

MINUTES

The Mayor and Council met in a Regular Meeting on Wednesday, June 10, 2026, at 6:00 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Jose Grijalva called the meeting to order.

- 1. CALL TO ORDER. 6:00 p.m.**
- 2. PLEDGE OF ALLEGIANCE. By Council.**
- 3. INVOCATION. by Council Member Ray Shelton**
- 4. ROLL CALL.**

	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR, JOSE GRIJALVA	X	
COUNCILMEMBER, IDA PEDREGO	X	
COUNCILMEMBER, JOSE MONTANO		X (Excused)
COUNCILMEMBER, GUSTAVO DURAZO JR.	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MARIA DILLMAN		X (Excused)
COUNCILMEMBER, RICHARD C. ACOSTA	X	
CITY MANAGER, ANA URQUIJO	X	
CITY ATTORNEY, NICK COOK	X	
CITY TREASURER, ALEJANDRO MARTINEZ	X	
CITY CLERK, ALMA ANDRADE	X	

5. EVENTS UPDATE.

The Recreation Department highlighted upcoming June events, including a free Vicente Fernandez tribute performance at Raul Castro Park on June 13th, an Art in the Park Father's Day event on June 18th, a Movie in the Park screening of *The Goonies* on June 19th, and a Dive-In Movie at the Aquatic Center on June 20th. Summer aquatics programming was also outlined, including swim lessons, the Douglas Dolphins competitive swim club, lap swim, open swim, therapy pool hours, and night swim. The Douglas Public Library presented its summer reading program themed "Dinosaurs: Unearthing Your Story," which featured activities for all ages Monday through Friday, including STEM activities, story time, movie events, paint parties, and a reptile show.

6. MAYOR AND COUNCIL MEMBER UPDATES AND/OR REPORTS.

Council Member Pedrego reported that she, Mayor Grijalva, and City Manager Urquijo recently attended the International Council of Shopping Centers (ICSC) conference in Las Vegas. She described the conference as highly productive, noting that discussions took place with a variety of retailers, restaurant operators, hotel developers, and commercial real estate representatives regarding potential expansion opportunities in Douglas. Following the conference, Council Member Pedrego sent letters of interest to multiple national brands, including Dutch Brothers Coffee, Choice Hotels, Hilton Hotels, KFC, Taco Bell, Freddie's Frozen Custard and Steakhburgers, Denny's, and Slim Chickens. She also noted that a grocery store representative had expressed interest and was expected to visit Douglas by the end of the month. Council Member Pedrego further announced that she would be hosting her first ward community meeting, titled "Your Vote and Our Future," on July 2nd at the PC Party Palace on 3rd and G Avenue, and that the event would be conducted bilingually.

Council Member Durazo provided an update on constituent concerns brought to his attention over the preceding weeks. He noted that residents of Bosch Court had raised concerns about road conditions and requested additional lighting in culs-de-sacs, citing issues with darkness and reported illegal activity. He confirmed that those concerns had been forwarded to city staff. He also noted that several calls and emails had been received regarding overgrown, vacant, or poorly maintained properties on 9th Street, including excessive weeds and homes without city garbage cans. Staff had been notified and had provided follow-up to the concerned citizens.

Council Member Ray Shelton noted that he had received positive feedback from constituents about the park with tennis courts and relayed requests to consider converting some of those courts to pickleball courts. He

acknowledged that he and others had been working over the past year to attract grocery stores and restaurants to Douglas and expressed hope that those efforts would one day come to fruition. Council Member Shelton reflected on his fourteen years of service on the council, noting that his term would be concluding in a few months, and expressed appreciation for the community and his experience serving Douglas.

Council Member Richard Acosta announced that on June 2nd, the Boys and Girls Club at the Cox Generation Center in Douglas held its grand opening. He encouraged community members to visit the facility and highlighted the advanced equipment available to youth, including 3D printers. He noted that while the facility was impressive, attendance by youth needed to grow, and encouraged collaboration between the school district and the city to support the program.

