

## AGENDA

AGENDA OF THE SPECIAL SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, AND STATE OF ARIZONA, TO BE HELD ON TUESDAY, MARCH 29, 2022, AT 5:30 PM IN THE CITY OF BISBEE COUNCIL CHAMBERS, 915 S. TOVREAVILLE ROAD, BISBEE, ARIZONA.

THE MEETING WAS CALLED TO ORDER BY \_\_\_\_\_ AT \_\_\_\_\_.

### ROLL CALL

#### COUNCIL

Councilmember Juanetta Hill, Ward III  
Councilmember Joni Giacomino, Ward II  
Councilmember Frank Davis, Ward I  
Mayor Ken Budge  
Councilmember Leslie Johns, Ward I  
Councilmember Mel Sowid, Ward II  
Councilmember Anna Cline, Ward III, Mayor Pro Tempore

#### STAFF

Stephen J. Pauken, City Manager  
Ashlee Coronado, City Clerk  
Keri Bagley, Finance Director  
Joelle Landers, Personnel Director  
Matthew Gurney, Public Works Director  
Logan Dodd, Public Works Operation Manager  
Doug Taylor, City Planner  
Albert Echave, Police Chief  
Jim Richardson, Acting Fire Chief

#### CITY ATTORNEY

Joseph Estes

### THE FOLLOWING ITEMS WILL BE DISCUSSED AND/OR CONSIDERED AT THESE MEETINGS:

1. Presentation by Mark Reader from Stifel and a representative from PSPRS with possible action by Mayor and Council regarding refinancing of PSPRS unfunded liability.  
Stephen Pauken, City Manager
2. Public Hearing to consider submitting a proposal to the Voters to Authorize City expenditures in Excess of the Limitations of Article IX, Section 20 of the Arizona Constitution (Home Rule Option).  
Stephen Pauken, City Manager
3. Discussion and Possible Approval of Resolution R-22-06 proposing an extension of the alternative expenditure limitation and authorizing the submittal of the proposition to the electorate at the election to be held on August 2, 2022.

Stephen Pauken, City Manager

### ADJOURNMENT:

Individuals with hearing disabilities can contact the City Clerk's Office (520) 432-6012 to request an Assisted Listening Device, at least 24 hours before the meeting.

Anyone needing special accommodation to attend this meeting should contact Ashlee Coronado at (520) 432-6012 at least twenty-four hours before the meeting.

Public documents referred to herein may be viewed during regular business hours at the City Clerk's Office at 76 Erie Street, Bisbee.

Pursuant to A.R.S. § 38-431.03(A)(3), the Council may vote to enter executive session at any point during this meeting for discussion or consultation for legal advice with its attorney(s), who may appear telephonically.



**REQUEST FOR MAYOR & COUNCIL ACTION**

**Session of: May 18, 2021**

Regular  Special

**DATE ACTION SUBMITTED:** May 13, 2021

**REGULAR**       **CONSENT**

**TYPE OF ACTION:**  
**RESOLUTION**       **ORDINANCE**       **FORMAL ACTION**       **OTHER**

**SUBJECT:** **Presentation by Mark Reader from Stifel and a representative from PSPRS with possible action by Mayor and Council regarding refinancing of PSPRS unfunded liability**

**FROM:** Steve Pauken, City Manager

**RECOMMENDATION:**

**PROPOSED MOTION:** At Mayor and Council discretion

**DISCUSSION:**

This presentation will be for the purpose of discussing a method for reducing the 22 million dollar unfunded liability the City owes to PSPRS.

**FISCAL IMPACT:**

**DEPARTMENT LINE ITEM ACCOUNT:**

**BALANCE IN LINE ITEM IF APPROVED:**

**Prepared by:** Ashlee Coronado  
Ashlee Coronado  
City Clerk

**Reviewed by:** Stephen Pauken  
Stephen Pauken  
City Manager



**REQUEST FOR MAYOR & COUNCIL ACTION**

**Session of: March 29, 2022**

Regular  Special

**DATE ACTION SUBMITTED:** March 21, 2022

**REGULAR**       **CONSENT**

**TYPE OF ACTION:**  
**RESOLUTION**       **ORDINANCE**       **FORMAL ACTION**       **OTHER**

**SUBJECT:** **Public Hearing to Consider Submitting a Proposal to the Voters to Authorize City Expenditures in Excess of the Limitations of Article IX, Section 20 of the Arizona Constitution (Home Rule Option).**

