

**DOUGLAS CITY COUNCIL  
REGULAR MEETING MINUTES  
JUNE 8, 2011**

The City of Douglas Mayor and Council met in a Regular Meeting on Wednesday, June 8, 2011, 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.**

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

**5. DISCUSSION/DECISION ON APPROVAL OF APPOINTMENT.**

- **Design Review Board: Lawana Diffie**

**Motion** by Council Member Shelton, **second** by Council Member Huish to approve the appointment of Lawana Diffie to the Design Review Board.

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

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

Danny “DJ” Morales, Voice of Douglas Media Representative, of 3200 North Camino Perilla, commented on the following:

- 06/08/2011 9:00 p.m. live broadcast from the Gadsden hotel.
  - Pastor Ben Stevens – Feeding the Hungry.
  - Council Member Margaret Morales.
- Expertise and/or equipment availability to Mayor and Council.

***“Douglas – the premier southwestern border community.”***

7. **DISCUSSION/DECISION TO CALL FOR AND CONDUCT AN EXECUTIVE SESSION UNDER THE AUTHORITY OF A.R.S. § 38-431.03 (A) (7) TO DISCUSS THE POSSIBLE SALE, PURCHASE, OR LEASE OF REAL PROPERTY LOCATED AT 1046 G AVENUE AND REAL PROPERTY LOCATED AT THE WEST SIDE OF PAN AMERICAN AVENUE ON THE EXTENSION OF 6<sup>TH</sup> STREET BETWEEN PAN AMERICAN AVENUE AND CHIRICAHUA ROAD (PREVIOUSLY NOTICED AS THE SOUTHEAST CORNER OF 7<sup>TH</sup> STREET AND CHIRICAHUA AVENUE).**

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

Roll Call: All members voted in favor. **MOTION PASSED** at 6:09 p.m.

**Motion** by Council Member Shelton, **second** by Council Member Huish to adjourn executive session.

Roll Call: All members voted in favor. **MOTION PASSED** at 6:41 p.m.

8. **A. PRESENTATION/DISCUSSION BY COUNCIL MEMBER LINDEMANN, FINANCE COMMITTEE CHAIRPERSON, CONCERNING THE FINANCE COMMITTEE RECOMMENDATIONS TO MAYOR AND COUNCIL FOR THE 2011/2012 OPERATING BUDGET.**

Council Member Lindemann thanked staff for their hard work, dedication, and sacrifice during the tight budget years. Also, thanked Jorge Treviño, Finance Department, and Administration Department for developing a balanced budget. In addition, thanked the Finance Committee for taking the time to attend meetings and for unanimously recommending the 2011/2012 budget for the City of Douglas.

The Finance Committee unanimously recommended the balanced budget with all balanced funds, which included no reductions in force and no planned furloughs for staff as long as revenues are received as projected.

Council Member Lindemann highlighted the Finance Committee's concern regarding the loss of \$364,490 in Highway User Revenue Funds swept by the State of Arizona. Based on that projection, street improvements are expected to be very limited.

Council Member Huish agreed with comments made by Council Member Lindemann concerning efforts by staff in working with the budget and commended staff for producing the budget.

Council Member Shelton stated that regardless of hardships, the City had been able to move forward, even with less employees, and the services had not changed although the budget was similar to budgets from previous years.

Mayor Gomez stated the budget was a lot of work and was amazed by how staff could develop the budget.

Council Member Morales thanked City staff for working on the budget and for avoiding furloughs and layoffs, a very difficult issue to address.

Council Member Quiñonez thanked the staff and the Finance Committee for their time and effort in working with the budget. He further stated the Council should be proud of the work of the Finance Committee to keep the City of Douglas solvent. But mostly appreciates the way the Council has worked together through the financial difficulties during the past three years.

His concern remains in relation to the subsidies of the golf course, bar, and restaurant. However, Council Member Quiñonez understands the need to maintain the golf course open and reiterated his concern regarding the subsidized amount from the general fund. Council Member Quiñonez suggested a future discussion concerning golf course fees.

**B. DISCUSSION/DECISION ON APPROVAL OF CONTRACT RENEWAL FOR EMPLOYEE HEALTH INSURANCE WITH HEALTH NET FOR FISCAL YEAR 2011/2012.**

Ana Urquijo, Human Resources Director, stated the recommendation was to continue with Health Net, as the company was the current health insurance carrier for the City of Douglas.

In addition, a new concept for gap insurance, which would be incorporated into the health insurance component was recommended for approval. Both items had been previously discussed at a special council meeting.

Mayor Gomez inquired if the City of Douglas had contracted with Health Net in the prior year and Ana Urquijo agreed.

Mayor Gomez requested clarification concerning a health insurance change as he was under the impression a more favorable option had been previously recommended.

Ana Urquijo explained the broker of record was the change.

