

Minutes of the Special Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, June 6, 2017, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Council Present: Idelfonso Green
Vanessa Mendoza
Rufino Cantu
Robert Larribas
Anita Romero
Carlos Romo

Staff Present: Sixto Molina, City Manager
Veronica Moreno, City Clerk
Lourdes Aguirre, Finance Director
Cory Lakosky, Fire Administrator
Bobby Yu, City Attorney

Mayor Green called the meeting to order at 6:00 p.m., and led the Pledge of Allegiance.

ITEM #04 – ROLL CALL – All members of the Council were present, except for Councilman Patino, who was excused.

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

ITEM #06 – APPROVAL OF MINUTES: SPECIAL MEETING OF MAY 8, 2017, AND SPECIAL MEETING OF MAY 15, 2017

Mayor Green: City Manager, do we do these both at the same time or separate? Okay. Let the record reflect that Councilman Cantu is taking a seat on board. Same question, City Manager.

Mr. Molina: I don't see a problem in grouping the minutes at the same time.

Motion by Vice-Mayor Mendoza to approve the minutes of the Special Meeting of May 8, 2017 and the Special Meeting of May 15, 2017. Seconded by Councilman Larribas. Motion passed unanimously.

ITEM #07 – STUDY SESSION: FISCAL YEAR 2018 BUDGET

Motion by Vice-Mayor Mendoza to convene the Special Meeting and enter into Study Session. Seconded by Councilman Larribas. Motion passed unanimously.

Mr. Molina: Mayor, members of the Council, we have our Finance Director here to give a report on (inaudible) budget so that we can maybe later adopt a tentative budget. The good news is that we believe that we, she's going to present (inaudible). With that, I would (inaudible).

Ms. Aguirre: Thank you, Mr. Manager. Mr. Mayor, members of the Council, good evening. What you have in front of you in your packets are a couple of recommendations on how we can balance the budget going into next fiscal year. And what I want to hand out to you are a couple of little handouts, or supplements, so that we can go through this item swiftly without interruption.

Mayor Green: I'm going to interrupt, you know that.

Ms. Aguirre: Alright. So, those recommendations, number 1-4, are in no particular order. So, what I'd like to do first is go through recommendations number 1, 3, and 4. Because recommendation number 2 is a little more extensive and I want to give you a little bit more background on that. So, hopefully, the format of this report appears easy to follow. What you see on that top part of your table there, right up above is the departments. The reason for that is we all know most of our expense is in Personnel. That makes up 62% of our budget. And with all the other 30% being fixed costs for utilities, contracts, things of that nature that can't be changed, that's why you see this Personnel budget on this sheet up at the top. So the first recommendation that you see there, that was presented on May 8th. And that had to do with unfunding three positions that are currently vacant. They were a full-time Planner, a part-time Court Clerk, and a part-time Fire Chief. The savings of that was \$138,000. When we started that meeting on May 8th, the deficit listed was \$653,000. Implementing recommendation number 1, which was to unfund those three positions I just mentioned dropped the deficit down to \$515,000, what you still needed to fill, and we knew was going to be quite a challenge. So I'm going to go on to recommendation number 3 now. Recommendation number 3 affects the police department. And it involves unfunding two full-time positions. This is one sergeant and one officer position. And just so you can see how it would look in the personnel roster, that's what I just handed out to you right now. Flip to page number 4, you will see that all the positions are listed, but when it comes to the sergeant and the officer position, it clearly states unfunded, and then zeroes straight across. So this is going to be a really good measuring tool going forward if we continue to perform or complete our budgets this way, to see where we're at, if we're doing a little better with staffing, we've been able to fill some positions, or if more positions are becoming unfunded. So that's pretty much what we did right there with regards to the police department. There is still, everything else remained untouched with regards to reserve hours. They appear the same way they did in the fiscal '17 budget, right there at the bottom of page 4. Any positions that are still vacant and the intention is to fill them, you will see along the roster that it will say what the position is and it will say vacant, unfunded. And there will be amounts allocated there. So that's pretty much what was done for recommendation 1 and recommendation 3. And you'll see that in the roster. Going on to ...

