

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, April 25, 2016, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Council Present: Miguel Rojas
Idelfonso Green
Robert Larribas
Herman Lopez
Vanessa Mendoza

Staff Present: Veronica Moreno, Interim City Manager
Lourdes Aguirre, Finance Director
Mark Raven, City Attorney
Marilyn Chico, Housing Director
Joel Gastelum, Planning & Zoning Director
Michael Ford, Police Chief
Cory Lakosky, Fire Department

Guests: Kevin Camberg, Fester and Chapman

Mayor Rojas called the meeting to order at 6:00 p.m., and led the Pledge of Allegiance. Councilman Lopez led the Invocation.

ITEM #05 – CALL TO THE AUDIENCE

Mr. Green: My name is Raul Green, 307 West 36th Street. I'm here to talk on Pasadera and the lawsuit that they have against us. The reason for the lawsuit, as far as I understand is there's a promissory reliance on something that someone here said, according to them. This is what the judge said about this. They're saying the court finding finds that the argument fails as it did not rely on defendant's acts prior to making an offer on the property. Basically, they're saying that they defended, or they relied on this promise. They relied on this promise to buy the property that the judge found that they had already made an offer way before this promise. So that failed. It's not going to take them anywhere. This is a court finding. So if they want to sue us for that, there's already a court finding on this. They're going to have a hard time getting anywhere with it. So thank you.

Mayor Rojas: Thank you. Appreciate it. Any other individuals in the audience like to address the Council? If not we will move to roll call.

ITEM #04 – ROLL CALL – All members of the Council were present, except for Vice-Mayor Patino and Councilwoman Romero, who were excused.

ITEM #06 – APPROVAL OF MINUTES: FEBRUARY 16, 2016, SPECIAL MEETING; MARCH 19, 2016, SPECIAL MEETING; MARCH 30, 2016, SPECIAL MEETING

Councilwoman Mendoza: Mr. Mayor, do you want a separate motion for each meeting or can we do it together?

Mayor Rojas: The wishes of the Council, altogether will be just as good.

Motion by Councilwoman Mendoza to approve the minutes of Special Meeting February 16, 2016; Special Meeting March 19, 2016; and Special Meeting March 30, 2016. Seconded by Councilman Green. Motion passed unanimously.

ITEM #07 – PRESENTATION OF FISCAL YEAR 2015 ANNUAL FINANCIAL REPORT AND AUDIT

Ms. Moreno: The item you have before you is a presentation from our auditors, Mr. Kevin Camberg of Fester and Chapman is here, and he has been invited to make a presentation to Mayor and Council pertaining to fiscal year 2015, financial report and audit.

Mr. Camberg: Thank you for having me here. So hopefully, you have your financial statements. The purpose of me coming here tonight is kind of a wrap-up of your June 2015 audit. What I'll do is hit the high points and then if you have any questions, I'll answer those. I want to start by thanking the Accounting Department. This our 3rd year doing your audit. The first year was very challenging. I think we reported what we call findings or control weaknesses, thirteen. Last year, we showed, when I say last year, June 14, there was an improvement, down to seven. This year, we're down to two control weaknesses, so you guys have come a long way. Thank Lourdes and her staff and Housing, too, because we do a single audit for you, and part of that is auditing the Housing program. So we've issued a clean opinion on your financial statements, and we also did your federal compliance audit. We call it the single audit, and reported that to the Feds for you as well. This is the second straight year that your report was issued on time. You have a 9-month requirement, March 31st, and we issued on time this year again. So once again, thank you to Accounting for that. Really, leaps and bounds over the last two years, from my perspective. So let me go to the statements. There's a couple very long document, financial statements. There's a couple places you go to kind of summarize it. Starting on page 7, it's called Management's Discussion and Analysis or MD and A. This is really the financial highlight if you don't want to wade through, you know, fifty pages of documents, it's the high points of the numbers that follow in the financial statements. And this is required for all governments to include in their financial statements. You guys write this and we edit it and it's included with your statements. Just some of the takeaways; one of the challenges this year, this was the first year, I know you've talked about the pension liability, probably ad nauseum, but that had to be implemented and Accounting had to come up with those numbers. So one of the differences is, in bullet point one, that your net worth of the City, as of June 30th, and that's your balance sheet date, June 30th, 2015, had decreased from the previous year, mainly because of that roughly \$12,000,000 in pension liability. So at that point in time, your unfunded liability that you now show on your government-wide financial statements is you have a, Police has about \$8,000,000; Fire about \$2,000,000 and then the rest of the government about \$2,000,000. These are rough numbers, but roughly \$12,000,000 in liability. So that's the big difference. And that was a change. The rule setters for government and accounting presentation changed that. Instead of just having it disclosed in your notes which historically had been, came up (inaudible) balance sheet. It's a long-term liability. It's not due. No one is going to come and ask you for a check. It's just, if you look at the actual liability against the actual assets, the difference is that liability that's been booked. The other

