

MINUTES

MINUTES OF THE REGULAR SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, AND STATE OF ARIZONA, HELD ON TUESDAY, JUNE 2, 2026, AT 7:00 PM AT COUNCIL CHAMBERS LOCATED AT 118 ARIZONA STREET, BISBEE, ARIZONA.

THE MEETING WAS CALLED TO ORDER BY MAYOR BUDGE AT 7:00PM.

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
Councilmember Mel Sowid, Ward II
Councilmember VACANCT, Ward I

STAFF

Ashlee Coronado, Interim City Manager / City Clerk
Keri Bagley, Finance Director
Logan Dodd, Operations Manager
Jay Ritchie, Deputy Police Chief
Jim Richardson, Fire Chief

CITY ATTORNEY

Joseph Estes

INVOCATION: Mayor Budge called for a moment of silence for personal reflection.

PLEDGE OF ALLEGIANCE

MAYOR'S PROCLAMATIONS AND ANNOUNCEMENTS:

- Mayor Budge spoke regarding a potential \$1.5 million Congressional Wastewater Award
- Mayor Budge spoke regarding a Solar Parking Canopy Grant Award and recognized Danielle Bouchever for her outstanding work in identifying grant opportunities and preparing successful applications.

CALL TO THE PUBLIC

- Fred Miller spoke regarding the Bed Tax Funds.
- Cado Daily spoke in support of moving funds to support the bike path.

THE FOLLOWING ITEMS WERE DISCUSSED, CONSIDERED, AND/OR DECIDED UPON AT THIS MEETING:

GENERAL BUSINESS:

1. ACCOUNTS PAYABLE: Subject to availability of funds.

MOTION: Councilmember Cline moved to approve accounts payable in the amount of \$466,986.88.

SECOND: Councilmember Skinner

Councilmember Damon inquired about items on the accounts payable report, and staff responded.

MOTION PASSED: UNANIMOUSLY

2. Approval of the Consent Agenda

- A. Approval of the Minutes of the Regular Session of Mayor and Council held on Tuesday, May 19, 2026.

Ashlee Coronado, City Clerk

MOTION: Mayor Budge moved to approve the consent agenda item A.

SECOND: Councilmember Cline MOTION PASSED: UNANIMOUSLY

OLD BUSINESS

NEW BUSINESS

3. Public Hearing and Discussion and Possible Approval of a Liquor License Application for the Stock Exchange Saloon located at 15 Brewery Avenue, Bisbee, AZ: Mark Alexander Gray, Applicant.

Ashlee Coronado, Interim City Manager

Mayor Budge opened the public hearing for the liquor license application for the Stock Exchange Saloon located at 15 Brewery Avenue by Mark Alexander Gray.

Mark Gray spoke in favor, explaining that the brewery building had been there since 1905 with "brewery" written in cast bronze above the front door. He mentioned seeing tourists shade their eyes to try to look inside and seem disappointed, but they take photos of themselves outside, which bodes well for the business.

Tammy Birch spoke in support of the liquor license, stating she thinks it's a great venue that will be used well.

Sean Hicks also spoke in favor, saying it would be excellent to approve the liquor license as it's been a hole in the gulch and was a great bar that would be nice to see running again.

Mayor Budge asked if there was anyone here to speak against. There were none.

Mayor Budge asked if there was any written correspondence. Ms. Coronado stated no.

Mayor Budge closed the public hearing.

Mayor Budge noted that everyone knows the Stock Exchange had been a bar for a long time, and he's just hoping they'll keep the back window closed because it goes right to his bedroom window, though he acknowledged they were there before he was.

Councilmember Sowid congratulated Mark and said it's a plus for Bisbee, calling it a great building.

Councilmember Skinner shared that he had a long memory of the stock exchange building almost to when they were kids and thinks it's fantastic to see the building regain its stature.

MOTION: Councilmember Schumacher moved to approve the liquor license application for the Stock Exchange Saloon located at 15 Brewery Avenue, Bisbee, Arizona, Mark Alexander Gray applicant.

SECOND: Councilmember Damon

MOTION PASSED: UNANIMOUSLY

4. 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

Ms. Coronado explained that this was the first public hearing to consider the home rule option, which allows the city to set their own spending limits based on annual budget and available revenues instead of being restricted by the state formula adopted in 1979. She clarified that it doesn't create any new taxes for citizens and that state law requires two hearings before voting to place it on the ballot to allow voters to decide.