Vice-Mayor Mendoza: Sorry. I have a question before ...

Mayor Green: Go ahead.

Vice-Mayor Mendoza: ... we move on, Mr. Mayor. So for the police department, I'd like for you to kind of break down the numbers as far as cost-savings for us like you did with option 1. So you started out with \$653,000 deficit. Then you told us that was option 1. It was a savings of \$138,781. And then the new total now is five-fifteen. So can we start again with that? So it's six fifty-three is what we're starting with for option 3 now?

Ms. Aguirre: So ...

Vice-Mayor Mendoza: And then what would the savings be?

Ms. Aguirre: Yes, Mayor and Vice-Mayor Mendoza, so five-fifteen, we apply recommendation number 3, which gives us savings of \$166,000. And pretty much drops it down to about two hundred and fifty or so. I'm giving a roundabout, the actual breakdown ...

Vice-Mayor Mendoza: You're doing five-fifteen minus the one sixty-six?

Ms. Aguirre: Minus the one sixty-six.

Vice-Mayor Mendoza: And that's two something?

Ms. Aguirre: Two something. Yeah, so, the entire breakdown (inaudible) at the bottom of the sheet, starting with the five-fifteen. And then all the recommendations going down. So it shows the net effect of that deficit reduction. I'm just going a little out of (inaudible).

Vice-Mayor Mendoza: So it would be three forty-nine.

Ms. Aguirre: Three forty-nine, yeah.

Vice-Mayor Mendoza: I'm like two something seems way off and I'm not, I mean I'm pretty good at math, but, okay. So what you're doing, then, is you're adding that. So, you're saying in combination to option 1, ...

Ms. Aguirre: Yes.

Vice-Mayor Mendoza: ... we add option 3 to option 1.

Ms. Aguirre: Correct.

Vice-Mayor Mendoza: Now our deficit is three forty-nine.

Ms. Aguirre: Correct. Yes. I think I threw it off because I put it in a certain order, no specific order.

Vice-Mayor Mendoza: That's fine. I just want to make sure everyone, I was aware and everyone else ...

Ms. Aguirre: Yes.

Vice-Mayor Mendoza: ... was aware and following along.

Ms. Aguirre: Okay. That's good. So if we're good with that, then option number 4 affects the fire department. And so what this entails is reducing the staffing per shift from four people per shift down to three people per shift. The savings for that is \$144,000, or almost \$145,000. So you can reduce it (inaudible).

Vice-Mayor Mendoza: Okay. So we're left with two zero five deficit now? My question with that, Mr. Mayor, I have a question.

Mayor Green: Go ahead.

Vice-Mayor Mendoza: Would be, you know, I know that there's two in, two out, is that a law that we have to abide by? Are we breaking any rules by reducing it to three men per shift?

Ms. Aguirre: Mr. Mayor and Vice-Mayor, in some of the brief research that I completed, it seemed like some cities operate with three, and others operate with four. I'm glad that our Fire Administrator is here because he could provide a little more input, being that him and I are the ones that sat down and talked this over.

Mr. Lakosky: Mr. Mayor, members of the Council, as long as the City of Tucson agrees to still respond into South Tucson with a 3-man staffing, we still meet the two in, two out. As long as the next unit is less than 10 minutes away which we're completely surrounded by City of Tucson, so we would still be able to do that. If they were to, and I'm meeting with them on Wednesday, if they were to say no because this is their (inaudible) too (inaudible) three and there's kind of a stink about it on why they would come help us and when (inaudible) but hopefully they'll still come and hopefully they still help us and then we would still be allowed to do that. If not, and we still have three, we would not be able to go to the site unless it was like an absolute known rescue situation. So we'd just have to stand outside, do our (inaudible) outside, so that's where it sits. But Wednesday, we should know some more.

Vice-Mayor Mendoza: Okay.

Mr. Lakosky: I'm hopeful that they'll still (inaudible).

Vice-Mayor Mendoza: Okay. If we could just get an email as soon as we know about that.

Mr. Lakosky: Sure.

