

**DOUGLAS CITY COUNCIL
SPECIAL MEETING MINUTES
APRIL 14, 2010**

The City of Douglas Mayor and Council met in a Special Meeting on Wednesday, April 14, 2010, 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 (excused)
COUNCIL MEMBER MITCH LINDEMANN-WARD TWO	X	
COUNCIL MEMBER BOB FERNANDEZ - WARD THREE	X	
COUNCIL MEMBER RAY SHELTON – WARD FOUR	X	
COUNCIL MEMBER IVAN HUIISH - WARD FIVE		X (excused)
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 BY THE CITY OF DOUGLAS AGAINST MT DEVELOPMENT, SAMUEL NIEBLAS EMPLOYMENT MATTER, AND STATEMENT OF CONTEST FOR WARD 2 CITY COUNCIL RACE AND 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 AGAINST THE CITY OF DOUGLAS BY COCHISE COUNTY FAIR ASSOCIATION AND UNDER THE AUTHORITY OF A.R.S. § 38-431.03 (A) (7) TO DISCUSS THE POSSIBLE SALE, PURCHASE, OR LEASE OF PROPERTY THE HIDDEN TREASURES R.V. PARK LOCATED ADJACENT TO THE MUNICIPAL GOLF COURSE AND THE PERILLA ESTATES AND THE GOVERNMENT CENTER PROJECT.

Motion by Council Member Lindemann, **second** by Council Member Shelton to enter into executive session.

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

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3. ADJOURNMENT.

Motion by Council Member Shelton, **second** by Council Member Lindemann to adjourn the meeting at 5:45 p.m. unanimously passed.

Prepared By:

Brenda Aguilar
City Clerk

**DOUGLAS CITY COUNCIL
REGULAR MEETING MINUTES
APRIL 14, 2010**

The City of Douglas Mayor and Council met in a Regular Meeting on Wednesday, April 14, 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 Shelton 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 (excused)
COUNCIL MEMBER MITCH LINDEMANN-WARD TWO	X	
COUNCIL MEMBER BOB FERNANDEZ - WARD THREE	X	
COUNCIL MEMBER RAY SHELTON – WARD FOUR	X	
COUNCIL MEMBER IVAN HUIISH - WARD FIVE		X (excused)
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

K.M. Stickler, Co-Founder and Chairman of Southeastern Arizona Small Business Alliance, presented a certificate of excellence to Mayor Michael Gomez for his support to small businesses in the community.

6. DISCUSSION/DECISION ON CONSENT AGENDA ITEMS:

- A. EXPENDITURES FOR THE MONTH OF MARCH 2010, TOTALING \$2,895,600.32.**
- B. MEETING MINUTES FOR FEBRUARY 23 AND MARCH 10, 2010.**
- C. APPROVAL OF BID PROPOSAL SUBMITTED BY BORDER MART FOR FUEL SERVICE TO THE CITY OF DOUGLAS.**

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- D. **APPROVAL OF BID PROPOSAL SUBMITTED BY NORTHWEST EXTERMINATING.**

- E. **APPROVAL OF BID PROPOSAL SUBMITTED BY FALCONE BROTHERS & ASSOCIATES, INC. FOR THE PASEO DE LA AMISTAD TRANSPORTATION ENHANCEMENT PROJECT IN THE AMOUNT OF \$407,057.51.**

Consent agenda items D and E were removed for further discussion.

Motion by Council Member Lindemann, **second** by Council Member Shelton to approve the consent agenda items A, B, and C, which included expenditures for the month of March totaling \$2,895,600.32.

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

John Alvarez, Purchasing Agent, explained that four bids were received and the recommendation for Northwest Exterminating from Tucson was based on the lowest bid and a reference check.

Council Member Lindemann requested further clarification on the information for the each of the bids received.

John Alvarez provided the bid amount by Bug Weiser, \$4,800, and Cochise Pest Control, \$9,540.

Council Member Shelton inquired if the recommended company had experience with large jobs.

