

**MAYOR AND COUNCIL PUBLIC MEETING NOTICE  
REGULAR MEETING - JANUARY 10, 2024 AT 6:00 PM**



**MINUTES**

The City of Douglas Mayor and Council met in a Regular Meeting on Wednesday, January 10, 2024, at 6:00 p.m., at City Hall Council Chamber. Mayor Donald Huish called the meeting to order.

1. **CALL TO ORDER:** 6:00 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council.
3. **INVOCATION:** By Pastor Fernando Betancourt, Ministerios Tierra de Bendición.
4. **ROLL CALL.**

	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN	X	
COUNCILMEMBER, DANYA ACOSTA		X (excused)
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	
CITY CLERK, ALMA ANDRADE	X	

5. **PRESENTATION of AWARDS.**

**A. CERTIFICATE OF ACHIEVEMENT for EXCELLENCE** in Financial Reporting for FY 2022 Audit.

Luis Pedroza presented background information on the fiscal year 2022 excellence in financial reporting, noting that the Finance Director was unable to attend today's session to receive the award. The recognition is a testament to the dedicated efforts of the Finance Director and the entire Finance Department staff. The award, conferred by the Government Finance Officers Association (GFOA), acknowledges the presentation of an audit in a transparent format that meets their rigorous standards, subject to expert review.

Mr. Pedroza highlighted that this marks the 14th consecutive year of receiving this prestigious award.

Mayor Huish extended congratulations to the Finance Department for their outstanding achievement.

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

Karen Fasimpaur of 8627 E. Sunrise, Portal AZ., commented on the following:

- Expressed gratitude to the city and staff on behalf of the migrants who have passed through, with special thanks to Daritza Villalobos and Rene Rios for their dedicated work with migrant volunteers on FEMA and grants for food. Ms. Fasimpaur acknowledged the tireless efforts of Ms. Villalobos and Mr. Rios, emphasizing their constant communication day and night, even on weekends and holidays, and their prompt solutions to any issues. Money was invested in the community to purchase food for the welcome center.

Mayor Huish took time for the introduction of the new Golf Superintendent, John Didier, who then introduced himself.

Mr. Didier shared his extensive experience of over 50 years in the golf business and expressed his happiness to be part of the City of Douglas.

## **7. READING OF PROCLAMATION.**

### **A. Catholic School Week.**

Mayor Huish read the Proclamation and extended congratulations to the longstanding Catholic group that has been present in the community for many years, helping at Loretto school and positively impacting numerous individuals. The city expressed gratitude for their valuable contributions and was pleased to have them as an integral part of the community.

## **8. DISCUSSION/DECISION on APPROVAL of CONSENT AGENDA ITEMS:**

**A. EXPENDITURES** for the month of **DECEMBER 2023** totaling \$4,297,528.23.

**B. MEETING MINUTES** for **DECEMBER 2023**.

**Motion by Council Member Morales, second by Council Member Lindemann to approve the consent agenda items as presented.**

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

## **9. DISCUSSION/DECISION on APPROVALS.**

**Item # 9L was moved up for discussion to allow American Legion members to comment on the item.**

**A. SECOND READING OF ORDINANCE NO. 23-1171**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, to undertake a **DEPARTMENTAL REORGANIZATION** affecting the **POLICE DEPARTMENT** and **AMENDING** the Ordinances No. 631, 673, 728, 848, 04-871, 09-954, 13-1027, 18-1086, 19-1103, 19-1108, 21-1133, 22-1142 and 23-1159; establishing severability of components of ordinance; and establishing an effective date thereof.

Chief Fullen provided background information.

**Motion by Council Member Baldenegro, second by Council Member Lindemann to approve the second reading of Ordinance No. 23-1171.**

Council Member Lindemann noted that he raised inquiries during the previous meeting and affirmed that this step is a positive advancement for the police department moving ahead.

