

# MEETING MINUTES

Board of Directors Meeting  
Douglas Public Facility Municipal Property Corporation

Tuesday, June 25, 2019, at 5:30 p.m.

at

Douglas Golf Course  
1372 Fairway Drive  
Douglas, AZ 85607

1. Call to Order

Meeting was called to order by Bosco Selchow at 5:37 p.m.

2. Roll Call

Board Members present were: Francisco “Tachi” Durazo, Manny Robles, Ruben Robles, Ken Nelson, Bosco Selchow and Kevin Alvarado. City Official(s) present were Luis Pedroza, Finance Director/Treasurer. Staff member present was Rhiannon Posada with guests Gene and Lupe Trujillo.

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.

(NONE)

4. Report or update on current Balance Sheet(s) and/or Bank Balance(s), with possible Quarterly Report from City Finance Department (Luis Pedroza) regarding the current status of the subsidy.

The current bank balance is \$8205.86 as of today, with payroll coming up this Friday. Through April 2019, with 83% of the year completed Mr. Pedroza reported that the subsidy with 73% of revenue collected on what the MPC had budgeted. As far as expenditures we are at 78% here, we are a little above the revenue side with the total subsidy through April we are at \$148,847.66 and should be at \$141K, so we are \$7.1K over on the subsidy. At this same time last-year we were \$10K over the subsidy. Mr. Selchow commented that the financial subsidy conditions is a partial win for the MPC considering past situations. A brief discussion about the City Budget currently earmarking \$170K for the subsidy and potential sale of the entire golf course & apartments (by a private investor) was discussed by Mr. Nelson and Mr. Pedroza.as currently in early due diligence stages with possible appraisals being conducted. Ken Nelson recommended that the MPC be included in the negotiations and group closed by commenting on options and possible developments on the potential contemplated sale.

5. Approval of Minutes for the Douglas Public Facility Municipal Property Corporation (MPC) for board meeting held on March 19, April 16, 2019 and May 21, 2019.

After some brief discussion there was a motion to approve minutes for March, April and May by Ruben Robles and seconded by Ken Nelson, and motion was approved unanimously.

6. Information/Discussion, Reporting and possible Decision on standing report from staff regarding maintenance of the golf course MPC facility, equipment and water delivery system.

Golf Course watering was down for a few days last week due to a bad valve on the main water line that caused some browning on the greens. There was another water outage on 5 the main water line, but this is being repaired without water interruption and reported low water issues on one of the ponds. Mr. Pedroza reported that City water crew will be allowing for as much watering as possible in order to allow the Golf Course to catch up on watering while allowing for baseline watering according to the set schedule that has been discussed with Mr. Selchow. Bosco did comment that the Golf MPC is a paying customer and that the parks and other City facilities do not pay fees and MPC may be getting haphazard service. A discussion followed about water shortage cause by the million gallon 5-day static testing at the WWTP in late spring '19 and how that affected the watering at the Golf Course. The new golf cart delivery issues was briefly discussed and a report by Bosco that all equipment is currently operational and grass that is not growing as fast as expected. Bosco Selchow reported that about 2 weeks ago Mr. Meeks contacted Mr. Forrest about helping him drive a truck from Montana with seeding equipment with some Bermuda grass seed harvest stock. Mr. Selchow reported that the City tractor loan to MPC ended after about 3 weeks of use when they asked for it back because of need and tractor has sat in the same place for 2 months since it was returned, and Mr. Durazo reiterated (as he has done in previous meetings) that the City Parks holds the MPC golf in disdain and is very uncaring about the golf course success and needs. Ruben Robles asked about the condition of the greens and application of pre-emergent and fungicide; Bosco seems to think that it was due to the lack of water and 18 is also a bit rough and may need top dressing, and 14 has come really nicely. On the pre-emergent Mr. Bosco reports it has been applied as well as fungicide, and missing flag topics, and that fishing problem is currently under control.

7. Information/Discussion with possible Decision regarding the status and renewal of the Douglas Public Facility Municipal Property Corporation liability and D&O insurance for the Golf Course facility and Board.

Mr. Pedroza reported on the insurance renewal schedules that came in from Cash, Sullivan & Cross (broker), and they did come back with \$3,828 increase that includes just over \$1,100 for insuring that van/vehicle; but an adjustment was made to label the van as "borrowed coverage" and the quote dropped to \$125 after the adjustment. Aggregate limits of \$5 million were retained for liability on a per occurrence, with \$1,000 savings if you drop coverage by \$1 million. There may be a possibility to transfer to new insurance at the mid-year mark. The quote for the \$5 million-dollar policy was reiterated by Luis Pedroza and includes the member Directors and Officers liability (D&O) at a rate of \$20,522 up from \$16,700 last year. The \$3 million-dollar policy & auto/van removal would be \$800 over the cost of insurance expenditure from last year. Ken Nelson recommended the \$3 million policy due to the fact MPC receives liability insurance secondary backing for the City. Ken Nelson made the motion to go with the \$3 million-dollar coverage minus the van (that will be on borrowed coverage status).