John Alvarez stated that the recommendations provided confirmed their experience.

Council Member Lindemann inquired if the city was comfortable changing vendors.

John Alvarez stated that the recommended vendor would be charging just a few dollars more than the current vendor and the bid process had been followed.

Council Member Shelton inquired how often the service was provided.

John Alvarez stated that it was once a month.

Mayor Gomez inquired if the service quality would be compromised, since the lowest bid was much lower than the bid submitted at the local level and if the current vendor had done a good job.

John Alvarez stated that the current vendor had done a good job.

Council Member Lindemann requested further explanation regarding the Paseo de la Amistad Transportation project.

Carlos De La Torre explained that the project was part of a Transportation Enhancement Reimbursable Grant from approximately 2001/2002 through the Arizona Department of Transportation. The city had previously developed the project and was in the process of making it a reality since the state considered it shovel-ready, but due to a change to stimulus funding the project was funded through American Recover and Reinvestment Act (ARRA). The project had been pending for some time in addition to pending clearances that held the city in implementing the project.

Mayor Gomez inquired if the money would have to be returned, if it was not used.

Carlos De La Torre stated that the money would have been absorbed by the state; however, by using federal monies there were assurances that the project would be completed, adding that the city had already invested some money into the project.

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve the consent agenda items D and E.

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

7. RESIGNATIONS AND APPOINTMENTS.

Mayor Gomez provided a copy of Craig M. Hughes' resume for council's review.

Motion by Council Member Lindemann, **second** by Council Member Shelton to approve the appointment of Craig M. Hughes to the Industrial Development Authority.

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.

Ray A. Mehan, MT Development President, addressed the council regarding the following:

- Lawsuit against MT Development filed by the City of Douglas
- Requested open communication
- Would like to discuss a few issues
- Plans to countersue if the lawsuit moves forward
- Met with Michael Ortega, Cochise County Administrator, for clarification on a specific portion of the contract
- Was denied early payment of interest and request for loan extension
- Requested liaison from council

Kathleen Gomez, 1046 G Avenue, addressed the council regarding the following:

- Saturday, May 15, 2010, 9:00 a.m. opening ceremony for Farmers Market
 - Will take place on Saturdays from 9:00 a.m. to 1:00 p.m.
 - New name is Douglas Mercado in hopes of making it a binational market
 - Limited produce farmers in the area
 - WIC Farmers Market Program
 - 2,000 participants per month refused last year due to lack of vendors that could accept the coupons for the purchase of produce
 - Vendors are being certified through Cochise County
 - Agua Prieta vendors should be able to sell produce in Douglas by going through a minimal process
 - Educational cooking seminars will be scheduled
 - Grant application submittal from USDA

Item number fourteen was addressed immediately after number 8.

9. PRESENTATION/DISCUSSION BY CARLOS DE LA TORRE, PUBLIC WORKS DIRECTOR/CITY ENGINEER, PERTAINING TO A PROPOSED AMENDMENT OF ZONING CODE ARTICLE 5 – HEAVY INDUSTRY DISTRICT, SECTIONS 510.4 AND 510.5.

A PowerPoint presentation was given by Carlos De La Torre and the following topics were discussed:

- Background
 - Request to re-zone the property located on the northwest corner of North Douglas Avenue and 7th Street

- Business Plan
- Development proposals in the area
- Staff's recommendation
- Revitalization efforts

Council Member Lindemann stated that in prior years there had possibly being a discussion pertaining to overlay and inquired if three areas could be covered without spot zoning.

Carlos De La Torre stated that the matter could be considered in the future.

Council Member Lindemann stated that he would be in favor of having an overlay zone in the whole area that would encompass all descriptions due to future possibilities.

Carlos De La Torre stated that the boundaries would need to be reviewed for future changes.

Mayor Gomez inquired if the purple area in the map was zoned the same.

Carlos De La Torre explained the different boundaries of the map.

Council Member Fernandez inquired if there was an area without restriction that could be used for heavy industry.

