

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, June 27, 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
Oscar Patino
Robert Larribas
Herman Lopez

Staff Present: Veronica Moreno, Interim City Manager
Lourdes Aguirre, Finance Director
Marilyn Chico, Housing Director
Michael Ford, Police Chief
Joel Gastelum, Planner/Personnel

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

ITEM #04 – ROLL CALL – All members of the Council were present, except for Councilman Green, Councilwoman Mendoza, and Councilwoman Romero, who were excused.

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

ITEM #06 – APPROVAL OF MINUTES: REGULAR MEETING, JUNE 13, 2016

Motion by Vice-Mayor Patino to approve the minutes of the Regular Meeting of June 13, 2016. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #07 – PUBLIC HEARING ON PROPOSED BUDGET AND PROPERTY TAX LEVY FOR FISCAL YEAR ENDING JUNE 30, 2017

Motion by Vice-Mayor Patino to open the Public Hearing. Seconded by Councilman Lopez. Motion passed unanimously.

Mr. Littrell: Dennis Littrell, 305 E. Benson Highway, this looks like to me it's a levy against real estate. Is that right? Property tax?

Mayor Rojas: Property tax. Correct.

Mr. Littrell: Right. And I don't even, this is the first I've seen of this. I need a calculator to see what this, what the last two of this year's is.

Mayor Rojas: Well, we can, we can tell you. Right?

Ms. Moreno: Yes. Thank you, Mayor, and Mr. Littrell. I could refer this to our Finance Director, but just from what I can tell you right now is that there has been no increase to the property tax, so it's remained the same with the inclusion of this budget year.

Mr. Littrell: Okay. (Inaudible) ...

Mayor Rojas: Okay.

Mr. Littrell: ... (inaudible).

Mayor Rojas: Thank you very much for your interest, sir. Any other comments? Anybody else want to make a comment on the Public Hearing?

(No response from the audience)

Motion by Vice-Mayor Patino to close the Public Hearing. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #08 – ORDINANCE NO. 16-04 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF SOUTH TUCSON SUBJECT TO TAXATION IN A CERTAIN SUM OF \$.2528 UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNT REQUIRED IN THE ANNUAL BUDGET FOR THE YEAR ENDING JUNE 30, 2017; THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON ITS PASSAGE

Ms. Moreno: If there are any questions, our Finance Director Lourdes Aguirre is here.

Mayor Rojas: Any questions on the appraised value or the assess tax on the \$100 valuation of .2528, which I guess is a quarter and .28 cents.

Vice-Mayor Patino: So it changed absolutely nothing from last year?

Ms. Moreno: Yeah, nothing has ...

Vice-Mayor Patino: Stayed ...

Ms. Moreno: ... changed.

Vice-Mayor Patino: ... everything the same.

Ms. Moreno: Correct.

Vice-Mayor Patino: Well, because everything stayed the same and we're not harming the people as much as, I make a motion to pass Resolution No. 16-04.

Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #09 – RESOLUTION NO. 16-24 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, DETERMINING AND ADOPTING ESTIMATES FOR THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF SOUTH TUCSON, ARIZONA; ADOPTING A BUDGET; SETTING FORTH THE RECEIPTS AND EXPENDITURES; THE AMOUNTS PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES FOR THE FISCAL YEAR 2016-2017

Mayor Rojas: City Manager, is this the same?

Ms. Moreno: No, Mayor, this is all inclusive. This ...

Mayor Rojas: All inclusive.

Ms. Moreno: ... item, Resolution No. 16-24, which is adopting the entire budget ...

Mayor Rojas: Okay.

Ms. Moreno: ... and it includes the tax levy that was just adopted, and the entire (inaudible) budget with, subject to the restrictive, non-restrictive (inaudible). I'll go ahead and let Finance Director Lourdes Aguirre ...

Mayor Rojas: Okay.

Ms. Moreno: ... provide you with some more information.

