

Minutes

**MAYOR AND COUNCIL
FINANCE COMMITTEE
JOINT SPECIAL MEETING - WORK SESSION
JUNE 15, 2020, AT 4:30 P.M.**

1. **CALL TO ORDER - MAYOR, DONALD C. HUISH: 4:30 p.m.**
2. **CALL TO ORDER - CHAIR, MARGARET MORALES**
3. **PLEDGE OF ALLEGIANCE:** by Council
4. **ROLL CALL - MAYOR, DONALD C. HUISH**

| | PRESENT | ABSENT |
|-----------------------------------|----------------|---------------|
| MAYOR, DONALD HUISH | X | |
| COUNCILMEMBER, MARGARET MORALES | X | |
| COUNCILMEMBER, MITCH LINDEMANN | X | |
| COUNCILMEMBER, DANYA ACOSTA | X | |
| COUNCILMEMBER, RAY SHELTON | X | |
| COUNCILMEMBER, MICHAEL BALDENEGRO | X | |
| COUNCILMEMBER, JOSE GRIJALVA | X | |
| CITY MANAGER, JERENE WATSON | X | |
| CITY ATTORNEY, JUAN PABLO FLORES | X | |
| CITY TREASURER, LUIS PEDROZA | X | |
| ACTING CITY CLERK, ALMA ANDRADE | X | |

5. **ROLL CALL - CHAIR, MARGARET MORALES**
6. **PRESENTATION/DISCUSSION ON THE FY 20-21 BUDGETARY NEEDS WITH PRESENTATIONS BY DEPARTMENT DIRECTORS, DIVISION AND PROGRAM MANAGERS TO THE CITY COUNCIL AND FINANCE COMMITTEE, FOLLOWED BY A PRESENTATION ON THE FIRST LOOK AT A PRELIMINARY CITY BUDGET.**

Mayor Huish thanked department directors for the hard work they did during the budget process, and stated it had not been easy as staff was behind timeline.

Jerene Watson provided PowerPoint information pertaining to the budget as follows:

- Budgets
- Where we were last year: Economic Outlook & Policy Making Circumstances going into FY19-20
- Thankfully We Did not have to go this Route
- Where we are this year-entering FY20/21, Current Situation More Economic Vitality
- Upcoming Budget Proceed with Optimism but Cautiously
- Current Financial Picture & Projections
- FY20/21 Revenues v. Requests
- The Unknown Economy-Our Recommended Conservative Path
- Major Changes in GF Expenditures
- Major Changes in GF Revenue
- FY20/21 CIP Requests – General Fund
- FY20/21 Enterprise & Special Rev Funds

- Best Assets – Employees

Luis Pedroza provided background information pertaining to Management Budget that included Finance, Grants, Customer Service, Transit and IT.

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|-------------------------|---------------------------------|--------------------------|
| Mission | Finance total budget: \$633,796 | Number of employees: 5.5 |
| Number of employees 5.5 | One time requests: %15,000 | |

Management Services Customer Service

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|----------------------|-------------------------------------|--|
| Mission | Total departmental Budget \$300,596 | Number of Employees to serve public: 3 |
| One-time requests: 0 | | |

Information Technology

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|------------------------------|-------------------------------------|--|
| Mission | Total departmental Budget \$960,606 | Number of Employees to serve public: 4 |
| One-time requests: \$465,267 | | |

Management Services Transit

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|-----------------------------|---------------------------------------|---|
| Mission | Total departmental Budget \$1,116,874 | Number of Employees to serve public: 10 |
| One-time requests: \$97,846 | | |

Chief of Police, Kraig Fullen provided background information to departmental budget.