Carlos De La Torre stated that the intent had been to designate a certain area as light industry; however, particular requests could be addressed as submitted instead of designating the area in advance, adding that the heavy industry area was not large enough.

Council Member Shelton stated that once zoning designations were made, Agua Prieta would need to be informed and inquired if there were any warehousing buildings in the area or on G Avenue.

Carlos De La Torre explained that there were some warehousing buildings, but most of the land near the industrial park was controlled by Freeport McMoran a mining company. The setbacks in the downtown buildings would be accessibility and parking.

Mayor Gomez requested an explanation of the gerrymander around the zone controlled by the city.

Carlos De La Torre stated that it was the area in which some of the old landfills were located and some were considered mines for tax purposes.

10. PRESENTATION/DISCUSSION BY CARLOS DE LA TORRE, PUBLIC WORKS DIRECTOR/CITY ENGINEER, PERTAINING TO A PARKING RESTRICTION ALONG 12TH STREET FROM G AVENUE TO F AVENUE.

A PowerPoint presentation was given by Carlos De La Torre and the following topics were discussed:

- 12th Street from G to F Avenue, 2-hour parking restriction
- Background
 - Request by Jose Luis Cantu, owner of Jim's Barber Shop
 - Vehicles park for an extended period of time
 - Lack of use of on-site and off-site parking facilities
 - City parking lot
 - Restriction of 30 parking spaces

Council Member Lindemann inquired what funding line would be used for the \$500 expenditure.

Carlos De La Torre stated that it would be charged to the Highway User Revenue fund line item.

Mayor Gomez inquired if there would be sufficient parking for the apartment tenants that live in the northwest corner of 12th Street.

Carlos De La Torre stated that there would be no change on F Avenue and it would be similar to the downtown restriction; however, there might not be sufficient parking.

Council Member Shelton inquired if there would be room for diagonal parking on the north side of 12th Street.

Carlos De La Torre replied that the parking configuration had been changed approximately four years prior from angle parking because it had been problematic and the street could not accommodate the configuration.

Council Member Shelton commented that parking was a problem in that area and further inquired where school and Department of Economic Security personnel would be parking.

Carlos De La Torre stated that staff would be able to park, but not beyond the two-hour limit similar to the G Avenue restriction. Mr. De La Torre provided other parking locations.

Council Member Acedo inquired if vehicles could be moved after two hours without being ticketed similar to what occurs on G Avenue.

Carlos De La Torre stated that it could be done since there would not be a change to the process.

Council Member Lindemann inquired how the public would be noticed if the item was approved.

Carlos De La Torre replied that there would be a future presentation by way of ordinance and the Douglas Municipal Code would have to be amended.

Mayor Gomez expressed concern regarding the apartment tenants that live in the area.

Carlos De La Torre stated that the issue would have to be considered in relation to the apartment complex.

11. DISCUSSION/DECISION ON APPROVAL OF THIRD READING OF ORDINANCE NO. 10-977, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AMENDING CHAPTER 8.04 RELATING TO ALARM SYSTEMS, LICENSES AND PERMITS; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.

Mayor Gomez inquired if the residential (fee) had been removed from the ordinance.

Juan Pablo Flores stated that it had been removed by way of motion during the prior council meeting.

Motion by Council Member Shelton, **second** by Council Member Lindemann to approve the third reading of Ordinance No. 10-977, by number and title only.

Council Member Shelton requested additional fee information regarding businesses.

Juan Pablo Flores provided fee information as noted on the ordinance.

Council Member Shelton further inquired if business fees were being collected and requested the amount.

Juan Pablo Flores stated that fees were being collected and the annual amount had previously been approximately \$1,500.

Council Member Acedo inquired if false alarm fees would apply as noted.

Curtis Shook stated that they would.

