

**DOUGLAS CITY COUNCIL
SPECIAL MEETING MINUTES
JANUARY 13, 2010**

The City of Douglas Mayor and Council met in a Special Meeting on Wednesday, January 13, 2009, at 4:30 p.m. in the Council Chamber of City Hall – 425 Tenth Street. The Honorable Mayor Gomez called the meeting to order and proceeded to ask for roll call.

1. CALL TO ORDER/ROLL CALL

	PRESENT	ABSENT
MAYOR, DR. MICHAEL GOMEZ	X	
COUNCIL MEMBER MARGARET MORALES-WARD ONE	X	
COUNCIL MEMBER MITCH LINDEMANN-WARD TWO	X	
COUNCIL MEMBER BOB FERNANDEZ - WARD THREE	X	
COUNCIL MEMBER RAY SHELTON – WARD FOUR	X	
COUNCIL MEMBER IVAN HUIH - WARD FIVE	X	
COUNCIL MEMBER LOUIE ACEDO – WARD SIX	X	
CITY MANAGER- CURTIS SHOOK	X	
CITY ATTORNEY-JUAN PABLO FLORES	X	
FINANCE DIRECTOR-JORGE TREVIÑO	X	
CITY CLERK - BRENDA AGUILAR	X	

2. DISCUSSION/DECISION TO CALL FOR AND CONDUCT AN EXECUTIVE SESSION UNDER THE AUTHORITY OF A.R.S. § 38-431.03 (A) (4) TO CONSULT WITH THE CITY ATTORNEY FOR LEGAL ADVICE REGARDING PENDING OR CONTEMPLATED LITIGATION CONCERNING A.R.S. § 1-501 AND PENDING OR CONTEMPLATED LITIGATION AGAINST THE CITY OF DOUGLAS BY ABBOTT REALTY AND UNDER THE AUTHORITY OF A.R.S. § 38-431.03 (A) (7) TO DISCUSS THE POSSIBLE SALE, PURCHASE, OR LEASE OF PROPERTY RELATING TO THE GOVERNMENT CENTER PROJECT AND UNDER THE AUTHORITY OF A.R.S. § 38-431.03 (A) (1) TO DISCUSS AN EMPLOYMENT MATTER REGARDING THE CITY ATTORNEY.

Motion by Council Member Huish, **second** by Council Member Morales to enter into executive session.

Roll Call: All members voted in favor. **MOTION PASSED**

“Douglas – the premier southwestern border community.”

3. ADJOURNMENT.

Motion by Council Member Lindemann, **second** by Council Member Shelton to adjourn the meeting at 5:52 p.m. unanimously passed.

Prepared By:

Brenda Aguilar
City Clerk

**DOUGLAS CITY COUNCIL
REGULAR MEETING MINUTES
JANUARY 13, 2010**

The City of Douglas Mayor and Council met in a Regular Meeting on Wednesday, January 13, 2010, at 6:00 p.m. in the Council Chamber of City Hall – 425 Tenth Street. The Honorable Mayor Gomez called the meeting to order and Council Member Huish led the invocation after the Pledge of Allegiance. Mayor Gomez proceeded to ask for roll call.

4. ROLL CALL

	PRESENT	ABSENT
MAYOR, DR. MICHAEL GOMEZ	X	
COUNCIL MEMBER MARGARET MORALES-WARD ONE	X	
COUNCIL MEMBER MITCH LINDEMANN-WARD TWO	X	
COUNCIL MEMBER BOB FERNANDEZ - WARD THREE	X	
COUNCIL MEMBER RAY SHELTON – WARD FOUR	X	
COUNCIL MEMBER IVAN HUIH - WARD FIVE	X	
COUNCIL MEMBER LOUIE ACEDO – WARD SIX	X	
CITY MANAGER- CURTIS SHOOK	X	
CITY ATTORNEY-JUAN PABLO FLORES	X	
FINANCE DIRECTOR-JORGE TREVIÑO	X	
CITY CLERK - BRENDA AGUILAR	X	

5. PRESENTATION OF AWARDS

Mayor Gomez presented a service award to Andrew Dym, IT Director, for 2 years of employment with the City of Douglas.

