

**MAYOR AND COUNCIL PUBLIC MEETING NOTICE
REGULAR MEETING - MAY 08, 2024 AT 6:00 PM**



Minutes

The City of Douglas Mayor and Council met in a Regular Meeting on Wednesday, May 8, 2024, at 6:00 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Donald Huish called the meeting to order.

1. **CALL TO ORDER.** 6:08 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council.
3. **INVOCATION.** Pastor Pete Cordova, First Assembly of God.
4. **ROLL CALL.**

	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, JOSE MONTANO	X	
COUNCILMEMBER, DANYA ACOSTA	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MICHAEL BALDENEGRO	X	
COUNCILMEMBER, RICHARD C. ACOSTA	X	
CITY MANAGER, ANA URQUIJO	X	
CITY ATTORNEY, DENIS FITZGIBBONS	X	
CITY TREASURER, LUIS PEDROZA	X	
CITY CLERK, ALMA ANDRADE	X	

5. **READING of PROCLAMATIONS.**

- A. **NATIONAL MENTAL HEALTH AWARENESS MONTH.**
- B. **NATIONAL ASSOCIATION of LETTER CARRIERS' FOOD DRIVE DAY.**
- C. **NATIONAL PUBLIC WORKS WEEK.**

Mayor Huish proceeded to read the proclamations.

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

Ms. Andrade stated no public participation forms were submitted.

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

- A. **RECEIPT** of the Final FY2023 **AUDITED FINANCIALS**
- B. **EXPENDITURES** for the month of **APRIL 2024** totaling \$2,546,298.04.
- C. **MEETING MINUTES** for **APRIL 10 & 25, 2024.**

Motion by Council Member Morales, second by Council Member D. Acosta to approve consent agenda items 7 B & C.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montañó, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

Item 7A was removed from the consent items for discussion on the receipt of the audited financials.

Mr. Martinez provided background information, stating that the city received its Annual Comprehensive Financial Report (ACFR), including the Single Audit, the Independent Auditor's Report, the Annual Expenditure Limitation Report, and the HURF Compliance Report for the fiscal year ending June 30, 2023. The audit was conducted by The Pun Group.

The auditors issued an unmodified report, indicating that the financial statements are presented fairly and accurately, reflecting the city's financial status, position, and operations in accordance with the relevant financial reporting standards.

The city successfully conducted its audit promptly and in compliance with A.R.S. regulations. The ACFR has been submitted for consideration for the GFOA Award, recognizing excellence in financial reporting.

Additionally, the city has fulfilled its submission requirements to the State of Arizona Auditor General's Office. While no major weaknesses or deficiencies were found, auditors recommended that the city strengthen its internal controls and year-end procedures to ensure precise financial reporting and reduce the need for extensive adjustments at fiscal year-end. They also emphasized the need for timely completion of bank reconciliations and improvements in overall financial reporting for the Municipal Property Corporation (MPC-Golf).

Motion by Council Member D. Acosta, second by Council Member Shelton to approve consent agenda item 7 A.

Council Member Acosta commented on the importance of not including this item in the consent agenda for transparency purposes. She acknowledged that no audit is ever 100% perfect but emphasized the value of understanding potential findings and areas needing improvement.

Mayor Huish inquired about any posting requirements for the audit.

Mr. Martinez responded that the audit is posted on the city's website as soon as it is received for the fiscal year, making it available to the public.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

8. DISCUSSION/DECISION on APPROVALS.

A. **SECOND READING OF ORDINANCE NO. 24-1189**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AMENDING the CITY PERSONNEL RULES AND REGULATIONS** adopted pursuant to Ordinance 684, and last amended by Ordinance 22-1155; establishing severability of components of Ordinance; and establishing an effective date thereof.

Ms. Pedroza provided background information, stating that during the previous week's meeting, staff brought forward a proposed change to the personnel rules to add Juneteenth to the city's holiday schedule. It was requested that employees be surveyed again. Staff conducted the survey and received 80 responses. Employees were asked to select their top three choices from a list, and the results were shared with the council. There was also an option for employees to suggest other holidays.

