

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, March 9, 2015, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Council Present: Paul Diaz
Anita Romero
Miguel Rojas
Idelfonso Green
Vanessa Mendoza
Herman Lopez
Oscar Patino

Staff Present: Benny Young, Interim City Manager
Veronica Moreno, City Clerk
Marilyn Chico, Housing Director
Ed Machett, City Attorney
Cory Lakosky, Fire Dept.
Rey Alvarez, Fire Chief
David Carranza, Economic Development Specialist

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

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

ITEM #05 – CALL TO THE AUDIENCE – No response from the audience.

ITEM #06 – APPROVAL OF MINUTES – None available.

ITEM #07 – RESOLUTION NO. 15-11 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR ASSISTANCE IN THE PREPARATION AND CONDUCT OF A RECALL ELECTION TO BE HELD MAY 19, 2015 BETWEEN THE CITY OF SOUTH TUCSON, ARIZONA AND PIMA COUNTY RECORDER'S OFFICE THROUGH THE DIVISION OF ELECTIONS PURSUANT TO STATUTE AND AUTHORIZING EXECUTION OF THIS RESOLUTION, FOR THE PURPOSE OF AUTHORIZING THE MAYOR OF THE CITY OF SOUTH TUCSON TO EXECUTE SAID IGA AND DECLARING AN EMERGENCY TO EXIST

Mr. Young: This is a standard form agreement that outlines the services that Pima County will provide on our behalf in conjunction with the election May the 19th. Veronica and I will be happy to answer questions you might have, but I recommend approval of the resolution.

Motion by Councilman Rojas to approve Resolution No. 15-11. Seconded by Councilman Green. Motion passed unanimously.

ITEM #08 – RESOLUTION NO. 15-12 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, PERTAINING TO THE SUBMISSION OF PROJECTS FOR CONSIDERATION IN ARIZONA’S 2016 HIGHWAY SAFETY PLAN

Mr. Young: Planning submitted projects for inclusion in the State’s Highway Safety Plan for 2016. Police Department has a project for pedestrian and bicycle safety educational material. And our Fire Department has a project that’s going to request some vehicle extrication equipment. This is also routine, in my view, but the Department of, the Governor’s Office of Highway Safety would like a Mayor and Council resolution pertaining to the submission of the projects so I would recommend you pass this resolution.

Motion by Councilwoman Mendoza to approve Resolution No. 15-12. Seconded by Councilman Green. Motion passed unanimously.

Mr. Young: Mr. Mayor, if I may, I should have mentioned that this will represent about (inaudible) worth of improvements for the City of South Tucson if it’s approved.

Mayor Diaz: Item number 9 is the Executive Session. Did we want to keep it there or do we want to do a Study, the Reports and Study Session?

Mr. Young: Mr. Mayor, thank you for the question. Members of the Council, I recommend that we do the Study Session first for the benefit of the audience members for that particular item and also the involved staff and if you take Item 11 where Item 9 is and put, take Item 9 where Item 11 is, I would appreciate it.

Mayor Diaz: Okay. Is that okay with everybody? Okay. So at this time, we’ll go to Item number 11.

ITEM #11 – STUDY SESSION:

Mr. Young: I have very great pleasure this evening to introduce David Carranza to you and talk a little bit about the work that he will be doing for the City of South Tucson over the course of the next 90 days. He’s just going to be of part-time service to us. I’ve included a brief outline in your packet that talks about the work that I would like to have David’s assistance with. First of all, I just wanted to emphasize that the retail tax base is fundamental to the City of South Tucson. We need to work to retain that tax base, retain the businesses we have, facilitate expansion of existing businesses in South Tucson, and then work on recruiting additional businesses to South Tucson. We really need an expanded retail base here, in my view, both business and commercial development. Our retail tax base is responsible for literally half the revenue associated with your General Fund. If you will recall, the total City budget is about 10 million and about half of that is general funded work and half of the General Fund, two and a half million, roughly, comes from sales tax collections associated with businesses in South Tucson. I think we need to expand that base, if we can. We’re very, very dependent on it with the revenue needed for basic City operations: Public Safety and in particular, Police and Fire, as well as the Administrative support services with the City. I think we need a