**FROM:**      **Stephen Pauken, City Manager**

**RECOMMENDATION:**      **Call for the Public Hearing**

**PROPOSED MOTION:**      **Open the Public Hearing for Public Comment**

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**DISCUSSION:** Pursuant to A.R.S. § 41-563.01, the City of Bisbee is required to hold two public hearings prior to proposing an alternative expenditure limitation for consideration by the electors. This is the second hearing. The City may propose the adoption of an alternative expenditure limit, the “home rule” option. The final limitations that would be proposed in absence of the approval of this home rule option will be determined by the Auditor General’s Office, prior to that election. The current estimate is that in absence of the approval of this alternative expenditure limitation, the City’s total budget for all expenses, from all sources of revenue, would be limited to approximately one quarter of the present budget. There would be very little capacity for any expenditure other than the repayment of existing debt and the existing public safety pension obligations.

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**FISCAL IMPACT:**      N/A

**DEPARTMENT LINE ITEM ACCOUNT:**      N/A

**BALANCE IN LINE ITEM IF APPROVED:**      N/A

Prepared by: *Keri Bagley*  
Keri Bagley,  
Finance Director

Reviewed by: *Stephen Pauken*  
Stephen Pauken,  
City Manager

## ALTERNATIVE EXPENDITURE LIMITATION

(Home Rule Option)

### SUMMARY ANALYSIS

(The voters of the City of Bisbee in 2018 adopted an alternative expenditure limitation (Home Rule Option). The purpose of this election is for the continued use of the Home Rule Option.)

Pursuant to the Arizona State Constitution, the City of Bisbee seeks voter approval to adopt a Home Rule Option to apply to the city for the next four years beginning in 2023-2024. Under a Home Rule Option if approved by the voters, the city estimates it will be allowed to expend approximately \$20,484,140 in 2023-2024, \$20,680,368 in 2024-2025, \$21,173,627 in 2025-2026 and \$21,929,218 in 2026-2027.

With approval of the Home Rule Option, the city will utilize the expenditure authority for all local budgetary purposes including General Government, Economic Development, Culture and Recreation, Public Safety, Public Works, and Capital Projects.

Under the state-imposed limitation the city estimates it will be allowed to expend approximately \$6,915,897 in 2023-2024, \$6,712,486 in 2024-2025, \$6,789,976 in 2025-2026 and \$7,122,024 in 2026-2027 for the operation of your local government. These expenditure estimates include expenditures of constitutionally excludable revenues.

The amount of revenue estimated to be available to fund the operation of your city/town government is \$20,484,140 in 2023-2024, \$20,680,368 in 2024-2025, \$21,173,627 in 2025-2026 and \$21,929,218 in 2026-2027. These revenue estimates are the same under the Home Rule Option or the state-imposed expenditure limitation. (The city/town property tax shall be limited to the amount prescribed in the Arizona State Constitution.)

Any and all dollar figures presented in this summary are estimates only and are based upon information available at the time of preparation of this analysis. The budget and actual expenditures in any of the four years may be more or less than the expenditures noted above depending on available revenue.

If no alternative expenditure limitation is approved, the state-imposed expenditure limitation will apply to the city.

**ALTERNATIVE EXPENDITURE LIMITATION  
(Home Rule Option)  
DETAILED ANALYSIS**

Pursuant to the Arizona State Constitution, the City of Bisbee as authorized by Resolution # R-22-06 passed on March 29<sup>th</sup>, 2022 will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the City for the next four years beginning in 2023-2024.

Under a Home Rule Option if approved by the voters, the city estimates it will be allowed to expend approximately \$20,484,140 in FY24, \$20,680,368 in FY25, \$21,173,627 in FY26, and \$21,929,218 in FY27.