Ms. Aguirre: Mayor, members of the Council, the final budget that you have in front of you hasn't changed. It's pretty much the same budget that was presented in its tentative form. It's been posted for two consecutive weeks, complying with statutes. And also it's been posted on our website.

Mayor Rojas: Okay.

Ms. Aguirre: So nothing has really changed. You may recall that when we first came to you all back in mid-May there was a pretty large deficit that we needed to address and so 46% of that was addressed through vacant positions that we did away with from fiscal '16 going into '17. There is a little bit of restructuring and then there was also merit freezes. But I should mention that I want to also state for the record that it's not, there was no hiring freeze. Okay? So any positions that are listed in the budget going into next year that have recently become vacant will be filled. Okay? Also, the other 54% of that deficit was addressed through those recommendations that you all passed. Aligning of the sales tax rates for all the other industries other than retail and restaurant (inaudible) it was just aligning all those other rates to the rate which is currently paid by restaurant and bar, 5.5%. Additionally, there was also a couple of rates pertaining to occupational license fees which had not been changed in about 30 years, and that was merely meant to affect the businesses that provide

services. Those, none of those rates had changed in 30 years. There's graphs in the budget which shows you the distribution of how funds are budgeted. And so the total expenditure limitation for fiscal '17 is at 9.6 million, of which 5.2 is General Fund and 4.4 is restricted.

Mayor Rojas: So this ...

Vice-Mayor Patino: (Inaudible) ...

Mayor Rojas: ... (inaudible) ...

Vice-Mayor Patino: ... (inaudible) I'm sorry.

Mayor Rojas: Go ahead, ...

Ms. Aguirre: Mayor and ...

Mayor Rojas: ... Councilman ...

Ms. Aguirre: ... Councilman, 9.6 million.

Vice-Mayor Patino: 9.6 million.

Mayor Rojas: It's page 34.

Vice-Mayor Patino: Right. I was looking at page 29 where it says 9.9, 9.6 seven four (inaudible).

Mayor Rojas: Yeah.

Vice-Mayor Patino: Okay.

Mayor Rojas: Is that correct?

Ms. Aguirre: That is correct.

Mayor Rojas: \$9,674,513?

Ms. Aguirre: Mm hm.

Mayor Rojas: All right.

Ms. Aguirre: And just to clarify, Mayor and Councilman, the 9.9 as listed on page 29, that's what was in the fiscal year budget for '16.

Vice-Mayor Patino: '16. Okay. Sounds fine.

Councilman Larribas: Mr. Mayor, I have just one question. When you say that it's posted, where else is it posted other than on the website?

Ms. Aguirre: It was posted, Councilman Larribas, it was posted also, or published, in the Territorial for two consecutive weeks. And we also have copies available in my office, should anybody want to come in from the outside public to review it.

Mayor Rojas: Okay.

Ms. Aguirre: It is available.

Motion by Vice-Mayor Patino to passé Resolution No. 16-24. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #10 – RESOLUTION NO. 16-25 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING AND ADOPTING THE SOUTH TUCSON HOUSING AUTHORITY'S 2017 OPERATING BUDGETS FOR THE LOW RENT AND SECTION 8 PROGRAMS AND REVISIONS TO THE 2016 OPERATING BUDGETS FOR BOTH PROGRAMS

Ms. Moreno: Thank you, Mayor, members of the Council, Resolution No. 16-25 is in regards to our Housing Department, so I'll let the professional go over that with you.

Ms. Chico: Thank you. Mr. Mayor and Council, we are required annually to bring our operating budget to Mayor and Council for review and approval and if necessary, any revisions to the past budgets. And we're doing both tonight. Our 2017 budget is slightly lower than last year. Even though we have some increased amounts in certain areas, overall though, it's lower, mainly because of our maintenance. We really inflated our cost last year. Because the previous year, we had been hurt. It turned out we didn't need those funds. And looking toward the future in what our biggest nightmare was in maintenance, we are going to be taking care of that nightmare, fan coils, with our capital funding grant sometime this year, hopefully this fall. In the executive summary, I've explained where we are lower and also explained why we need the 2016 budget revision, which was because of salaries, training that staff needed to go to. And because we had overgone our, been higher than what our budget was, we have to revise that, which is, which has been done.