Council Member Shelton inquired the number of insured employees out of 162.

Ana Urquijo indicated there were approximately 152 insured employees.

Council Member Shelton inquired if there were many providers along with the hospital at the local level and Ana Urquijo indicated all local providers were contracted through Health Net.

Council Member Shelton further inquired if the major hospitals in Tucson were covered by Health Net and Ana Urquijo stated they were covered.

Furthermore, Council Member Shelton pointed out the rates were acceptable and Ana Urquijo informed the rate included the gap insurance cost.

Mayor Gomez asked if the health care benefits were unlimited.

Ana Urquijo explained in-network amounts were mostly unlimited except under special circumstances and out of network benefits would not be fully covered.

**Motion** by Council Member Lidemann **second** by Council Member Shelton, to approve a contract Health Net for employee health insurance for fiscal year 2011-2012 with plan as presented.

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

Council Member Shelton inquired if out of state benefits were available and the age limit for dependent children.

Ana Urquijo stated that out of network coverage was available while out of state and the age limit was 26.

**C. DISCUSSION/DECISION ON APPROVAL OF CONTRACT FOR GAP INSURANCE WITH AMERICAN FAMILY LIFE FOR FISCAL YEAR 2011/2012.**

**Motion** by Council Member Lidemann **second** by Council Member Shelton, to approve a contract with American Pubic Life Insurance Company for Gap Insurance for fiscal year 2011-2012 with plan as presented.

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

**D. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 11-843, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA ADOPTING THE TENTATIVE ESTIMATES OF THE AMOUNT REQUIRED FOR THE PUBLIC EXPENSE OF THE CITY OF DOUGLAS FOR THE FISCAL YEAR 2011-2012; ADOPTING A TENTATIVE BUDGET AS RECOMMENDED BY THE FINANCE COMMITTEE TO INCLUDE HEALTH INSURANCE CONTRIBUTION; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNT ACTUALLY LEVIED AND THE AMOUNTS ESTIMATED AS COLLECTIBLE FOR THE PREVIOUS FISCAL YEAR; THE AMOUNT PROPOSED TO BE RAISED BY VARIOUS MEANS; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS ON THE ADOPTION OF THE FINAL BUDGET; AND FOR FIXING THE TAX LEVY.**

**Motion** by Council Member Huish, **second** by Council Member Quiñonez, to approve Resolution No. 11-843.

Mayor Gomez had general questions answered by Curtis Shook and Rocio Garcia and expressed concern regarding the parking lot operational cost, which included a \$6,000 annual loss.

Curtis Shook explained that five or six ideas had been presented to the Finance Committee as part of a package for consideration in reducing costs. He intends to look at the issue as follows:

- Review of parking system technology.
- September 2011, Council will be informed of any alternatives.

Transportation service discussion previously took place concerning Catholic Community Services and their need to park busses. The City of Douglas has authorized use of the old House of Hope Center to meet their parking needs. However, discussions have also taken place concerning Arizona Department of Transportation money for the use of the parking lot property through the use of approximately twenty to thirty parking spaces. According to Mr. Shook, the downtown area could be better served by having the City parking lot as the pickup location.

Mayor Gomez expressed concern regarding lack of special events support.

Rocio Garcia indicated the budget section Mayor Gomez referenced reflected outside agency special events requests and only one request had been submitted to the City of Douglas for the Senior Citizens.

Mayor Gomez inquired if money could be available for the planning of a special event.

Curtis Shook indicated money could be transferred to fund a special event if Council gave approval.

Inaudible

Council Member Huish commented although everyone had their own concerns, the Finance Committee, City staff, and the City Manager had worked on what was best for the City of Douglas. Furthermore, in his opinion, trying to change what had been decided would be inappropriate and if it would not be inappropriate, the reason the City has a Finance Committee would have to be justified.

Council Member Huish reiterated that the Finance Committee did a great job, and Mayor Gomez needed to accept what they have done and not be nitpicking some of the things.

Mayor Gomez stated he was sensitive to the budget because he, as the Mayor, would be targeted if the public did not like the budget.

Council Member Huish once again, stated the City of Douglas had a great Finance Committee and a lot of staff that had worked on the budget...inaudible.

Mayor Gomez stated he had questions on some of the things, adding the Finance Committee was an advisory committee and the Council would have the final vote.