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

12. **DISCUSSION/DECISION ON APPROVAL OF THIRD READING OF ORDINANCE NO. 10-978, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, ESTABLISHING USER FEES FOR FINGERPRINTING SERVICES TO BE PERFORMED BY THE DOUGLAS POLICE DEPARTMENT; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.**

Curtis Shook stated that free fingerprinting services were being provided at a set time; however, due to the number of requests the establishment of a \$5 fee was being recommended. The hours would be advertised in accordance with voiced concerns by the council during their prior meeting in order to inform the public of the time the service would be provided.

Motion by Council Member Shelton, **second** by Council Member Fernandez to approve the third reading of Ordinance No. 10-978, by number and title only.

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

13. **DISCUSSION/DECISION ON APPROVAL OF THIRD READING OF ORDINANCE NO. 10-979, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, INSTITUTING VEHICLE IMPOUND FEES AS PART OF CHAPTER 10 OF THE MUNICIPAL CODE ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.**

Curtis Shook stated that fees and procedures would be established by the ordinance for vehicle impoundment, as state law also required the impoundment of vehicles for specific violations and they were being impounded to the city yard, significant officer time was being expended, and liability insurance for the storage was also a concern.

Motion by Council Member Shelton, **second** by Council Member Lindemann to approve the third reading of Ordinance No. 10-979, by number and title only.

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

14. **DISCUSSION/DECISION ON APPROVAL OF SECOND READING OF ORDINANCE NO. 10-980, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, ESTABLISHING FEES FOR THE DOUGLAS FIRE DEPARTMENT EMERGENCY MEDICAL SERVICES (EMS), ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND DECLARING AN EMERGENCY.**

Motion by Council Member Lindemann, **second** by Council Member Shelton to approve the second reading of Ordinance No. 10-980, and to place it on third reading by number and title only.

Curtis Shook stated that there had not been a rate increase for ambulance emergency medical services in over ten years, but increases had occurred in other areas. The rate increase should cover personnel operating and maintenance expenses and possibly capital ambulance expenses in the future.

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

15. DISCUSSION/DECISION ON APPROVAL OF FIRST READING OF ORDINANCE NO. 10-981, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AUTHORIZING THE EXECUTION OF A LAND AND SMALL HANGAR LEASE AGREEMENT BETWEEN THE CITY OF DOUGLAS AND MED-TRANS CORPORATION AT THE DOUGLAS MUNICIPAL AIRPORT LOCATED AT 3200 E. 10TH STREET IN THE CITY OF DOUGLAS, ARIZONA; ESTABLISHING SEVERABILITY OF COMPONENTS; AND DECLARING AN EMERGENCY.

Curtis Shook informed the council that the city had a prior contract with a Fixed Based Operator that had been employed by Med-Trans. However, since the employee had left the FBO position, the Med-Trans Lifeline helicopter had continued operations at the Municipal Airport and the lease would be with Med-Trans for a one-year period.

Mayor Gomez inquired if the land was around a mobile home.

Curtis Shook agreed.

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve the placement of Ordinance No. 10-981, on its first reading by number and title only.

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

Motion by Council Member Lindemann, **second** by Council Member Shelton to approve the first reading of Ordinance No. 10-981, and to place it on second reading by number and title only.

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

16. **DISCUSSION/DECISION ON APPROVAL OF SECOND READING OF ORDINANCE NO. 10-982, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, CONFIRMING ESTABLISHED BUILDING PERMIT AND INSPECTION FEES AND ESTABLISHING LEAD BASE PAINT TESTING/INSPECTION FEES FOR THE CITY OF DOUGLAS PUBLIC WORKS AND NEIGHBORHOODS HOUSING AND GRANTS DEPARTMENT; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.**

Curtis Shook explained that Ordinance No. 06-895 would be amended to allow the city to provide lead paint testing services to the community and to establish a fee since the county no longer provided the service. Additionally, many homes in need of rehabilitation through the housing authority might go untested and also contractors are required to have lead base paint testing. The service is needed in the community and the City of Douglas has purchased a gun with the anticipation of continuing to provide the service.

