

MINUTES

MINUTES OF THE SPECIAL SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, AND STATE OF ARIZONA, HELD ON WEDNESDAY, FEBRUARY 10, 2021 AT 5:30 PM VIA ZOOM.

THE MEETING WAS CALLED TO ORDER BY MAYOR BUDGE AT 5:35PM.

ROLL CALL

COUNCIL

Councilmember Louis Pawlik, Ward III
Councilmember Joni Giacomino, Ward II
Councilmember Frank Davis, Ward I
Mayor Ken Budge
Councilmember Leslie Johns, Ward I
Councilmember Joan Hansen, Ward II
Councilmember Anna Cline, Ward III, Mayor Pro Tempore

STAFF

Theresa Coleman, City Manager
Ashlee Coronado, City Clerk

CITY ATTORNEY

Joseph Estes

THE FOLLOWING ITEM WAS DISCUSSED AND/OR CONSIDERED AT THESE MEETINGS:

1. Discussion and possible approval to purchase tax lien certificates in amounts to exceed \$5,000 to protect the City's interest.

Theresa Coleman, City Manager

Mayor Budge explained that this was a Special Session and although it did not list it, there was one letter submitted for Call to the Public.

Ms. Coronado read a letter submitted by Charlet LePard. Ms. LePard wrote that she was a long time Arizona resident and had lived in Bisbee for most of those years. She encouraged Council to table the tax lien item until more public input was heard. She was concerned for the vulnerable people in the town would survive.

Ms. Coleman gave the history in how this item came to be and how the City came to purchase the tax certificates. She explained that as a part of the affordable housing initiative and in doing research on properties that were sitting vacant or had liens, she was addressing the properties that were available over the counter. Over the past year a pretty aggressive investor who had been buying up tax certificates since 2012, started having enough years of tax certificates to start foreclosing on properties. This started to put up some red flags as properties with City liens were being foreclosed on. We were missing the opportunity to protect our liens. She asked Joe Estes, City Attorney to speak on his experience using this strategy.

Mr. Estes explained that the intent was not to purchase these tax liens, foreclose and push people out. The intent was that since the City had a substantial amount of outstanding liens on various properties, typically sewer liens. We would purchase up these available tax liens and after a period of time they could foreclose on them. That would extinguish any junior liens to those tax liens, including the City liens. This would allow us to be proactive.

Councilmember Pawlik asked what would happen to the resident of the property if an investor foreclose on the property. He also asked if the City Manager would have the option to work with the resident to pay that debt over time in an effort to keep people in their homes.

Mr. Estes said that it would depend on the investor, but typically it was to obtain ownership of the property. Their purpose was to make a profit. Mr. Estes said that yes, the City Manager could work with the resident. The big difference was that the City was not looking to purchase these tax certificates to make a profit, we were looking to protect the underling lien we already had.

Councilmember Hansen asked what the timeframe was to foreclose on a property. She also, asked if it was a statute.

Mr. Estes responded that yes, that was in statute. He said that it was after three years, but before ten years. He explained that when tax certificates go up for auction, what people were bidding on was the interest rate that the certificates hold.

Mayor and Council discussed the tax certificate purchase process and various scenarios with Ms. Coleman and Mr. Estes.

Mayor Budge discussed the properties that would be beneficial to consider purchasing. He wanted to avoid the properties with any senior liens.

Mayor and Council discussed how much money would be spent on tax lien certificates.

MOTION: Mayor Budge moved to approve the purchase of tax liens certificates in amounts to exceed \$5,000 to protect the City's interest which will include the 12 that are on the list, that which are the ones without senior liens or have already been taken care of, the liens that are going to be sewer liens that will be filed or due now and anything that has imminent domain on it.

SECOND: Councilmember Pawlik

ROLL CALL VOTE:

AYES: Councilmember Pawlik, Davis, Hansen and Mayor Budge.

NAYS: Councilmember Giacomino, Johns and Cline

MOTION PASSED: AYES -4 NAYS -3

ADJOURNMENT:

MOTION: Councilmember Davis moved to adjourn the meeting.

SECOND: Councilmember Pawlik

MOTION PASSED: UNANIMOUSLY

ADJOURNMENT: 6:48 PM

Ken Budge, Mayor