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

**B. SECOND READING OF ORDINANCE NO. 23-1172**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING "MARIJUANA LAND USES AMENDMENTS** to the **DOUGLAS ZONING CODE ARTICLE 5 OF TITLE 17** and **CHAPTER 5.02** of the **DOUGLAS MUNICIPAL CODE"** by reference to amend certain provisions, relating to the update of rules and regulations to zoning within the City of Douglas and to the Licensing and Taxation of Marijuana Land Uses; establishing severability of components of Ordinance; and establishing an effective date thereof.

William Osborne presented background information, highlighting the staff's primary objective to align regulations with state law. Currently, there exists a distinction in the ordinances regarding the treatment of medical nonprofit dispensaries compared to recreational adult-use marijuana establishments as outlined in state statutes. The proposed amendments, authorized unanimously by the Planning and Zoning Commission under option B, aim to bring the city's regulations in line with state law.

**Motion by Council Member Morales, second by Council Member Baldenegro to approve the second reading of Ordinance No. 23-1172.**

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

- C. SECOND READING OF ORDINANCE NO. 23-1173**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the PURCHASE of REAL PROPERTY** located at **2017 ROGERS AVENUE**, Douglas, Arizona at a purchase price of \$560,000; Approving the Purchase and Sale Agreement and Escrow Instructions with the University of Arizona Board of Regents; Authorizing the Mayor and City Manager to Execute all necessary documents; establishing severability of components of ordinance; and establishing an effective date thereof.

Ana Urquijo presented background information, noting a modification in the agenda item's background section. She clarified that during the council meeting on December 13, 2023, the first reading was approved with a fiscal impact revision. This revision involved changing \$260,000 from a lease purchase arrangement to utilizing existing capital project funding earmarked for downtown projects. The fiscal impact section now reflects this adjustment. Ms. Urquijo emphasized that as the downtown project progresses, there might be a need to request matching funds or additional funds, which could be brought to the council for consideration. While it is uncertain if this could occur in the current fiscal year, adjustments may be made in subsequent fiscal years.

From a business perspective, Ms. Urquijo expressed no concerns about this approach and mentioned receiving inquiries in support of it. She highlighted two significant grant proposals in progress, with hopes of knowing their success by spring. If there is a shortage of matching funds, Ms. Urquijo assured that staff would return to the council for necessary approvals.

Additionally, Ms. Urquijo informed the council that, despite initially being sourced through ARPA funds, the funds have transitioned into the general fund; and stated there are no longer obligations or reporting requirements under any ARPA program, considering the community's size and allocation.

**Motion by Council Member Lindemann, second by Council Member Shelton to approve the second reading of Ordinance No. 23-1173 with modifications to use the excess funds from the unrestricted reserves rather than the ARPA funds.**

Council Member Lindemann mentioned that upon further reflection, it is advisable to preserve the funds allocated for downtown in case matching funds are required. Since unrestricted funds are available, he considered it a more prudent approach.

Council Member Baldenegro suggested using funds from the Golf Course and airport land sale, with the intention to replenish the general fund later.

Ms. Urquijo responded, stating that if the proceeds from future sales are expected soon, her understanding is not to touch the reserves but utilize the future sales funds. She mentioned the pending closure of La Perilla Apartments on January 31, 2024, and the sale of the animal shelter awaiting guidance from the University of Arizona.

Furthermore, Ms. Urquijo clarified that there has not been a dedicated line item in the budget for golf course or La Perilla Apartments proceeds, but indications exist for the allocation of capital funds. She emphasized that Council Member Lindemann's proposal would not modify the capital projects line item but would tap into unrestricted reserves.

Council Member Baldenegro suggested acting now to use proceeds from the upcoming sales instead of reserves.

Ms. Urquijo affirmed both options were viable, and when planning for the proceeds, staff would need to account for it.

Mr. Pedroza clarified that the proceeds are budgeted as realized revenue, requiring a budget amendment.

Council Member Grijalva stressed the importance of investing in the community rather than accumulating savings.

Mayor Huish echoed the sentiment, emphasizing the need to use funds for community benefit.

Council Member Shelton inquired about available grants.

Ms. Urquijo mentioned a \$2.9M community spending request and an STBG grant exceeding \$7M for downtown. She highlighted the pre-engineering process as a prerequisite for utilizing federal funds and the ongoing efforts to secure these funds.