With approval of the Home Rule Option, the city will utilize expenditure authority for all local budgetary purposes including General Government, Economic Development, Culture & Recreation, Public Works, Public Safety, and Capital Projects. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

**ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS**

<b>Purpose</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>
General Government	\$2,761,365	\$2,819,150	\$2,878,379	\$2,939,087
Economic Development	510,016	522,767	535,836	549,232
Culture & Recreation	3,250,330	3,325,338	3,402,221	3,481,027
Public Works	7,841,188	7,745,092	7,938,719	8,137,188
Public Safety	5,879,597	6,020,336	6,164,595	6,562,460
Capital Projects	241,644	247,685	253,877	260,224
<b>Total Expenditures</b>	<b>\$20,484,140</b>	<b>\$20,680,368</b>	<b>\$21,173,627</b>	<b>\$21,929,218</b>

If approved, the expenditures authorized will be funded from revenues obtained from federal, state, and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

**ESTIMATED AMOUNTS OF REVENUE FROM EACH AND ANY SOURCE**

<b>Source</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>
Federal	\$1,569,099	\$1,292,451	\$1,301,012	\$1,559,788
State	2,185,987	2,240,637	2,296,653	2,354,069
Local	16,729,054	17,147,280	17,575,962	18,015,361
<b>Total Revenues</b>	<b>\$20,484,140</b>	<b>\$20,680,368</b>	<b>\$21,173,627</b>	<b>\$21,929,218</b>

(The city property tax shall be limited to the amount prescribed in the Arizona State Constitution).

In determining the revenue sources to fund the authorized expenditures under the alternative expenditure limitation, it is assumed that the federal, state, and local revenues received by the city will continue to be available in 2023-2024 as they have in the past. Their continued availability is also assumed for the next three consecutive years following 2023-2024.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.

**ALTERNATIVE EXPENDITURE LIMITATION  
(Home Rule Option)  
SUMMARY ANALYSIS WORKSHEET**

POPULATION FACTOR COMPUTATION

Fiscal Year	Prior Fiscal Year Population	+	1978 Population	=	Population Factor
2023-2024	4,910	+	6,860	=	0.7157
2024-2025	4,880	+	6,860	=	0.7114
2025-2026	4,850	+	6,860	=	0.7070
2026-2027	4,820	+	6,860	=	0.7026

STATE-IMPOSED EXPENDITURE LIMITATION

Fiscal Year	1979-80 Base Limit	x	Population Factor	x	Inflation Factor	=	Projected State-Imposed Expenditure Limitation	+	Estimated Exclusions	=	Total Expenditures Under State-Imposed Limit
2023-2024	1,625,337	x	0.7157	x	3.3951	=	3,949,363	+	2,966,534	=	6,915,897
2024-2025	1,625,337	x	0.7114	x	3.4684	=	4,010,389	+	2,702,097	=	6,712,486
2025-2026	1,625,337	x	0.7070	x	3.5411	=	4,069,125	+	2,720,851	=	6,789,976
2026-2027	1,625,337	x	0.7026	x	3.6163	=	4,129,676	+	2,992,348	=	7,122,024



**REQUEST FOR MAYOR & COUNCIL ACTION**

Session of: **March 29, 2022**

Regular     Special

**DATE ACTION SUBMITTED:** March 21, 2022

**REGULAR**             **CONSENT**

**TYPE OF ACTION:**  
**RESOLUTION**     **ORDINANCE**     **FORMAL ACTION**     **OTHER**

**SUBJECT:** **Possible approval of Resolution R-22-06 proposing an extension of the alternative expenditure limitation and authorizing the submittal of this proposition to the electorate at the election to be held on August 2, 2022.**

**FROM:**            **Stephen Pauken, City Manager**

**RECOMMENDATION:**            **Approve Resolution R-22-06**

**PROPOSED MOTION:**            **I move that we approve Resolution R-22-06 proposing an extension of the Alternative Expenditure Limitation and authorizing the submittal of this proposition to the electorate at the election to be held on August 2, 2022.**

**DISCUSSION:** This Resolution will approve the submittal of the "Home Rule" optional expenditure limitation to the electorate for their consideration at the election to be held on August 2, 2022. The proposed alternative is what is designated as the "Pure Home Rule Option" under which the expenditure limit for each year would be established as the same amount as authorized for expenditures in the approved budget. In the absence of this alternative limitation, the required limit on expenses would be an amount that would not be sufficient to fund most of the necessary city services.