Ms. Pedroza reported that the top choices were 64 votes for Easter Monday, 49 for Good Friday, 36 each for Christmas Eve and Juneteenth, 23 for half days on Christmas Eve and New Year's Eve, 21 for New Year's Eve, 8 for Columbus Day, with one vote each for Cesar Chavez Day and Super Bowl Monday.

Ms. Urquijo noted that, based on previous discussions and the upcoming Juneteenth holiday, it is important to consider moving forward with Juneteenth while also considering adding Easter Monday, which led the survey. If two holidays are to be considered, Good Friday could be the third choice. She mentioned operational concerns with trash collection on holidays, as the city uses Wednesdays as a catch-up day when holidays are observed. She also emphasized that additional holidays could aid in recruitment efforts, given the competitive benefits the city already offers.

Council Member R. Acosta thanked Ms. Garcia Pedroza for the data and suggested adding two or three holidays, potentially including Good Friday and Easter Monday.

Mayor Huish inquired if the school district honors Juneteenth.

Ms. Garcia Pedroza confirmed that they did not.

Council Member Baldenegro noted that the school district is not in session during Juneteenth.

Mayor Huish asked the city attorney if the motion needed to be amended to include other holidays.

Mr. Fitzgibbons confirmed that the council must decide which and how many additional holidays to include.

Council Member Morales noted the strong support for Easter Monday, mentioning her experience in the medical field where employees preferred that day off.

Council Member Acosta emphasized the importance of informing residents about changes to trash pickup schedules to avoid confusion.

Council Member Morales asked if Juneteenth would be effective next month if approved.

Ms. Garcia Pedroza confirmed it would.

Council Member Montaña suggested choosing either Easter Monday or Good Friday, not both, to avoid operational disorder. He supported Easter Monday.

Council Member Shelton inquired if schools have Easter Monday off, which Council Member Acosta confirmed.

Mayor Huish suggested half days on Good Friday and Christmas Eve, in addition to Easter Monday and Juneteenth.

Ms. Garcia Pedroza explained that this would equate to 14 holidays, including 13 full holidays and two half days, resulting in 112 hours for regular staff and 224 for fire staff.

Mayor Huish asked if there would be any issues aside from accounting payroll.

Ms. Garcia Pedroza said employees would enter their time as half worked and half-holiday hours, which would help with trash collection logistics.

Council Member Montaña agreed with Mayor Huish's proposal, stating it addresses the top three choices from employees.

Motion by Council Member D. Acosta, second by Council Member Baldenegro to approve the second reading of Ordinance No. 24-1189 with the addition of holidays on Easter Monday as a full day, Good Friday and Christmas Eve as half days and Juneteenth.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

B. FIRST READING OF ORDINANCE NO. 24-1190, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **LEVYING UPON THE ASSESSED VALUATION** of the **PROPERTY** within the City of Douglas, Subject to Taxation, a Certain Rate Upon each One Hundred Dollars (\$100.00) of Valuation sufficient to raise the amount estimated to be required in the annual budget, and providing funds for general municipal expenses: all for the Fiscal Year ending the 30th day of June 2025 establishing severability of components of Ordinance; and establishing an effective date thereof.

Alejandro Martinez provided background information and explained that each fiscal year, the City of Douglas must adopt its annual property tax levy and submit certification to the Cochise County Board of Supervisors by the third Monday in August. This year, the certification is due by August 19, 2024. The recommended property tax rate for this year is to slightly reduce the city's property tax rate from 1.1147 to 1.1138, which would generate \$703,542 in revenue. This represents an increase in the levy from \$681,841 to \$703,542, amounting to a total increase of \$21,701, primarily due to new construction.

Motion by Council Member D. Acosta, second by Council Member Richard Acosta Baldenegro to approve the placement of Ordinance No. 24-1190.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

Motion by Council Member Shelton, second by Council Member D. Acosta to approve the first reading of Ordinance No. 24-1190.