In response to Council Member Shelton's question about the animal shelter grant, Ms. Urquijo explained the \$560,000 sale price and the \$300,000 set aside in past budgets for facility construction, with the original intent of building a new facility.

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

- D. FIRST READING OF ORDINANCE NO. 24-1174**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AMENDING ORDINANCE NO. 08-938** and **AMENDING the DOUGLAS MUNICIPAL CODE TITLE 2, CHAPTER 2.02** relating to **CITY COUNCIL** by **AMENDING SECTION 2.02.010 MEETINGS-TIME, PLACE AND QUORUM**; establishing severability of components of Ordinance; and establishing an effective date thereof.

**Motion by Council Member Lindemann, second by Council Member Baldenegro to approve the placement of Ordinance No. 24-1174.**

Council Member Lindemann proposed changing the regular meeting time from 6:00 p.m. to 5:00 p.m. to enhance government efficiency and allow employees more family time. He emphasized the importance of accommodating faith community members who wish to attend council meetings but often face conflicts due to Wednesday schedules. Shifting the meeting time to 5:00 p.m. could align with other community entities, such as school meetings.

Council Member Lindemann highlighted the need for consistency in Douglas' schedule to help residents plan their activities. Ms. Andrade mentioned the city attorney's availability for additional background information. Mr. Fitzgibbons clarified that the council has discretion in setting meeting times, as the city charter mandates one meeting per month.

Council Member Grijalva expressed concerns about the potential impact on individuals who work until 5:00 p.m. and might find it challenging to attend a 5:00 p.m. meeting. He noted discomfort with voting on the item during an election season, fearing it could discourage potential candidates. Council Member Grijalva also highlighted logistical challenges for those needing to leave work early for council meetings or executive sessions scheduled before 5:00 p.m.

**Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Mitch Lindemann, Ray Shelton, and Michael Baldenegro. Voted Against: Council Member Jose Grijalva.**

**Motion by Council Member Lindemann, second by Council Member Baldenegro to approve the first reading of Ordinance No. 24-1174.**

**Motion by Council Member Shelton, second by Council Member Baldenegro to amend the meeting time to 5:30 p.m.**

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

**Motion FAILED on the approval of the first reading by a vote of 3-3. Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, and Mitch Lindemann. Voted Against: Council Members Ray Shelton, Michael Baldenegro, and Jose Grijalva.**

- E. RESOLUTION NO. 24-1580**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the ACCEPTANCE of GRANT FUNDING** in the amount of \$50,000 from **THE LEGACY FOUNDATION of SOUTHERN ARIZONA** for the **NATIONAL FITNESS CAMPAIGN OUTDOOR FITNESS COURT PROJECT.**

Daritzta Villalobos provided background information.

**Motion by Council Member Morales, second by Council Member Baldenegro to approve Resolution No. 24-1580.**

Council Member Morales inquired about the proposed location and funding for the fitness equipment project. Ms. Villalobos explained that the suggested site is near Veteran's Memorial Park, close to the tennis and pickleball courts, with a total project cost of \$190,500. Currently, the city has allocated \$80,000 for the project, with additional funding coming from the National Fitness Campaign (\$30,000) and the Legacy Foundation (\$50,000).

Council Member Baldenegro asked about the selection process for the site, proposing a potential change to the front of Veteran's Park due to concerns about congestion near the tennis courts. Ms. Villalobos clarified that the location has not been selected yet.

In response to Council Member Shelton's question about lighting, Ms. Villalobos stated she was not aware of any lighting in the area, and Ms. Urquijo mentioned that staff would assess the entire area before finalizing the site. Ms. Villalobos added that the vision includes creating an outdoor recreation center with all amenities in one spot.

Council Member Baldenegro raised concerns about the impact on planning due to the nearby roadway and suggested spreading the facilities more evenly throughout the park. Ms. Villalobos clarified that the proposed location is near the stage area, not the racquetball court on the east side.

Council Member Morales inquired about the inclusion of any covering, like the playground. Ms. Villalobos explained that it is not part of the current budget, and additional funding would need a separate allocation. Council Member Shelton suggested considering the addition of grass to the area.