Mayor Rojas: And HUD accepts those, those ...

Ms. Chico: Oh, yes.

Mayor Rojas: ... amendments? Okay.

Ms. Chico: Yes, sir.

Mayor Rojas: All right. Any other questions? Any other comments? I'm looking for the bottom line on which, what, which, on each year and I'm not, I'm having a hard time finding the page.

(Simultaneous conversation)

Mayor Rojas: Marilyn, is there a page here where it tells you what the bottom line on each year is?

Vice-Mayor Patino: I'm not sure if it's ...

Ms. Chico: Well, ...

Vice-Mayor Patino: ... the one that says \$101,000.

Ms. Chico: Mr. Mayor and Council, what this boils down to is the operating expenses total for what we're expecting is \$928,490. We're expecting in revenue \$830,590.

Mayor Rojas: Could you please show me a page, direct me to a page? 'Cause I'm looking.

Ms. Chico: Starting on page 1 of 16, it'll start telling you the revenues.

Mayor Rojas: Yeah.

Ms. Chico: First was our tenant revenue, which is lower than it has been because our tenants are receiving less income.

Mayor Rojas: Okay.

Ms. Chico: It shows the total HUD operating receipts. And at the very bottom of the page, it will show you the total operating revenues. And that's including the HUD subsidy. And that's \$830,590.

Mayor Rojas: Okay.

Ms. Chico: If you go to page, and I just had it, page 3 of 16, at the bottom it will show you the total operating expenditures of \$928,000.

Mayor Rojas: Okay. I see it.

Ms. Chico: And above that, it will be showing you all of the expenditures, everything, ...

Mayor Rojas: By line items.

Ms. Chico: ... salaries, which have not changed. They're identical to ...

Mayor Rojas: Okay.

Ms. Chico: ... last year. Everything that we're expecting we're going to have to pay out in contracts, you know, special contracts, maintenance, absolutely everything. This is what we estimate that we're going to be having to pay.

Mayor Rojas: Okay.

Ms. Chico: So HUD will be giving a subsidy to make up that difference, along with our revenue, so we will be fine.

Mayor Rojas: All right.

Ms. Chico: That's the bottom line. Housing will be fine.

Vice-Mayor Patino: Okay. Because, because at first, it sounded like there was a deficit somewhere along the line in there.

Ms. Chico: Yes.

Vice-Mayor Patino: That's why I was wondering what the deficit was going to be.

Ms. Chico: What they also look at in, it's in here somewhere, we also have roughly four months of reserves. That means if we receive no income whatsoever, that for the next four months we could still pay salaries, we could still do maintenance, we could do everything.

Mayor Rojas: Buy supplies and stuff. Okay.

Ms. Chico: So that's also counted in this also.

Vice-Mayor Patino: Okay.

Mayor Rojas: All right. Okay.

Motion by Vice-Mayor Patino to pass Resolution No. 16-25. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #11 – NEW LIQUIOR LICENSE APPLICATION; SERIES 12 – RESTAURANT WINGSTOP
APPLICANT NAME: THOMAS ROBERT AGUILAR (AGENT), 2980 SOUTH 6TH AVENUE, STE 150

Ms. Moreno: Thank you, Mayor, members of the Council. Item number 11 pertains to a liquor license that we have received from the applicant, Mr. Thomas Robert Aguilar, and this is for Wingstop, which is located at 2980 South 6th Avenue, Ste. 150. Just to kind of give you a visual here, at the Fiesta Mercado where Food City is, can you visual the Little Caesar's Pizza. Then it's about three stores down at the very corner where Yoli's Music Shop used to be. So that is the location that the application is for. The series for this liquor license is Liquor License No. 12, which is for restaurant, so any alcohol or wine that is sole within the premises, stays and is consumed on the premises. So there is no off-sales. They don't have ...

Vice-Mayor Patino: (Inaudible) ...