Mayor Huish expressed his gratitude to the staff for managing the budget in a way that allows the property tax rate to remain relatively stable. He noted that the city's dependence on revenue from new construction, which is expected to continue growing, has enabled this stability without the need to increase taxes.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

C. RESOLUTION NO. 24-1599, 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 \$1,729,715 from the **WATER INFRASTRUCTURE FINANCE AUTHORITY (WIFA) to FUND a SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADE** for the city's Water and Wastewater Facilities.

Daritz Villalobos provided background information and stated that the City of Douglas applied to the Water Infrastructure Finance Authority (WIFA) for funds to support a new Supervisory Control and Data Acquisition (SCADA) system through the Water Conservation Grant Fund.

Ms. Villalobos noted that the city currently has a SCADA system, but it is obsolete and in need of an upgrade, which is very expensive.

Motion by Council Member D. Acosta, second by Council Member Baldenegro to approve Resolution No. 24-1599.

Mayor Huish added for clarification purposes that the council should have received an email regarding the match amount but for the record if the information could be provided.

Ms. Villalobos responded that the amount is 25% of the \$1.7M.

Mr. Pedroza added that it equates to \$345,943 for the match amount which would come out of the water fund.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

D. RESOLUTION NO. 24-1600, 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 \$200,000 from the Water Infrastructure Finance Authority (WIFA) to fund a **COMPREHENSIVE STUDY** aimed at assessing **WASTEWATER PLANT DISCHARGE PRACTICES** and **EXPLORING POTENTIAL REUSE OPTIONS** within the Community.

Ms. Villalobos provided background information.

Motion by Council Member D. Acosta, second by Council Member Baldenegro to approve Resolution No. 24-1600.

Mayor Huish requested the match amount for this grant.

Ms. Villalobos mentioned that there would be a 25% match required.

Mr. Pedroza clarified that this match would amount to \$50,000.

Council Member D. Acosta expressed her happiness at seeing this progress, noting that in many larger communities, such as those in Florida, there are signs on hotel lawns indicating that the water is non-potable

because they use effluent. She thanked everyone for their efforts and expressed hope that the city would eventually reuse water.

Mayor Huish commended the staff for their close collaboration with WIFA, highlighting the strong relationship developed with the organization. He noted that WIFA sometimes proactively informs the city of potential grants it could apply for.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaño, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

E. RESOLUTION NO. 24-1601, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING THE CITY OF DOUGLAS GENERAL PLAN 2024** as recommended for **APPROVAL** by the **PLANNING** and **ZONING COMMISSION**, and **SUBMITTING THE GENERAL PLAN** to the **VOTERS** of the **CITY OF DOUGLAS** for ratification.

Ms. Gonzalez provided background information and explained that the general plan is a strategic tool designed to set high-level goals and objectives for the city. It guides city staff, officials, residents, and developers on the potential and desired future direction of the city, covering aspects such as land use, growth areas, open space, natural resources, economic development, infrastructure, public services, and transportation. This plan serves as a framework for creating more detailed plans, codes, and actionable items, which can be incorporated into the annual budget when feasible. The current general plan was adopted in 2002, with minor revisions made in 2018. According to statute, the general plan should be updated every 10 years.

Motion by Council Member Morales, second by Council Member R. Acosta to approve Resolution No. 24-1601.

Council Member Montaño commented for public awareness that this is not a final document and as Ms. Gonzalez explained, this is a working document that can always be updated with the city council.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaño, Danya Acosta, Ray Shelton, Michael Baldenegro, and Richard Acosta. Voted Against: None.

F. CUP-2024-02. LOMELI DAY CARE in MHR Zoning District **CONDITIONAL USE PERMIT APPEAL.**

Mayor Huish took out of order this item to address it after the consent items.