Ms. Aguirre: Mr. Mayor and Vice-Mayor, another thing to keep in mind is that the City of Tucson's automatic aide and assistance is for those large structural fires of which we have a combination of calls, the bulk of them being medical, some being related to fires, whether it's small or brush fire, or a fire alarm call. The calls for actual structural, large structural fires is minimal. So, we feel confident that we wouldn't be putting our gentlemen at any risk and still, for those minimal amount of calls, the City of Tucson could still provide assistance.

Vice-Mayor Mendoza: Right. Which they currently do right now on an automatic aide.

Mr. Lakosky: Yes.

Mayor Green: A mutual aide ...

Vice-Mayor Mendoza: (Inaudible) ...

Mayor Green: ... agreement, yes.

Vice-Mayor Mendoza: ... type situation. Yeah.

Ms. Aguirre: Correct.

Vice-Mayor Mendoza: So it would be, I mean our call volume for fire, I mean our structural, you know, composition here in South Tucson is not very large, so like we've discussed before, our buildings are not very high or stuff like that, so I mean I feel pretty confident in having that knowledge.

Mr. Lakosky: Another bad part, I mean they're old (inaudible) by homeless people so our chance of a rescue down here is way higher than if, like a rural area or even metro Tucson.

Mayor Green: City Manager.

Mr. Molina: Mr. Mayor, members of the Council, I want to assure you that we're not going to put anybody's lives in danger. We're here to do all we can. We're eternally grateful to the Department Heads for working with us. This year we were in a desperate situation when it came to balancing the budget because we want to put on the table for your consideration a real budget with real numbers. I am committed, as is our staff, to put those firefighters back on the truck as soon as the economic situation turns around, as well as having minimal staffing levels for the police department. We have to take care of our public safety. Right now, our public safety is kind of taking care of us. But we need to get back to where they feel comfortable with what's recommended as far as staffing levels go. And we are committed to making it happen as soon as we can. But this budget year was an extremely difficult budget year. And for that, I thank everybody involved in the budget process because as you all know, there's been some very difficult conversations about what to do, what not to do, and it took the whole team getting together and making some concessions to where they can feel marginally comfortable. It's not the ideal situation to have three firefighters on the truck, four is better, but hopefully we can make three work for now. And the same thing with the staffing levels in the police department. These are, public safety is one of those where you really don't think of the firefighters much until they come to your house and they save somebody's life. And you realize that because they got there quickly, what their value is. Same goes for police. And until you're in those shoes, you may not appreciate or have full appreciation for our public safety staff. But we are fortunate that we're within three minutes of responding anywhere in this City, police and fire, and when it comes to saving lives, that is huge.

Mayor Green: I have a question. When that goes to the 911 system, what is happening with that thing?

Mr. Lakosky: As far as the ...

Mayor Green: The time ...

Mr. Lakosky: ... (inaudible)?

Mayor Green: Yeah, I mean you talk to 'em for two minutes. And then they switch you over to somebody else and they go, "Okay, hold for," you know, whoever you, and then you talk to them for another two and a half minutes. So there's a five minute lapse and they go, "Okay," so, I mean ...

Mr. Lakosky: (Inaudible) and a lot of it is call priority. You know, if there is a priority one like for the PD side, they're going to kick it through first and same thing for fire. They actually, if you guys tour the facility for the Pima County Regional Dispatch, there's actually the time they receive the call, the time they answer dispatch, acknowledge (inaudible). And they're usually within 99% (inaudible) within about a minute and fifteen seconds on the fire side. I can't speak on behalf of the police side. I'm not sure on how they, they're dispatched (inaudible) calls but fire is, and they're actually looking at doing another system where they just get basic info and get (inaudible) whole lot of information. And I think the police and fire are talking about merging dispatches here in July. So, that might speed up some of the system (inaudible) fire.

Mayor Green: No, I can see the fires and everything else but the police department also is just as important because you don't know ...

Mr. Lakosky: Absolutely.