6. DISCUSSION/DECISION ON CONSENT AGENDA ITEMS:

A. EXPENDITURES FOR THE MONTH OF DECEMBER 2009, TOTALING \$2,259,790.23.

B. MEETING MINUTES FOR NOVEMBER 18 AND 30, 2009, AND DECEMBER 9, 2009.

Motion by Council Member Morales, **second** by Council Member Huish to approve the consent agenda items, including item – A, expenditures for the month of December totaling \$2,259,790.23.

Roll Call: All members voted in favor. **MOTION PASSED**

“Douglas – the premier southwestern border community.”

7. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-654, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE CITY OF DOUGLAS FIRE DEPARTMENT TO ENTER INTO A CONTRACT RENEWAL WITH TUCSON MEDICAL CENTER BASE HOSPITAL FOR EMERGENCY MEDICAL SERVICES.

Curtis Shook explained that the contract was a continuation for Base Hospital Services with Tucson Medical Center for a period of two years, which would expire in February 2012.

Motion by Council Member Lindemann, **second** by Council Member Shelton to approve Resolution No. 10-654.

Mayor Gomez commented that the fire department averaged three daily calls.

Curtis Shook agreed and further stated that the fire department had a direct link with Tucson Medical Center for medical instruction.

Roll Call: All members voted in favor. **MOTION PASSED**

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

Robin Brekhus, Gadsden Hotel, addressed council regarding the following:

- Aerobic competition for three days (April 22 – 24, 2010).
 - Participants pay all fees.
 - 30 – 35 pilots.
 - Entry fee, insurance, sanction fees.
 - April 22, practice day.
 - April 23 and 24, competition days.
 - 5 different categories.
 - Trophies and medals would be paid from the entry fees.
 - Inquired if Council would be interested in having the aerobic competition.

Sergio Hernandez, local resident, submitted petitions requesting council approval to rename the 15th Street Park Little League Field to Ramon “Monchi” Gonzales field.

9. RESIGNATIONS AND APPOINTMENTS.

Council accepted the resignation from Joey Barreras, Douglas Community Housing Corporation, retroactive to November 25, 2009.

10. PRESENTATION/DISCUSSION BY JOSE DUARTE, DPOA PRESIDENT, REGARDING FALLEN OFFICER RAMON RIOS AND THE DEVELOPMENT OF A FALLEN OFFICER MEMORIAL.

Curtis Shook stated that it was an idea that had been discussed and reviewed by public safety staff during the prior year. Mr. Shook further stated that it was an excellent idea in recognition of public safety officers, who every day risk making the ultimate sacrifice, adding that it was a monument done in many places as a memorial for fallen officers and as a dedication to public safety.

Mayor Gomez expressed support regarding the development of a fallen officer memorial for those who had lost their lives in the line of duty.

All Council Members expressed support.

Council Member Shelton suggested inclusion of all Douglas natives that have died in the line of duty.

Council Member Huish commended Sgt. Duarte for pursuing the project.

A PowerPoint presentation was given by Sgt. Jose Duarte, regarding fallen Officer Ramon Rios and the development of a fallen officer memorial.

Mayor Gomez inquired further information pertaining to the six-sided base.

Sgt. Jose Duarte explained that it would provide space for a memorial poem, space for names to wraparound, and space for inclusion of other agencies.

Council Member Morales requested the memorial size and commended Sgt. Duarte for his work.

Sgt. Jose Duarte stated that it would be a five-foot statue and a three or four-foot base.

Council Member Lindemann commended Sgt. Duarte and inquired if a presentation had been made to outside groups or clubs.

Sgt. Jose Duarte commented that assistance had been received previously during fundraising efforts, but financial support had not been requested.

Council Member Shelton commented that he liked the idea of having all of Cochise County Officers included and made a brief comment pertaining to the day before Officer Rios past away.

Sgt. Jose Duarte stated that he had thought about approaching other communities in Cochise County to encourage their involvement.

Council Member Shelton stated that it would be an honor to accomplish the project for everyone in Cochise County.

Council Member Huish thanked Sgt. Duarte for his hard work, inquired if there was a set timeline, and suggested the acceleration of the funding if possible. Council Member Huish inquired if a projected goal had been set for the funding availability.