Mayor Grijalva reported speaking with the owner of the jiu-jitsu facility located on G Avenue, who expressed interest in having bicycle racks installed near the business. The owner also indicated a willingness to offer self-defense classes for city employees and members of the City Council should the city be interested in pursuing such a partnership. He requested a staff update on the Balar sidewalk. He acknowledged an invitation to participate as a judge at a poetry slam at Huber, commenting on the creativity of the student participants and suggesting that local student artwork and poetry could be incorporated into city spaces to foster community pride. He thanked staff for their work on Douglas Days and acknowledged the Spandex Nation cycling group's positive experience in the city. He recognized Supervisor Gomez for securing two opportunity zones for Douglas, which he anticipated would bring significant investment. He reiterated the ICSC experience and noted that data presented at the conference confirmed that Douglas has a substantial economic leakage of approximately \$15 million in grocery spending and \$50 million in restaurant spending, with residents traveling to Bisbee and Sierra Vista to meet those needs. He expressed the view that it is the collective responsibility of the mayor and council to attract jobs and businesses to Douglas.

Mayor Grijalva thanked the Municipality of Agua Prieta for inviting him to Bachicuy and commented that the event was very entertaining. He noted that it featured opera performances and expressed interest in bringing similar cultural events to the community. Mayor Grijalva also mentioned that he has been in communication with organizers of the Mariachi Festival. He added that there are many possibilities and exciting events being considered for the future. Additionally, Mayor Grijalva thanked AZChow for the coffee meeting invitations, many people were in attendance. Further, Mayor Grijalva thanked both Head Starts Bonita and La Escuelita for coming in to thank him. They provided a certificate for going to read to them. Mayor Grijalva also noted a meeting with local Marines who confirmed their presence in the community is focused on infrastructure and expressed appreciation for the city's military tradition. He encouraged city staff and council to maintain a balanced social media presence beyond Facebook, including on platforms such as Instagram and TikTok, to better reach younger residents. He also expressed interest in partnering with the Boys and Girls Club or the high school to have young people podcast about city council proceedings as a form of civic outreach.

7. READING OF PROCLAMATIONS.

A. TAYLOR MOEN MONTH.

Mayor Grijalva read a proclamation declaring the month of June as Taylor Moen Month in the City of Douglas. The proclamation honored the memory of 12-year-old Taylor Moen, who passed away unexpectedly on September 27, 2024, recognizing his positive impact on his family, teammates, and community, and emphasizing the importance of youth mental health awareness, open communication, and community compassion.

B. JUNETEENTH DAY.

Mayor Grijalva read a proclamation declaring June 19, 2026, as Juneteenth Day in the City of Douglas. The proclamation traced the history of the June 19th, 1865, announcement of emancipation in Galveston, Texas, and recognized Juneteenth as the oldest known public celebration of the end of slavery in the United States, urging all citizens to recognize its significance in American history. Mayor Grijalva added that while Douglas considers itself a predominantly Hispanic community, its history reflects meaningful diversity that should be acknowledged and celebrated.

ADDENDUM AGENDA SENT ON JUNE 8, 2026:

1. AMERICA 250 ANNIVERSARY.

Mayor Grijalva read a proclamation declaring July 4, 2026, as America 250 Anniversary Day in the City of Douglas, marking the 250th anniversary of the signing of the Declaration of Independence. The proclamation encouraged all residents, organizations, businesses, and community groups to participate in commemorative activities and educational programs throughout 2026 affirming the nation's commitment to freedom and independence.

2. PRESENTATION of AWARDS.

A. RECOGNITION of the DOUGLAS HIGH SCHOOL SKILLSUSA CHAPTER for their 1ST PLACE in OUTSTANDING CHAPTER at SKILLS USA NATIONALS.

Mayor Grijalva and the Council recognized the Douglas High School SkillsUSA Chapter for earning first place in Outstanding Chapter at the SkillsUSA National Championships. One of the chapter's advisers addressed the council, explaining that the chapter took 17 state-qualifying competitors to nationals, with one competitor earning a gold medal. He noted the chapter also had three state officers in attendance at nationals, which he described as a first for Douglas High School.