Mayor Green: ... what's happening and, you know, I sat there, had to make a phone call last Friday, and by the time that I, they picked up the phone to the time they transferred me and to the time they got all the information was over three and a half minutes. I was sitting there, you know, I mean transferred me over to the police department, was three and a half minutes. And I'm going, dude, there's a, you know, it's going to get ugly out here real quick.

Mr. Lakosky: And like I said, I can't, I don't know how the police ...

Mayor Green: No, the police ...

Mr. Lakosky: ... (inaudible) ...

Mayor Green: ... responded really quick after they received it because it was a category 1 or whatever they called it, but just that time, and I'm hoping, and the point that I was trying to make, I'm hoping that you guys aren't getting that (inaudible) are you?

Mr. Lakosky: No, and I can ...

Mayor Green: Okay.

Mr. Lakosky: ... go down there right now and it sits over the dispatcher. She looks behind and there's a cowbell that rings every (inaudible) call comes in and she's making sure that that's ...

Mayor Green: Okay.

Mr. Lakosky: ... (inaudible) going out.

Mayor Green: Yeah, because if you respond in three minutes and it took six minutes to get you the call, ...

Mr. Lakosky: Yeah.

Mayor Green: ... and it's somebody cardiac arrest or something, yeah, it's ...

Mr. Lakosky: Yeah, no, we ...

Mayor Green: Yeah, okay.

Mr. Lakosky: ... either get dispatched or the call received time on our (inaudible) so we can look and say, hey, this is taking over a minute or something ...

Mayor Green: Yeah.

Mr. Lakosky: ... (inaudible).

Mayor Green: Okay. Thank you. Yes, Chief. Or.

Mr. Molina: Mr. Mayor, members of the Council, I can talk a little bit on behalf of the police department. I can tell you that once the call is received on the police side and the dispatcher, you're talking to the dispatcher say for an emergency call, as soon as they start typing in the information to send it in our computers, the officers in the field already have that information. Even though you're still talking to the service operator, the units in the field are already getting that information and if it's a priority 1 call, like a crime in progress, they're already rolling. The (inaudible) the phone, but that information, as she's typing and you're giving her the information, or him, it's being communicated to the officers in the field. So all things are, those things are happening simultaneously. And I would imagine that the same thing would be true for the fire department. But there have been times when you call 911, and you get a recording device that says please hold, and that's not the ideal situation. Everybody is looking to improve that system and as Mr. Lakosky indicated, shortly they're going to make some changes to that system to try to improve it.

Mayor Green: Okay.

Ms. Aguirre: All right. So I did include a little note there under number 3 and number 4. I think that from the point when we began to discuss the budget back in March, it was apparent that making cuts, that could have always been the option. However, options, or recommendations 1, 3, and 4, alone or combined, could not have balanced the budget. Because the deficit would have still been \$200,000. And therefore, you know, these other options for revenue generating or cost saving would have been, had to be still considered. And we probably will still have to consider them going forward only because expenditures continue to rise. And if revenues continue to decline, that's what we can expect. So, after the budget is done, we will be coming back to you all to present again a 5-year model, which is an estimate going out five years, so we can start planning. So that takes care of option 1, 3, and 4. Now, the recommendation number 2, this recommendation is really what helps balance the whole budget. And the reason I say that is because it has to do with the contribution rates that the City pays for police and fire personnel to the pension system. This information, I guess

was, it was, I like the way they mention it in a correspondence, they call it an unanticipated amendment to their house bill and their senate bill. And it has to do with pension reform. They included an emergency clause in that bill, in the law, that actually makes it possible for cities that are experiencing distress, like the City of South Tucson, to take advantage of a lower rate immediately. They included in that emergency clause in that house bill, it made it possible to make a request for as soon as next fiscal year, starting July 1st. This information just came through, basically, eight business days prior to completing this right here, eight business days, just about a week before. And what it does is it saves the City a total of \$186,000 because the rate for fire, the contribution rate is going from 161% to 127%. And the police rate is going from 83% to 68%. So, what this involves is requesting to Public Safety Retirement System that the amortization period be extended. The amortization period is the payoff period. So, for instance, you go out and you get a mortgage. Your payoff term is 30 years. That's your amortization period. So, essentially, the payoff time for the City was 20 years. So based on those 20 years, that's how much the City had to put in, 161% for fire and 83% for police. By requesting a Public Safety extend that period from 20 to 30 years, it can drop it that much.