**FISCAL IMPACT:**            **Approximately \$10,000 (cost of adding this proposition to the election)**

**DEPARTMENT LINE ITEM ACCOUNT:**            **10-53-46531**

**BALANCE IN LINE ITEM IF APPROVED:**            **(next fiscal year expense)**

**Prepared by:** *Keri Bagley*  
**Keri Bagley,**  
**Finance Director**

**Reviewed by:** *Stephen Pauken*  
**Stephen Pauken,**  
**City Manager**

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**RESOLUTION R-22-06**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, STATE OF ARIZONA, PROPOSING AN EXTENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION PURSUANT TO ARTICLE IX, SECTION 20 OF THE ARIZONA CONSTITUTION AND AUTHORIZING THE SUBMITTAL OF THIS PROPOSITION TO THE ELECTORATE AT THE PRIMARY ELECTION TO BE HELD ON AUGUST 2, 2022.**

**WHEREAS**, the Arizona State Constitution permits the submission to the voters of a city or town of an alternative expenditure limitation, which authorizes the citizens of each city or town to establish the applicable expenditure limitation for that city or town; and

**WHEREAS**, the voters of the City of Bisbee have previously adopted an alternative expenditure limitation each time that they have had the opportunity to do so, including, most recently, in 2018; and

**WHEREAS**, the Mayor and Council of the City of Bisbee have held two public hearings on this extension of the alternative expenditure limitation for the City of Bisbee and have determined that the approval of this expenditure extension is necessary and in the best interests of this City; and

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the City of Bisbee that the following proposition be submitted to the voters of the City of Bisbee at the Primary Election scheduled for August 2, 2022:

SHALL THE FOLLOWING BE ADOPTED BY THE CITY OF BISBEE AS AN ALTERNATIVE EXPENDITURE LIMIT:

THE MAYOR AND COUNCIL OF THE CITY OF BISBEE SHALL ANNUALLY, AS PART OF THE ANNUAL BUDGET ADOPTION PROCESS, ADOPT AN ALTERNATIVE EXPENDITURE LIMITATION EQUAL TO THE TOTAL AMOUNT OF BUDGETED EXPENDITURES/EXPENSES AS IT APPEARS ON THE ANNUAL BUDGET AS ADOPTED BY THE COUNCIL TO APPLY TO THE CITY OF BISBEE FOR EACH OF THE FOUR FISCAL YEARS IMMEDIATELY FOLLOWING ADOPTION OF THE ALTERNATIVE EXPENDITURE LIMITATION. THE ALTERNATIVE EXPENDITURE LIMITATION SHALL BE ADOPTED EACH YEAR AFTER A PUBLIC HEARING AT WHICH THE CITIZENS OF THE CITY OF BISBEE MAY COMMENT ON THE PROPOSED ALTERNATIVE EXPENDITURE LIMITATION. NO EXPENDITURES MAY BE MADE IN VIOLATION OF SUCH



ALTERNATIVE EXPENDITURE LIMITATION, NOR MAY ANY PROPOSED EXPENDITURES BE IN EXCESS OF ESTIMATED AVAILABLE REVENUES, EXCEPT THAT THE MAYOR AND THE COMMON COUNCIL MAY, BY THREE-FOURTHS VOTE, DECLARE AN EMERGENCY AND SUSPEND THE ALTERNATIVE EXPENDITURE LIMITATION. THE SUSPENSION OF THE ALTERNATIVE EXPENDITURE LIMITATION SHALL BE IN EFFECT FOR ONLY ONE FISCAL YEAR AT A TIME.

**BE IT FURTHER RESOLVED THAT** the City Clerk of the City of Bisbee is hereby authorized to take all further and necessary action to present this issue to the voters for their consideration in an appropriate manner for their consideration at the election to be held on August 2, 2022.

**PASSED, APPROVED AND ADOPTED** by the Mayor and Council of the City of Bisbee, Arizona, County of Cochise, State of Arizona, this 29<sup>th</sup> day of March, 2022.

**APPROVED:**

\_\_\_\_\_  
Ken Budge, Mayor

**ATTEST:**

\_\_\_\_\_  
Ashlee Coronado, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Joseph Estes, City Attorney