

MINUTES

MAYOR AND COUNCIL

The City of Douglas Mayor and Council met on Wednesday, September 8, 2021 at 6:00 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.** 6:00 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council.
3. **INVOCATION.** By Pastor Luis Aguilar, Ministerios Amistad Douglas IBS.

Pastor Aguilar mentioned the Christian community was working to put on music classes and youth group activities to promote health and wellness. He also noted that there was a service every Sunday at 10:00 a.m.

4. **ROLL CALL.**

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

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

On behalf of the Douglas Education Partnership Council, Ida Pedrego invited all the Council Members to attend the Stakeholder Meeting on 09/14/2021. Furthermore, Ms. Pedrego expressed the importance of promoting education within the community for future generations.

Richard Dodge addressed Resolution 19-1381 which promoted rail services to increase tourism and foster economic development. Mr. Dodge noted railroad services were an important part of Cochise County.

Mayor Huish agreed with Mr. Dodge.

6. **PRESENTATION of AWARDS.**

PROGRAM COORDINATING COMMITTEE Appointment of Ms. Norma Galindo, retroactive to July 1, 2021.

Mayor Huish presented Ms. Norma Galindo with her certificate.

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

- A. EXPENDITURES for the month of AUGUST 2021 totaling \$753,341.54.
- B. LIQUOR LICENSE Series #012 for PIZZARAMA located at 515 Pan American Avenue in Douglas, AZ.

Motion by Council Member Morales, **second** by Council Member Acosta to approve the consent agenda items.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

8. DISCUSSION/DECISION on APPROVALS.

- A. **FIRST READING OF ORDINANCE NO. 21-1137**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AMENDING ARTICLE 12 of the STREETS, SIDEWALKS and PUBLIC PLACES CODE, relating to the REGULATION of PARKS and RECREATIONAL AREAS; establishing MISCELLANEOUS RULES of CONDUCT; SETTING FORTH VIOLATIONS; and PROVIDING for ENFORCEMENT and PENALTIES; establishing severability of components of Ordinance; and establishing an effective date thereof.

Chief Fullen provided background information. Chief Fullen reported there have been numerous complaints regarding misuse of City amenities and the intention of the Ordinance was to provide City Staff with the tools to be able to enforce with legal backing. Finally, Chief Fullen stated the civil infraction is a \$50.00 fine and any other serious offense would be classified as a misdemeanor offense.

Motion by Council Member Acosta, **second** by Council Member Morales to approve the placement of Ordinance No. 21-1137 on its first reading by number and title only.

Council Member Grijalva requested examples of classification of a misdemeanor.

Chief Fullen stated if someone were to fail to follow the park rules it would result in a civil fine up to \$50.00, but if someone fired a weapon in the park, it would be a class one misdemeanor. Chief Fullen noted the fine or sentence would be up to the discretion of the judge.

Council Member Grijalva suggested including a more severe fine in the event someone causes destruction to City amenities.

Mayor Huish commented it would be difficult to prove and requested Chief Fullen to look further into it.

Chief Fullen agreed and commented there would be additional factors to consider such as the age of the individual involved.

Mayor Huish invited Jesus Duarte to speak.

Jesus Duarte stated the increasing regulation of city parks was unfortunate as it restricts youth from enjoying unorganized games. Mr. Duarte informed Mayor and Council he and his son have been utilizing rocket launching kits but did not notice the mention of them within the Ordinance and requested of Chief Fullen to consider including more inclusive language and direction.

Mayor Huish thanked Mr. Duarte and commented the intent was to protect the facilities from damage more than restrict what youth can or cannot play in certain areas.

Council Member Acosta recommended to list specific amenities rather than mention amenities as a broad area.

Chief Fullen stated the intention to leave it broad was to avoid returning to Mayor and Council each time a new amenity was added to the city. Additionally, Chief Fullen stated the posted rules at the parks could be more specific and including "abiding by posted rules at the park" in the Ordinance would allow the tool for enforcement.