Several students introduced themselves and described their individual competitions. One student competed in Facility Management, describing the challenge of solving operational problems quickly and precisely in simulated environments such as warehouses, theaters, and museums. Another student explained that the Outstanding Chapter competition involved compiling a 150-page document detailing the chapter's community activities and impact, as well as a separate organized notebook of meeting notes, followed by a ten-minute interview — all of which together earned the chapter first place nationally. A third student described competing in Career Pathways, through which the team developed a project called "Project Pause" aimed at ensuring stray animals always have access to food and clean water. A fourth student, who was also identified as a city employee, competed in Entrepreneurship alongside a partner, presenting a business plan for modern residential homes tailored to Douglas's economy and population. A fifth student competed in Digital Cinema, completing a five-minute film in one week using locations throughout the city and school campus.

Mayor Grijalva extended congratulations on behalf of the entire council and community, describing the students as ambassadors for Douglas. He expressed the council's commitment to creating opportunities for young people to remain in or return to Douglas.

8. GOVERNMENTAL UPDATES.

No governmental updates were presented.

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

Eric Braverman, of 1101 G Avenue, addressed the council, identifying himself as a representative of the Douglas Tourism and Economic Authority and the Last Supper Museum. He expressed serious concern about the economic decline of downtown Douglas, stating that 21 businesses had been lost since the Last Supper Museum opened, including businesses that had established themselves after the museum's opening. He noted that businesses had experienced approximately a 20 percent decline in business and that Catholic Services, which assists residents with tax preparation and DES fund access, was laying off staff. He challenged recent remarks made by council about prospective businesses coming to Douglas, stating that he had independently verified that Taco Bell, Pizza Hut, and KFC had no plans to locate in Douglas. Mr. Braverman called on all council members, the Mayor, and the City Manager — along with her top three paid staff — to visit the Last Supper Museum the following day between 10 AM and 4 PM to be briefed on a proposed economic development strategy he called "the triangle," involving a day in Douglas, a weekend in Douglas, and a promotion of Douglas to be supported by the city. He criticized the city for what he described as a lack of marketing expertise, an absence of a welcome kit for business recruitment, and a cumbersome permit process, citing as an example a longtime business owner who had been waiting seven months for a permit. He closed by stating that the documentary currently being

produced by the London Film School and pending PBS coverage represented significant promotional opportunities that should be capitalized upon.

Mike Miller of Tucson, AZ., addressed the council on behalf of the Borderlands Gravel bike race, now in its third year. He announced that the event would take place on November 14th, starting and finishing at the park, and that it was expected to draw approximately 450 cyclists and 350 support individuals, for a total of roughly 800 visitors over two days. He noted the event had generated an economic impact of \$200,000 the prior year and that Douglas had been designated as the Arizona Gravel Championship venue for the current year. He expressed appreciation for the collaborative support of the City Manager, city staff, the fire department, police department, EMTs, and others. He also noted he was self-funding the event and called on the council and community to continue their support.

Calvin Grant of 2550 E 15th Street addressed the council as the founder of Home Court Douglas, a nonprofit youth basketball program. He described his personal background and the motivation behind starting the program, noting that basketball and mentorship had been transformative in his own life. He described Home Court Douglas as a program focused on providing youth with a safe, positive environment to build confidence, learn teamwork, and stay active. He noted that free basketball camps had recently launched and that community response from parents and youth had been encouraging. He announced a free basketball camp the following day at Douglas High School, with separate sessions for girls and boys of different age groups. He noted that the program needed equipment and had been largely self-funded, supplemented by a small contribution from Walmart.

Diana LaMar of 1303 F Avenue addressed the council on three matters. She thanked the City Attorney Denis Fitzgibbons for reaching out to her regarding flock cameras and requested that a public update on surveillance systems, specifically flock cameras, be provided in the near future. She also requested more descriptive language on agendas for executive session items, citing difficulty understanding the subject matter being discussed — specifically referencing the airport property sale — and asked for a public update on the status of that transaction. Lastly, she requested that the council consider a moratorium on data centers and urged the body to maintain a high standard of transparency, noting concerns about recent actions by the County Board of Supervisors regarding the conduct of executive sessions.