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|------------------------------|---------------------------------------|---|
| Mission | Total departmental Budget \$7,203,603 | Number of Employees to serve public: 48 (38 sworn, 14 civilian) |
| Police Administration | Police Operations | Capital Improvement |
| One-time requests: \$392,020 | | |

Jennifer Smith provided background information pertaining to departmental budgets:

- Recreation & Special Events

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|------------------------|-------------------------------------|---|
| Mission | Total departmental Budget \$276,065 | Number of Employees to serve public: 2 full time / 5-15 part time |
| One-time requests: \$0 | | |

- Aquatics

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|------------------------------|-------------------------------------|--|
| Mission | Total departmental Budget \$365,129 | Number of Employees to serve public: 2 full time / 10-20 part time |
| One-time requests: \$ 43,500 | | |

- Parks

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|-----------------|-------------------------------------|--|
| Mission | Total departmental Budget \$572,982 | Number of Employees to serve public: 7 full time / 2 part time |
| Parks operating | Park Capital Improvement | One-time requests: \$28,000 |

- Cemetery

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|-----------------------------|-------------------------------------|---|
| Mission | Total departmental Budget \$256,920 | Number of Employees to serve public: 5 (3 grounds, 1 office, 1 part time) |
| One-time requests: \$40,500 | | |

Alan Humphries provided background information pertaining to public works departmental budget.

Public Works Administration

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| Mission | Total departmental Budget \$80,050 | Number of Employees to serve public: 4 |
| One-time requests: \$5,000 | | |

- Airport

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|----------------------------|-------------------------------------|---|
| Mission | Total departmental Budget \$128,478 | Number of Employees to serve public: .5 |
| One-time requests: \$5,000 | | |

- Construction Facilities

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|------------------------------|-------------------------------------|---|
| Mission | Total departmental Budget \$615,672 | Number of Employees to serve public: 10 |
| One-time requests: \$230,301 | | |

- Fleet Maintenance

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|-----------------------------|-------------------------------------|--|
| Mission | Total departmental Budget \$139,534 | Number of Employees to serve public: 3 |
| One-time requests: \$30,000 | | |

- Sanitation

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|-----------------------------|---------------------------------------|--|
| Mission | Total departmental Budget \$1,269,250 | Number of Employees to serve public: 6 |
| One-time requests: \$28,400 | | |

- Streets

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|------------------------------|---------------------------------------|---|
| Mission | Total departmental Budget \$1,679,394 | Number of Employees to serve public: 10 |
| One-time requests: \$565,000 | | |

- Wastewater

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|--------------------------------|---------------------------------------|--|
| Mission | Total departmental Budget \$6,758,056 | Number of Employees to serve public: 4 |
| One-time requests: \$4,938,056 | | |

- Water

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|--------------------------------|---------------------------------------|---|
| Mission | Total departmental Budget \$3,612,664 | Number of Employees to serve public: 12 |
| One-time requests: \$1,926,500 | | |

Fire Chief, Kevin Lomeli provided background information pertaining to departmental budget.

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|------------------------------|---------------------------------------|--|
| Mission | Total departmental Budget \$3,655,321 | Number of Employees to serve public: 27 fulltime, 3 unfunded firefighter positions, 3 part time, assistant chief and fire chief, and 1 fulltime administrative assistant |
| One-time requests: \$600,000 | | |

Dawn Prince provided background information on city council's budget.

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| Mission | Total departmental Budget \$165,926 | One-time requests: \$80,500 |
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Economic Development:

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| Mission | Total departmental Budget \$10,980 | Number of Employees: 1 |
| One-time requests: \$1,000 | | |

Economic Development/Visitor:

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|------------------------|-------------------------------------|------------------------|
| Mission | Total departmental Budget \$101,888 | Number of Employees: 1 |
| One-time requests: \$0 | | |

Peter Gardner provided background information on Development Services:

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| Mission | Total departmental Budget \$451,158 | Number of Employees: 3 |
| One-time requests: \$265,000 | | |

Rocio Garcia provided background information on Human Resources

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|------------------------|-------------------------------------|------------------------|
| Mission | Total departmental Budget \$464,887 | Number of Employees: 3 |
| One-time requests: \$0 | | |

93 different classifications. Classification Maintenance Review (CMR) 13 benchmark cities. Merit system, recruitments and employee salary.

Xenia Gonzalez provided background information on the Housing Department/CDBG.

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|------------------------|-------------------------------------|--------------------------|
| Mission | Total departmental Budget \$209,270 | Number of Employees: 3.5 |
| One-time requests: \$0 | | |

Margaret White provided background information on Library Services.