takeaway from these bullet points, you can see the General Fund, a slight loss. About \$180,000 loss for the fiscal year (inaudible). Net assets are the fund balance of the General Fund went from \$943,000 down to seven hundred and fifty-three. There's also bullet points on Housing and the other major programs that we present, which I'll go to those statements in a second. Anyway, you can just kind of see what happened (inaudible) one spot there. I was going to talk about the statement of net position. It's the balance sheet for the entire government all put together on a full (inaudible) that's on page 16. And I just wanted to really highlight what's different from what you saw last year (inaudible) non-current liabilities (inaudible) liabilities, 19.7 million, and that's, well, but that's new with the pension liability being included and that's where it shows up. It's part of that number on your balance sheet. It's the last liability you see. And then down in net position or net worth, you have 6.99, \$7,000,000 rounded, in net worth, but you do have \$18,000,000 in fixed assets. So if you took the fixed assets out, you actually have, it's negative. So that's something from a cash flow perspective to be aware of as you go into the future. The fund statements, which is really the primary focus when you look at governmental accounting, start with the balance sheets and it starts on page 18, is the General Fund. That's the government's operating fund, is really the key here. You know, the other funds; Housing, CDBG, the RICO fund, the Youth, are largely funded revenue and expense equal each other, but the General Fund is your operating fund. So cash, as of the balance sheet (inaudible) is about 13 days of operating cash which is pretty tight. We like to see about 30 there. It's something to be aware of. You can see the net fund position of the General Fund, it's the total fund balance, \$757,000, which is, compared to your income statement, not too bad, which is what I'm going to turn to now. The statement of revenues and expenses, on page 22, you can see the General Fund income statement for that 12-month period. We talked about the \$186,000 excess of expenses that were revenue, or the loss. But you still have \$700,000 in fund balance or net worth as of that date. And your revenues were (inaudible). You're slightly up because you had 6 months of the new sales tax. This year, hopefully, you'll have a whole year so it should be even better. You've got 4.7 in revenue, you've got 4.8 in expenses, so very consistent year-to-year. And then there's a couple items in the financial statements I'm going to touch on. On page 39, there's a required note disclosure. We talked about your contingent liability so any lawsuits that are ongoing as of June 30th, 2015, and the big one being the, related to the property taxes, and so that's still outstanding. There's no liability been incurred for it, but we do disclose that and that's the first paragraph at the bottom there of the contingent liability note on page 39. Please stop me if you have any questions.

Mayor Rojas: We follow (inaudible).

Mr. Camberg: And then the other note I wanted to talk about is on the following page. So, if you turn to page 40, the pension note goes on and on and on, and all these required disclosures. And Lourdes helped us accumulate this data. But if you just go to that first bullet point there, you can see the net pension liability, the deferred inflows and outflows and the pension expense, or how much the pensions cost you for the year which is about 1.8 million. Without wading through the entire note, that gives you really the important facts from what's related to the pensions. So I think that's pretty valuable too. And then the last thing I wanted to touch on, which is actually a separate document, so you have two documents, this is (inaudible) financial statements and then you have the single audit, federal compliance testing. So not only do we test your numbers and the financial statements, we also do your federal compliance testing. And if you turn to page 8 of that document, on that page is a schedule of findings and (inaudible). This is also a good place to see how the audit went, if you just want to, I call it "one stop shopping". It really summarizes the audit. At the very top, the first point, you have a clean opinion on modified opinion. We talked about control weaknesses that we

disclosed, which I said went from seven to two this year, which was, you know, you're really improving. You did have one federal finding, although that even improved. You only had one exception out of twenty-five, so that probably will fall off next year as well. And then we identified the major programs we tested. Down at the bottom you can see Housing Department is a vast majority of your federal funding. Anyway, this is a good place to go. The MD and A is a good place to go for the financial part of the audit, and this is a good place to go for the compliance section of our audit, if you just want a quick summary of how it went. From our perspective, I mean you have some challenges with those large contingent liability and the large unfunded pension, but your General Fund, basically, treaded water for the year. And the quality of your accounting has really improved over the last two to three years, much, much better than the first year we did, which was June '13's audit. So you've really made strides. Hopefully, I wasn't too boring.