Pablo Galindo of 1016 E 19th Street addressed the council as a candidate for Council Member Ward 6. He described issues he had heard about while canvassing his ward, including the need for additional street lighting, concerns about abandoned and poorly maintained properties with overgrown vegetation posing safety hazards, requests for street and sidewalk repairs to assist elderly residents, and concerns about water bill affordability and reconnection fees. He also described constituent requests for a small park or plaza for youth in an area with empty lots and noted frustration from business owners on G Avenue who faced significant bureaucratic obstacles when attempting to make improvements or obtain permits for their properties.

Mayor Grijalva requested that staff reach out to Mr. Galindo regarding the code enforcement and safety concerns he described, noting that those matters should not be delayed.

10. DISCUSSION/DECISION on APPROVAL of CONSENT AGENDA ITEMS:

- A. **EXPENDITURES** for the month of **MAY 2026** totaling **\$3,146,426.76**.
- B. **MEETING MINTUES** for **MAY 13, 26, and 27, 2026**.
- C. **DOUGLAS AIRPORT AUTHORITY BOARD REAPPOINTMENT** of **TOM HANIGAN** and **PEDRO OCHOA**.
- D. **TRANSIT ADVISORY COMMITTEE APPOINTMENT** of **CARL MOLDREM**.
- E. **LIQUOR LICENSE 009** for **CIRCLE K STORE #3488**.
- F. **RESOLUTION NO. 26-1736**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the **EXECUTION** of a **CONTRACT RENEWAL** between the City of Douglas and **ALMA VILDOSOLA** to **PROVIDE SERVICES** as the **CITY MAGISTRATE** for the City of Douglas.

G. **RESOLUTION NO. 26-1737**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **APPROVING** the **EXECUTION** of an **AMENDMENT** to the **INTERGOVERNMENTAL AGREEMENT** between the City of Douglas and Cochise County for **ANIMAL SHELTER SERVICES** in the City of Douglas, Arizona.

Motion by Council Member Acosta, second by Council Member Durazo to approve the consent agenda items as presented.

Prior to voting, Mayor Grijalva inquired about the liquor license transfer for Circle K. Ms. Urquijo clarified that this was a license transfer between a Sierra Vista Circle K location and a Douglas location and was not related to any future development projects. The Mayor acknowledged the clarification and called for a vote.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

11. DISCUSSION/DECISION on APPROVALS.

A. **FIRST READING OF ORDINANCE NO. 26-1234**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **LEVYING UPON** the **ASSESSED VALUATION** of the **PROPERTY** within the City of Douglas, subject to **TAXATION**, a certain rate upon each One Hundred (\$100.00) dollars of valuation sufficient to raise the amount estimated to be required in the Annual Budget, and providing funds for **GENERAL MUNICIPAL EXPENSES**; all for the Fiscal Year ending the 30th day of June 2027, establishing severability of components of Ordinance; and establishing an effective date thereof.

Mr. Martinez provided background information and explained that the City of Douglas was proposing to maintain the same tax rate as the prior fiscal year at \$1.0783 per \$100 of assessed value. Despite the unchanged rate, the total tax levy would increase from \$724,941 to \$750,838, driven by higher assessed property values and new construction activity throughout the city. He noted that because the city was assessing more revenue than the prior year, a Truth in Taxation hearing had been held on April 22, 2026, as required. Mayor Grijalva summarized for the public that taxes were not being raised, but that additional revenue was being generated because of improved property values and new construction.