Ms. Moreno: ... any to-go bags or any to-go cups, or any to-go cans or bottles. So this is a new application here in the City of South Tucson. I think it's a good sign for development. I am definitely in favor for the Council to give a positive recommendation to the Liquor Board. So ultimately, what the Council will be considering this evening is a recommendation to the Arizona Department of Liquor. They will have a hearing after tonight and determine whether the liquor license will be given to the applicant.

Mayor Rojas: Thank you. Any questions?

Councilman Larribas: I have a question. That stays all indoors, right? There's no outside patio, nothing out there, so it's ...

Ms. Moreno: No.

Councilman Larribas: ... all indoors?

Ms. Moreno: It's fairly small. So I think they have just enough space to, you know, occupy, you know, a small restaurant area with, you know, the kitchen and, and then the cashier. So it'll be all consumed inside. There's no outside.

Mayor Rojas: Okay. Any questions?

Vice-Mayor Patino: Is Mr. Aguirre here?

Mr. Aguilar: I am.

Vice-Mayor Patino: Would you care to speak on your establishment that you're looking?

Mr. Aguilar: Of course. Mayor and Council members, my name is Thomas Robert Aguilar. So there's a little bit of a difference. It's not (inaudible) happens all the time. Believe me. So I'm the agent for many Wingstops throughout Arizona. And this particular applicant owns many Wingstops in Texas and is expanding to California as well. I believe in New Mexico as well. We have the privilege of, I've been an advocate of growing in Tucson and growing in South Tucson. And so, frankly, this is one of my first establishments to be in South Tucson. We're excited about it. Looking forward to serving the needs of the public here with, you know, family restaurant. It's just basically a pretty family-oriented business of wings and simple foods, but also serve with a lot of pride and this gentleman, the main owner, does live in Texas but comes out to visit the stores in Arizona quite frequently and will be visiting this store very soon, hopefully, as we apply for the liquor license and ask for your approval.

Mayor Rojas: Any questions?

(No questions from the Council)

Mayor Rojas: I just had one observation so I take it that when you submit this application, you're going to change your name from Aguilar to Aguilera. Or otherwise, I'll give it to somebody else.

(Simultaneous conversation)

Mayor Rojas: Any questions from the Chief? Any comments?

Chief Ford: Mr. Mayor, Council, generally, from my experience, the series 12 license (inaudible) businesses that we usually have issues with, the restaurant, all the service is contained and ...

Vice-Mayor Patino: Are contained inside?

Chief Ford: Yes, contained inside. And the staff monitors what is going on with it. It's a lot different not having outside sales.

Mr. Aguilar: Just a note for you that our percentage of food is over 90% of our sales.

Mayor Rojas: Thank you. Any other comments?

(No comments from the Council)

Vice-Mayor Patino: Mr. Mayor, I make the motion that we pass this liquor license for Wingstop.

Mayor Rojas: I think the proper thing is we submit a letter to the Liquor Board and, ...

Vice-Mayor Patino: Liquor Board.

Mayor Rojas: ... and we have no opposition. Is that right, City Manager?

Ms. Moreno: No, there have been no telephonic, written, or any form of opposition ...

Vice-Mayor Patino: Nothing of ...

Ms. Moreno: ... (inaudible).

Vice-Mayor Patino: ... opposition.

Mayor Rojas: Yeah, so our communication to Liquor License is that we approve or we have no objections to it.

Ms. Moreno: Right. You would forward a positive recommendation.

Mayor Rojas: Okay. Positive recommendation. Okay. That's the motion, positive recommendation to a liquor license. Is there a second to that?

Councilman Lopez: Second.

Motion passed unanimously.

ITEM #12 – REPORTS

No reports at this time.

ITEM #13- ADJOURNMENT

Motion by Vice-Mayor Patino to adjourn the Regular Meeting. Seconded by Councilman Lopez. Motion passed unanimously. The meeting adjourned at 6:22 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 27th day of June, 2016. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2016.

Veronica Moreno, City Clerk