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

- F. **RESOLUTION NO. 24-1581**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the entry into an **INTERGOVERNMENTAL AGREEMENT** between the **CITY OF DOUGLAS** and the **DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27** for purposes of **PROVIDING DOUGLAS POLICE DEPARTMENT (DPD) PERSONNEL** to fill **TWO SCHOOL SAFETY OFFICER POSITIONS** within the **DISTRICT** in the City of Douglas.

Council Member Mitch Lindemann recused himself at 7:08 p.m. due to his seat on the school board. Councilmember Lindemann returned at 7:15 p.m.

Chief Fullen provided background information.

**Motion by Council Member Shelton, second by Council Member Baldenegro to approve Resolution No. 24-1581.**

Council Member Baldenegro inquired about liability for injuries to the officer on school grounds. Chief Fullen explained that as city employees, the city would be liable for any injuries the officer incurs.

Further, Council Member Baldenegro asked about the city's contribution to the officer's compensation, considering the district provides \$45,000. Ms. Urquijo clarified that the base officer salary is \$50,000, and since it is not a full year and cycles through the school year, the city covers the periods in between, making an additional amount the city's responsibility.

Ms. Garcia added that the position starts at a B step due to the need for experienced officers, making it comparable to someone with three years of experience. This covers the \$45,000 cost for the ten months the school needs coverage. Applicants have the option not to work during breaks or can choose to work for the city during that time.

Council Member Baldenegro asked if insurance would be covered by the city. Ms. Garcia confirmed that the \$45,000 covers insurance and employee-related expenses for the ten months, and if the officer chooses to work the extra two months with the city, those expenses would also be covered.

Council Member Shelton commented on the Aurora shooting and mentioned plans to fence in the high school, expressing concern about the direction of society.

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

- G. **RESOLUTION NO. 24-1582**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **APPROVING** the City of Douglas **TRANSIT SITE SELECTION and ENVIRONMENTAL ANALYSIS STUDY**.

Xenia Gonzalez presented background information, noting that in 2020, ADOT granted funding to the City of Douglas Transit department for a transit site selection and environmental analysis study aimed at locating a new transit facility. Ms. Gonzalez outlined the study's key components, including site

identification, evaluation, field visits, environmental analysis, development of criteria, technical assessment, and execution of a coordinated public involvement plan.

She mentioned that in 2021, several locations were identified, but none proved suitable. Following the council's direction, staff continued the search for alternative sites. Ms. Gonzalez informed the council that an updated site selection study was presented a few months ago, and the preferred locations are the Transit Administration building at its current 1815 9th Street address and the fleet storage facility at Sulphur Springs Street and Lawrence Avenue, also known as the Public Works Yard.

**Motion by Council Member Baldenegro, second by Council Member Shelton to approve Resolution No. 24-1582.**

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

**H. RESOLUTION NO. 24-1583** a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING** the City of Douglas 2023 **PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY.**

Luis Pedroza presented background information, noting that according to ARS 38-863.01, governing bodies participating in the public safety personnel retirement system (PSPRS) are required to annually adopt a pension funding policy. This policy outlines how the stability of the governing body's contribution to the system is maintained, specifies when and how the funding requirements would meet, and defines the funded ratio target under the system, along with the timeline for achieving the targeted funded ratio.

Additionally, Mr. Pedroza explained that in 2021, the council issued bonds to fully fund the PSPRS unfunded liability to 100%, avoiding the trajectory of insolvency. The policy established the city's commitment to continuing funding at or near 100%. Mr. Pedroza highlighted the volatility of the pension plan, invested in markets by PSPRS, with an average 7% return but subject to fluctuations based on market conditions.

This year, the fire pension plan fell below 100%, reaching 94.9%, equating to an unfunded amount of \$1,080,942.00. To address this, staff proposed utilizing the pension policy reserve of \$4 million set aside when the bond was issued. This initiative-taking measure aims to maintain funding at 100%, injecting \$1 million into the plan with an approximate 7% return, ensuring stable rates and employer contribution rates on an annual basis.