The motion was seconded by Francisco “Tachi” Durazo, who also commented the \$5 million-dollar policy was excessive, and the motion carried unanimously,

8. Discussion/Presentation/Direction and possible decision regarding the proposed 2018/2019 budget for the Douglas Public Facility Municipal Property Corporation (MPC).

Mr. Pedroza noted that the item should have been noticed as 2019-2020 and the correction was made by the Chair. Luis Pedroza gave out copies of prior budget history forms, along with 2 prior year financials to use for comparison. Ken Nelson noted that the prior and initial MPC budgets were difficult to ascertain figures for and dedicate funds to precise line items. Bosco Selchow worked on gathering volunteers for the Budget Committee with possibly Ken Nelson, Ruben Robles, Kevin Alvarado and Tachi Durazo as possible committee members. Bosco Selchow further reported on minor items that were outstanding after the MPC appearing at the Council meeting to present their current position and then Bosco Selchow went on to say that Tachi Durazo inquired about submitting a proposal for funding from the IDA on behalf of the Golf Course MPC for irrigation maintenance and RV Park upgrades, equipment and building. Mr. Durazo reported on IDA meeting about 2 weeks ago, and that at their Call to the Public portion of the IDA meeting he stated to Board that he was there on behalf of the MPC Golf and the Douglas Golf and Social Club and asked it would be appropriate to request for capital assistance as noted above. Mr. Durazo reported that he was well received and that the IDA would be willing to entertain such a request possible for the August 2019 IDA meeting. Mr. Durazo, and that a proposal would be crafted outlining priorities like front 9 irrigation revamp, and RV Park upgrades as well as capital for water delivery parts for the golf course. Mr. Pedroza noted that the maintaining and generating of employment and city-wide economic activity is currently the focus of the IDA, and that City staff may be able to help with MPC proposal for the IDA. The Chair noted that the golf course needs to capitalize on the closure of the Naco course and the golf related economic activity, as well providing housing for the border wall construction crew influx, and gave brief update on competitor RV Park proposed activity like fencing & facilities. Further discussion was had by the group as to who would make up the Budget Committee and the IDA Proposal working group, then members thanked Mr. Durazo for attending the IDA meeting.

9. Information/Discussion, Reporting and possible Decision on recommending candidate to replace Mrs. Shelton, possibly David Arzate on the new appointment and reappointment recommendation for Ken Nelson, Manny Robles and Francisco “Tachi” Durazo to the MPC Board.

The discussion centered around possible members and their willingness to act as members to include the noted members, and it was represented that the Mayor had requested a recommendation from the Board as to the reappointments and all noted expressed a willingness to continue on as members. There was a motion to recommend all 4 noted members for appointment and reappointed by Kevin Alvarado, seconded by Ruben Robles and the motion was approved unanimously. Timmy’s trailer is being cleaned up carefully and in a hygienic manner and will need to be disposed of.

10. Information/Update with a possible Discussion/Decision on current events, updates or concerns at the golf course since the May, 2019 meeting.

Rhiannon reported our last Quinceanera to be held on July 6, and a family reunion on July 4th and a tournament on the 14<sup>th</sup> Of July. Ruben Robles reported and MPC 4<sup>th</sup> of July tournament will be held with participation on an individual basis and replacing the Sundowner, and he also reported the Father's Day tourney went well and was well attended. There was an incident last Saturday with former RV Park tenant Bob stealing water and DPD was asked to check into a potential trespass. Bisbee golfers are engaging play through the Golf Now agreement and Rhiannon is to look into reconfiguring the reservation availability. Bosco Selchow reported that he had never seen the contract with Golf Now. The Bisbee people, by Dick Atkinson wants to offer golf lessons at the MPC facility at no cost to MPC and have the profit from associated expenses stay local, and then Ken Nelson suggested MPC check with Naco course to see if they have surplus seed and equipment they would like to unload. Ruben Robles advised to proceed cautiously with Mr. Atkinson, and Board did not oppose the posting of a flier on the golf lessons. The possibility was also presented about Bisbee High using the local course for their use and practice sessions, if the Naco course remains closed. Ruben Robles asked for tee markers to look a bit neater and how to deal with gophers on the course and Bosco Selchow suggested staff look into these possibilities.

11. Discussion/Decision regarding facility's rental property lease terms and rate

The house is still not ready with various detail work such as outside painting, electrical receptor covers and leaking tub or faucet, along with the appliances on the front porch. that still requires attention. The rental amount needs to be determined moving forward, and Ken Nelson asked about reaching out to City Management, but Max was designated as the contact person by Bosco and Luis Pedroza offered to be a secondary point of contact.

12. Discussion and direction/consensus for items to be discussed at future meetings.

Budget approvals, after the budget work session to be held on July 9<sup>th</sup> at 5:30 p.m., is held

13. Adjournment

Manny Robles made a motion to adjourn and it was seconded by Ruben Robles with the motion being approved unanimously at 6:55 p.m.

Prepared by Juan Pablo Flores, City Attorney.