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

**9. DISCUSSION/DECISION ON CONSENT AGENDA ITEMS:**

- A. EXPENDITURES FOR THE MONTH OF MAY 2011, TOTALING \$1,746,227.92.**
- B. MEETING MINUTES FOR MARCH 9, 2011.**
- C. APPROVAL OF BID PROPOSAL SUBMITTED BY BORDERMART FOR 12HR/24HR GASOLINE SERVICES.**
- D. APPROVAL OF BID PROPOSAL SUBMITTED BY AIR PETRO CORPORATION FOR AVIATION FUEL.**
- E. APPROVAL OF BID PROPOSAL SUBMITTED BY MADDUX & SONS FOR ALL ROCK MATERIALS.**
- F. APPROVAL OF BID PROPOSAL SUBMITTED BY LEGEND TECHNICAL SERVICES FOR WATER WASTEWATER LABORATORY SERVICES.**
- G. APPROVAL OF BID PROPOSAL SUBMITTED BY FERGUSON WATERWORKS, HD SUPPLY WATERWORKS, AND DANA KEPNER FOR ALL CONSTRUCTION MATERIALS.**

**Motion** by Council Member Morales, **second** by Council Member Lindemann to approve the consent agenda items 9 (A) through 9 (G) and including expenditures for the month of May 2011 totaling \$1,746,227.92.

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

**Motion** by Council Member Morales, **second** by Council Member Shelton to approve expenditures for the month of April 2011, totaling \$1,746, 227.92.

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

**10. DISCUSSION/DECISION ON APPROVAL OF REQUEST BY ROBIN BREKHUS OF THE GADSDEN HOTEL TO CLOSE G AVENUE FROM 10<sup>TH</sup> STREET TO 12<sup>TH</sup> STREET AND FROM 11<sup>TH</sup> STREET FROM THE ALLEY BEHIND THE GADSDEN TO THE ALLEY BY THE DAILY DISPATCH FOR SATURDAY, SEPTEMBER 3, 2011, 12:00 P.M. TO 2:00 A.M. FOR THE DOUGLAS STREET RODS ANNUAL CAR SHOW.**

**Motion** by Council Member Shelton, **second** by Council Member Huish to approve the closure of G Avenue between 10<sup>th</sup> and 12<sup>th</sup> Street and from 11<sup>th</sup> Streets from the alley behind the Gadsden to the alley by the Daily Dispatch for Saturday, September 3, 2011, from 12:00 p.m. to 2:00 a.m. for the Douglas Street Rods Annual Car Show.

Council Member Shelton commented the event had been successful in the previous year.

Council Member Huish inquired if merchants had provided feedback concerning the request.

Mayor Gomez stated calls were usually received after the street closure had taken place.

Council Member Huish further inquired if the street closure would cause a loss of revenue for the merchant and expressed concern.

Mayor Gomez stated it was generally difficult for the customers to access a business and Curtis Shook agreed.

Council Member Huish asked if there would be a loss of business.

In response, Curtis Shook stated it could be argued the event would preclude customers from accessing a business. Moreover, some businesses might be affected, but there had been no studies conducted by the City to make such a determination. According to Mr. Shook, some businesses have previously claimed that sidewalk sales interrupt their business and regardless of what the City does someone might not be happy.

Council Member Huish requested the number of affected businesses and Curtis Shook indicated there were two businesses that would generally contact him concerning public safety.

Inaudible

Council Member Quiñonez recommended a two-block survey in consideration of the next request.

Curtis Shook stated the question had been presented to the Chamber of Commerce in the prior year.

Council Member Quiñonez' suggestion was to have direct contact with the merchants in order to gather their opinions.

Council Member Shelton commented some of the merchants could offer special sales in order to attract customers.

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

**11. DISCUSSION/DECISION ON APPROVAL OF APPLICATION FOR TEMPORARY EXTENSION OF PREMISES ON SEPTEMBER 3, 2011, DURING THE DOUGLAS STREET RODS ANNUAL CAR SHOW TO ROBIN BREKHUS FOR THE SADDLE AND SPUR TAVERN, 1046 G AVENUE, DOUGLAS, AZ.**

**Motion** by Council Member Lindemann, **second** by Council Member Morales to approve an extension of premises application for the Saddle and Spur Tavern for September 3, 2011.

Council Member Huish stated security fences should be installed in order to prevent illegal entry of minors.

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

**12. DISCUSSION/DECISION ON APPROVAL OF SECOND READING OF ORDINANCE NO. 11-999, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AMENDING ORDINANCE 09-957, PERTAINING TO THE DOUGLAS MUNICIPAL GOLF COURSE CLUBHOUSE AND KITCHEN FACILITY WITH MODIFICATIONS TO THE RENTAL AND USE FEE SCHEDULE IN SECTION 1; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE THEREOF.**

Curtis Shook indicated the ordinance would provide flexibility for the manager's designee not to charge a security fee for smaller events and it would allow for two new charges: Kitchen use fee and cleanup fee

**Motion** by Council Member Huish, **second** by Council Member Quiñonez to approve the second reading of Ordinance No. 11-999 and to place it on third reading by number and title only.

Mayor Gomez inquired if a list of caterers was being followed and if there were only a few caterers available.

Curtis Shook agreed the ordinance was being followed and stated the initial list included seven caterers, but one had been removed due to business closure and others had been removed for not maintaining a business license. Currently, the list had approximately five caterers.