focused effort in this regard. There's not enough of the City Manager to go around, you might say, and so I've asked David to consider coming on for just three months, half time, to supplement my efforts with regard to reaching out to the business community, assessing our current situation and perhaps, most important, identifying some specific opportunities that we might pursue with regard to invest, additional investment in South Tucson. David Carranza is a long-time fourth generation Tucsonan. He went to school here, obviously, and has a Masters Degree in Business Administration from, well, we won't mention it because we don't want to embarrass him. But he did the next best thing. And he's also a successful small businessman in Tucson for many years, had a sign company here in Tucson, and served on the City of Tucson's Small Business Commission. And I think he will be perfect for this assignment. He's going to spend the next three months gathering data, including reviewing all the previous plans the City has surrounding (inaudible) and economic development; actively engaging and interacting with the business community, both on an individual basis as well as with existing groups, and perhaps a public forum or two; and at the end of his assignment, I expect to have some specific recommendations regarding strategies, opportunities and processes that we can improve here in the City to retain, expand, and recruit new business investment in South Tucson. I'd like to give David a chance to talk to you a little bit about the assignment as he sees it. And then we'll open the floor for questions from the Mayor and Council. My primary intent tonight was not to spend a great deal of time on this, unless the Council wishes to provide feedback direction, questions, but I wanted you to meet David and have some awareness of what I've asked him to help us do. We will be checking back with the Council. We're not going to be making decisions unilaterally on your behalf. Anything that involves public policy will come back to you sitting as the City Council and the opportunities and incentives that we identify will come back to you for approval before we actually pursue them. Next week, I expect David to begin to actively talk to the business community here and one other time, and he's already developed a data base and identified over 300 businesses in South Tucson. And I've talked enough. I'm going to give David a chance to talk a little bit.

Mr. Carranza: Mr. Mayor, Council members, thank you very much for this opportunity. Do you have this information that Benny gave you? It has the economic vitality for South Tucson. I'm only going to touch on (inaudible) expanded. Before I do that though, let me just give you why I'm here and you have an understanding too. When Benny called me, he asked me that he needed some help with respect to the economic development in the City of South Tucson. And I was very cautious, having known the history of the City of South Tucson, I think everyone would too. So, and I say that with a lot of respect for the City of South Tucson as well. After a few meetings with several administrators that have been working with the City of South Tucson for a long time, I sat down with him and I asked him a lot of questions, getting feedback on why this and why that, and the viability of the City of South Tucson. You gotta love the City of South Tucson. It's a little pueblo inside of the city, just like your logo says. So, mind you, I'm sitting next to a gentleman and it is a God-loving dedicated public servant for a long time. You couldn't have picked a more, a better person. So when Benny asked me and I actually did due diligence and finding out more about the City of South Tucson, I said, "Absolutely. I'll help you." Why is that? Because I think I can help. I have a (inaudible) education and experience, as Benny had mentioned. I have knowledge, the commitment. Some people in the newspaper business, when I was at the newspaper, called me a pit bull in a china shop, so I've already talked to businesses. I've already talked to a few of them, and I'll continue to do that. I think, actually touching people is one of the most important things somebody can do to find out what's happening in the City itself. The other thing, too, is this City has a lot of potential. And I think all of you are committed to that, too, because you're public servants. And I think you believe that too. Coaches have always told me, CEO's have always told me and also Mayors have told me as well that

