

OUR CITY BUDGET

July 1, 2019 to June 30, 2020

OUR FINANCIAL SITUATION

ISSUE

THE CITY OF DOUGLAS HAS BEEN UNSUCCESSFUL IN DEVELOPING A LONG-TERM STRATEGY TO ATTRACT AN "ECONOMIC ENGINE" TO REPLACE PHELPS-DODGE'S INVESTMENT IN MINING/SMELTER INDUSTRY

IMPACT

↳ SLOWLY DECLINING JOB BASE *over 3 decades*

↳ OUTMIGRATION - DECLINING POPULATION

(17,509 April 2017 - 15,978 July 1, 2018)*

*<https://www.census.gov/quickfacts/fact/table/douglascityarizona,cochisecountyarizona,AZ,US/PST045218>

↳ LACK OF AMENITIES • NO REVENUE GROWTH • BUSINESS CLOSURES

30-YEARS LATER . . .

CITY REVENUES CAN'T COVER BASIC CITY SERVICES; MINIMAL ABILITY TO DELIVER;
TODAY WORKING IN "SURVIVAL MODE" ONLY

CHOICES: We lay off employees, cut services or close some programs
OR find new revenues to sustain our City and become fiscally healthy

2019 ACTIONS TO BRING CHANGE

#1. PLAN for a new economy

City Strategic Plan with Action Steps adopted **May 2019**

5 Focus Areas: ♦ Promote Douglas ♦ Increase Trade & Commerce
♦ Increase Collaboration & Partnerships ♦ Improve Community Communication
♦ Invest in Infrastructure Development & Improvement

#2. FUND the PLAN **July 2019**. . . ADOPT & ALIGN the Budget with Strategic Plan & put \$\$ behind the plan action items

#3. BEGIN. . . Put Plans in Motion over **2019 & 2020 & beyond**

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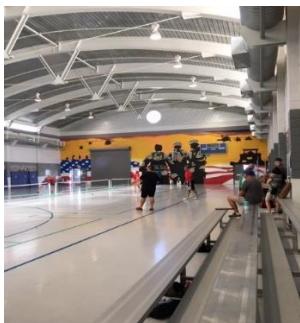
RECOMMENDED BUDGET & TAX LEVY

- ↳ **Keep Primary Property Tax for property owners the same** by lowering the city tax levy so that the County's increased assessed value doesn't create higher property taxes for those owning property.
- ↳ **Effective October 2019, instituting a 1 cent sales tax increase would raise approximately \$1,333,125 million over 3/4 of a fiscal year.** This would cost *each resident \$3.86 more per month* yielding just under \$600,000 of the \$1,333,125 which would come from Douglas citizens. Employing this source of revenue more than ***doubles*** our investment by over half, or ***\$733,125 new revenues coming in from all others who live outside Douglas but work, shop and visit here.***
- ↳ **Raise an expected \$27,500 by increasing the Bed Tax by 1 cent.** This revenue is generated by those who use our hotels and can only be spent on tourism since it is collected from those businesses.
- ↳ Take a ballot item to the voters in November 2020 **asking voters to approve authorization for bonds which will be itemized as to project, cost and purpose.** This is a non-permanent way to pay for large expenditures like city streets to implement a full street preservation and maintenance program. We will seek an official assessment by a qualified firm. Such a program is estimated to cost between \$10 million and \$12 million to completely overhaul our streets. Bonds are repaid through a secondary property tax for any who own real estate, over the life of the bonds, typically 10, 12, 15 or 20 years. Once paid off, the secondary tax goes away.

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WHAT WILL THE COMMUNITY GET FOR ITS INVESTMENT?



#1. 2019 COMMUNITY CENTER

We are continuing to work with the Arizona National Guard to develop a shared facility following the blueprint that has proved successful with the City of Yuma. Improvements have been underway by the National Guard to re-roof their facility and work on interior changes that allows for indoor basketball, pickle ball, table tennis, and other activities using portable equipment, large gathering space, a kitchen, classrooms and amenities suited for a Community Center. Stay tuned!

#2. DOWNTOWN STREETSCAPE - Phase I

Adopted in 2011, the Downtown Revitalization Plan will be initiated after some refinement from discussion with the Downtown Merchants Association, City Council and interested members of the public. This plan will improve the physical appearance, with signature artwork entrances to G Avenue in the designated historic downtown boundaries, possible pedestrian-only blocks in a key section of G, landscape and large pots with banner themes and other signage uniquely designed to attract visitors and generate a more vibrant shopping district. City entry metal artwork that incorporates service club logos and IDs (G Avenue @ Pan American)

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#3. CAPITAL IMPROVEMENTS FOR COMMUNITY AMENITIES

- Resurface the baby pool
- Concession stand @ Durazo Field-Airport Park
 - Basketball Court resurfaced
- 3 Key pieces of Parks & Cemetery equipment for better maintenance & upkeep
- Upgraded Visitor Center bathrooms
- Other smaller items are in the program through other funding sources

#4. PUBLIC SAFETY EQUIPMENT TO SERVE OUR PUBLIC

- Radios for each individual firefighter used when going into a fire
- 3 police vehicles ▪ 2 fire vehicles ▪ Structural Helmets for firefighters

#5. PERSONNEL - Carries out Strategic Action Plan Goals to Generate \$\$ and Improve Trade & Commerce; Collaborate & Communicate; Promote Douglas

- PD-School Resource Officer ▪ Grants Coordinator ▪ Marketing & Tourism Specialist
- City Planner (update fees for development; coordinate annexation; oversee Gen. Plan update for ballot); other staff in Leisure Services, Public Works, Fire and HR

#6. EQUIPPING OUR BEST ASSETS - IMPROVING OUR EMPLOYER INVESTMENT TO BETTER SERVE YOU!

- 2% Cost of living (first in 3 years) for all employees plus a salary adjustment for those employees below market wages by 20%, bringing them up to that level.
- Certification pay to increase the skills & expertise of our technical and professional classifications through higher training (for eligible employees who go above & beyond training & educational requirements)
- Move our lowest paid employees up the pay scale to widen the gap from the new state \$12 minimum wage level.