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve the second reading of Ordinance No. 10-982, and to place it on third reading by number and title only.

Council Member Acedo inquired if there was a law requirement or if it was a city service only.

Curtis Shook stated that the requirement was for HUD renovations, but EPA would require contractors to have lead base painting it the following year.

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

17. **DISCUSSION/DECISION ON APPROVAL OF FIRST READING OF ORDINANCE NO. 10-983, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, REORGANIZING THE FINANCE DEPARTMENT AND MODIFYING THE ORGANIZATIONAL CHART TO ACCOMMODATE FOR SALES TAX ADMINISTRATION/COLLECTION FUNCTIONS AND CHANGING JOB DESCRIPTIONS ACCORDINGLY BY FUNCTION, TITLE AND/OR RANGE; AND SHARING AN ACCOUNT CLERK I POSITION BETWEEN THE MUNICIPAL COURT AND THE FINANCE DEPARTMENT; ESTABLISHING SEVERABILITY OF COMPONENTS; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.**

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve the placement of Ordinance No. 10-983, on its first reading by number and title only.

Ana Urquijo, Human Resources Director, explained that the personnel change was due to departmental change and inclusion of a new function, adding that responsibilities were comparable with job description. The issue would be addressing balancing out duties and cross training. Ms. Urquijo further explained the transferring of duties within staff in the finance department and municipal court and commented that the shifting of duties should not be overwhelming to any of the areas.

In closing, Ms. Urquijo stated that the reclassification of the financial analyst to finance manager might require bonding and would make it almost parallel to the City Treasurer for that reason.

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

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve the first reading of Ordinance No. 10-983, and to place it on second reading by number and title only.

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

18. **DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-774, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, REPEALING RESOLUTION NO. 07-552 AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF DOUGLAS, ARIZONA AND THE WATER INFRASTRUCTURE AUTHORITY OF ARIZONA (WIFA) EVIDENCING A LOAN FROM SAID AUTHORITY TO THE CITY IN AN AMOUNT NOT TO EXCEED \$9,000,000 FOR WASTEWATER TREATMENT PLANT IMPROVEMENTS; AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND DELIVER ALL DOCUMENTS RELATING TO THE LOAN; AND PLEDGING WASTEWATER SYSTEM REVENUE FEES FOR PAYMENT OF THE LOAN.**

Curtis Shook stated that the resolution would authorize the city manager to restructure the current WIFA loan, in which the city had only been allowed to take partial or half of the money needed for the completion of a wastewater treatment plant project. However, through reorganization efficiencies and rate increases WIFA was able to refinance the current loan and give the city the rest of the money at a 2 percent interest rate in order to complete the project.

Mayor Gomez commented that the city had been working with a loan of \$4.5 million and an additional amount had been added.

Curtis Shook agreed.

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve Resolution No. 10-774.

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

19. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-775, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, ADOPTING THE CITY OF DOUGLAS PUBLIC HOUSING AUTHORITY'S (THE "PHA") FIVE YEAR PLAN FOR FY 2010-2014; ANNUAL PLAN AND ADMINISTRATIVE PLAN FOR FY 2010.

Curtis Shook stated that HUD required submittal of a five-year plan for the Public Housing Authority along with a 2010 annual plan in order to remain in their voucher program.

Motion by Council Member Shelton, **second** by Council Member Lindemann to approve Resolution No. 10-775.

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

20. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-776, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE SUBMISSION OF AN APPLICATION(S) FOR FY 2010 STATE COMMUNITY DEVELOPMENT BLOCK GRANT REGIONAL ACCOUNT 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 that the 2010 application submittal would be for 2011 community development block grant entitlement funds for approximately \$330,000 to be used for continuation of curb and gutter in wards 1 and 6. The amount would be dedicated to low-mod areas.

Motion by Council Member Shelton, **second** by Council Member Lindemann to approve Resolution No. 10-776.

Mayor Gomez inquired when the money would be received.

Curtis Shook stated that it would be in 2011 and the work would take approximately two years.