Mr. Pedroza explained that several factors contributed to the fire department's plan falling below 94.9%, including employee transfers and salary increases. He emphasized the technical and financial intricacies of the plan, noting that these were the key highlights.

**Motion by Council Member Lindemann, second by Council Member Baldenegro to approve Resolution No. 24-1583.**

Council Member Lindemann highlighted that the city took a proactive approach in 2021 by issuing bonds for this purpose, engaging in discussions with other cities. While cities are facing challenges due to not taking such measures, the city is well positioned due to the \$4 million buffer zone, which Council Member Lindemann views as beneficial.

Council Member Baldenegro inquired about the payment options available to the city.

Mr. Pedroza explained that the city could pay half of the million-dollar liability and any additional amount necessary to enhance the city's position. The policy emphasizes striving to maintain or approach 100%. Staff consulted PSPRS on their recent plan performance, noting favorable returns in the last six months. By quickly injecting funds, the city could incorporate the full year's performance average, contributing positively to the system. Mr. Pedroza stressed that the \$4 million earmarked exclusively for this purpose, held in a special LGIP long-term account earning 3.5% interest. While comparing it to PSPRS with a 7% interest rate and superior performance, there are natural risks in different investment options.

**Mayor Huish called for a break at 7:29 p.m. Meeting resumed at 7:40 p.m.**

Public Statement from Mayor Huish about the incident at the meeting: "During the regular council meeting on January 10, 2024, at approximately 7:30pm we received an interruption from users logged in through zoom making very offensive comments and displaying disturbing images on the screen, and not yielding even after Mayor Huish instructed them to stop. This forced the city to terminate the livestream as a precautionary measure. The incident appeared to be "zoombombing," which is unwanted and disruptive intrusion, where Internet trolls are known to cause interruptions in public meetings through means of rude or offensive comments and/or images to derail video conferences. We understand the importance of transparency and accessibility in local government, and we sincerely apologize for the offensive behavior displayed by these unknown users and any inconvenience this disruption may have caused. Our team is actively investigating the incident to identify the source and implementing necessary security measures and added controls to prevent such incidents in the future. Please be assured that the meeting itself continued in person, and minutes of the proceedings will be made available on our official website as soon as possible. We remain committed to open and accessible governance and appreciate your understanding as we work to place measures to prevent future issues."

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

- I. **RESOLUTION NO. 24-1584**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the City of Douglas to enter into a **DESIGN and CONSTRUCTION ASSISTANCE AGREEMENT** with the **DEPARTMENT OF THE ARMY REPRESENTED** by the District **COMMANDER** for **LOS ANGELES DISTRICT** for **ENVIRONMENTAL INFRASTRUCTURE** serving the **PORT OF ENTRY MODERNIZATION PROJECT** in the amount of \$1,950,000 reimbursable grant.

Luis Pedroza provided background information on the City of Douglas' initiative to engage in a Design and Construction Assistance Agreement with the Army Corps of Engineers, securing \$1,950,000, complemented by a 25% match. This funding is intended for water and sewer infrastructure developments in the west expansion area toward the new commercial port of entry.

The city had initially sought grant funding from the Army Corps of Engineers Section 595 program in early 2021, specifically for the design phase of water and sewer systems for the new commercial port of entry, originally requesting \$2.2 million. As the design costs are covered and in progress, staff propose redirecting these funds towards construction-related expenses.

The allocated funds will address critical water infrastructure needs, involving the new water well, reservoir tank, and the water distribution system. The funding amount to \$2,175,000, is sourced from the same 559 program awarded through a Congressional Directed Spending Request.



Mr. Pedroza emphasized that the city aims to secure a total of \$28.5 million for this infrastructure project, with the recent addition of \$1.95 million, bringing the current fundraising total to \$14.6 million. The city is exploring various scenarios and is awaiting feedback from potential sources.

**Motion by Council Member Baldenegro, second by Council Member Shelton to approve Resolution No. 24-1584.**

Mayor Huish thanked staff for being proactive in trying to secure this money from outside sources which prevents local dollars being spent for this federal project.