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|---------------------------|-------------------------------------|-----------------------------|
| Mission | Total Departmental budget \$426,506 | Number of employees 6.8 FTE |
| Patron Circulation Number | Programs/Services offered | One-time requests \$10,000 |

Motion by Council Member Lindemann, second by Council Member Shelton to take a recess at 6:37 p.m., Motion passed unanimously.

Meeting reconvened at 7:00 p.m.

Jerene Watson commented that it was time for council's questions.

Council Member Lindemann thanked everyone for the wonderful job with their presentations. Council Member Lindemann inquired on the General Fund CIP Requests in reference to the Vietnam Memorial Wall and mentioned that in 2005 had the idea to bring the travel wall to Douglas. Additionally, Council Member Lindemann stated that when approved he reached out to Ginny and Don Jordan in order to form a committee, raised money and had the wall visit the community, and commented that it was very well received. Moreover, Council Member Lindemann expressed that it could create a visit destination in the community, and that the same would be for the Wall of Faces Museum. Council Member Lindemann commented that at the time, they received donations towards the project. Additionally, Council Member Lindemann stated that the company would retire the wall that had been traveling for eight years, and commented that if the city would want it permanently. Council Member Lindemann expressed to the company that the city would want the wall on a permanent basis as a permanent attraction to the community for many years to come.

As a last comment, Council Member Lindemann stated that it would cost one hundred twenty-five thousand dollars to obtain the permanent wall. Council Member Lindemann commented that brand-new walls run an approximate amount of three hundred thousand, and stated that since the one mentioned was the one retiring that the company asked for a down payment of twenty-five thousand dollars.

Furthermore, Council Member Lindemann stated that since the city had the Raul Castro Statue as a line item, and honoring one of the city's own member. Council Member Lindemann added that he would like to take twenty-five thousand dollars out of Raul Castro Statue and place it in the Vietnam Memorial for a total of thirty thousand, twenty-five from the city's down payment, then work on public's donations.

Lastly, Council Member Lindemann expressed that he was scheduled to speak at the American Legion as they were on board, and added that fundraisers would be planned. Additionally, Council Member Lindemann commented that there could be grant possibilities, corporate donations, and that it was within the city's reach.

Council Member Shelton inquired about the total amount.

Council Member Lindemann responded it was a total of one hundred twenty-five thousand dollars.

Mayor Huish clarified that the work session meeting was to look at the type of items, and information for the council to think about, and any other questions that could arise in order for council to decide on the budget adoption options or ideas to be able to change or fund projects council would feel were more important.

Council Member Baldenegro along with Mayor Huish inquired on how to hire a Fire Marshall and the benefits of having a Marshall in the community.

Chief Kevin Lomeli responded that the city has never had a Fire Marshall, but has had Assistant Chiefs, Battalion Chiefs and that they spread duties. Additionally, Chief Lomeli expressed that they talked about it and requested for the year as the assistant chief takes over the role and oversees the other inspectors. Moreover, Chief Lomeli commented that COVID changed the operations and that the assistant chief was the only one that would conduct new business inspections, and added they did not do home day care inspections and would only do new businesses. Furthermore, Chief Lomeli commented that the benefits of having a Fire Marshall would be that the person designated would oversee the division with no other interruptions, he would be an inspector, an investigator, and would oversee the entire prevention program.

Mayor Huish asked if it would take a dedicated position.

Chief Lomeli agreed.

Mayor Huish inquired if the Fire Marshall would need additional education or certifications.

Chief Lomeli responded that they would need to be certified inspectors and arson investigator, and it would be a new position, as Assistant Chief/Fire Marshall.

Mayor Huish inquired that having a Fire Marshall if that would reduce the ISO.

Chief Lomeli agreed.

Council Member Grijalva inquired that once the annexation would kick in, and if the city did not hire more firefighters or fire stations if the ISO would drop.

Chief Lomeli agreed, and added that the pressured was the need for additional fire protection first before the annexation process.