Motion by Council Member Pedrego, second by Council Member Shelton to approve the placement of Ordinance No. 26-1234.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

Motion by Mayor Jose Grijalva, second by Council Member Shelton to approve the first reading of Ordinance No. 26-1234.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

B. **FIRST READING OF ORDINANCE NO. 26-1235**, an Ordinance to the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING** the document filed with the City Clerk and entitled "**2026 AMENDMENTS TO TITLE 18**" by reference to **AMEND** certain provision of the City of Douglas Municipal Code "**TITLE 18: HISTORIC PRESERVATION**" relating to **HISTORIC PRESERVATION COMMISSION MEMBERSHIP, POWERS, DUTIES, and ADMINISTRATIVE PROCEDURES**; establishing severability of components of Ordinance; and establishing an effective date thereof.

David Martinez provided background information on the proposed amendments to Title 18 of the Douglas Municipal Code pertaining to Historic Preservation. He explained that Title 18 had originally been adopted in 2024 to establish the city's historic preservation framework, create the Historic Preservation Commission (HPC), and position Douglas to pursue Certified Local Government (CLG) status through the Arizona State Historic Preservation Office (SHPO). He noted that since adoption, implementation had faced challenges including federal funding uncertainty and difficulty recruiting members to serve on the HPC.

Mr. Martinez explained that SHPO and the National State Parks office had reviewed Title 18 and recommended specific amendments prior to granting CLG approval. The proposed changes included adding a new HPC responsibility to review and comment on local properties submitted to the National Register of Historic Places, clarifying application language to indicate that initiating the process carries no guarantee of approval, and lowering the required HPC membership from seven to five members while removing the residency requirement.

Motion by Council Member Acosta, second by Council Member Pedrego to approve the placement of Ordinance No. 26-1235.

Council Member Pedrego asked whether property owners retain authority to choose whether to participate in the historic property register or whether the process is initiated by the city. Mr. Martinez confirmed that participation is voluntary and that individual property owners submit their own applications and may choose not to participate.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

Motion by Council Member Pedrego, second by Council Member Acosta to approve the first reading of Ordinance No. 26-1235.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

C. **FIRST READING OF ORDINANCE NO. 26-1236**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AMENDING the CITY PERSONNEL RULES and REGULATIONS ADOPTED** pursuant to Ordinance 684, and last amended by Ordinance 24-1189; establishing severability of components of Ordinance; ~~and declaring an emergency~~ and establishing an effective date thereof.

Rocio Garcia Pedroza presented a proposed amendment to the City Personnel Rules and Regulations to authorize a wage differential for employees assigned to less desirable shifts or routes requiring significant commuting. She explained that the recommendation arose from a specific situation within the Transit Division, where Douglas-based drivers were required to commute to Bisbee to operate designated transit routes. The proposed change would authorize the City Manager to approve a wage differential of up to five percent in such circumstances. Ms. Garcia Pedroza noted that additional housekeeping changes to the personnel rules were being held for a future meeting.

Ms. Urquijo intervened to note an important procedural matter: because only five council members were present rather than the required six, the originally intended emergency clause could not be attached to the ordinance. She stated the item would proceed as a standard first reading, and that she would work with legal counsel to address the effective date at the second reading, exploring whether retroactive application might be possible. She noted that she would not take any action on the wage differential until the ordinance was fully adopted. Mayor Grijalva suggested that a special meeting by Zoom could potentially be scheduled later in the week to expedite the second reading.

Motion by Council Member Acosta, second by Council Member Shelton to approve the placement of Ordinance No. 26-1236.

Council Member Pedrego asked for clarification on the scope of the provision, and City Manager Urquijo confirmed that the differential applies in both directions — whether a Douglas-based driver is assigned to Bisbee routes or a Bisbee-based driver is assigned to Douglas routes — and that it would be added to the affected employee's base salary.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

Motion by Council Member Pedrego, second by Council Member Durazo to approve the first reading of Ordinance No. 26-1236.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

D. SECOND READING OF ORDINANCE NO. 26-1229, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ADOPTING** the Document Filed with the City Clerk and Entitled "2026 Amendments to Title 2" by Reference to **AMEND** the **DOUGLAS MUNICIPAL CODE TITLE 2** relating to the **DOUGLAS AIRPORT AUTHORITY**, establishing severability of components of ordinance; and establishing an effective date thereof.