Ms. Gonzalez provided background information, stating that the applicant, Samuel Nieblas, representing the property owners Bonifacio and Angelita Lomeli, has filed an appeal against the Planning & Zoning Commission's decision of "Approval with Conditions" for a Major Conditional Use Permit (CUP). This CUP is necessary to allow the operation of a commercial childcare facility with deviations from the underlying zoning, which is currently Mobile Home Residential (MHR). According to the Douglas Municipal Code (DMC), the proposed use is not permitted by right in the MHR zoning district, necessitating the Major Conditional Use Permit process. In addition to recognizing childcare facility use, Mr. Nieblas proposed constructing a six-foot block wall along the front edge and encroaching upon the 25-foot side setback of the property. This request was denied by the Planning and Zoning Commission, leading to the current appeal.

Motion by Council Member Montaño, second by Council Member Shelton to approve a variance of the requirements to include a 6-foot chain link fence or 3-foot solid wall with a rod iron fence above that up to six feet in the front and west side of the property.

Mr. Louie Garcia, Chair of the Planning and Zoning Commission, asked for specifics regarding the six-foot block wall. The motion included these specifics, though some details from Mr. Garcia were inaudible.

Mayor Huish clarified that the term "side" was intended to mean 25 feet from the property line on all fronts and sides, aligning with the council's understanding.

Council Member Baldenegro questioned the 25-foot measurement from the street, excluding the sidewalk. He expressed that the setback should apply to the sides due to visibility issues from the stop sign, based on his own experience with a block wall on San Antonio Drive. He further commented that a six-foot wall should be permissible, rather than just three feet.

Mayor Huish noted that the current zoning does not permit this, and Ms. Gonzalez confirmed.

For clarity, Mayor Huish stated that the matter at hand concerned the request for a six-foot block wall along the front, which would encroach on the side setback as per the building request, and Ms. Gonzalez confirmed this.

Mayor Huish restated that the discussion pertains specifically to the conditional use permit appeal, which Ms. Gonzalez confirmed.

Council Member Montaña suggested that Council Member Baldenegro might not be clear on the 25-foot setback requirement, which is not from the sidewalk but from the property line, as Ms. Gonzalez clarified.

Mr. Sam Nieblas commented that Mr. Garcia, also a general contractor, should not have participated in this discussion due to potential conflicts of interest. He explained that Ms. Lomeli, who has been running a childcare facility for 19 years, requested the block wall for safety reasons due to previous vehicle accidents and concerns about people under the influence walking nearby. He requested the council's consideration of Ms. Lomeli's request.

Council Member Shelton asked about the type of fencing on the west wall. Mr. Nieblas responded that there is currently no fencing due to the removal of a chain link fence.

Ms. Urquijo required clarification on the motion to ensure it was clear.

Mayor Huish clarified that the conditional use permit request pertained to a building permit for the front and west side, approximately 60 feet towards the front of the property, as per the site plan submitted by Mr. Nieblas. The motion allowed for a three-foot solid block wall with a rod iron extension up to six feet above the three-foot wall on the front and east side setback.

Roll call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Jose Montaña and Danya Acosta. Voted Against: Council Members: Ray Shelton, Michael Baldenegro, and Richard Acosta.

9. DISCUSSION/DECISION to call for and CONDUCT an EXECUTIVE SESSION.

A. Under the authority of ARS 38-431.03 (A3), (4) and (7) to consider its position, instruct its representatives and obtain legal advice regarding the **PURCHASE, SALE, LEASE or EXCHANGE of REAL PROPERTY** by the **VISITOR CENTER** with parcel number 408-25-034.

B. Under the authority of ARS 38-431.03 (A3), (4) and (7) to consider its position, instruct its representatives and obtain legal advice regarding the **PURCHASE, SALE, LEASE or EXCHANGE of REAL PROPERTY** located west of **PAN AMERICAN AVENUE and 11TH STREET** with parcel number 409-06-020E.

C. Under the authority of ARS 38-431.03 (A3), (4) and (7) to consider its position, instruct its representatives and obtain legal advice regarding the **NEGOTIATIONS and AGREEMENT to SALE VACANT LAND AROUND THE DOUGLAS MUNICIPAL AIRPORT.**

Motion by Council Member Shelton, second by Council Member D. Acosta to enter into executive session at 7:06 p.m.