Mayor Rojas: No, I have a question. Are there any more conditions or criterias that Finance Department can involve themselves in to pick it up so, you know, so it looks any better or is there, are they pretty good there right now?

Mr. Camberg: Well, I, the trend line has been great, the improvement. One thing, we've got a good working relationship with Lourdes. If she has questions, she talks to me or the Manager, which actually (inaudible) does all the heavy lifting. They have a lot of conversation not only during the audit, but throughout the fiscal year they get things correct. I think that now, the way you're getting better more timely information that's actually accurate as opposed to the past where you could get to a (inaudible) and you did have many opinions, but that would be after several audit adjustments. I know I've talked about this before. You'd rather have it be right before we come out so that means you're getting monthly (inaudible) making decisions instead of having, getting corrected, you know, after the fiscal year is over. So I think that's the direction you're headed, you're already there.

Mayor Rojas: Okay, great. Any questions?

(No questions from the Council)

Mayor Rojas: Great job, thank you.

Mr. Camberg: Thank you very much.

Mayor Rojas: And thank you, Lourdes, and your staff. Appreciate it. It's about time we got out of the swamp here and get into some clear lake water. Keep up the good work. One more year, one more year, two more years, whatever.

ITEM #08 – RESOLUTION NO. 16-10 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, DESIGNATING THE ELECTION DATES AND PURPOSE OF ELECTION, DESIGNATING THE DEADLINE FOR VOTER REGISTRATION AND DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS

Ms. Moreno: The item you have before you, as you know, this is an election year and we have staff that are mandated to be in line with, in order for us to move forward with the election. And one of them is the Call of the Election to proclaim that we are having an election and the location of the

election. So for informational purposes only, we are going to publish, after the approval of this resolution, the election, in a local newspaper, and also the general election will take place on November the 8th, and the primary on August 30th. So I just want to publicly announce that we are now officially in election mode and I do have candidate packets available, which are, the first date that I can receive them is May 2nd. So thank you.

Mayor Rojas: And the last, is that the first and last date or?

Ms. Moreno: The last date, I should have all this memorized but I don't.

Councilman Lopez: June 1st.

Ms. Moreno: June 1st, thank you.

Mayor Rojas: From May 2nd to June 1st. Thank you very much.

Motion by Councilman Green to pass Resolution No. 16-10 of the Mayor and Council of the City of South Tucson, Arizona, designating the election dates and purpose of election; designating the deadline for voter registration and designating the place and the last date for candidates to file nomination papers. Seconded by Councilwoman Mendoza. Motion passed unanimously.

ITEM #09 – RESOLUTION NO. 16-11 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, TO ACCEPT THE ANNUAL FINANCIAL REPORT AND AUDIT FOR FISCAL YEAR 2014-15

Motion by Councilman Green to accept Resolution No. 16-11 of the Mayor and Council of the City of South Tucson, accepting the annual financial report and audit for fiscal year 2014-15. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #10 – RESOLUTION NO. 16-12 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING AND ADOPTING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF SOUTH TUCSON AND PIMA COUNTY FOR THE PURPOSE OF PROVIDING YOUTH PROGRAMS AND RECREATION ACTIVITIES AT THE JOHN VALENZUELA YOUTH CENTER, WITH PAYMENT UP TO \$113,000

Ms. Moreno: You will be seeing several resolutions come in this evening and future agendas coming up. And you will see our resolutions will be typically renewal agreements with other agencies and jurisdictions that (inaudible) us through certain discretionary line items. And this one is something that is really important to the City of South Tucson, where it funds our John Valenzuela Youth Center. And Pima County Community Development Grant provides us with \$113,000 to provide aid in funding youth programs and recreational activities for the John Valenzuela Youth Center. We have our Finance Director, Lourdes Aguirre, here to answer any questions that are specific to the nature of the fees or expenses pertaining to that line item.

Mayor Rojas: What are the wishes of the Council on Item Agenda Number 10, Resolution No. 16-12?

Councilman Green: I really don't have a problem with it except that I'm trying to get, I'd like an explanation why it's considered an emergency.