Sgt. Jose Duarte stated that the first step was to obtain authorization from council for the use of city land, the second step would be to address finances and several businesses had committed to make donations, adding that local fundraising would continue. The targeted completion date for the project is September 2010.

Council Member Huish inquired if there were historical grants available.

Sgt. Jose Duarte stated that there were some grants available from \$500 to \$1,000.

Council Member Acedo inquired if there would be inclusion of the Sheriff's office.

Sgt. Jose Duarte agreed.

Mayor Gomez directed the City Manager to work with staff regarding the project.

11. PRESENTATION/DISCUSSION BY CITY MANAGER, CURTIS SHOOK, AND FINANCE DIRECTOR, JORGE TREVIÑO, REGARDING THE CITY OF DOUGLAS MID-YEAR FINANCIAL REPORT.

Curtis Shook stated that the presentation had been previously given to an employee group and it was an update to the city finances as of December 31, 2009. Mr. Shook requested special focus from council on the following three numbers: \$477,000 projected deficit spending as of June 30, 2010; \$918,000 projected shortfall for fiscal year 2010/2011; \$1,395,000 projected shortfall as of June 30, 2011.

A PowerPoint presentation was given by Jorge Trevino, Finance Director, regarding the City of Douglas Mid-Year Financial Report. The following topics were addressed:

- Reserve Bank Account Statement
- Cash Reserve Balance
- GF Projected 2009-2010 Revenues
- GF Projections 2010-2011
- GF Projected 2010-2011 Expenses
- GF Shortfall 2010-2011
- Arizona State Retirement System
- Summary

Mayor Gomez inquired if the unrestricted cash amount was the funding available in savings.

Jorge Treviño agreed and explained that it was a combination of the LGAP fund and a half of million dollar investment.

Curtis Shook provided additional budgetary information as of December 11, 2009, through December 31, 2009, and stated that meetings had been conducted in December with an employee committee comprised of 18 hourly employees. The topic of discussion was “what do we do”, since the city manager would be unable to make decisions that would affect everyone’s family. The committee recently discussed the possibility of layoffs, furloughs, or percentage salary decreases across the board. The city manager has not made a decision yet on any type of cuts, but at the close of business in the month of January, he should have a better idea of the city’s financial status. If the negative trend continues, decisions will be made in the second week of February and the city manager hopes that the employee committee will be involved in the decision process.

The city manager further stated that the city would be very challenged, but he would be committed to do whatever would least affect employees and their families. Curtis Shook committed to a personal six percent salary decrease as soon as a determination was made or in the first pay period in February, but did not expect anyone else to do so. A Finance Committee Meeting will be scheduled in the near future for an update on the current situation. Mr. Shook stated that the city had positioned itself to get through the next 18 months and expects a strong comeback after that timeframe.

Mayor Gomez inquired what other cities have been doing to address the (economic) issue.

Curtis Shook stated that it was a combination of things such as layoffs, furloughs, and unfilled vacancies.

Mayor Gomez inquired if a special session would be required in the near future or in 3 weeks to determine what decisions would need to be made due to the seriousness of the issue.

Curtis Shook stated that as the city manager he had the authority to do those things, but did not have the authority to change the organizational structure. In addition, due to financial situations which required a fast response, his intention was to inform the council that the situation was serious enough and if the trend continued, he would be faced with making some decisions in the first or second week in February, but would be happy to provide information during a special meeting or in March. However, if the city would continue to lose 14 percent of revenue a month it would be very clear that furloughs would be implemented.

Council Member Morales commented that although the tough economic situation would have to be addressed in the near future, she did not want to see employees and their families affected by layoffs.

Council Member Lindemann suggested the suspension of the Mayor and Council's pay as a way to save and to show good faith and leadership.

Council Member Fernandez stated that discussions had taken place during the prior year regarding the financial situation. However, aside from layoffs, options had not been presented. He agreed with Council Member Morales that it would not be the most recommended option, but would support furloughs. Council Member Fernandez requested options directly from the city manager and requested the information to be presented to council.