Motion PASSED unanimously.

Motion by Council Member Shelton, second by Council Member Baldenegro to adjourn the executive session at 8:09 p.m.

Motion PASSED unanimously.

10. UPDATE on EXECUTIVE SESSION.

A. Regarding the **PROPERTY** located by the **VISITOR CENTER** with parcel number 408-25-034.

Mayor Huish provided an update on this topic to end negotiations and not pursue.

B. Regarding the **PROPERTY** on the west side of **PAN AMERICAN AVENUE** and **11TH STREET** with parcel number 409-06-020E.

Mayor Huish provided an update to continue negotiations for the sale of the property.

C. Regarding the **NEGOTIATIONS** and **AGREEMENT** to **SALE VACANT LAND** around the **DOUGLAS MUNICIPAL AIRPORT**.

Mayor Huish provided an update to continue the negotiations to finalize the agreement.

11. CITY MANAGER REPORTS.

Ms. Urquijo provided the following reports:

- The 9th annual Douglas Days community celebration will take place on May 17-18, 2024. It will feature live entertainment, vendors, family-friendly activities, and the highlight event: bed races.
- On May 20 at 11am, the Community Investment Corporation and Growth Partners of Arizona will host a seminar in the council chamber, presenting funding options for small businesses and startups.
- Summer programs kick off with the Summer Reading Program starting on June 3, followed by Youth Summer Camps from June 3-27 at Clawson Elementary, running Monday through Thursday from 8am to 12pm. Swimming lessons will also be offered from June 3-27, with both morning and evening sessions available.
- The Veterans Park swimming pool update project is progressing, with tiling of the large pool completed over the weekend, along with preparation for resurfacing the pool deck. Coping installation is underway, with fencing ordered for the waiting pool to meet compliance standards. Filters have arrived on site.
- Plastering for both pools will commence next week, separate from the bathroom renovation plans also underway.
- A dumpster has been provided on-site for project debris, albeit arriving late.
- The project is scheduled for completion by the end of May.
- The State Library has once again received an award for its popular Wi-Fi hotspot lending program. Additional programs include an Act One Culture Pass granting access to 17 attractions statewide, and a partnership with the American Heart Association to provide blood pressure monitoring kits to library cardholders for home use.
- Representative Raul Grijalva's staff will be available at the library on May 9th from 10am to noon to assist residents with federal issues such as passports, social security, and immigration services.

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

Council Member Baldenegro proposed the inclusion of a movie night in the downtown area as a component of the Energize Douglas initiative.

Mayor Huish instructed staff to check into the feasibility of the suggestion.

During the discussion, Council Member Baldenegro inquired about the status of the resurfacing of the Aquatic Center parking lot.

Mr. Pedroza responded, stating that plans are underway to install solar parking structures.

Ms. Urquijo added that while the resurfacing has not occurred yet, solar shades are also being constructed at City Hall and the golf course.

Mr. Pedroza further elaborated on the upcoming tasks, mentioning blue staking, prepping, and drilling in the designated areas for pole installation.

Ms. Gonzalez provided an update on recent activities, including soil sampling, drilling, and blue staking. She expressed optimism that these tasks could be completed before the end of the fiscal year.

Council Member Acosta expressed gratitude to Ms. Ida Pedrego for her leadership in coordinating Energize Douglas on behalf of the Douglas Merchants Downtown, even though she was not present at the meeting. She extended an invitation to other merchants and stakeholders in the downtown area to participate in meetings, share ideas, and contribute to the initiative's success.

Council Member Acosta emphasized the importance of collaboration and commended Ms. Pedrego for her exceptional efforts in organizing the inaugural event, which saw a significant attendance. She encouraged anyone interested in assisting or participating to reach out and get involved.

13. ADJOURNMENT.

Motion by Council Member Morales, second by Council Member Shelton to adjourn the meeting at 8:18 p.m.

Prepared by:



Alma Andrade, City Clerk