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

- J. **RESOLUTION NO. 24-1585**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the **EXECUTION** of a new **INMATE WORK CONTRACT** between the **CITY of DOUGLAS** and the **ARIZONA DEPARTMENT OF CORRECTIONS, REHABILITATION & REENTRY** on behalf of the **ARIZONA STATE PRISON COMPLEX-DOUGLAS** to **RENEW** the **AGREEMENT** for **FIVE (5) YEARS** to **PROVIDE INMATE LABOR** for city projects.

Luis Pedroza presented background information regarding the use of inmate labor crews for various daily city operations, encompassing tasks in parks, streets, the golf course, and facility maintenance. Since 1984, inmates have been contributing to city work areas as a supplementary workforce.

Moreover, Mr. Pedroza highlighted that the city compensates inmates at a rate of \$0.50 per hour per individual. Additionally, when assigned to one of the crews, the city covers the salary and employee-related expenses for the supervision provided by an ADCR (Arizona Department of Corrections Rehabilitation) correction officer. The proposed contract spans five years and encompasses various work areas.

**Motion by Council Member Morales, second by Council Member Baldenegro to approve Resolution No. 24-1585.**

Council Member Morales suggested that, since this is a renewal agreement, the three existing work crews currently operating on Pan American could be directed to work on cleaning alleyways. She expressed her passion for the cemetery and raised concerns about the private cemetery cleanliness. Council Member Morales proposed asking the current owner if they would permit the DOC crew to perform a one-time cleanup of the cemetery.

Mayor Huish acknowledged these concerns and suggested that staff address both issues raised by Council Member Morales.

Council Member Lindemann expressed satisfaction with the inmate crews' performance, emphasizing their importance and mutual benefits. He expressed a desire for the inclusion of DOC cement crews in the future, given the considerable need for cement work.

Mayor Huish added that the city is dependent on DOC for the availability of their crews.

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

**K. RESOLUTION NO. 24-1586**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the City of Douglas to **RATIFY** the **SALE** of the **RANCHO LA PERILLA APARTMENTS** by the **CITY OF DOUGLAS COMMUNITY HOUSING CORPORATION** and **SETTLE** the **OUTSTANDING NOTES** owned to the City of Douglas.

Luis Pedroza provided background information and mentioned that on July 7, 2022, the Community Housing Corporation (CHC) awarded the bid to Sierra Carmichael, now operating as RLP II, LLC. The CHC will transfer the existing HUD mortgage loan to the buyer as part of the purchase price. HUD officially approved the sale and loan transfer on December 7, 2023.

Mr. Pedroza explained that the CHC entered into a purchase and sale agreement on October 7, 2022. During the due diligence period, HUD required a capital needs assessment due to the HUD loan. The assessment revealed deficiencies that required correction, leading to a thorough vetting process by HUD. The total purchase price for the apartments is \$4,934,000, with an outstanding mortgage amount of \$3,875,716.14 as of December 7, 2023. Net proceeds amount to \$1,058,284, and additional reserve and escrow balances will return to the CHC and eventually to the city. These balances include \$302,524 in escrow and reserve balances, and another residual receipts account with \$16,807, which will be returned to the city.

The CHC approved the sale on January 4, 2024, and currently owes the city two notes. The first note, initiated in 2002, accrued to \$772,972 with interest. The second note, requested in 2017, has a remaining balance of \$20,742.71. With the sale, the CHC dissolves, and these notes would be extinguished. The city anticipates a closing date for the transaction on January 31, 2024.

**Motion by Council Member Shelton, second by Council Member Baldenegro to approve Resolution No. 24-1586.**

Council Member Grijalva asked if, once the sale goes through, it would be possible to schedule a study session to discuss how to allocate the remaining funds that the city would receive from the sale. Mayor Huish expressed agreement.

Additionally, Mayor Huish extended gratitude to the former council and staff, acknowledging that when the apartments were originally constructed, they fulfilled a significant need in the community. He expressed excitement that the city can now sell them, emphasizing the council's viewpoint against being in the landlord business.