Council Member Fernandez further stated that the city manager's six percent salary cut would not save much and other realistic options should be presented.

Jorge Treviño stated that staff was looking at some options to address the impact and was not looking only at savings, but to enhance revenues, adding that in the near future the information would be presented in detail.

Council Member Fernandez stated that it would be great because he was disappointed with the poor performance of the people appointed by city staff.

Council Member Shelton inquired if the Christmas revenue had been collected.

Curtis Shook replied that local sales tax collection would be reflected until February.

Council Member Shelton expressed dissatisfaction with the lack of action by the legislature and requested the amount of savings created by the retirement option in June (2009).

Curtis Shook stated that it had been approximately \$700,000.

Council Member Shelton suggested the development of an action plan and to include a retirement option since there were companies that would allow retirees to return to work, suggested furloughs, and salary cuts by two, three, or four percent or whatever was necessary because every day without action would make it more severe.

Council Member Shelton agreed with Council Member Lindemann pertaining to salary for Mayor and Council to stop receiving a salary or to receive a reduced salary or suspend it until times improve, adding that by Friday (01/15/2010) there should be a plan developed.

Council Member Huish suggested a review of budget items for possible savings in order to address the projected revenue shortfall of \$423,000 since budgeted amounts were not always spent.

Jorge Treviño stated that it would have worked in a situation from prior years due to the severe cuts that were conducted in order to balance the deficit budget for the current year, adding that Council Member Huish's statement could have been fairly correct in prior years. Mr. Treviño further stated that line items could be reviewed, but the general fund budget was very slim and it would be very difficult to go through the exercise.

Council Member Huish suggested a review of the budgeted amount within the fiscal year in order to alleviate the \$423,000 shortfall, adding that the general fund was considered a rainy day fund, suggested the use of the general fund, and suggested to deplete to \$500,000 instead of going to lay-offs. Council Member Huish further stated that although money was needed in reserves, due to the current situation there should not be a problem in using some of the reserves of \$1.2 million. In closing, Council Member Huish suggested that the line items should be reviewed and the money that has not been spent should be available at the end of the fiscal year.

Council Member Acedo stated that he was not opposed to furloughs and suggested even distribution of cuts.

Mayor Gomez inquired if the city manager had projected additional sweeps from the state and if the city would be in worse trouble.

Curtis Shook agreed and further stated that there were seven producing strategies under review: an auditor had been hired, sales tax leakage had been found - which would be pursued, in March or April every department could be addressed to return some of the budgeted funds that had not been used, lay-offs would not be used to balance the whole budget, adding that positive strategies were being addressed such as a second type of retirement that would use a third party and the people would be able to return to work as consultants at 60 or 65 percent of their current salary. Every \$79 dollars out of every \$100 spent is on personnel for wages and benefits and only 21 percent of O & M and small capital is negotiable. Additionally, in the past year, many positive ways were reviewed to turn things around such as cutting over time, freezing positions, and by using temporary workers.

Mayor Gomez stated that there was still uncertainty on the amount that would be received by the state and requested the amount of swept HURF funds.

Curtis Shook stated that the state had taken almost \$500,000 in the last two fiscal years.

Mayor Gomez expressed a concern pertaining to further state cuts even though the city manager had presented options that could increase revenues.

Curtis Shook stated that the longer the state delayed passing its own budget, the more likely it would be that money would be taken from cities, towns and counties, which had not been figured in. The City of Douglas has lost approximately \$1.7 million in State Shared Revenues in the last two fiscal years. Although the budget was balanced in the last year, it was balanced only if the revenues were received as projected, but they have not been received. Mr. Shook further explained several options for revenue collection, adding that State shared revenues had declined 4 percent, local sales tax revenue declined 14 percent and there is a 20 percent year to date decline, which is \$200,000 in the general fund. Mr. Shook stated that furloughs would be the last action that should be taken.

Council Member Huish stated that priorities should be to address other available resources before laying people off or going to furloughs.