Council Member Lindemann stated that there were flooding control issues on the 300 block of 6th and 7th Streets and it appeared that the curbing was low. He further inquired if the area could qualify and if so, if it could be placed on a priority list.

Curtis Shook took note of the information for follow up.

Mayor Gomez inquired if the CDBG money would be reduced.

Curtis Shook stated that it would not.

Council Member Acedo inquired if the money would be received in 2011.

Curtis Shook explained that it would be in fiscal year 2010/2011, July 1, 2010 through June 30, 2011, adding that the city would have 18 months to complete the work once the money was received.

Council Member Acedo inquired if work would be started in the area of 20th Street.

Curtis Shook stated that current money would be used for that area.

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

21. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-777, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, COMMITTING LOCAL FUNDS AS LEVERAGE FOR A FY 2010 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION(S).

Curtis Shook explained that the resolution would authorize the leverage of funds through Resolution 10-776 in the amount of \$156,708 for in-kind services.

Motion by Council Member Lindemann, **second** by Council Member Fernandez to approve Resolution No. 10-777.

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

22. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-778, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, AUTHORIZING THE TRANSITION OF THE LOCAL SALES TAX ADMINISTRATION/COLLECTION FROM A PROGRAM CITY TO A NON-PROGRAM CITY WITH THE ARIZONA DEPARTMENT OF REVENUE.

A PowerPoint presentation was given by Jorge Treviño regarding sales tax administration and the following topics were discussed:

- DOR Facts
- City Collecting
 - Strengths and Weaknesses
- Addressing Weaknesses
 - Weaknesses and Solutions

- City Collecting
 - Opportunities and Threats
- Addressing Threats
 - Treats and Solutions
 - 1st Year Projected Costs
 - 2nd Year Projected Costs
- Additional Revenue Forecast
 - 1st Year
 - 2nd Year
- Administrative Steps

Council Member Shelton inquired if the city would have to pay the consultant or if the amount was included.

Jorge Treviño agreed (consultant would have to be paid and the amount was included).

Council Member Shelton inquired if the tax person that had been working with the city would be charging.

Jorge Treviño stated that the auditor was being paid and would be approached regarding taking additional responsibilities.

Council Member Shelton requested an answer once the auditor was approached and also requested the number of Arizona cities that were self-collecting.

Jorge Treviño replied that there were two he was aware of, but further stated that there might be more.

Council Member Shelton inquired if there would be backup staff available with the proper skills.

Jorge Treviño stated that task distribution would take place within the current staff.

Council Member Shelton expressed concern regarding having backup staff with the proper skills to make the process work.

Jorge Treviño further stated that in the first reorganization one of the key elements was cross training of staff in all departments.

Council Member Acedo inquired if a finance employee would fill the finance manager position.

Jorge Treviño stated that the financial analyst would be filling the position.

Council Member Acedo inquired if the rental collection had been an ongoing program.

Jorge Treviño stated that the sales tax code provision had been in place for an undetermined period of time and the state had been administering the program on behalf of the city, but did not have the time to visit Douglas, to conduct research, and to discover the taxpayers. Mr. Treviño further mentioned that the recommendation was based on the availability of staff, adding that code enforcement had been assisting with the discovery process in locating businesses. The finance department implemented tools and gathered information from the county and other sources and had determined that sixty percent of taxpayers were delinquent. However, 21 taxpayers had responded and those who did not would be receiving a letter from the city attorney outlining serious implications for lack of response.

Council Member Lindemann commended Jorge Treviño for the report and commented that the city should take control of its destiny and expressed support.

Council Member Fernandez agreed with Council Member Lindemann.

Mayor Gomez commented that extensive research had taken place for approximately one year, adding that the state had furloughed auditors and the city was unable to receive response from them. Mayor Gomez provided information pertaining to HB 2512.

Curtis Shook stated that the city would do well in the collection process since the city was unable to rely on the state, adding that the city was facing financial challenges and this process would increase the cash flow, would increase collections and would allow the city to combine and cross-train employees.