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

**L. ACKNOWLEDGEMENT of CITIZEN'S PETITION REGARDING VETERAN BANNERS.**

Denis Fitzgibbons provided background information and stated that Council Member Grijalva submitted the petition regarding Veteran recognition since the City of Douglas has space on the banner polls that could be utilized to placed Veteran banners on a permanent basis.

**Motion by Council Member Lindemann, second by Council Member Shelton to acknowledge the citizen's petition and direct the city manager to establish a banner program through administrative policy which in part ensures that local veterans inclusive of Purple Heart recipients are honored year-round in collaboration with the American Legion.**

Ms. Urquijo provided additional details, expressing accountability for any situations where local veterans felt disrespected. She emphasized her respect for all veterans in the community and mentioned ongoing

interactions with them. Ms. Urquijo clarified that any misunderstandings regarding banners were not due to her direct opposition to specific actions.

Furthermore, Ms. Urquijo highlighted her efforts to develop a banner concept commemorating local heroes and showcasing Douglas' history. This draft program, intended to be an ongoing operational component, aims to collaborate with community organizations for diverse needs and modifications. The policy includes dedicated spaces for local heroes and Purple Heart recipients.

Concerned about the issues that arose, Ms. Urquijo reached out to the American Legion staff, proposing quarterly meetings for ongoing communication. She acknowledged the American Legion's decision to put things on hold until the Mayor and Council provided direction on banner-related issues.

Council Member Grijalva emphasized the importance of having designated spaces for banners and proposed collaborating with the American Legion through an agreement. He suggested the American Legion take responsibility for the banners' display, enhancing community pride and beautifying Douglas.

Council Member Shelton shared his family's military history and expressed support for placing veterans' banners, emphasizing the need to remember veterans.

Council Member Lindemann stressed the importance of working together with veterans to address concerns.

Council Member Baldenegro suggested seeking input from veterans on the placement of banners and proposed a kiosk in the downtown area to showcase veterans' history. Mayor Huish supported the idea of a kiosk, adding that interactive, multi-sided displays could benefit downtown businesses and veterans.

Council Member Grijalva clarified that the item was to acknowledge the petition and direct staff to develop the program with input from the American Legion. Mayor Huish affirmed the direction included in the motion and suggested the inclusion of a kiosk in the budget for the coming year.

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

#### **M. UPDATE/DISCUSSION/DECISION regarding MIGRANT RELATED SITUATION.**

Ana Urquijo provided an update based on the December regular meeting's direction to allocate \$100,000 toward any migrant-related efforts needed within the fluid situation in the community regarding migrant street releases.

Ms. Urquijo noted that due to the chilly weather, Douglas has experienced zero migrants recently, as lateral transports from Border Patrol have ceased since last Friday. While there were six releases from local Border Patrol apprehensions, lateral transfers from the Tucson sector have been stopped. The shelter did drive two families to Las Cruces, NM, but it remains uncertain if they crossed at the Douglas Port of Entry due to the termination of lateral transfers, according to Border Patrol.

In the past month, the staff has applied for grant funding to reimburse emergency coordinator positions, anticipating potential needs. The grant provides 50% reimbursement if approved, but it is effective only through June. As funding for buses from the Department of Emergency Management Services is available for ten days, and Pima has shelter and bus funding only through February 29, 2024, the city is actively seeking alternatives. Ms. Urquijo mentioned ongoing efforts to explore the National Guard Armory and the House of Hope as backup shelters. Additionally, the Visitor Center is being considered for sheltering, pending upgrades to its kitchen facilities.

Staff have stockpiled \$14,000 worth of non-perishable food items, and there are plans to hire a part-time person for six to eight weeks to assess the viability and sustainability of commercial transportation returning to Douglas.

Council Member Grijalva suggested seeking input from volunteers on their needs and using funds for resources rather than hiring staff.

Ms. Fasimpaur, a volunteer, emphasized that transportation is the primary concern, suggesting regular buses as a replacement for the occasional buses provided by volunteer efforts. She stressed the importance of regular transportation to expedite migrant arrivals and departures, minimizing overnight stays and facility concerns.

Council Members discussed potential shelter locations, with Council Member Grijalva favoring the Visitor Center and expressing caution about using the Armory, given potential National Guard activations. Mayor Huish emphasized the need for federal and state government involvement, highlighting the city's compassionate community but emphasizing that it is not the city's responsibility to handle the situation.

