

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 TUESDAY, JUNE 16, 2026, AT 5:30 PM IN THE CITY OF BISBEE COUNCIL CHAMBERS, 118 ARIZONA STREET, BISBEE, ARIZONA.

THE MEETING WAS CALLED TO ORDER BY MAYOR BUDGE AT

5:30PM.

ROLL CALL

COUNCIL

Councilmember Karen Schumacher, Ward I

Councilmember Pete Skinner, Ward

II Councilmember Trish Damon,

Ward III Mayor Ken Budge

Councilmember Anna Cline, Ward III, Mayor Pro Tempore 5:13pm

Councilmember Mel Sowid, Ward II

Councilmember VACANT, Ward I

STAFF

Ashlee Coronado, Interim City Manager / City Clerk

Keri Bagley, Finance Director

CITY ATTORNEY

Joseph Estes

THE FOLLOWING ITEMS WERE DISCUSSED AND/OR CONSIDERED AT THESE MEETINGS:

1. 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).

Ashlee Coronado, Interim City Manager / City Clerk

Mayor Budge introduced the first item, describing it as a 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, commonly known as the Home Rule Option.

He opened the public hearing and invited anyone wishing to speak in favor of or against the proposal to do so. No members of the public came forward to speak, and it was confirmed that no written comments had been submitted.

Mayor Budge closed the public hearing and opened the floor for discussion among Council.

Mayor Budge described the Home Rule Option as a recurring procedural requirement, noting that, as a charter city, the City must renew it every four years in order to retain the authority to spend what was actually needed rather than being bound by the outdated state-imposed expenditure limitations — remarking that the original baseline felt like it dated back to "1882."

Councilmember Damon sought clarification that this was simply a regularly recurring matter, which Mayor Budge confirmed, emphasizing that it must be renewed and put to the vote of the people each cycle.

2. Discussion and Possible Approval of Resolution R-26-19 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 November 3, 2026.

Ashlee Coronado, Interim City Manager / City Clerk

Mayor Budge introduced the second item as the formal action step to move the Home Rule Option forward, inviting discussion and questions from Council.

Councilmember Sowid opened the discussion with a detailed inquiry into the financial projections attached to the resolution. He noted that certain figures in the estimated expenditure schedules appeared to decrease across the years 2028 through 2031, which struck him as counterintuitive given expectations of inflation. He pointed specifically to the Public Works line, which he observed declined from approximately \$23 million in 2028, to \$20 million in 2029, and further to \$19 million in 2031. He asked for an explanation of what was driving these declining numbers.

Mayor Budge and Finance Director Keri Bagley responded jointly. Mayor Budge directed Council's attention to the final page of the resolution, which showed population estimates as the primary driver. He explained that the state's formula ties the expenditure limitation calculations to projected population figures, and that the state's estimates showed Bisbee's population declining over the period.

Councilmember Sowid also asked about the state-imposed expenditure limitation schedule, noting that it similarly declined from approximately \$20 million to \$14 million between 2028 and 2031.

Ms. Bagley confirmed this reflected the same dynamic: the tapering off of current grant activity and uncertainty about future funding sources. She reiterated that these were estimates only.

Mayor Budge added context, noting that over the past five years, the city had received nearly \$25 million in grants, which explained the elevated figures in the current period. He expressed hope that grant funding would continue but acknowledged that the federal government was "not quite as becoming as they were right after the pandemic."

Councilmember Sowid acknowledged the explanation and stressed the importance of awareness, noting that the state's formula reflected an anticipation of declining population and corresponding funding, which the Council should bear in mind as it plans.

Mayor Budge expressed hope that Bisbee's population trend would reverse, adding, "That's our plan." He also noted the difficulty of explaining the Home Rule Option to voters every four years, since the projected figures appear large relative to the City's actual operating budget. He expressed a longer-term wish — not in his tenure, he said — that the city might someday obtain a permanent exemption from the state limitation process.

MOTION: Councilmember Cline moved to approve Resolution R-26-19, 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 November 3, 2026.

SECOND: Councilmember Sowid

MOTION PASSED: UNANIMOUSLY

Prior to proceeding with the candidate interviews under Agenda Item 3, Mayor Budge announced that a matter had come to his attention that morning involving legal ramifications related to the next agenda item. He stated that, in light of this, he would move to enter executive session to receive legal advice from City Attorney Joseph Estes before proceeding with the interviews. He cited A.R.S. § 38-431.03(A)(3) as the authority for this action.