Motion by Council Member Shelton, **second** by Council Member Acedo to approve Resolution No. 10-778.

Larry Blaskey, Daily Dispatch Editor, inquired if fees were charged by the state.

Curtis Shook stated that the state did not charge a fixed amount for providing the service, but the money was cash-flowed in order to earn the interest.

Jorge Treviño and Curtis Shook informed that the state was proposing for the Department of Revenue to charge the cities a fee and to collect the interest as well.

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

23. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 10-779, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, ARIZONA, CALLING ATTENTION TO THE NEED TO SECURE ARIZONA'S BORDERS.

Mayor Gomez stated that the resolution would be introduced to S.E.A.G.O. on May 14, in Thatcher, at all cities, and the Arizona League of Cities to request support for more secure borders in Arizona.

Motion by Council Member Shelton, **second** by Council Member Acedo to approve Resolution No. 10-779.

Council Member Shelton commented on personal observations pertaining to illegal entry into the United States and suggested military support in order to address the issue along with drug smuggling.

Mayor Gomez stated that once the resolution was reviewed by the Arizona League of Cities, the subcommittee would determine whether the issue was federal or state and it would be addressed accordingly, adding that he would also contact all congressional leaders and further expressed concern regarding City of Douglas EMS personnel.

Council Member Fernandez stated that although discussion had taken place for some time, the problem needed to be addressed since someone had been killed. He further stated that Senator McCain needed to make personal observations and needed to report them to Washington due to the need to change the law in order to legalize drugs, adding that illegals would continue to cross if they were employed regardless of the number of resolution submittals.

Mayor Gomez disagreed with comments made by Council Member Fernandez regarding the submittal of resolutions since a prior submittal, at a binational meeting, had received a great deal of support.

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

24. MAYOR'S REPORT.

- **March 25, 2010, GSA meeting regarding port of entry expansion**
 - 2007, 100 percent feasibility study does not mention the need for a formal agreement with Mexico
 - Diplomatic note requirement by GSA to designate the port of entry land for Mexico was obtained by Senator Jon Kyl's Aide
 - Confidential diplomatic note
 - Mexico's infrastructure must match the United States
 - Must concentrate on pressuring congressional representatives
 - Senator McCain previously sent legislative manager to Douglas
 - GSA funding delay to 2013
 - Request for submittal of all resolutions and documentation pertaining to the port of entry from Senator McCain's office
- **Certificate of appreciation issued to the City of Douglas on behalf of Arizona's Gift for the Capitol Christmas Tree event**

25. COUNCIL MEMBERS' REPORTS.

Margaret Morales:

- **Cleanup issue at 919 5th Street**
- **Restriping of turn lanes on the west side of 5th Street and Pan American and the crosswalks on 5th Street and Pan American Avenue**
 - Items were not discussed due to the absence of Council Member Morales

Bob Fernandez:

- **Downtown development contract status**
 - Item was previously addressed and no additional discussion was necessary
- **Expressed frustration regarding port of entry information as provided by the Mexican Government and GSA**

Louie Acedo:

- **Alley cleanup and garbage containers**
 - Requested approval to place an item on the May meeting agenda for a PowerPoint presentation pertaining to alley cleanup and garbage containers.
- **Council notification pertaining to personnel matters**

26. CITY MANAGER'S REPORT.

- **AECOM strategic plan schedule**
 - May 13, 2010 public process for the downtown area
 - Second public day will be scheduled in June based on input collected on May 13
 - Final plan on third day

27. CITY ATTORNEY'S REPORT.

- **Newly Elected Officials Training in June 2010**
- **Public Meeting Education Seminar in Mid-Summer 2010**

28. ADJOURNMENT.

Motion by Council Member Shelton, **second** by Council Member Lindemann to adjourn the meeting at 8:45 p.m. unanimously passed.

Prepared By:

Brenda Aguilar
City Clerk