Ms. Moreno: It's, you know, it's not necessary. This is a resolution where we use the language from previous years. I'm looking, where does it say emergency?

Councilman Green: Emergency, intergovernmental agreement with the City of South Tucson.

Ms. Moreno: Is that on the actual body of ...

Mayor Rojas: The agenda ...

Ms. Moreno: ... the ...

Mayor Rojas: ... or the ...

Ms. Moreno: ... resolution?

Councilman Green: It's actually on the item. I'm looking at it down here.

Mayor Rojas: I'm looking.

Councilwoman Mendoza: I don't see it.

Mayor Rojas: I don't see it, Councilman.

Councilman Green: Okay. Unless they gave me a different paper because it's ...

Mayor Rojas: No.

Councilman Green: ... right here.

Mayor Rojas: Mine doesn't have it.

Councilman Green: Okay. It went to Item 7, so it must have been one of the old paperwork, on the old paper. I'm sorry.

Councilwoman Mendoza: Mr. Mayor, I have a question. I just want to make sure, we still are getting detailed reports, right, as to what expenses these are covering, exactly who's getting paid out of this, what the salaries, 'cause I know that that lapsed for a lot of years, and I just want to make sure that we're staying on top of that.

Ms. Aguirre: Mayor and Councilwoman Mendoza, yes. As a matter of fact, the requirements on behalf of the County have become more scrutinous. And there are quarterly reports that we actually require relating to program development from the subcontractor, which is Pio Decimo, for providing the service to the youth. Along with that, they provide us with detailed invoices and back (inaudible).

So this particular funding source has, over the course of the last two years, become more geared towards the program development where they should be. And that's why in the summer you'll see 80% of the funding, which is \$90,000, goes towards program delivery. And the remaining \$23,000 goes towards the cost of utilities and other (inaudible).

Mayor Rojas: Thank you. Any other questions?

Councilman Larribas: Do you have an example of what kind of programs are going to be on this youth program?

Ms. Aguirre: Yes, Mayor and Councilman Larribas, there's an array of different programs, anywhere from dance to arts and crafts. I actually have the details in one of the documents that I can provide to you at a later date. But, yes, there's specific program delivery that they need to comply with in order to receive the funding.

Mayor Rojas: Any other questions? Call for a vote.

Motion by Councilwoman Mendoza to approve and adopt Resolution No. 16-12 of the Mayor and Council. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #11 – RESOLUTION NO. 16-13 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE SOUTH TUCSON HOUSING AUTHORITY'S 2016 ANNUAL PHA PLAN AND AUTHORIZING THE EXECUTION OF THIS RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE CITY OF SOUTH TUCSON HOUSING DIRECTOR TO SUBMIT SAME TO HUD

Ms. Moreno: Item #11 is an item from the South Tucson Housing Authority to approve the 2016 PHA Plan, provided to you, a hard copy in my office, which is a pretty thick copy, for your review. This is another item that is brought to you on a yearly basis from the Housing Authority, which our Housing Director is here to provide you more detailed information.

Mayor Rojas: Has anything changed from last year's proposal?

Ms. Chico: Mr. Mayor and Council, yes. HUD has, and I will quote them, streamlined, how we do the PHA Policy. In the past, we had a combination of the Public Housing Authority (PHA) plan that also incorporated what we were going to do with our capital funds that we receive each year. Well, now they have streamlined it, which is supposed to make things easier, now I have a PHA plan for you to approve, and then in a little bit, you will have a capital fund policy, or resolution, to approve. So they've doubled the work. But as far as your question, there were changes during the year. They're noted in our PHA plan because HUD wants to know any and all revisions we've made to our policies. The approved Fair Market Rents. Other than that, everything is the same as it's always been.

Mayor Rojas: So that's pretty much the thing that changes, the Fair Market Rate for housing rental and utilities and that's it?

Ms. Chico: Yes, and then there is a section in here, though, because of course we got blasted because of our occupancy, letting them also know as part of one of the resolutions that you did approve that was changing our policy to inform our applicants that we were offering them a unit, an apartment. And I went round and round with HUD on this. I ended up, yeah, victorious in my argument because they were saying we could not put a moratorium on transfers. Well, it turned out, yes, we can. But that is also stated in this PHA plan when we're talking about what we're going to do to improve. It's to improve our occupancy and you'll see that resolution change of policy in here.