it takes a lot of people, it takes everyone to succeed. And one of the things that I'm hoping to do is that once I'm out here, I'll get a lot of feedback. You know, all the forms we put together with the business community, we're going to get excellent ideas of what should be done and what can be done, based on the parameters we have with the City here, and move this thing forward. I'm happy to do this and I'm going to be a public servant for the next three months. With that in mind, let's go over the fine steps that Benny put here and I'll expand on it a little further, too. All of us know that it's important to have a detailed tax base. One of the easiest things to do is retain the current businesses that are here in the City of South Tucson. We have to talk to them and that's what I'll be doing to find out if anything is happening within the City of South Tucson. I may not have all the answers, but I will listen to them. I think if you are married and you're listening to your husband or your wife on a regular basis, you've probably been married for a long time. The other thing to do is expand, diversify the makeup. One of the things I did and Benny mentioned to you is I created a database. And this database lists all the businesses within the City of South Tucson. You have 335 businesses within the City of South Tucson. And the census, when it was taken in 2010 (inaudible) you only had 339. So, in essence, maybe you lost four. Your retainment of businesses over the last three years, well, actually you've only lost 67 businesses within the last probably three years, beginning February 2 of 2012. So retention is important. It makes it easier to continue that vitality that's in the City of South Tucson. The other focused effort needed, when Benny asked me to come in, he was working diligently, not only with all of you but also trying to find out what the state of the City was and I think he has that. And now he can act on all the assignments in detail that he's put together for making this (inaudible) City as well. Gathering data, I've been gathering data, as I mentioned to you, you gotta have strategic measurements. You gotta have benchmarks in order to go from one point to the other. And so if we don't have that, we're not going to be able to measure our successes, and that's important as well. Without that, then you can't build a vision and get a plan, as most of you know. One of the things they taught me in business school, without a plan, you plan to fail. So one of the things we're looking at down the road if, I'll put these recommendations, if any, there's a visionary plan that has strategic measurements as well. The other areas are plan activities. One of the things that I do know is that the City is probably dying to come in here and talk about what is wrong, what is right about the City of Tucson, the City of South Tucson. So basically what happens when you invite all these people, they have a lot of ideas. One of the things I do know is it takes a lot of ideas to make one idea. So we're going to have these forums to find out what the business people have on their minds. And the other thing is I looked at your website. One of the easiest ways to start this is to go after low hanging fruit. And also, I already met with the website provider and we hope to get those things accomplished as soon as possible cause the idea is that they're not only mine. They actually come from a lot of the internal staff that Benny has here and the (inaudible) is low hanging fruit that will turn things around with the business community as well, and make them feel involved (inaudible). Other than that, I have one thing to say is that inclusiveness creates trust. It also creates more involvement. So that is what I plan on doing with these short three months.

Mr. Young: Thank you, David. He had kind of three products that I hope to be able to bring back to you is specific opportunities that we would pursue. Some discussion of incentives that are available to facilitate investment inside the City of South Tucson. And then perhaps creating a longer term small business commission association, a way to systematically continue to interact with the business community here so that there is a systematic process for (inaudible) and feeding information to the business community in an effort to get everybody pulling together, working on the same team to strengthen South Tucson. That's kind of enough of a staff perspective, I think, for the moment. I'd be

happy to try to answer any questions or get any initial feedback and direction that the Council might have in regards to this effort.

Mayor Diaz: Is there any questions from the Council at this time?

Councilman Green: I do have a question.

Mayor Diaz: Okay, Councilman Green.

Councilman Green: One of the things is that we have a newly formed business association. Are you aware of that and have you reached out to these individuals to talk to them?

Mr. Young: Thank you for the question. I sure appreciate it, Mr. Green, Mr. Mayor. I am aware of it and I have had one meeting with the organizers for that group. And I want to continue to involve them in this process and we'll be reaching out further to that group. There may be other groups that we'll reach out to as well. There's a group called Los Vecinos that meets at Los Portales once in a while and I've had a meeting with them as well. And it's the sort of thing that we need to have (inaudible) engagement here even to include our rotary clubs and optimist clubs and that sort of thing so I would envision a very broad base involvement opportunity with the business community. And as Dave had stressed, we're going to err on the side of inclusion. And I'm thankful for the gentlemen who are working on forming that small business association for South Tucson and what we're going to try to do is find a way to dovetail the efforts so we're all pulling together. Thank you for the question.

Mayor Diaz: Any more questions?

Councilman Rojas: Godspeed.

Mayor Diaz: Thank you.