Mr. Pedroza provided the background information amending the Douglas Municipal Code Title 2 relating to the Douglas Airport Authority. He explained that the ordinance was intended to align the municipal code with the Airport Authority's actual operating practice, which had evolved into an advisory role for the mayor and council rather than a full managerial authority over airport operations. He noted that the Airport Authority had met on January 26th and May 4th and made the same recommendation on both occasions. The amendments also incorporated a new provision requiring that the advisory committee's recommendations be delivered to the mayor and council within three days of each meeting.

Motion by Council Member Pedrego, second by Council Member Acosta to approve the second reading of Ordinance No. 26-1229.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

E. SECOND READING OF ORDINANCE NO. 26-1232, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the **ACCEPTANCE** of **DONATED REAL PROPERTY** from **M & M MORRIS PROPERTIES LLC** consisting of assessor's parcel number 410-06-005a and 410-06-005b in the City of Douglas, establishing severability of components of Ordinance; and establishing an effective date thereof.

Ms. Gonzalez provided background information on the donated real property from M & M Morris Properties LLC, consisting of two parcels identified by assessor's parcel numbers 410-06-005A and 410-06-005B, located on East Golf Course Road and Washington Avenue. She explained that the city had performed abatement on both parcels beginning in February 2025 and had subsequently recorded notices and claims of lien with the Cochise County Recorder's Office in June 2025. Combined unpaid taxes on the parcels totaled \$388.34, and the combined assessed value was \$22,798. The property owner had expressed no interest in retaining ownership and wished to donate both parcels to the city, which would then assume responsibility for the unpaid taxes upon completion of the donation.

Motion by Council Member Durazo, second by Council Member Shelton to approve the second reading of Ordinance No. 26-1232.

Council Member Pedrego confirmed for the record that the taxes owed were significantly less than the assessed value of the two lots, characterizing the donation as beneficial to the city.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

F. MEET and CONFER PROCESS – PROFESSIONAL FIREFIGHTERS of DOUGLAS.

Ms. Garcia Pedroza presented the outcome of the annual meet and confer process with the Professional Firefighters of Douglas union. She noted that the union had submitted its request by the December 1st deadline, and that the City Manager, Fire Chief, and herself had met with union officers within the required timeframe. The union's three requests were: a classification maintenance review, incentive pay, and cancer screenings. City Manager Urquijo's

recommendation was to approve the cancer screenings and one certification item under the certification pay program.

Ms. Urquijo offered additional context. She noted that \$66,000 would be transferred from the health insurance trust fund to fund full-body MRI scans for firefighters, given the high rate of presumptive cancers within the firefighting profession. She explained that this was being treated as a one-time proactive precancer screening. She also noted that staff had identified one additional certification credential that met the city's existing certification pay eligibility criteria. Salary-related requests from the union were deferred for consideration within the broader budget discussion.

Motion by Council Member Pedrego, second by Council Member Acosta to approve the City Manager's recommendations.

Union President Joel Gonzales addressed the council, respectfully requesting support for a three percent cost-of-living adjustment for all fire personnel, plus an additional two percent for line personnel at the ranks of firefighter, engineer, lieutenant, and captain. He emphasized that the request was not simply about compensation but about enabling firefighters — who are also active community members serving as coaches, mentors, and participants in youth programs — to remain financially stable enough to continue their community involvement without needing second jobs. He noted that the department was in the process of launching a summer program for teenagers interested in firefighting careers.

Council members expressed broad appreciation for the professionalism and dedication of the Douglas Fire Department. Council Member Pedrego, Council Member Shelton, Council Member Acosta, and Council Member Durazo each acknowledged the important role firefighters play both on duty and within the broader community.

Mayor Grijalva acknowledged the union's request and stated that supporting public safety personnel should be a council priority. He expressed the view that both fire and police should be treated equitably and that the council has a responsibility to grow the local economy in order to fund competitive wages — that public safety employees should not be penalized for the city's economic challenges. He expressed the intent to direct the two percent to the union and allow union leadership and fire department administration to determine how it would be distributed among eligible personnel.