Mayor Rojas: Any questions? When you note moratorium, is that for coming in or is that for leaving out?

Ms. Chico: Moratorium is while the residents are living here, if they want to transfer from one apartment to another. Now, of course, we will still take it case by case because we may have, you know, a doctor's letter or something that's extremely important health-wise to one of the residents. We will look at that. But people that just want to move because the neighbor upstairs is heavy and clunks around on the floor, and they can't sleep in the middle of the night, no, we're not doing that until we have our 100% occupancy.

Mayor Rojas: Okay.

Ms. Chico: Then we will lift all of the changes that we had made. We will, I'll come back to you and let you know we're going back to the old way.

Mayor Rojas: Okay. Thank you very much. The wishes of the Council on Item #12?

Motion by Councilman Green to pass Resolution No. 16-14 of the Mayor and Council of the City of South Tucson. Seconded by Councilwoman Mendoza. Motion passed unanimously.

ITEM #12 – RESOLUTION NO. 16-14 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE SOUTH TUCSON HOUSING AUTHORITY'S REVISED UTILITY ALLOWANCE SCHEDULE FOR THE LOW RENT AND SECTION 8 HOUSING PROGRAMS AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE STHA DIRECTOR TO SUBMIT SAME TO HUD

Ms. Moreno: We have the second of three items from our Housing Director, Marilyn Chico.

Ms. Chico: Mr. Mayor, Council, annually, all Housing Authorities have to check their utility allowances to ensure we're giving the correct allowance, if there's been increases or increases. We'll never really see a decrease in utilities. We had gone to the Nelrod Company to do our utility studies for us. It's extremely complex. It's very time-consuming. So they did the study for us. We found that everything in our public housing remains the same. However, there were a couple of changes when it came to the Section 8 program because of propane and something else in here. When you have an increase of 10% or more, you have to revised your utilities. And we did, I believe it was a 13% increase. So hence the utility allowance changes. Those changes, if approved by Mayor and Council, will go into effect as people have their annual re-exam. So they will do it on their anniversary date when they moved in.

Mayor Rojas: Any questions?

Councilman Larribas: I have a question. Where in the Housing do you have, do you use propane?

Ms. Chico: We really don't. But if they, if we had a house or a landlord who came to us and the house did have propane, we would have to have the utility allowance. So whether we have it or not, we have to show it in case of, so that we're proactive, not reactionary. Because we would have to pay for entire new study in order to figure out what the propane cost would be.

Mayor Rojas: Oh, I was going to ask the same question. Because I didn't think so, but don't know. Okay. The wishes of the Council on Resolution No. 16-14?

Motion by Councilwoman Mendoza to approve and adopt Resolution No. 16-14 of the Mayor and Council. Seconded by Councilman Green. Motion passed unanimously.

ITEM #13 – RESOLUTION NO. 16-15 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE SOUTH TUCSON HOUSING AUTHORITY'S 2016 CAPITAL FUND REQUEST AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION FOR THE PURPOSE OF AUTHORIZING THE STHA DIRECTOR TO SUBMIT SAME TO HUD

Ms. Chico: Mr. Mayor and Council, this is the other part of the streamline (inaudible) process of HUD. What this is, is approving our 2016, how we're going to use the 2016 funding. That's \$186,151. After talking to Robert, our maintenance supervisor who had brought up last year about the problems we're having with fan coils, 'cause we do have the chiller system in our building, that we really need to have a whole fan coil system in El Senorial replaced. It's original. It's over forty plus years. And it's going to cost, from what we understand in talking to several different people about this, a lot more than our \$186,000. So what I did is I put all of that toward the replacement of the fan coil for El Senorial.

Mayor Rojas: Is this a single unit that cools the whole building?

Ms. Chico: Yeah, it's, we're ...

Councilman Green: Chiller tower?

Ms. Chico: It goes around the whole bottom floor. But in each apartment, it goes straight up through three floors. And it was kind of difficult to find because the plans and specs don't show it that way. But if you knock into a wall where it says it is, it's not. So, of course, we had people knock in and find out exactly where it is and how it's set up, at no cost to us, thank goodness. And, of course, when we're dealing with, well, with this, what makes the price also go up is asbestos abatement. So that's what we would like to do with this, with your approval.

Mayor Rojas: Thank you. And one other question. Will it have to be done this year? Is it going to have to be done soon or is it already in the line of emergency?