Mayor Budge opened the public hearing, but no one spoke for or against it, and there was no written communication.

Mayor Budge closed the public hearing.

Councilmember Sowid asked for clarification about whether this was done every year and was told it's every four years unless they decide to go for a permanent rate adjustment.

Mr. Estes, City Attorney, explained that many cities have made permanent rate adjustments, but recommended doing it on an off-cycle voting year because if the permanent rate adjustment doesn't pass, then you have neither option and are subject to state statutory limitations for two more years.

Mayor Budge expressed frustration with the legislature requiring cities to go through this process every four years, noting the cost of putting measures on the ballot and writing up ballot measures.

5. Public Hearing on Truth in Taxation, Public Hearing and Discussion of the FY2026-27 Proposed Budget for the City of Bisbee, and Motion to Consider increasing the Primary Property Tax Levy.

Keri Bagley, Finance Director

Ms. Bagley explained that this was a public hearing on the increase in property tax levy and final budget. She noted that the property tax rate was actually decreasing by about four cents per hundred dollars of assessed value, but because assessed values have increased, it will raise an additional \$28,000 in property taxes, which was a 2 percent increase requiring a public hearing. Following the hearing, it needs a roll call vote to consider increasing the tax at the next council meeting.

Mayor Budge opened the public hearing, but no one spoke for or against it, and there was no written communication.

Mayor Budge closed the public hearing.

MOTION: Councilmember Sowid moved to increase the primary property tax levy for FY 2026-27 with the tax rate changing from \$3.0061 to \$2.9697 per \$100 of assessed value at the June 16 council meeting.

SECOND: Councilmember Cline

ROLL CALL VOTE:

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

NAYS: 0

MOTION PASSED: AYES-6 NAYS-0

6. Discussion and Possible Approval of Resolution R-26-15: Adopting the Final Budget for FY2026-27 for the City of Bisbee; Adopting the Alternative Expenditure Limitation for FY2026-27.

Keri Bagley, Finance Director

Ms. Bagley explained this was the final budget approval for FY 2026-27, noting that nothing had changed since the tentative budget. She mentioned the fiscal impact of about \$15 million, though most of that consists of grants they hope to get.

Mayor Budge clarified that the general fund was about \$10 million and noted the large number was misleading since much of it represents potential grants.

MOTION: Councilmember Cline moved to approve Resolution R-26-15 adopting the final budget and alternative expenditure limit for fiscal year 2026-27.

SECOND: Councilmember Damon

MOTION PASSED: UNANIMOUSLY

7. Discussion and Possible Approval of Change Order #15 with Durazo Construction.

Mike Normand, Construction Project Manager Camp Naco

Mr. Normand explained that as they proceeded with rehabilitation of buildings, they encountered things not included in drawings or anticipated. He described discovering that ceiling joists are quite a bit out of level, varying by up to 2 inches across room lengths. The drywall subcontractor won't warranty installation if the difference was more than 3/8 inch. The subcontractor's proposed solution would cost about \$18,000, but Durazo will do it in-house for \$5,093, allowing them to install sheetrock and warranty it to keep it from cracking.

Councilmember Sowid asked about the overall budget status and timeline.

Mr. Normand confirmed they are within budget and on schedule, explaining they held back contingency funds for this type of purpose. He noted this building was being funded by state grant with \$501,500 remaining in that budget, and the contractor had a guaranteed maximum price with about \$100,000 contingency to cover unexpected costs like materials.

MOTION: Councilmember Skinner moved to approve change order number 15 with Durazo Construction in the amount of \$5,093.

SECOND: Councilmember Damon

MOTION PASSED: UNANIMOUSLY

8. Discussion and Possible Approval to Purchase a 2027 Spartan S180 Model 2107 Pumper Truck for the Fire Department with Grant Funds and Local Match.

Jim Richardson, Fire Chief

Chief Richardson explained they received a congressionally directed spending grant from USDA in the amount of \$620,000, with a local match of about \$209,000, and need council approval to spend it.

Mayor Budge provided background that this was a senate congressional award from Kelly and Gallego, approved through USDA. He explained that while there was hope for a ladder truck, those cost \$1.4-1.8 million and the highest grant available would be \$1 million, leaving them \$400,000-800,000 short. So, they pivoted to a pumper truck that will serve the department for a long time and finally retire the 1990 white truck.