Council Member Pedrego, as chair of the finance committee, noted that the finance committee's recommendation included both a three percent COLA and the two percent for eligible sworn personnel, and expressed confidence that the funding would be identified. Ms. Urquijo cautioned that the specifics of how the two percent would be applied would need to be worked out with legal counsel and the union, and that the decision of where to allocate those funds had not yet been finalized in the budget.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

G. RESOLUTION NO. 26-1739, 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 2026-2027; **ADOPTING** a **TENTATIVE BUDGET**; setting forth the receipts and expenditures; 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**.

Mr. Martinez presented the City Manager's recommended tentative budget for Fiscal Year 2026–2027 for council adoption. He explained that the state requires adoption of a tentative budget to establish a spending ceiling, with a final budget to be adopted at a subsequent special meeting that would include a public hearing.

The City Manager's recommended balanced budget totaled \$107,967,481 across all funds, with a general fund budget of \$23,037,639 including transfers — representing a 2.3 percent increase from the prior year. Mr. Martinez noted that the budget was grounded in the Douglas Vision 2032 priorities, including infrastructure, downtown revitalization, economic development, managed growth, tourism, and transportation. Key highlights included a three percent COLA for all eligible employees and a \$750 one-time Thanksgiving distribution.

Mr. Martinez reported that the finance committee had met on June 3rd and, by a 4-1 vote, recommended several modifications to the City Manager's proposal. These included: excluding employees at or above pay grade level 33 from the three percent COLA; redirecting those savings to fund an additional two percent for entry-level fire and police sworn staff; increasing the one-time Thanksgiving bonus from \$750 to \$1,000 with the difference funded from one-time reserves; and considering an additional one-time bonus during the fiscal year for employees excluded from the three percent COLA, contingent on the city's financial position.

With these modifications, the revised budget totals \$107,973,928 across all funds, with a general fund of \$23,035,675 including transfers.

Mr. Martinez then disclosed a significant new development: immediately prior to the meeting, the state had released what it characterized as final shared revenue numbers for budgeting purposes, and the following day it was announced that the Governor and state legislature had reached a tentative agreement on a state budget. That agreement includes \$450 million in adjustments related to compliance with federal legislation, the effects of which — including no tax on tips and no tax on overtime — could affect the income tax sharing formula used to distribute state revenues to cities and towns. Mr. Martinez noted that the magnitude of any impact on Douglas's shared revenues remained uncertain, with a projected reduction potentially in the range of \$250,000, though the timing and certainty of that reduction were not yet known.

Ms. Urquijo elaborated on the financial uncertainty. She noted that just before the finance committee meeting, the city believed it had an additional \$71,000 available, which helped support the two percent allocation for sworn entry-level personnel. However, the emergence of the San Tan Valley incorporation as a new municipality would compete for a share of urban shared revenues, potentially eliminating that cushion entirely. She stated that she expected more clarity from the state by Monday and framed the day's action as setting the maximum spending ceiling, which cannot be increased after adoption.

Motion by Council Member Shelton, second by Council Member Acosta to approve Resolution No. 26-1739.

Mayor Grijalva directed that the ceiling be set at the higher of the two options before the council — the finance committee's recommended budget — and indicated that the council had a full month before the final budget hearing to refine the allocations, with a particular priority placed on ensuring the two percent wage increase for public safety personnel.

Council Member Pedrego, speaking as chair of the finance committee, expressed confidence that funding would be identified to provide all employees with raises, and reiterated the finance committee's intent to include sworn police and fire personnel. Ms. Urquijo clarified for the record that the term "union" does not control the allocation of wage funds and that the city works collaboratively with the union to tailor how funding is distributed, but that those decisions remain within the city's administrative authority.

Motion PASSED by a vote of 5-0. Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Ida Pedrego, Gustavo Durazo, Ray Shelton, and Richard Acosta. Voted Against: None.