Council Member Shelton inquired on the purchase of the latter truck, and commented that the Fire Department requested a fire truck for the upcoming year, and asked where the money was being allocated from.

Jerene Watson commented that staff would present later on the topic.

Council Member Acosta inquired if EMT positions would do anything for the ISO rating.

Chief Lomeli responded that it would.

Council Member Acosta further inquired on the standards or ratings levels in order to increase the city's ISO rating.

Chief Lomeli responded that it was the location where apparatus was stored, staff, and what was included in the fire station. Moreover, Chief Lomeli additionally stated that trainings, the number of people in the facilities was another component and that the city could not build a fire station and expect the rate to improve.

Mayor Huish inquired on the three unfunded firefighter positions, and if those were due to lack of funds or lack of recruitments.

Chief Lomeli responded that it was lack of funds.

Council Member Baldenegro asked in the event the city would annex Bay Acres and if Sunnyside Fire department volunteers would meet the minimum qualifications if they could be part of the Douglas Fire department.

Chief Lomeli commented that they would and stated that he offered firefighter certifications, offered trainings, but had not receive response, but the offer was made. Moreover, Chief Lomeli added that unfortunately they did not meet the requirements currently.

Council Member Lindemann commented that the parks department provided their presentation they did not provide ramadas repair and maintenance, and inquired if there was only one pad at the Veteran's Park that needed repair.

Jennifer Smith responded there was a pad to repair and ramada renovations and that that would go through the public works department, and added they had funds available to look at the ramadas. Moreover, Jennifer Smith commented she was unaware of pad, but would look into it.

Council Member Grijalva inquired about the Fiestas Patrias and how much it would cost to have them.

Jennifer Smith stated that Ken Nelson from the Bob Warner planned to do it in the coming year, however, they did not have enough time last year to post it. Furthermore, Jennifer Smith commented that in past years, the cost was at approximately eight thousand dollars.

Mayor Huish inquired about chemicals for grass enhancement at parks and further inquired if the city had a certified sprayer.

Jennifer Smith responded that the majority of staff was herbicide certified.

Mayor Huish further inquired if DUSD had a herbicide certified employee, and if not, the city could assist them somehow since it was school lawns.

Mayor Huish added that some trees needed to be replaced at the cemetery, and that previous discussions were to ask a group in town to help sponsor a tree donation program in which the city would install them.

Jennifer Smith further expressed that in reference to the tree donation program there was also the possibility of a bench donation program, and expressed there was collaboration with a local greenery to help expedite the process.

Council Member Morales inquired on the southside of the cemetery pertaining to older graves that were sinking in and asked if the city could fill.

Jennifer Smith responded that it was possible, but also mentioned that with monsoon season some of the graves would sink in.

Council Member Lindemann commented that in years back wanted to filled blocks with curbing and sidewalks, and did not see it on the list provided by public works, furthermore stated that the city needed to plan the work as there were many areas, for example in ward 2.

Alan Humphries responded that they could look into it and commented that due to COVID budgets reduction it could be difficult to accomplish. Furthermore, Alan Humphries added that a factor to take into consideration was adding curbing as it could create drainage problems.

Mayor Huish inquired if that would be part of the street study or if it was the actual surface street.

Alan Humphries commented that the street study was strictly section 8.

Xenia Gonzalez provided the repaired areas using CDBG funds. Furthermore, Xenia Gonzalez commented that the areas would be surfacing, paving streets, sidewalks, ADA ramps, and curbing between 8th & 9th Streets, and from Pan American to Washington Avenue, and added there were several scattered locations and would be provided to council. Lastly, Xenia Gonzalez stated that the total funding allocation for said projects was at \$172,679 dollars.

Council Member Grijalva inquired how much the city would save on Holidays where trash was not picked.

Alan Humphries responded that it was not very much, and added that the city would collect the same amount of trash, but it was at different time range. Moreover, Alan Humphries commented that they

always had Wednesdays as a day off for trash pickup, however they would use it for special trash collections, and stated that sanitation crew would work and were still on payroll.

Council Member Grijalva asked on how the pipe infrastructure was pertaining to water and sewer.