Councilman Rojas: Appreciate it. Welcome. Welcome aboard.

ITEM #10 – REPORTS

Mr. Young: Mr. Mayor, I do have three things I wanted to mention to the Council under Reports. First of all, you all are tracking the homeless encampment issue downtown, I'm sure. I monitored the Mayor and Council discussion last week where they indicated they directed their staff to try to find a new location for the encampment. And that caused me some concern and I recommended, and the Mayor was good enough the next day to sign a letter that I offered for him to the City asking that we be included in any discussions with regard to relocation of that encampment. The last thing I would like to have happen for South Tucson is to have a unilateral decision made by the City or anyone around this issue that potentially disadvantages us as a community as you already, as you all know we're already overburdened, maybe that's not the right term, stressed to deal with all of the obligations that we have and all the services that provided our great (inaudible) citizens of South Tucson. And we have very limited resources and so I didn't want the City of Tucson to make a decision that might disadvantage us, or cause us to have to expend more resources which are

already limited. So I wanted you to know that I wrote a letter for the Mayor. He signed it. I believe we put it in everybody's box last week, but in case you didn't notice it or were wondering what that was about it's asked to be at the table if the City moves forward with that discussion. The second report has to do with the bond program that Pima County is presently assembling. The next bond committee is Friday. I met with Mr. Huckleberry and asked if we could submit an economic development project for consideration under their bond program and he was good enough to say yes, and opened the door to that. We initially just submitted a very generic kind of property assemblage project description for the 4th Avenue I-10 vicinity. And his staff got a hold of me and said it needs to be more focused on infrastructure investment since we're using public bonds, if it goes, that would facilitate investment by the private sector in that area. So Joel and I restructured that today, well, Friday and today. And we'll be sharing the restructured bond proposal with you and putting copies in your boxes probably tomorrow morning. We have the letter that we'll ask the Mayor to sign before he leaves tonight that officially transmits the request to Pima County for the consideration. It's a 10 million dollar request, 5 million in bond funds, and 5 million in investment from other sources, including the private sector. The total value of the package would be 10 million. And if anyone has questions about that, I'll be happy to try to answer them later, tomorrow or at your convenience. And if you would like to have a study session on that item specifically, I'll be happy to schedule that for a subsequent meeting. I want you to be aware that the door was open to us and we're endeavoring to walk through it and hope for the best at the bond committee meeting on Friday. Because they theoretically capped the amount of bonds. This project was not in there. So I'm hoping they will find a way to get it included. And I wanted the Council to be aware of that. We'll have copies for you in the morning. And finally, some of you may realize that, or may remember that we had a finding that we needed to have more transparency with regard to our financial transactions and tradition here in the City. I believe that was a state law that was passed called Open Books, or at least that's how it's locally referred to, and our Finance Director, Lourdes, has found a way to comply with that. And if you go and click on the City's website, now you'll find a link that will kind of open the City's books for inspection by the public. I think the comprehensive annual financial report is now available online. So I'm really excited about that and thankful to Lourdes for her attention. It gets us off the hook with the State on something, on the transparency in government, an issue that the Legislature passed. Those are my reports, Mr. Mayor.

Mayor Diaz: Thank you. At this point, then we need a motion for Item number 9, Executive Session.

ITEM #09 – EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(3)(4)

Motion by Councilman Rojas to adjourn the Regular Meeting and convene into Executive Session. Seconded by Councilman Patino. Motion passed unanimously.

Motion by Councilman Rojas to adjourn the Executive Session and reconvene into Regular Meeting. Seconded by Councilman Green. Motion passed unanimously.

Mayor Diaz: In regards to Executive Session, it was for informational only so no action is required.

ITEM #12 - ADJOURNMENT

Motion by Councilman Rojas to adjourn the Regular Meeting. Seconded by Councilman Green. Motion passed unanimously. The meeting adjourned at 7:26 p.m.

Paul Diaz, Mayor

ATTEST:

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 9th day of March, 2015. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2015.

Veronica Moreno, City Clerk