MOTION: Mayor Budge moved to enter into executive session pursuant to A.R.S. § 38-431.03(A)(3).

SECOND: Councilmember Sowid

MOTION PASSED: UNANIMOUSLY

MOTION: Mayor Budge moved to come out of executive session.

SECOND: Councilmember Schumacher

MOTION PASSED: UNANIMOUSLY

Upon returning to open session, Mayor Budge announced that the Council would waive attorney-client privilege so that City Attorney Estes could speak freely on the legal matters discussed.

Mr. Estes, City Attorney, then provided a detailed explanation of a 2024 legislative change affecting how vacated council seats are filled following a primary election. Legislature subsequently responded by creating two distinct pathways. The first applies to an unexpired midterm vacancy — such as the seat previously held by Councilmember Pete Skinner, which still had two years remaining on its term. Under the amended statute, the prevailing candidate from the primary for that type of seat shall be seated following the canvass of the primary votes, making that process mandatory. Mr. Estes noted that one of the two candidates running for that seat would therefore be seated in August, as soon as the primary votes are canvassed and the city completes its canvas resolution.

The second pathway applies to the seat vacated by former Councilmember Lori Reynolds, which was a full new four-year term rather than a midterm vacancy. For this type of seat, the statute provides that a candidate may be seated early — after the primary — but only if the Council adopts a specific ordinance expressly stating its intent to do so. Mr. Estes noted that passing such

an ordinance before the August primary canvas would require special meetings, two readings, and a thirty-day referendum period, making it a logistically demanding process.

Mr. Estes summarized the practical effect: the Ward I appointment being considered that evening would be for either approximately six weeks (if the Council subsequently adopted the ordinance to seat the winning candidate early after the primary) or approximately five months (through the normal course, until after the general election in November). He stated clearly that the Council had not yet made a decision on the ordinance question, and that this was not an agenda item for that evening — but he wanted the candidates and the public to understand the situation before the interviews proceeded.

Mayor Budge directed that the Council would proceed with the interviews as scheduled and make its appointment decision thereafter.

3. Interviews by the Mayor and Council of the Candidates for the Vacant Ward I Council Seat.

Ken Budge, Mayor

- Cooper Raphael
- Cesilia C. Garcia

Mayor Budge announced that two candidates would be interviewed and outlined the interview process.

Mayor and Council publicly interviewed the two candidates for the vacant Council Seat, with questions posed by each Councilmember.

4. Discussion and Possible Approval of a Motion to go into Executive Session Pursuant to A.R.S. § 38-431.03. (A) (1) for discussion or consultation with the City Attorney for Legal Advice to the Council concerning applications for appointment to the vacant Council seat.

Per ARS § 38-431.03(a)(1), the City Council may vote to go into executive session for discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body.

Ken Budge, Mayor

MOTION: Mayor Budge moved to enter into Executive Session pursuant to A.R.S. § 38-431.03(A)(1) for discussion and consultation with the City Attorney for legal advice to the Council concerning the applications for appointment to the vacant Ward I Council seat.

SECOND: Councilmember Schumacher

MOTION PASSED: UNANIMOUSLY

MOTION: Mayor Budge moved to come out of Executive Session.

SECOND: Councilmember Cline

MOTION PASSED: UNANIMOUSLY

5. Discussion and Possible Approval of the Appointment of the Council Member for the Vacant Ward I Council Seat.

Ken Budge, Mayor

Councilmember Cline addressed the Council on behalf of the deliberation, noting that the Council had carefully considered both candidates and their presentations. Councilmember Cline stated that the Council had discussed the value of giving the opportunity to a younger member of the community, and acknowledged that, with the upcoming primary election, there would be clarity on the elective outcome in August. Councilmember Cline noted that the appointment, while a brief one given the pending election timeline, represented a meaningful opportunity for community engagement and representation.

MOTION: Councilmember Cline moved to approve the appointment of Ms. Cesilia C. Garcia as Councilmember for the vacant Ward I Council seat.

SECOND: Councilmember Damon

ROLL CALL VOTE:

AYES: Councilmember Schumacher, Skinner, Damon, Sowid, Cline and Mayor Budge

NAYS: 0

MOTION PASSED: AYES-6 NAYS-0

Mayor Budge stated that, as there was no further before Council, this meeting was adjourned.

ADJOURNMENT: 6:57PM

Ken Budge, Mayor