Alan Humphries responded that the city was in most need of supplies on the water side and that during the peak demands the city was able to meet the demands, however, it needed more supplies, more wells that could produce more peak demands, especially if the city were to grow with the annexation and the port of entry. Furthermore, Alan Humphries commented that with the new port of entry location that a new system could be needed in the area.

Alan Humphries stated that the water system was in good condition even though it was an older system, excellent water pipe, but it was very fragile and it was hard to repair. Moreover, Alan Humphries commented it was an idea of fixing and repairing and not replacing.

Council Member Grijalva inquired on the number of houses that needed water pressure.

Alan Humphries responded that he was unaware, and could provide details at a later time.

Council Member Acosta inquired on the rate study and further asked on the city's rate.

Alan Humphries stated it was over a dollar per thousand gallons.

Council Member Acosta further asked what was the average around the area.

Alan Humphries was unaware.

Luis Pedroza added that the city was in a tier system and that one thousand to three thousand gallons would be ninety cents per one thousand gallons to consume, both three thousand up to six thousand it would be ninety-five cents per thousand gallons, then it would jump to one dollar and the max would be at one dollar-five cents.

Council Member Baldenegro inquired on the excavator usage.

Alan Humphries commented it would be a joint used.

Council Member Baldenegro commented that public works would need their own equipment.

Alan Humphries stated that most of the time it would be needed for tied areas like some at the cemetery and for alleys. Furthermore, Alan Humphries commented it was a savings measure to share.

Mayor Huish inquired if the Airport Museum needed repairs in order to enhance its use.

Alan Humphries responded he was unaware of needed repairs.

Luis Pedroza added that the facility needed restrooms, however overall the building was in a decent shape.

Mayor Huish directed administration to check on maintenance numbers and to get back to council.

Jerene Watson responded that staff was to bring an evaluation pertaining to the building and further commented there was an airport master plan done a few years ago and included great ideas. Moreover,

Jerene Watson added that one of the buildings the city wanted to upgrade was the Airport Museum air conditioner as needed repairs especially for the Douglas Discover tours.

Mayor Huish inquired if hours were divided for fleet employees on what they worked on, such as enterprise funds handling some costs versus general fund.

Luis Pedroza responded that for example an equipment mechanic would get charged half of the time to enterprise funds, also to the traffic division as they would operate through federal grants and charged time spent on buses.

Mayor Huish further inquired regarding the lift station at DOC and if the county was going to participate as BDI used a portion of the facility, and if the county could be approached as partners for such project.

Alan Humphries commented it was possible. Moreover, Alan Humphries stated that the lift station served the prison and there was not much in the area.

Luis Pedroza added that the city currently had an intergovernmental agreement with DOC pertaining to sewer line improvements, and commented that IGA needed to be exercised and request funding for any improvements related to the same.

Council Member Lindemann inquired on body cameras for the police department and that a conversation needed to take place to decide on it.

Council Member Grijalva inquired how much was needed for an abatement, and inquired if fifty-five thousand would cover or how much was needed to cover the majority of the properties.

Peter Gardner responded that it was enough funds to remove mobile homes in the sunspot area, and to take down two to three more homes. Moreover, Peter Gardner added there was a home in a very bad shape behind one of the elementary schools that was open accessible to kids, and funds would be sufficient.

Council Member Baldenegro inquired if there were any other properties for an RV to offer Rvers for a better location.

Peter Gardner referred to Jerene Watson to check on possibilities to develop an RV and if it was appropriate.

Jerene Watson responded that council had financial policies in reference to several properties the city owned, and expressed she was unaware if the city would want to be in the same business as private sectors. However, discussion could take place in which council could incentivize private sector for the development of an RV Park.

Luis Pedroza added that at one point the city looked at acquiring an RV Park, but decided to leave to the private sector to develop as the city was not in a financial position to acquire.

Council Member Acosta as a point of clarification in an earlier discussion on code enforcement, and if the one-person handling, was also trimming weeds.

Peter Gardner agreed and also commented that the employee also did right away cleanup.

Mayor Huish inquired on when the city would have a general plan.