In conclusion, Ms. Urquijo addressed transportation challenges and legal constraints faced by Border Patrol, with Mayor Huish expressing concerns about the pressure on volunteers and the need for collective council direction on how to proceed.

**Motion by Mayor Huish, second by Council Member Shelton to direct staff to continue to pursue transportation and to continue discussions with governor's office regarding the national guard building with a backup plan of the visitor center and a backup plan of the house of hope which is a limited backup plan and exploring all options that does not put the city in the migrant housing business but in a compassionate service business.**

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

## **10. CITY MANAGER REPORTS.**

Ms. Urquijo provided the following reports:

- The Public Library, in collaboration with SEAGO, is introducing a family caregiver support program to assist caregivers of children or any type of caregivers. These sessions plan to better equip caregivers for their responsibilities.
- Representative Raul Grijalva will be holding office hours at the library on January 18 from 10 am to 12 pm.
- The Chess Club will resume its meetings on Thursday, January 11, from 3:15 pm to 5:15 pm at the library.
- The General Plan Advisory Committee has upcoming meetings scheduled in the next few weeks at 10 am in the Council Chamber.
- The Design Review Board is set to meet on January 18 at 5:30 pm.
- The recreation staff is organizing a Do-It-Yourself Canvass Program from January 22 to January 31, taking place from 6:00 to 8:00 pm at Raul Castro Park.
- SEAGO, in partnership with the library, successfully distributed over five hundred gifts to local nursing homes, churches, Meals on Wheels recipients, and individual referrals under their Senior Santa program.
- The Healthy Choices at Your Library literacy program distributed 375 after-school snacks in December. The library is also collaborating with the "1,000 Books Before Kindergarten" nationwide program, encouraging parents and caregivers to read aloud to children.
- The Aquatic Center is undergoing significant renovations, particularly in the women's shower area and therapy pool.

- The Visitor Center has launched Exploredouglas.org, a new website designed to provide both out-of-town visitors and residents with a comprehensive view of exciting events in the area.
- The Fire Department has opened its annual warming shelter, currently open and advertised. No additional supplies are needed, and they have not had any visitors thus far.
- A Call of Election has been issued to fill council seats for wards 1, 3, 5, and the mayoral seat. Community members interested in running for the primary election on August 6, 2024, are encouraged to contact the city clerk's office.
- The 8th Street Pool received its initial inspection report from the selected vendor, conducting a thorough analysis and assessment of the pool's condition. Another pending inspection, a pressure test on plumbing, is scheduled in the next three weeks. Significant corrections are needed in every major piece of equipment operating the swimming pool. The city is collaborating with staff on phased correction plans and funding them in a phased approach.

**11. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND FUTURE AGENDA ITEM REQUESTS.**

Council Member Grijalva brought attention to Commodity Day, expressing gratitude to the city manager for promptly responding to the food bank's request for salt to be distributed on the sidewalks, considering the high foot traffic in that area. He also shared that Santa expressed his appreciation to the Parks and Recreation staff for their excellent work during the event at Raul Castro Park. Furthermore, Council Member Grijalva extended his appreciation to the volunteers at the migrant center, urging colleagues to visit and witness firsthand the dedication and compassion displayed by these individuals in challenging conditions. He emphasized the inspiring commitment to caring for others.

Council Member Baldenegro expressed gratitude to Michael Beck, Adrian Grijalva, and Chief Fullen for their efforts in taking care of animals, handling calls, and working overtime. Additionally, he expressed hope that with the purchase of the animal shelter, the city could consider adding more human officers.

Mayor Huish extended New Year wishes to everyone, anticipating an exciting 2024 with many positive developments in the community. He acknowledged and appreciated the input and willingness to volunteer, emphasizing the strong sense of community shared by all.

**12. ADJOURNMENT.**

**Motion by Council Member Morales, second by Council Member Shelton to adjourn the meeting at 8:26 p.m.**

**Prepared by:**



**Alma Andrade, City Clerk**