12. DISCUSSION/DECISION ON APPROVAL OF SECOND READING OF ORDINANCE NO. 09-976, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AMENDING ORDINANCE NO. 574, 577, AND 09-959 AND AMENDING TITLE 5 OF THE DOUGLAS MUNICIPAL CODE RELATING TO BUSINESS LICENSES BY AMENDING SECTIONS 5.02.010, 5.02.020, 5.02.030, 5.02.040, 5.02.070, 5.02.080, 5.02.110, 5.02.120, AND 5.02.150; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.

Juan Pablo Flores stated that the ordinance included modifications as directed by Mayor and Council, adding that there would be a \$5 fee per day of event.

Mayor Gomez inquired further explanation on the \$75 fee noted in the ordinance.

Juan Pablo Flores stated that it was the default annual business license fee for the Cochise County Fair Grounds that was applicable if they would be having more than four events per year and the vendors would pay \$5 per day.

Motion by Council Member Huish, **second** by Council Member Lindemann to approve the second reading of Ordinance No. 09-976, with modifications as presented, and to place it on third reading by number and title only.

Council Member Shelton suggested that the amount should have been kept at \$5 per event.

Roll Call: All members voted in favor. **MOTION PASSED**

13. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NUMBER 10-655, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE SUBMISSION OF AN APPLICATION(S) FOR FY 2009 STATE COMMUNITY DEVELOPMENT BLOCK GRANT STATE SPECIAL PROJECTS ACCOUNT (SSP) FUNDS, CERTIFYING THAT SAID APPLICATION(S) MEETS THE COMMUNITY'S PREVIOUSLY IDENTIFIED HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE STATE CDBG PROGRAM, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION.

Curtis Shook explained the CDBG application, which pertains to the state's special projects fund. Mr. Shook further stated that the city received money on a two-year rotation and requested authorization to submit an application to the State Department of Housing for approximately \$300,000 for the repair and maintenance of two water tanks at Causey Park (Joe Causey Park/15th Street Park), adding that it was a good entitlement project.

Motion by Council Member Shelton, **second** by Council Member Morales to approve Resolution No. 10-655.

Mayor Gomez inquired if there would be a two- year wait in order to reapply.

Curtis Shook stated that it was a two-year rotation because the city was an entitlement community. He further stated that with regular CDBG funds the city was entitled every 2 yrs to receive approximately \$320,000 and further explained a previous project for which expenses had been covered with CDBG funds, adding that SSP funds were special and only when they were available on a rotating basis an application would submitted and it would be competitive.

Council Member Morales inquired if the \$300,000 would be sufficient to cover repair costs for the two water tanks and inquired how often the tanks should be repaired.

Curtis Shook stated that the tanks should be refurbished approximately every ten years; however, the repairs were now at approximately 12 years.

Mayor Gomez inquired when the entitlement funding would be received.

Curtis Shook stated that it would be at the next fiscal year, adding that hearings had been held regarding the entitlement program and staff would be recommending to council continuance of the curb and gutter program.

Mayor Gomez inquired if the curbing and gutter project would have to be in the low-income neighborhoods.

Curtis Shook stated that it would be Low-Mod.

Mayor Gomez further inquired if the continuance of the curbing and sidewalk project would require being under Low-Mod.

Curtis Shook agreed and explained that the CDBG money was Low-Mod and it was meant to improve infrastructure or services provided to Low-Mod people or Low-Mod neighborhoods.

Council Member Huish commented that there were liners available that could last 20 to 25 years.

Council Member Acedo inquired the age of the tanks (Causey Park) and suggested that they might be 60 years.

Curtis Shook agreed.

Roll Call: All members voted in favor. **MOTION PASSED**

14. **DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NUMBER 10-656, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE EXECUTION OF THE INTERGOVERNMENTAL AGREEMENT BETWEEN COCHISE COUNTY AND THE CITY OF DOUGLAS TO HAVE THE COUNTY PROVIDE MANAGEMENT, RESPONSIBILITY, TECHNICAL SUPPORT, COMPUTER REPLACEMENT, SECURITY AND ACCESS TO DPD AND DFD TO THE SPILLMAN DATA SYSTEM AND ARIZONA CRIMINAL JUSTICE INFORMATION SYSTEM “ACJIS” STARTING JANUARY 13, 2010.**

Curtis Shook provided background information regarding the software and stated that due to its cost the city would never be able to afford it. However, Cochise County had purchased the system and had offered municipalities the ability to plug into the system for a nominal amount.