Mayor Huish concluded that in the future common sense would be used to determine what was unacceptable behavior.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

Motion by Council Member Morales, **second** by Council Member Grijalva to approve the first reading of Ordinance No. 21-1137.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

- B. **FIRST READING OF ORDINANCE NO. 21-1138**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, MODIFYING TITLE 2 of the DOUGLAS MUNICIPAL CODE relating to the MAGISTRATE COURT by AMENDING Chapter 2.40.025 DRIVER LICENSE SUSPENSION FEE, establishing severability of components of Ordinance; ~~and declaring an emergency.~~

Mayor Huish stated the intention was to pass Ordinance No. 21-1138 by emergency, however there needed to be more Council Members to do so. Furthermore, Mayor Huish stated the goal is to pass the ordinance prior to September 29, 2021, and the Mayor and Council would have a future special meeting to do so.

Chief Fullen provided background information and stated Senate Bill 1551 was passed by the Arizona State legislature and would become effective September 29, 2021. As a result, Chief Fullen stated an amendment was needed for section 2.40.025 in the Douglas Municipal Code to avoid conflict with the new law. The Senate Bill 1551 was proposed to reverse the mandatory suspension and as result of a failure to pay for the civil sanction or default judgment.

Motion by Council Member Acosta, **second** by Council Member Morales to approve the placement of Ordinance No. 21-1138 on its first reading by number and title only.

Council Member Acosta commented she saw a need for this law as the current one resulted in an endless cycle of fine increases towards individuals who did not or were unable to make payments.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

Motion by Council Member Morales, second by Council Member Acosta to approve the first reading of Ordinance No. 21-1138.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

- C. **FIRST READING OF ORDINANCE NO. 21-1139**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AMENDING Title 13 of the DOUGLAS MUNICIPAL CODE relating to PUBLIC WATER and SEWER SERVICES by amending Ordinances 755, 06-904, 09-973, 20-1117 pertaining to WATER and SEWER FEES and CHARGES for SERVICES under chapter 13.08, establishing severability of components of ordinance; and establishing an effective date thereof.

Mayor Huish stated due to the lack of Council Members, he would like to table the item until the October meeting but allow Luis Pedroza to provide the presentation regardless. Additionally, Mayor Huish invited the audience to speak if they desired and stated there would be a town hall in two weeks in which individuals could have the opportunity to speak again.

Luis Pedroza provided background information regarding the water and sewer rate study presented to the Mayor and Council on April 28, 2021 by the 65th North Group. The following data was presented by the study for the water utility fund:

Water

Public utilities in Cochise County average water monthly rates compared to Douglas.

<u>Type Avg.</u>	<u>County</u>	<u>Douglas</u>	<u>Differences</u>
Residential	\$29.90	\$21.80	\$8.10
Commercial	\$101.88	\$21.80	\$79.28
Irrigation	\$54.78	\$15.75	\$39.03

Public water utilities and state-wide utilities averages showed a greater cost compared to the Cochise County rates.

The study showed revenue projections without rate increases for the next 6 years for the water utility as follows:

<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>TOTAL</u>
\$2,126,966	\$2,160,225	\$2,194,829	\$2,230,834	\$2,268,297	\$2,307,276	\$13,288,428

With expected cash and borrowing expenditures within those 6 years of \$15,679,331, there is a shortfall of \$2,390,902. To meet this shortfall, the recommendation is to utilize \$1M in cash balance, borrow for 75% of capital items in FY21, FY22 and FY23, pay cash for CIP in FY24 through FY26, obtain grant funding for water infrastructure, and increase the water rates as follows:

FY 21/22	2.5% base fees and 5% consumption Average monthly increase in residential bill: \$0.72
FY 22/23	2.5% base fees and 5% consumption Average monthly increase in residential bill: \$0.40
FY 23/24	2.5% base fees and 5% consumption Average monthly increase in residential bill: \$0.41
FY 24/25	3.5% base fees and 8.5% consumption Average monthly increase in residential bill: \$0.82
FY 25/26	3.5% base fees and 8.5% consumption Average monthly increase in residential bill: \$0.60

The increases to the fees over a 5-year period represent an **average increase of \$2.95 for residential.**

Sewer

Public utilities in Cochise County average sewer monthly rates compared to Douglas

<u>Type Avg.</u>	<u>County</u>	<u>Douglas</u>	<u>Differences</u>
Residential	\$32.53	\$25.00	\$7.53
Commercial	\$65.65	\$37.00	\$28.65

Public sewer throughout the state averages showed a greater cost compared to the Cochise County rates.

The study shows revenue projections without rate increases for the next 6 years for the water utility as follows:

<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>TOTAL</u>
\$1,997,476	\$2,131,715	\$2,152,296	\$2,173,083	\$2,194,077	\$2,215,282	\$12,863,929

With expected expenditures within those 6 years of \$12,863,929, there is a shortfall of \$340,496. Additionally, the sewer's fund balance is not adequately funded, currently projected to be at \$1,135,040 at the end of FY26 to the recommended levels of \$1,503,180 that meets 1.5 times total debt per year plus 25% of annual expenditures. In order to meet this shortfall, the recommendation is to increase rates between 3% and 9% that will provide the revenue levels necessary to achieve break even and fund the required fund balance. The study recommended an option to increase sewer rates by 5% for the next five years, but City Staff recommend increasing to 4% as it is still within the safe range and less than a 5%.

Increase to the sewer rates are proposed as follows:

FY 21/22	4.0% base fee Average monthly increase in residential bill: \$1.00
FY 22/23	4.0% base fee Average monthly increase in residential bill: \$1.04
FY 23/24	4.0% base fee Average monthly increase in residential bill: \$1.08
FY 24/25	4.0% base fee Average monthly increase in residential bill: \$1.12
FY 25/26	4.0% base fee Average monthly increase in residential bill: \$1.17

Total bill increases after Year 5: \$5.41

Additionally, Mr. Pedroza noted staff recommended to increase the consumption fees rather than the base rate fee to avoid impacting low consumption users.

Furthermore, Mr. Pedroza addressed the infrastructure costs for three wells that had gone down. Mr. Pedroza reported the city needed to dig deeper or dig elsewhere to collect water to meet production demands. This project would cost about \$1,600,000.

Moreover, Mr. Pedroza stated there was a need for wastewater sewer line replacements due to old existing sewer lines causing issues. Mr. Pedroza stated the cost was around \$500,000 for a five-block area. Additionally, small capital purchases are needed for the vacuum truck, sweeper vehicles and back hoes.

Finally, Mr. Pedroza concluded the funding for water user fees goes directly to water enterprise funds and does not get mixed with other funding sources within the City of Douglas departments.

Motion by Council Member Morales, **second** by Council Member Acosta TABLED the item for a future council meeting.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

- D. **FIRST READING OF ORDINANCE NO. 21-1140**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the SALE of a SEMI-IMPROVED PARCEL of LAND located on the 900 block of 2nd Street, lots 13-16 within parcel #409-14-093 to JOSEPH L. GARCIA and MARIA DE LA LUZ GARCIA, Husband and Wife, pursuant to terms entered into by the parties; establishing severability of components of Ordinance; and establishing an effective date thereof.

Mr. Pedroza provided background information and stated Mr. and Mrs. Garcia approached the city and requested to purchase the remaining lots 13-16 for a total of \$20,000. Furthermore, the contract established in November 2020 stipulates the right of first refusal of the remaining lots to be given to Mr. and Mrs. Garcia. Mr. Garcia requested a payment arrangement of 5 years as follows:

<u>Payment</u>	<u>Amount</u>	<u>Due Date</u>
Year 1	\$5,000	3/1/2022
Year 2	\$5,000	5/1/2023
Year 3	\$5,000	5/1/2024
Year 4	\$2,500	5/1/2025
Year 5	\$2,500	5/1/2026

Lastly, Mr. Pedroza noted Mr. and Mrs. Garcia also requested that there be no penalty for prepayment since they see the possibility of paying it off earlier than expected.