Ms. Chico: Mr. Mayor, I would like to do it this year, if we possibly can. Number one, there were so many leaks that were on the floor, number one, in our hallways, or in the bottom hallway, ground floor. I'm worried about a tripping hazard because these are elderly or disabled people. Number two, is when we get a leak in these things, it goes into the walls, it goes into the ceilings, it goes through the, and now goes into the next apartment. And until we actually see that leak, it's been leaking, you know, a tiny bit. I'm worried about mold. You know, there's a lot of health reasons why I want to really get on this and get on it quickly. So, of course, that means I've got to put the specs together. I've got to get a bid packet. We're going to have to advertise that this is going to be big. And we'll have to do a request for quotes.

Mayor Rojas: The wishes of the Council on Item #13, Resolution No. 16-15, please?

Councilman Lopez: Mr. Mayor, I have a question here. Okay. On resolution, on this form here, it says Resolution 16-15. But on the agenda, it says Resolution No. 16-16. So I'd like to make sure that there's changes and the resolution number is correct.

Councilwoman Mendoza: We're not on that one. We're on Item 13.

Mayor Rojas: We're on Item 13.

Councilman Lopez: Oh, okay. My apologies.

Mayor Rojas: Okay. Thank you. Any questions?

Councilman Larribas: I have a question. Is that the only solution that you can find for fixing this unit or is there other possibilities?

Ms. Chico: We've been repairing this for years.

Councilman Larribas: Oh.

Ms. Chico: And it's just gotten to the point where, we can repair and repair and repair and be out the money. Or we can finally spend some good money, get in there, have it working and corrected, and go onto something else. As long as I've been here, we've been patching the (inaudible).

Councilman Larribas: But what I'm saying is, is this the only type of unit that would work for this building or is there something else that might be maybe a little better or?

Ms. Chico: Well, since we have a chiller system, we need the fan coil. And if we switched out the chillers into another refrigeration form, I think we're looking at even more money. I think right now, this is the best route to go financially, you know, for the Housing Authority and keeping everybody nice and cool and safe in their apartments.

Councilman Lopez: Thank you.

Mayor Rojas: Any other questions?

(No questions from Council)

Mayor Rojas: What are the wishes of the Council on Item 13, Resolution 16-15, please?

Motion by Councilman Green to pass Resolution No. 16-15 of the Mayor and Council of the City of South Tucson, approving the South Tucson Housing Authority's 2016 Capital Fund request.

Councilman Green: As Marilyn mentioned, if she wants to, and give her the lead way to, if that's what she wants to do with that money, that's the best suited, you know, spend it that way, that's up to her.

Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #14 – RESOLUTION NO. 16-16 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, PERTAINING TO THE SUBMISSION OF PROJECTS FOR CONSIDERATION IN ARIZONA'S 2017 HIGHWAY SAFETY PLAN

Ms. Moreno: The item before you is a request on behalf of our Planning and Zoning Department for a Highway Safety grant for both the Police and Fire Department to apply for, and I'll let the Planning Director, Joel Gastelum, provide you with the details.

Mr. Gastelum: Mr. Mayor, members of the Council, both have Chief Ford and Cory here so if I misspeak, please correct me. Basically, this, what this does is, the resolution you'll be approving tonight will authorize us to apply for grant funds to the Arizona Governor's Office of Highway Safety. There's going to be three grant proposals. One is with the Fire Department to purchase extra (inaudible) equipment, which is approximately \$23,000. The other two proposals are coming through the Police Department. One is to fund a Safe Routes to School program; safe routes program, bicycle (inaudible), things of that sort. And that's in the amount of roughly \$13,000. And the other is a Target Enforcement Effort, which will include the purchase of radar guns and also just targeting the pedestrians, the bicyclists, and the motors that are creating unsafe conditions out there. And that's roughly \$27,000. So again, we're going to give, I already applied for these with the Governor's Office of Highway Safety. After we apply, we'll come to the governing body and get you alls authorization through a resolution to, and then we submit that back to the Governor's Office of Highway Safety. So with that, if you have any questions, I'll try and answer them, and also P.D. and Fire are here as well.

Councilman Green: I have a question. So that Safe Routes, is it like the walking school bus?

Mr. Gastelum: It'll be ...

Councilman Green: Similar?

Mr. Gastelum: ... similar to that, yes. It's doing more safe routes education type of things, but along those same lines of having a safe routes program.