Andrew Dym, IT Director, explained that the system was similar to Encode the city's financial software, but it was geared for the use of law enforcement and fire. Mr. Dym further explained that the actual cost for the system was approximately \$680,000, but it would cost \$25,000 annually for maintenance cost with Spillman directly and approximately \$25,000 annually with the county to house the technology. Currently with the exception of Computer-Aided Dispatch System, there is no document management process available and records are maintained on paper. Add-ons can be purchased with grant funding in the future for law enforcement and fire for mobile data communications to enhance the services and officer safety.

Alberto Melis, Police Chief, stated the system was the de facto common system being used in Arizona and was also being used by several agencies in Cochise County and Pima County. Chief Melis informed that the department would have accessibility to electronic data that could be queried for which currently searches are conducted manually, adding that the system would eliminate overtime and the information would be provided more rapidly.

Council member Huish inquired if seizure funds were available to cover the cost.

Alberto Melis stated that seizure funds were almost depleted.

Motion by Council Member Shelton, **second** by Council Member Huish to approve Resolution No. 10-656.

Council Member Lindemann inquired how long the system would take to pay for itself.

Andrew Dym replied that it would occur during the first time an officer requested a query and provided several examples, adding that the system was throughout Arizona. The only two cities in the (Cochise) county not using the system are Douglas and Bisbee.

Council Member Lindemann inquired if the Douglas area could possibly be tied into the Phoenix area for a stolen vehicle (query).

Council Member Shelton inquired if this was the first time the city had gone through this process.

Andrew Dym agreed and further stated that most departments had the system in place; however, in Douglas queries were conducted manually.

Mayor Gomez requested further information regarding the software.

Andrew Dym provided specific software details.

Roll Call: All members voted in favor. **MOTION PASSED**

- 15. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NUMBER 10-657, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE CITY OF DOUGLAS TO ENTER INTO AN AGREEMENT WITH THE STATE OF ARIZONA DEPARTMENT OF HOMELAND SECURITY FOR A REIMBURSABLE GRANT IN THE AMOUNT OF \$17,477 FOR THE PURCHASE OF FOUR (4) PORTABLE RADIOS TO BE USED BY THE CITY'S SPECIAL RESPONSE TEAM UNDER THE STATE HOMELAND SECURITY GRANT PROGRAM.**

Curtis Shook informed the council that Nicholas Jordan, Police Dispatcher, had found money available through a Homeland Security Grants program in the prior year and had submitted a request for \$17,477.

Mayor Gomez inquired if matching funds would be needed.

Nicholas Jordan stated that the grant was reimbursable and did not require matching funds.

Motion by Council Member Huish, **second** by Council Member Morales to approve Resolution No. 10-657.

All council members expressed appreciation to Nick Jordan for his efforts in locating the grant.

Nick Jordan stated that by finding grant funding to pay for items the city is unable to purchase, it was a way to find solutions to address the budget constraints.

Roll Call: All members voted in favor. **MOTION PASSED**

16 DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NUMBER 10-658, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, RESCINDING RESOLUTION NO. 07-498 AND RESOLUTION NO. 09-616 AND AUTHORIZING THE APPLICATION FOR A CLEAN WATER REVOLVING FUND (CWSRF) LOAN, FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA).

Curtis Shook explained that over the last several years the council had authorized the city manager to borrow from a WIFA loan fund up to \$10.5 million. Staff was able to renegotiate the loan due to the rate increases that would allow the city to repay the loan. The City of Douglas is on the February agenda for the WIFA Board to approve the refinancing of the current \$4.5 to \$9 million, which is \$1.5 million less than what was initially thought would be needed and up to \$9 million; the city will be doing draws on that amount. The City of Douglas will be requesting bids on that amount (\$9 million) and Mr. Shook hopes bids are lower than that amount, but it gives rate payers a better advantage than what they had. The City of Douglas staff is now discussing a sealing of \$9 million instead of \$10.5 million with a two percent low interest rate.

The staff will be recommending to the WIFA Board to extend the new loan and refinancing to the city.