Motion by Council Member Morales, **second** by Council Member Acosta to approve the placement of Ordinance No. 21-1140 on its first reading by number and title only.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

Motion by Council Member Morales, **second** by Council Member Acosta to approve the first reading of Ordinance No. 21-1140.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

- E. **RESOLUTION NO. 21-1473**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, APPROVING the CITY OF DOUGLAS COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CONSOLIDATED ANNUAL PERFORMANCE and EVALUATION REPORT for FY 2020-2021.

Xenia Gonzalez provided background information.

Motion by Council Member Acosta, **second** by Council Member Morales to approve Resolution No. 21-1473.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

- F. **RESOLUTION NO. 21-1474**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the CITY OF DOUGLAS to ACCEPT GRANT FUNDING and ENTER into a SUBGRANTEE AGREEMENT with the STATE OF ARIZONA DEPARTMENT OF HOMELAND SECURITY for a REIMBURSABLE GRANT FUND allocation in the amount of \$47,639.87 for

EQUIPMENT under OPERATION STONEGARDEN Fiscal Year 2019 Award-Reallocation Grant Program.

Chief Fullen provided background information and stated the grant would be used to purchase an x-ray scanner which will give officers an extra tool towards interdiction of narcotics inside vehicles.

Motion by Council Member Morales, **second** by Council Member Acosta to approve Resolution No. 21-1474.

Council Member Morales commended Chief Fullen for obtaining the grants.

Council Member Grijalva expressed his appreciation for the DPD and coming up with new ways to protect the community.

Chief Fullen thanked the Council for their words and commended his own staff for doing the work to obtain the grants.

Council member Acosta inquired if the x-ray was mobile.

Chief Fullen confirmed.

Motion PASSED by a vote of 4-0. Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, and Jose Grijalva. **Voted Against:** None.

9. CITY MANAGER REPORTS.

Luis Pedroza invited the community to attend the Town Hall on September 22, 2021 at 5:30 p.m.

10. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND FUTURE AGENDA ITEM REQUESTS.

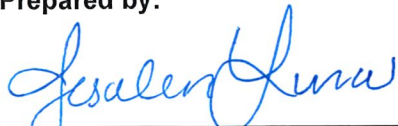
Council Member Grijalva reminded everyone of the commodity day on Monday and reported there was a need for volunteers to help at the Douglas Food Bank. Council Member Grijalva also mentioned Mayor and Council's visit to the League of Cities and the information they learned. Council Member thanked APS and Ana Urquijo for their interest and investment in the City of Douglas.

Mayor Huish pointed out there was a display in City Hall in honor of Labor Day provided by Ginny Jordan, Cecy Durazo, and Beth Hansen were instrumental in putting together the display. Additionally, Mayor Huish received news of funds becoming available to Mexico for their side of the Port of Entry. Moreover, Mayor Huish had a face-to-face meeting with Senator Kyrsten Sinema to which she informed him the Infrastructure and Jobs Act is scheduled to pass by September 27, 2021 as is which means Douglas would receive full funds that would become available October 1, 2021. Mayor Huish reported working with ADOT for the initial design concept review of the connecting road on James Ranch Road and the environmental study associated with that. Lastly, Mayor Huish reported he received inquiries from individuals interested in establishing their businesses in Douglas.

11. ADJOURNMENT.

Motion by Council Member Morales, second by Council Member Acosta to adjourn the meeting at 7:09 p.m.

Prepared by:



Jesalen Luna, Deputy City Clerk