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

- 13. DISCUSSION/DECISION ON APPROVAL OF FIRST READING OF ORDINANCE NO. 11-1000, AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AUTHORIZING THE SALE OF APPROXIMATELY .1859 ACRES (8,100 SQUARE FEET) OF REAL PROPERTY LOCATED ON THE WEST SIDE OF PAN AMERICAN AVENUE ON THE EXTENSION OF 6<sup>TH</sup> STREET BETWEEN PAN AMERICAN AVENUE AND CHIRICAHUA ROAD FOR \$57,000 OR \$7.00 PER SQ. FT., FOR AN EXPANSION OF THE CURRENT COPPER QUEEN MEDICAL ASSOCIATES CLINIC IN THE CITY OF DOUGLAS, ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND DECLARING AN EMERGENCY.**

Council Member Morales recused herself, did not participate in the discussion, and did not vote due to her employment with Copper Queen Medical Associates.

Curtis Shook explained a letter of request had been received by the City of Douglas over a year ago concerning the property. Since that time, the legal process had been followed regarding the property sale and one bid, minimum bid as set by Council, had been submitted for the purchase of the property. Council would have to make a decision to accept or decline the offer.

**Motion** by Council Member Lindemann, **second** by Council Member Huish to approve the placement of Ordinance No. 11-1000 on its first reading by number and title only.

Roll Call: All members voted in favor. **MOTION PASSED** by a vote of 5-0, without the emergency clause. The City Charter requires an affirmative vote of six of the seven Council Members.

**Motion** by Council Member Lindemann, **second** by Council Member Huish to approve the first reading of Ordinance No. 11-1000 and to place it on second reading by number and title only.

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

Council Member Morales returned to the meeting.

- 14. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 11-839, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AUTHORIZING THE EXECUTION OF AN UPDATED INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF DOUGLAS FIRE DEPARTMENT AND THE CITY OF SIERRA VISTA TO PROVIDE FLEET MAINTENANCE AND REPAIR SERVICES AS AN ALTERNATE SOURCE/VENDOR.**

Curtis Shook indicated the item was an updated IGA with the City of Sierra Vista for City of Douglas vehicle maintenance by certified fire and ambulance mechanics, which could not be addressed by City of Douglas mechanics.

**Motion** by Council Member Shelton, **second** by Council Member Quiñonez, to approve Resolution No. 11-839.

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

- 15. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 11-841, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE HOUSING CHOICE VOUCHER FAMILY SELF SUFFICIENCY PROGRAM.**

Curtis Shook indicated it would be the City's third year in the program. Currently twenty-five families were under the program and were working towards self-sufficiency certification.

**Motion** by Council Member Huish, **second** by Council Member Quiñonez, to approve Resolution No. 11-841.

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

- 16. DISCUSSION/DECISION ON APPROVAL OF RESOLUTION NO. 11-842, A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, THROUGH THE LEAGUE OF ARIZONA CITIES AND TOWNS AND ITS MUNICIPAL MEMBERS, CALL UPON THE ARIZONA STATE LEGISLATURE NOT TO FURTHER REDUCE THE HIGHWAY USER REVENUE FUND ALLOCATIONS TO ARIZONA CITIES AND TOWNS. DOUGLAS FURTHER ADVOCATES THAT THE ARIZONA LEGISLATURE DEVELOP A PLAN TO, AT A MINIMUM, RESTORE HURF FUNDING TO ARIZONA CITIES AND TOWNS TO THE FISCAL YEAR 2008 LEVELS OVER THE NEXT 3 TO 5 YEAR PERIOD.**

Council Member Morales pointed out the Finance Committee recommendations included information concerning the sweeping of Highway User Funds by the State, creating a reduction in street improvements.

Council Member Morales would like the State to transfer the funds back to the City of Douglas over a three-year period to reflect the 2008 levels. Support is being provided by the City of Sierra Vista, City of Bisbee, and Apache Junction. The resolution will be presented at the Arizona League of Cities and Towns Conference in August 2011.

**Motion** by Council Member Huish, **second** by Council Member Quiñonez, to approve Resolution No. 11-842.

Inaudible.

Council Member Huish inquired if a lawsuit could be filed.

Curtis Shook stated the League had followed-up and did not think a lawsuit would be successful.

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

**17. MAYOR’S REPORT.**

None.

**18. COUNCIL MEMBERS’ REPORTS.**

None.

**19. CITY MANAGER’S REPORT.**

None.

**20. CITY ATTORNEY’S REPORT.**

None.

**21. ADJOURNMENT.**

**Motion** by Council Member Morales, **second** by Council Member Shelton to adjourn the meeting at 7:43 p.m. unanimously passed.

**Prepared By:**

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**Brenda Aguilar**  
**City Clerk**