Mayor Rojas: Any other questions, comments?

(No questions from the Council)

Motion by Councilwoman Mendoza to approve and adopt Resolution No. 16-16 of the Mayor and Council. Seconded by Councilman Green. Motion passed unanimously.

ITEM #15 – REPORT – FY 2016-2017 BASELINE BUDGET, FINANCE DIRECTOR

Ms. Aguirre: Mayor and Council, so this is just to inform you that both the Interim City Manager and myself have been working together over the course of the last couple weeks to prepare a baseline budget for next fiscal year. I hope to be able to put detailed reports in your boxes this week for consideration at the next regular scheduled Council meeting, a Study Session.

Mayor Rojas: Thank you. Any questions?

Ms. Moreno: Yes, just to add to that, thank you, Lourdes, for presenting that. And just to briefly describe to you what we planned. So the information provided to you in your boxes will be some information related to the last Study Session where we talked about some of those options for deficit elimination plans and some possible revenue generating options moving forward. And there are going to be some time constraints here for implementation on some of these recommendations that we have before you. It's not to rush any of you on any of these items, but so that we can consider them into the overall budget moving forward, we'd like to schedule Study Session here within the next two weeks to give you some time to review the information we'll be providing you. So just for you to review and for you to be able to come back with some questions for us to consider into the overall budget we'd like for you to look at those briefly and get some information back to us probably even before the meeting so we can consider them in putting them into the budget.

Mayor Rojas: Thank you.

Ms. Moreno: Mayor, would you like to jump to the Reports and then ...

Mayor Rojas: Yeah, why don't we do the ...

Ms. Moreno: ... so that we can ...

Mayor Rojas: ... Reports and then.

ITEM #18 – REPORTS

Ms. Moreno: I have a report and so does the City Attorney, but I'll go first. I just wanted to kind of reflect on the passing of our Fire Chief, Rey Alvarez, and I really want to commend the Fire Department for everything that they did. And this is really hard for me because Rey has been a really good friend of mine for over 20 years. And I really want to commend Cory for everything that he did. Cory is a true friend of Rey's and he's really committed to our Fire Department. And I just was in awe and I admire everything that he did for Rey. And Cory, you know, never complained. He always stood by his side, even when Rey was unable to come to work, he would go check on him and he would help him with cleaning his yard. He was there for his family and I would like to formally, we

haven't yet decided on what we're going to do with the Fire Chief because as of right now, I'd like to publicly say that Cory is going to be our Executive Fire Captain. So Cory will oversee the day-to-day operations of the Fire Department and he will lead the Fire Department moving forward until the City decides what will happen with the Fire Chief's position. But I definitely want to thank Cory for everything that he did for Rey and we really love and miss Rey. And I think that the services that the Fire Department put together in that timeframe is, I mean we are getting, we got 15,000 hits on our Facebook page. We have 30 jurisdictions represent us at the services and at the Mass and it was just amazing the overall support that we received from the community. And I just want to thank Cory and the rest of the Fire Department. And if you can share that with the rest of your staff on the fabulous job that they did. I just wanted to recognize them on that. Thank you.

Mayor Rojas: Thank you very much, Cory. Appreciate it.

Mr. Raven: I will give a little report on the Pasadera case. So it's always great to share good news. And if the Mayor and Council will recall, there were two lawsuits filed. This is the first one. And we won. The judge threw their lawsuit out. So if you have any follow-up questions about the implications or strategy or anything of that nature, I would prefer to save that for the Executive Session because it comes under the heading of privileged attorney-client advice. So this report is to just say that this is a very good result. And we should all be very, very happy about it.

Mayor Rojas: Thank you.

ITEM #16 – EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(1)

Motion by Councilwoman Mendoza to adjourn the Regular Meeting and convene into Executive Sessions. Seconded by Councilman Green. Motion passed unanimously.

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

1. City Manager

ITEM #17 – EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(3)(4)

1. Valenzuela Case – All litigation pertaining to Case No. TX2014-0002

Motion by Councilwoman Mendoza to direct the City Manager and City Attorney to move forward with the items discussed in Executive Session. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #19- ADJOURNMENT

Motion by Councilwoman Mendoza to adjourn the Regular Meeting. Seconded by Councilman Green. Motion passed unanimously. The meeting adjourned at 7:51 p.m.

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 25th day of April, 2016. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2016.

Veronica Moreno, City Clerk