Mayor Green: And when do the periods start? I'm sorry.

Ms. Aguirre: The period would start, ...

Mayor Green: No, no, no.

Ms. Aguirre: ... Mayor, ...

Mayor Green: When did the 20 year period start?

Ms. Aguirre: The 20 year period started, I believe, in 2015.

Mayor Green: Okay.

Ms. Aguirre: When that, after Mayor and Council passed that phase in, phase out, you may remember that whole presentation on Public Safety. So that's when it started, the 20 years started. So this is extending it another 10 years. The benefit is it provides the City with short-term relief. As we can see, it allows the City to balance the budget. The challenges are that in the long-term, there is interest associated with extending it, just like when you refinance your expenditures, the interest costs you more sometimes, right? So, in this case, by extending it to 30 years, it's going to cost a bit more, but at this point, because it was all done, so (inaudible) and Public Safety wanted to really communicate it to the cities and towns as quick as possible to make use of it if they needed to. Those calculations haven't been made as to how much it's going to cost long-term. Another thing, another thing that I believe you should all know is that although the rate may be reduced as soon as July 1st, going into next fiscal year, it may increase again either in fiscal 2019, or fiscal 2020. And the reason for that is due to some case rules, there was two lawsuits, really big lawsuits associated with the permanent benefits that the retirees receive. And also with the contribution rates that are deducted from current employees. So all in all, that will probably affect our contribution rate. And I'm believing, I'm thinking it might be as soon as 2019 and 2020.

Mayor Green: Is this the one where it declares that the City pays back and then is refunded by the State?

Ms. Aguirre: Well, Mayor, essentially, what happened was the contribution, or, yeah, contribution rates for the employers went from 7.65%, I believe it was in 2011, all the way to 11.65%, so that was a 4% increase that was being deducted out of employee's paychecks. This was, these rates were all established by the Public Safety Retirement System. And so what the lawsuit alleged was that it was unconstitutional. The judge ruled in favor of the defendants and so all those excess, the extra 4% that was deducted for so many years is now, it has to be refunded back to the employees. The way that is going to take place is essentially the employers will have to pay that back to the employees. We're still waiting for more details as to who and how much, also how long the City will have to pay. One measure that law associated with this case ruling does make available for cities and towns is to use the already budgeted contribution and use money out of there to pay those refunds.

Mayor Green: Oh, okay.

Ms. Aguirre: That is a good thing. So that's ...

Mayor Green: Yeah.

Ms. Aguirre: ... a good thing because it avoids the City from having to budget an additional ...

Mayor Green: Double.

Ms. Aguirre: ... amount for those refunds.

Mayor Green: And pay the, and pay the ...

Ms. Aguirre: Exactly.

Mayor Green: ... (inaudible).

Ms. Aguirre: Yes. So that's a pro. It saves on our cash flow. It helps us. But the con is that when that year is evaluated, the amount of contributions going towards the unfunded liability will be less. And so when that goes down, your contributions go down, your contribution rate for the following year goes a little higher. It all gets adjusted. So, I just thought I'd brief you on what that is in case that you are all in favor of this recommendation number 2. They dropped the rate and then all of a sudden you see it go up again. It has implications with these two case (inaudible). And so the action that would be required is Mayor and Council would have to make a request to be a resolution, and this resolution would have to make it to the Public Safety Retirement System no later than June 21st. That's one week prior to the Public Safety Retirement System Board of Trustees meeting, which is going to take place on June 28th. So, with that said, we anticipate having that as an agenda item for you all to review and approve next Monday. That would allow us to have that resolution over at Public Safety Retirement System in time. So that, in a sense, is what really helps us balance this budget. And I give a lot of thanks to Fire Department and Police Department for really working with us because I know that it is a sacrifice. But that, too, is what made this possible. There was a little bit of drop in State shared revenues. And that's the last page that's, that I handed out to you, just to give you