Peter Gardner responded it could be prepared for the 2022 election, however, needed to hear from council a year before the election.

Council Member Acosta inquired about the portable radio request and if it was for half of the police department needed and further asked if the old system was compatible with the new system.

Chief Fullen responded that it would be.

Chief Fullen in response to Council Member Grijalva that body cameras were a consideration, and that it was secondary in police department priorities they had with the minimal amount of money they had for capital. Moreover, Chief Fullen commented the biggest issue was not with hardware or software, but with the redaction and storage of the footage.

Council Member Grijalva inquired on the cost of cameras, storage and software on a short-term basis versus long term.

Chief Fullen would look into figures.

Anel Lopez inquired on radio approval purchase part of last year's budget.

Chief Fullen responded it was for the Fire Department.

Council Member Grijalva inquired on the programs to help youth with careers and how much was the market, and further asked if the Library had been marketing the program.

Margaret White responded they had.

Furthermore, Council Member Grijalva inquired on the figure to increase an employee's salary in order to keep its employees.

Margaret White responded that she would look in to it.

Council Member Grijalva inquired on the priority the city had for the grant writer.

Luis Pedroza responded the grant writer was writing an EDA grant funded through CARES ACT that could fund the design of the infrastructure to the port of entry, and that that was the main focus currently. Moreover, Luis Pedroza added that the grant writer was working on two other grants, one for Bank of America on Economic Development-possibly for downtown revitalization, and on the Legacy grant-innovation grant for transit.

Council Member Grijalva additionally asked if the bus painting was done locally.

Luis Pedroza stated that like any other project, the city had to bid-out, and fortunately the city received a local vendor that was the cheapest and utilized local vendor for all bus paintings. However, Luis Pedroza added that the city did not direct the supply material from the vendor and simply direct the color scheme.

Mayor Huish requested a future update regarding the water meters as the city anticipated savings.

Luis Pedroza responded that an update would be provided to council.

Mayor Huish further inquired on the planning study for transit and if the city had one and if so, when was it completed.

Luis Pedroza stated the city initiated and went out to bid for services and acquired a company Sec Tek from Casa Grande, and commented that the company would perform the study and would visit Douglas.

Furthermore, Mayor Huish asked if the city had not done anything to the extent.

Luis Pedroza responded not currently.

Council Member Baldenegro inquired on painting murals on buses since the city's buses traveled through Cochise county, and stated it could be good advertising.

Luis Pedroza commented that the city had an advertising program on buses, and contracted several vendors in the past, and that it was not a huge business for the city, however, the city would be promoted by advertising some of the program, for example the Aquatic Center, and other businesses had advertised.

Furthermore, Luis Pedroza stated that an advertising for nonprofit program that could give nonprofits savings was available.

Mayor Huish recommended on city studies and for studies to focus on existing assets, to include potential new investments, new and existing properties, for example The Gadsden Hotel as some of the rooms were not renovated, and if the study group would look into it.

Dawn Prince responded that any of the studies would take into consideration any local assets as it was part of an evaluation process to determine needs versus what they had, and stated it was part of the process. Furthermore, Dawn Prince stated that the Gadsden Hotel was part of the study and asked Anel Lopez if they were approached.

Anel Lopez responded that they did not.

Mayor Huish added that the city had assets and it was always useful and that it was one of the things the city needed to look at first.

Dawn Price further added that in marketing a hotel, the city would bring building's assets and what was available without the need to rebuild for a hotel or what was needed.

Anel Lopez commented that study individuals could talk to her and added that the potential they had with the Gadsden alone, they had one hundred thirty rooms and they only occupied twenty-two. Moreover, Anel Lopez stated that for another chain to come to Douglas it would be great, but it would be critical to focus on the downtown area. Furthermore, Anel Lopez added that in the last year the idea to promote a historic route was discussed and the need of developing the new or existing hotels would create more jobs, and more businesses.

Anel Lopez further commented that the goal was to promote the historic district, then all the attractions needed to be in the downtown area and not by Pan American area.