12. CITY MANAGER REPORTS.

Ms. Urquijo provided the following report:

On **infrastructure**, she reported that approximately 2,300 feet of sewer line and 1,700 feet of waterline had been installed in the West Douglas Utilities project. Drilling operations for Well 20 at the Cochise College campus had begun the prior week, and Well 18 at Causey Park was progressing with water production expected by late September. Plans and specifications have been completed for the Geronimo 16-inch waterline replacement and reservoir roof repair. Due to high water demand and dropping water levels, the city was asking residents to practice conservation by watering lawns at night or in the early morning, with resources available on the city website and through social media. Regarding the SCADA telecommunications project, the contractor had initiated utility locating services, with a drilling crew scheduled to arrive on June 15th, the SABR tower installation beginning June 16th, and a concrete pour planned for June 16th or 17th.

On the sidewalk matter previously raised by the Mayor, Ms. Urquijo noted that the 9th Street sidewalk near San Antonio had been added to the queue but explained that all current resources were focused on completing the asphalt plant and active CDBG projects. She stated that staff had been asked during joint budget discussions to prepare a comprehensive presentation of all sidewalk gaps citywide for mayor and council to review, prioritize, and assign to a schedule. That presentation was forthcoming.

On economic development, she announced a series of free virtual food entrepreneur workshops being offered in partnership with Local First Arizona, covering Arizona's cottage food program requirements in both English and Spanish. A workshop on bookkeeping and tax mistakes for small business owners, organized in partnership with RCAC, was scheduled for June 22nd at the visitor center. She reported that construction of the Allsup's convenience store and fuel station on Pan American and Highway 80 was progressing rapidly, with a September opening target, pending liquor license approval.

On tourism, she noted that the tourism team was finalizing onboarding for the city's new Arizona Visitor Information Center designation and that Arizona Office of Tourism representatives would visit Douglas on June 16th. Planning was also underway for a special America 250 Fourth of July celebration featuring two days of live entertainment, softball tournaments, a patriotic parade, and open swim at 8th Street Pool.

On downtown revitalization, she reported that the engineering firm J2 had met with mayor and council members in groups of two to review details of the downtown streetscape concept. A meeting with the owners of Studio 917 was pending to address questions regarding foundation stability during construction. A downtown expo was in the planning stages, with a fall target date given the number of sponsors who had come forward, and would offer resources to downtown merchants on grants, loans, engineering consultation, and streetscape information.

On annexation, she reported that a survey for the delineation of right-of-way at 20th and 23rd Streets was underway, with engineering design to begin the following week.

On streets and roads, she noted that the 15th Street sidewalk CDBG project had been completed for the six funded blocks, with gaps identified for future funding. The asphalt plant had been erected and was being connected to gas and electricity, with an August or fall operational target. The Chino Road realignment at State Route 80 and 191 was under construction, and a totalizer for jet fuel had been ordered for the airport.

On transit and safety, she noted that a Safe Streets for All study had been kicked off, with community engagement events forthcoming. The Transit Advisory Committee meeting was scheduled for June 17th at 11 AM at the transit office.

Finally, she noted that a technology assessment for the council chamber's sound system was underway, with multiple IT experts engaged to assist, and that she would keep the council updated on progress.

Council Member Pedrego asked about the previously requested report on code enforcement. Ms. Urquijo confirmed that the code enforcement presentation was scheduled for the July meeting.

13. FUTURE AGENDA ITEM REQUESTS FROM MAYOR AND COUNCIL.

Mayor Grijalva raised a concern stemming from a prior joint meeting, in which a council member had suggested the city place sidewalks in a ward that did not qualify for CDBG funding due to the higher income levels of residents in that area. The Mayor indicated that a program currently exists whereby property owners pay for their own sidewalks, and he questioned the fairness of providing free sidewalks to residents who could afford to pay while residents in lower-income wards — which are CDBG-eligible — are required to pay. He requested that the relevant ordinance or resolution governing the city's sidewalk and curb cut program be brought back for a council vote.

14. ADJOURNMENT.

Motion by Council Member Pedrego, second by Council Member Shelton to adjourn the meeting at 7:48 p.m. Motion passed unanimously.

Prepared by: Alma Andrade, City Clerk