Mayor Budge expressed frustration that the state charges \$42,681 in sales tax on the fire truck, noting that Texas, California, and New Mexico do not charge sales tax on fire trucks, only Arizona does. He had introduced a bill in the legislature to eliminate this but did not get a hearing.

Councilmember Sowid confirmed the money will come from next year's budget starting in July.

Chief Richardson noted the truck was initially supposed to arrive sooner but was now scheduled for February due to a back-ordered part. The truck cost was less than the total grant amount, so they will use the additional \$25,000 to buy new hose, equipment, nozzles, and intake valves.

Councilmember Cline expressed excitement about the truck but sadness about retiring "white lightning," which was one of the last trucks her dad was on.

Chief Richardson confirmed it was their number one engine when he started with the fire department and had held up well overtime.

MOTION: Mayor Budge moved to approve the purchase of the 2027 Spartan S180 model 2107 pumper truck for the fire department.

SECOND: Councilmember Cline

MOTION PASSED: UNANIMOUSLY

9. Discussion and Possible Approval of a Software as a Service (SaaS) Agreement with Revver, Inc. for Document Management Services.

Ashlee Coronado, Interim City Manger

Ms. Coronado explained their current document management company was increasing prices to \$14,000-17,000 per year, which they cannot afford. They have not upgraded in the 16 years she's been there, running the same system. Revver had offered to work within their budget, providing everything their current company does and more for a fraction of the cost. The initial cost was \$4,495 for the first year due to document migration, then \$4,000 every other year. She noted that many cities and towns are switching away from their current provider due to pricing themselves out of the market.

MOTION: Councilmember Cline moved to approve a software as a service agreement with Revver Inc for document management services.

SECOND: Councilmember Damon

MOTION PASSED: UNANIMOUSLY

10. Discussion and Possible Approval of Resolution R-26-16, Authorizing an Election on Certain Proposed City Charter Amendments to be held on November 3, 2026.

Ken Budge, Mayor/Charter Review Liaison

Ashlee Coronado, Interim City Manager/City Clerk

Mayor Budge explained this resolution authorizes an election on proposed city charter amendments for November 3, 2026. He provided background that the Charter Review Committee held four meetings and went through the charter section by section, making recommendations to council. He clarified that Council had the right to approve or disapprove any recommendations and makes the final decision. He noted each item on the ballot comes with a cost charged by the county and requires producing an informational packet.

The committee's recommendations included:

Item 1: Remove the preamble and change language referring to "he" to "he, she" or "his, hers" throughout the document. Council expressed support for this change.

Item 2: Consistent terminology changing "state of Arizona" to "the state." Mayor Budge opposed this, seeing no value, and council agreed to strike this item.

Item 3: Establishing a compensation board to review mayor and council salaries. The language was refined after discussion about timing, with City Attorney Joe Estes and Interim City Manager Coronado suggesting changes to avoid requiring annual reviews. The final language specified reviews "at least every 5 years" and removed "annual" from the salary reference. Council discussed the optics of elected officials voting on their own raises and the benefits of having an independent review process.

Item 4: Mandatory training for newly elected officials. Council expressed concerns about enforceability and what happens if officials can't attend required training. After discussion about open meeting law training specifically, they decided to strike this item and handle training requirements through city code rather than charter.

Item 5: Emergency ordinance procedures. City Attorney noted state statute requires 3/4 of all members (6 out of 7) for emergency ordinances, making the proposed change to "super majority" problematic since super majority would be 5. Council struck this item.

Item 6: Publication of ordinances and resolutions allowing electronic means as permitted by state law. Council supported this to provide flexibility as technology and state law evolve.

Item 7: Purchasing authority limit increase from \$5,000 to \$10,000 (reduced from originally proposed \$15,000 after discussion). Mayor Budge explained the \$5,000 limit hadn't been adjusted for inflation since the 1980s and would be worth over \$14,700 today. Operations Manager Logan Dodd supported the increase for efficiency in maintenance and repairs. After debate about appropriate amounts, Council settled on \$10,000.

Item 8: Bids and advertising changes consistent with state law permissions. Council approved.

Item 9: Ward boundary alignment language update removing 1980 date reference. Council approved.

Item 10: Meeting recording and broadcasting language updated from cable TV to "media platform." Council approved after removing "social" to provide more flexibility.