Lastly, Anel Lopez added that if the city wanted to sell Douglas, the city needed to focus on how to sell Douglas, what could be offered as it had a lot of potential to grow and develop.

Dawn Prince responded that the city was working on it, and would provide a copy of the hotel study to Anel Lopez.

Council Member Grijalva added that in reference to the bus advertising he commented there were some spaces in which local businesses could advertise, for example the one rest/seating area at the Douglas entrance, that could be an area in which for example the Gadsden could advertise. Furthermore, Council Member Grijalva inquired if the city was offering advertising spaces to local vendors.

Dawn Prince responded that the city would check into it, and stated there was a billboard that she was aware of.

Mayor Huish thanked department directors for their presentations as they did a great job, and truly appreciated them.

Jerene Watson presented on the work session and the purpose behind it in order for council and the public to understand how everything worked, and provided the following key points:

Budget four lays foundation: funding services, projects, infrastructure, and equipment to serve the community.

- Basis for Roadmap governing city as other key documents, city charter, general plan, strategic plan, services programs, and projects on how to allocate the funding agreement forwarded to council.
- Four pillars that aligned the vision: strategies, deliverance, municipal services, continue building and maintaining sustainable community, and a desirable quality of life.
- Much healthier financial picture compared to last year even compared to COVID downturned.
- Steady Revenue Stream
- Active Economic Projects & Increased inquiries/spotlight
- Active Port of Entry Efforts
- Right-sized organization
- Downtown Streetscape design
- Discover Douglas Tours
- Community Amenities
- Economic Recovery Tools

Luis Pedroza provided information on Current Financial Picture and Revenue Projections.

- Through March 31, 2020 sales tax revenues grew on average 8% or \$151,871 per month in real growth compared to last year (factoring out one cent increase)
- From July 1, 2019 through March 31, 2020 the GF showed a surplus of \$1,013,129
- COVID impact was left in April, in which 37% sales tax decreased compared to last year and 47% (\$250,525) total GF decreased.
- Projections to finished the FY19-20 at approximate \$300,000 surplus in the GF.
- Self-funded insurance
- Revenues v. Requests: GF, Enterprise Funds, CIP, Transit, HURF, Housing and Airport.
- GF Revenue Shortage: Conservative Projection for ongoing R&E: CIP, HURF, Housing, Airport, Utilities, and Transit Balanced.
- Cautionary Approach to Ongoing Revenue Projections:
- Major Changes in GF Expenditures
- Major Changes in GF Revenue

Dawn Prince provided information regarding Funding from Federal Government one-time expenses.

- Capital Project Request-GF
- Federal Government allocated funds to cities with under 500,000 thousand population and stated that an approximate \$1.5M would come to Douglas.
- Projects requested by departments but projects that would utilize CARES funding
- HURF
- Enterprise Funds

Mayor Huish expressed to council that if they saw any items to considered, and questions could be asked at the end.

Rocio Garcia provided information pertaining to recommended changes to employees pay and compensation.

- Best Assets-Employees
- Classification Maintenance Review (CMR)
- Steps to remain the same as approved last year
- Certification pay (in progress)
- Not recommending a raise but a one-time bonus of \$1,000 at the end of calendar year. (prorated based on number of months worked in the last twelve months and number of hours). Approximate cost \$243,500.
- Employee benefits
- New positions or reclassifications

Council Member Shelton inquired on the vehicle auctions and if the city was able to continue.

Chief Fullen responded that the program was safe keeping vehicles that the police department would seized pending owner's reclamation, and they have done for a number of years, however, the view changed, and per legal advisors was to discontinued practice, and that the only way to impound vehicles was through Rico.

Additionally, Council Member Shelton asked what did police department do with vehicles.

Chief Fullen stated that the only seized vehicles were subject to Rico's as vehicles were treated as part of an investigation involving criminal activities.

Council Member Baldenegro inquired on the police department's equipment needed was not funded.

Chief Fullen commented it was competing interest and needed throughout the city.

Council Member Baldenegro continued to say that those were priority needs before council and before city manager.

Jerene Watson commented that management asked departments to rate their needs, however, Chief Fullen had half radios due to not replacing in full all in one year due to the fact that radio equipment was in good condition.

