindemann, second by Mayor Huish to approve the contract award to KE&G Construction, INC. for the repair and paving of Washington Avenue at Hohokam Drive.

Council Member Baldenegro asked if there is other contractor for this job.

Mr. Pedroza answered there is a cooperative agreement with the City of Yuma to get the pricing for this job, and added the savings of mobilization costs from another contractor would be gained by having KE&G already on ground on 5th Street.

Council Member Baldenegro asked if KE&G will handle both jobs at the same time.

Mr. Pedroza answered it is anticipated that Washington Ave. project will begin after the 5th Street project is complete.

Council Member Grijalva asked how long ago has this project began.

Mr. Pedroza answered during the spring time the work began with curbing, sidewalk and drainage.

Council Member Grijalva commented why wait until budget is approved and when school is going to start at one of the busiest schools. Council Member Grijalva also added timing is inconsiderate to the parents, of the schools, the community needs to be taken into perspective. Lastly, Council Member Grijalva added the project is needed but the timing is wrong.

Ms. Urquijo clarified with the recent approval at the last meeting for KE&G for the project on Fifth Street gave the opportunity for requesting a quote for needed projects.

Mr. Pedroza commented it is known of the disturbance in that area and the contractor will be notified to make sure that traffic flow happens.

Mayor Huish commented the best will be done as it can be done in this situation.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

C. AUTHORIZING the ACCEPTANCE of a proposed Scope of Work from STANTEC CONSULTING SERVICES in the amount of \$292,476.91 for the PRELIMINARY ENGINEERING 60% design for the WATER, WASTEWATER, and BROADBAND CONDUIT DESIGN for WEST DOUGLAS EXPANSION.

Mr. Pedroza provided background on the item.

Motion by Council Member Morales, second by Council Member Baldenegro to approve the acceptance of a proposed scope of work from Stantec Consulting services in the amount of \$292,476.91 for the preliminary engineering 60% design for the water, wastewater, and broadband conduit design for west Douglas expansion.

Council Member Grijalva asked if Stantec is the cheapest contract that could have been accepted.

Mr. Pedroza stated Stantec master planned the whole area when they were contracted by Cochise County to do that from a City of Tucson contract which is what is being done by the city to use those discounted rates from them and get the most qualified contract for this type of work at a favorable rate. Mr. Pedroza commented that when you go out to bid, you compete with other contractors.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann, Michael Baldenegro, and Jose Grijalva. Voted Against: None.

Mayor Huish appreciates the progress that is being made in the areas as we remain positive and believes we'll be able to further the work in the city even more and making progress is important but also value the questions to make sure that the work is being done the right way.

5. ADJOURNMENT.

Motion by Council Member Grijalva, second by Council Member Morales to adjourn the meeting at 6:17 p.m.



Prepared by: Cynthia Acuña Robles, Deputy City Clerk