

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, July 15, 2013, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6<sup>th</sup> Avenue, South Tucson, Arizona.

Council Present: Paul Diaz  
Anita Romero  
Miguel Rojas  
Mary Soltero  
Ildefonso Green  
Vanessa Mendoza  
Oscar Patino

Staff Present: Luis Gonzales, Interim City Manager  
Ruben Villa, Finance Director  
Veronica Moreno, City Clerk  
Marilyn Chico, Housing Director  
William Lackey, Police Chief  
Patrick Moran, City Attorney

Mayor Diaz called the meeting to order and led the Pledge of Allegiance.

ITEM #03 – INVOCATION – Councilman Patino led the Invocation.

ITEM #04 – ROLL CALL – All members of the Council were present.

ITEM #05 - APPROVAL OF MINUTES: STUDY SESSION MINUTES: JULY 3, 2013 – Motion by Councilman Rojas to approve the minutes of the Study Session of July 3, 2013. Seconded by Councilman Green. Motion passed unanimously.

ITEM #06 – RESOLUTION NO. 13-20 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING, RATIFYING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF SOUTH TUCSON AND TRS AIR CONDITIONING SERVICES AND CONSTRUCTION, INC. FOR REPLACEMENT OF WATER HEATERS AND RELATED SYSTEM UPGRADES AT THE EL SENIORAL AND CASA DE BERNIE SEDLEY HOUSING PROJECTS MAINTAINED BY THE SOUTH TUCSON HOUSING AUTHORITY, AUTHORIZING THE MAYOR AND/OR THE CITY MANAGER TO EXECUTE THE AGREEMENT AND DECLARING AN EMERGENCY TO EXIST – Mr. Gonzales stated this item was brought before the Council a couple of weeks ago and provided information on the boilers at El Senioral and Casa de Bernie Sedley. The contractor viewed an existing domestic water boiler in El Senioral and stated the boiler and its venting were unsafe. The City Inspector declared it unsafe and a hazard. It was later discovered the State Boiler Inspector had

approved the boiler's inside mechanicals only – not the venting. Due to the fact the venting posed a health and safety hazard, HUD advised to include the extra costs for the replacement and sign the revised contract as soon as possible. The contract was executed on June 24, 2013. Mr. Gonzales informed the Council a letter will be sent to the contractor stating they were negligent in not identifying the problem and perhaps some money is due to the City for the wrong installation of the boiler. A second letter will be sent to the Industrial Commission of Arizona, informing the Commission there may be an issue with their procedure used with the inspectors looking at the mechanical side and not looking at the connecting vents. A third letter will go to the general manager of Sahara Development to let them know what has occurred. A letter will be sent to HUD informing them of this issue, and informing them they may be the responsible party for any litigation that may occur in the future. Mr. Moran informed the Council he reviewed all the issues of this situation with Mr. Gonzales. He stated the work done in 2010 was not done properly and actually caused a hazard at the property. The warranty is for a year. However, typically in litigation, it will be from the date the issue was discovered. Mr. Moran stated HUD would be the party seeking to recoup damages under the contracts, and the City may be involved only as a non-party or a third party. Ms. Chico stated the letter going to HUD would be a “heads up” that there may be litigation, as HUD has to approve all litigation for a housing authority. Motion by Councilman Rojas to approve the agreement. Seconded by Councilwoman Mendoza. Councilman Rojas asked if there would be any costs to the City in reference to this activity. Mr. Gonzales responded there is no cost to the City. Motion passed unanimously.

ITEM #07 – RESOLUTION NO. 13-25 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, FOR THE ADOPTION OF THE TENTATIVE BUDGET OF THE CITY OF SOUTH TUCSON FOR THE 2013-2014 FISCAL YEAR, ADOPTING THE ESTIMATED AMOUNTS REQUIRED TO MEET THE PUBLIC EXPENSES FOR THE FISCAL YEAR 2013-2014 AUTHORIZING AND DIRECTING PUBLICATION OF THE STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET – Mr. Gonzales informed the Council this is the date set for adopting a tentative budget, and there will be additional time to make changes to the budget before the final adoption. The budget total is \$10,593,437.00. Mr. Villa stated that State statute requires a balanced budget. The budget amount is the highest level it can be, but changes can be made within the budget. The steps to follow will include posting the date and time of the public hearings and of the final budget adoption. Mr. Villa informed the Council the deadline for the adoption of the property tax is August 5. Motion by Councilman Rojas to adopt the budget for fiscal year 2014 in the amount of \$10,593,437.00. Seconded by Councilman Green. The following is the transcript of the discussion of Item #07:

Mayor Diaz: There is a motion but I'd like to correct the language in respect to tentative budget versus just plain budget. So we're approving the tentative budget.

Councilman Rojas: That's correct. I'll accept.

Motion to approve the tentative budget for fiscal year 2014 in the amount of \$10,593,437.00. Seconded by Councilman Green. Motion passed unanimously.

ITEM #08 – CALL TO THE AUDIENCE – No response.

ITEM #09 – EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(1), DISCUSSION/CONSIDERATION OF EMPLOYMENT, CITY MANAGER, CITY ATTORNEY, SECTION 38-431.03(A)(3) DISCUSSION/CONSULTATION FOR LEGAL ADVICE WITH CITY ATTORNEY, SECTION 38-431.03(A)(4) DISCUSSION/CONSULTATION WITH CITY ATTORNEY REGARDING CONTRACTS/LITIGATION – Motion by Councilman Rojas to adjourn the Regular Meeting and convene into Executive Session. Seconded by Councilman Green. Motion passed unanimously. Staff was dismissed and Mr. Villa was asked to stay for one item in Executive Session. Mr. Villa was excused at 7:27 p.m.

Motion by Councilman Rojas to Adjourn the Executive Session and reconvene into Regular Meeting. Seconded by Councilwoman Soltero. Motion passed unanimously. Executive Session adjourned at 7:40 p.m.

Motion by Councilman Patino to direct the City Manager to negotiate matters discussed in the Executive Session regarding the first issue discussed. Seconded by Councilman Rojas. Motion passed unanimously.

Motion by Councilman Patino to accept option 3, example A, for an attorney contracted by the hour. Seconded by Councilwoman Soltero. Motion passed unanimously.

Motion by Councilman Rojas to accept the City Manager's contract. Seconded by Councilwoman Mendoza. Mr. Moran advised the Council they cannot accept the City Manager's contract, as it needs to be placed on the agenda and properly noticed. Motion by Councilman Rojas that the item be placed on the next agenda. Seconded by Councilwoman Mendoza. Motion passed unanimously.

ITEM #10 – ADJOURNMENT - Motion by Councilman Rojas to adjourn the Regular Meeting. Seconded by Councilman Green. Motion passed. The meeting adjourned at 7:46 p.m.

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Paul Diaz, Mayor

ATTEST:

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Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of South Tucson, Arizona, held on the 15<sup>th</sup> day of July, 2013. I further certify the meeting was duly called and a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

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Veronica Moreno, City Clerk