MOTION: Mayor Budge moved to approve Resolution R-26-16 as discussed, including items 1, 3, 6, 7, 8, 9, and 10 with the discussed modifications.

SECOND: Councilmember Damon

MOTION PASSED: UNANIMOUSLY

11. Discussion and Possible Approval of Resolution R-26-17; Authorizing the use and transfer of funds in the amount of \$100,000.00 from Capital Improvement, originally Bed Tax funds, to be used for the Shared Use Path Lavender Pit East Segment, if necessary.

Ken Budge, Mayor

Mayor Budge explained this resolution authorizes using \$100,000 from capital improvements (originally bed tax funds) for the shared use path Lavender Pit East segment if necessary. He acknowledged this re-authorizes what was originally done but explained that circumstances have changed significantly.

He reported that Megan Connelley had raised \$900,000 and through negotiations with ADOT, they've agreed to absorb costs and allow less expensive alternatives, reducing the original bid by nearly \$400,000 total. ADOT agreed they don't need to repave their section with expensive materials since they will completely repave it the next year, and concrete barriers can be 36 inches instead of 44 inches tall.

Mayor Budge emphasized this was contingency funding in case bids come in high, and he committed to running a resolution to put the money back into visitor center funds if not needed. He noted this represents less than 2% of the total \$4.5 million project cost.

Meggen Connolley presented detailed information about the project, reporting they've secured nearly \$1.4 million in new resources since April with construction starting August 3rd and completion in January, creating a 4-month buffer from the EDA closeout. She shared survey results from 25 local businesses stating the path will create 205 new jobs and generate over \$12.7 million in new private investment over 9 years from increased tourist traffic.

Seth Degner, Stephanie Peavey, and Cynde Beitner spoke in support of the Shared Use Path, highlighting its benefits for both tourism and local residents. They emphasized the project's potential to enhance connectivity, recreation, and community accessibility while contributing to the local economy.

Councilmember Schumacher read a detailed statement opposing the use of these funds, arguing the money was moved inappropriately from visitor center funds through executive session discussions rather than public process. She questioned using money for a project that may not need funding when other tourist attractions need thousands of dollars of work. She requested the money be moved back to visitor center funds and proper protocols be followed for future transfers.

MOTION: Mayor Budge moved to approve Resolution R-26-17 authorizing the use and transfer of funds in the amount of \$100,000 from Capital Improvements Fund, originally bed tax funds, to be used for shared use path Lavender Pit East segment if necessary.

SECOND: Councilmember Damon

ROLL CALL VOTE:

AYES: Councilmember Skinner, Damon, Cline and Mayor Budge

NAYS: Councilmember Schumacker, and Sowid

MOTION PASSED: AYES-4 NAYS-2

13. City Manager's Report:

Ms. Coronado provided brief updates on the following:

- Hillcrest finally went out to bid with bids due July 1st
- 33Main was going out to bid for cleanup on June 9th with mandatory contractor site walkthrough and EPA certification requirements; all procurement had been adapted to meet Cochise County requirements since the grant comes through them.
- City launched ADA-accessible document access on the website that works even on handwritten documents.

12. Discussion and Possible Approval of a Motion to Go into Executive Session Pursuant to A.R.S. § 38-431.03(A)(1) and (3) for discussion, consultation for legal advice and discussion or consideration of employment, assignment, appointment, promotion, and/or salary of Ashlee Coronado, the Interim City Manager, and the current vacancy of the position of City Manager.

Ken Budge, Mayor

MOTION: Mayor Budge moved to go into executive session for discussion and consultation for legal advice and discussion of employment, assignment, appointment, promotion, and/or salary of Ashlee Coronado, the Interim City Manager, and the current vacancy of the position of City Manager.

SECOND: Councilmember Skinner

MOTION PASSED: UNANIMOUSLY

Council proceeded to executive session with no business to follow.

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

SECOND: Councilmember Skinner

MOTION PASSED: UNANIMOUSLY

COUNCIL COMMENTS OR FUTURE AGENDA ITEM SUGGESTIONS: (Council members may suggest topics for future meeting agendas, but Council will not here discuss, deliberate, or take any action on these topics.):

Mayor Budge stated that, as there was nothing else before this Council this meeting was adjourned.

ADJOURNMENT: 10:08PM

Ken Budge, Mayor