Council Member Grijalva inquired on the \$127,500 city hall improvements and what would entailed.

Dawn Prince responded that city hall upgrades were in large part of deteriorated areas.

Jerene Watson added that the facilities Supervisor did an analysis and some were due to security for example in council chamber, dais, audience chairs, restrooms, major replaces (half of ceiling replaced), and decided it was a good deal since the funds opportunity was available.

Furthermore, Council Member Grijalva asked if surplus could be used for CIP.

Jerene Watson responded that the city could, but there were several financial policies that would required certain amounts in reserves.

Luis Pedroza added that the financial policies were use to keep debt reserve for operating reserves, rainy fund reserves, and continued to say when the city had surplus the city tried to use for one-time purposes where possible or otherwise would be placed in reserve for future used.

Dawn Prince stated that it was a one-time surplus the city needed to be very cautious based on financial policies and to use for one time needs and not for a potential ongoing need.

Council Member Grijalva expressed that that was not important to him versus the fire department needs for two ambulances which was at \$125,000 each and it was its citizens priority. Furthermore, Council Member Grijalva stated that if council could not meet in council chamber, that they could meet at a different venue.

Mayor Huish expressed concern with the wastewater treatment plant technicians and the new plan for technicians to be up to date with their testing's; therefore, understood some of the pressures that staff went through and wondered if other opening positions in the organizations were less stressful for people to apply v. compensations, salaries were sufficient enough to keep employees there, in order to keep steady staff and not changing.

Rocio Garcia responded that a CMR analysis was conducted and the positions fell below the twenty percent market, therefore, those positions were not address but they would get the COLA and were compared to positions around the city, and for example a wastewater operator was equivalent to a water technician III, and commented that wastewater had a higher range due to the areas of where they worked and due to certifications needed.

Furthermore, Rocio Garcia added that positions range could be higher, and recently interviews for water tech positions were held and commented that in order to be fully staffed recruitment process was currently on the way.

Mayor Huish instructed Jerene Watson to keep an eye on it as it was very critical.

Jerene Watson stated the charter restricted things that other cities did not and as city manager, she was not able to make offer higher than a private sector on what individuals received due to the way the charter was written and took everything to council.

Mayor Huish inquired on the positions that were twenty to twenty four percent below market.

Rocio Garcia responded that it was the Marketing Specialist and the Assistant to the City Manager.

Council Member Morales inquired on the bonus for employees and hoped employees would obtained as employees were biggest assets to the city, and if it was going to be a net amount.

Rocio Garcia responded it would be a gross amount and needed to be taxed.

Furthermore, Council Member Morales inquired on the turnover rate for employees.

Rocio Garcia stated it was about a twelve percent.

Anel Lopez inquired about the golf course numbers and the status of selling it.

Luis Pedroza responded that the city continued to support the golf course and that within the current budget the city was proposing to continue support through the same subsidy of \$180,000. Furthermore, Luis Pedroza added the city had a prospective buyer, however, he was very ill and was not running his own business anymore.

Luis Pedroza commented that the city was always trying to sell the golf course and that the Perilla Apartments was something the city would offer as well when golf course negotiations took place.

Lastly, Luis Pedroza stated that the RV Park was going well and they have not required larger subsidy than normal, and they were funding their operations with their revenues.

Mayor Huish inquired on any additional CARES funds that could come forward.

Jerene Watson responded that per the League of Cities and Towns there was something to come out after Congress' July recess and it remained to be seen.

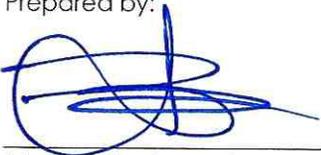
Mayor Huish thanked staff and Jerene Watson for a wonderful time and presentations.

7. ADJOURNMENT - MAYOR, DONALD C. HUISH:

Motion by Council Member Shelton, second by Council Member Lindemann to adjourn the meeting at 8:53 p.m.

8. ADJOURNMENT - CHAIR, MARGARET MORALES

Prepared by:



Alma Andrade, Acting City Clerk