Motion by Council Member Huish, **second** by Council Member Morales to approve Resolution No. 10-658.

Mayor Gomez inquired what the payment length would be.

Curtis Shook stated it was a 25-year repayment plan and explained that capitalized interest would be paid during the construction phase in the first 24 months.

Council Member Shelton inquired if the loan would impact the city in the future.

Curtis Shook stated that the city would be impacted in a positive way since the interest rate had been cut in half.

Council Member Shelton expressed concern regarding the possibility of too many financial obligations for the city.

Curtis Shook stated that the city did not have a choice on the matter since there was an order from ADEQ under a consent order.

Roll Call: All members voted in favor. **MOTION PASSED**

17. MAYOR'S REPORT.

- Attended Arizona/Mexico Commission meeting (12/03/09-12/05/09) in Hermosillo, Sonora.
 - Met with two governors along with Presidente Teran at the Border Mayors meeting and made recommendations that were well received.
 - Expressed concern with the lack of attendance from Arizona Mayors since he was the only elected Arizona Mayor in attendance.
 - Suggested to the governors that a mistake was being made by the use of the Nogales Corridor as the only way for international trade making it (inaudible) and expressed concern due to the possibility of smart bombs.
 - No hassle zone available up to Hermosillo, suggested making the rest of Sonora a no hassle zone.
 - Attended Arizona Department of Transportation Board meeting along with Carlos De La Torre on December 18, 2009, and gave a presentation in support of the port of entry.
 - Thanked the Arizona Department of Transportation for the CBI (construction border initiative money) in the amount of \$3.2 million.

18. COUNCIL MEMBERS' REPORTS.

Council Member Morales:

- Requested street light installation at the 800 blk. of 5th Street.
- Requested repair of a pothole in the alleyway of St. Vincent DePaul between 5th and 6th Street.
- Reported an abandoned building on D Avenue between 1st Street and International Avenue.

Council Member Lindemann:

- Thanked Police Chief Melis and the police department for their efforts with traffic control during the busy holiday season at Pan American Avenue.

Council Member Fernandez:

- Met with City Attorney, Juan Pablo Flores; Mayor Gomez, and Carlos De La Torre, Public Works Director/City Engineer, regarding numerous calls from merchants in the month of December pertaining to the opening of 3rd Street.
 - Suggested the installation of a traffic light.
- Inquired what could be done to open-up 3rd Street.
 - Curtis Shook, City Manager, informed that easements were being worked on with Freeport, adding that there were some policy concerns. Mr. Shook further stated that with the money the city is being given to complete Chino Road, there should be enough money available when the bids are received in that there will be enough between what is been given to the city by Walmart and what is left over. ADOT will fight for the city to be able to use some of that money so that the city will not have to put any money into the building of 3rd Street. Mr. Shook believes it can be done in 2010.

Member Shelton:

- Requested an update regarding water levels at the February council meeting.
- Expressed concern regarding the Julia Page cemetery.

Council Member Huish:

- Requested a utility report that would include the customer’s date of birth.
 - Follow-up was conducted with the Finance Director; however, the information requested is not available in the utility reporting system.

Council Member Acedo:

- Inquired if the city could be responsible for the clean-up at Julia Page cemetery.
- Suggested addressing immigration (personnel) at the port of entry due to issues with a possible boycott from the Mexican shoppers.
- Reported an issue with the disposal of litter in various areas of Ward 6.
- Requested the number of speeding citations from 386 reported on the city manager’s report.
- Suggested providing transportation to Mexican shoppers.

19. CITY MANAGER’S REPORT.

- Check-point in the Mexican side is being addressed.
- Currently working with ADOT regarding 3rd Street.
- Merchants meeting scheduled for January 15, 2010, at 3:45 p.m.
 - Council Member Huish inquired if the traffic issue on Pan American was due to the installation of equipment on the Mexican sign and suggested the installation of signage to alleviate the problem.
 - The city manager agreed and explained the reasons some of the suggestions might not work.
- Update regarding sales tax audits as of January 6, 2010.

20. CITY ATTORNEY’S REPORT.

None

21. ADJOURNMENT.

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

Prepared By:

Brenda Aguilar
City Clerk