some information. So, every year after the Governor's budget is adopted, they prepare, they did the first estimate draft back in March, March 31st so that's the version that we were using for Vehicle License Tax, the Highway User Revenue Fund, the sales tax from the State and the Income Tax. On May 25th, which was five days prior to completing this, a new version came out. And what really affected that was the census estimates from the Arizona Department of Administration. They had just finished their census estimates because all of the distribution of State shared taxes is based on census and population. So, that was one of the things that you have (inaudible). The net difference is \$28,000. So State shared revenues went down by \$28,000. I've included that here on the table right at the bottom. But still, everything is able to balance.

Mayor Green: But really, we were expecting that kind of drop anyways. And then they changed their mind and said we were getting the full thing. Then they went back with the census and went back.

Ms. Aguirre: Mr. Mayor, yes, and no, because the drop we were anticipating was in the Highway User Revenue Fund.

Mayor Green: Oh, in HURF. Okay.

Ms. Aguirre: Yeah, and which is a restricted fund. It doesn't come over to General Fund.

Mayor Green: Okay.

Ms. Aguirre: And you can see ...

Mayor Green: Oh, I, no, I thought it was that one. I didn't pay attention.

Ms. Aguirre: Yeah, all the rest of the line items did go down.

Mayor Green: Okay. All right. Thank you.

Vice-Mayor Mendoza: Mr. Mayor, I have a question. So, let's just like dream a little here. Dream with me. So, let's say that we can up our economic development here. And we can improve our stance as far as a City. Can we always contribute more than as when the budget is kind of, are set to a certain level that we're able to do that, at, so that way, towards the end we can start cutting down our time and possibly saving on interest in the long run? Or if you go into this 30 year now, are we completely set on that, or you know, and then one more question because I know that was like three in a row. Do we have to continue to keep reapplying for this emergency clause every year?

Ms. Aguirre: Mr. Mayor, Vice-Mayor Mendoza, so to answer your first question, they always welcome one time or a lump sum payment. That can be done at any point in time to reduce your liability or to increase your funded liability. And with regards to the reapplying, that doesn't appear to be the instruction. It appears to be as though it's a one-time thing that pretty much puts you in place for that term, much like when the 20-year term was adopted two years ago.

Vice-Mayor Mendoza: I have one more question. If we do a resolution that recommends this option, is it a guarantee that it will be approved by the Board?

Ms. Aguirre: Mr. Mayor, Vice-Mayor, so if you turn over to my memorandum, I actually cite from their correspondence. One of the things that (inaudible) Public Safety Retirement is very much aware that this whole pension reform has caused a lot of distress on cities statewide. If you actually go down the list of all the cities and the percentage rates that they pay and the funding levels, South Tucson is at the bottom of the list. So if their intent is actually to help, like they say here, to provide short-term relief for those employers who may need it, the City of South Tucson really needs it. I will do my part to include any type of information or even a cover letter along with the resolution, pretty much stating how it is that this option, this recommendation helped the City pull together the budget to exemplify the need. But I'm thinking, and when I also mentioned it to the people over at Public Safety Retirement System, because they made a call to South Tucson here just to, hey, there's an option. Let us know. There's an option. You guys can make use of it right away. You know, let's work on it. I had some questions for them, which they answered. And also, I asked the same thing. What are the chances? And they're answer was the chances are pretty good. Because this is to provide relief to cities and the City of South Tucson needs a lot of relief.

Mayor Green: (Inaudible) ...

Vice-Mayor Mendoza: I just, ...

Mayor Green: ... oh, go ahead.

Vice-Mayor Mendoza: ... oh, sorry. So the short-term relief, is that our, is that your verbiage for this memorandum, that didn't come from them, did it? 'Cause then I, then my question what, what is their definition of short-term relief, you know?

Ms. Aguirre: Mr. Mayor, Vice-Mayor Mendoza, the short-term relief actually came from their memorandum. And they're linking it to that emergency clause that allows cities and towns to make this request and actually put it through effective July 1st of this year.

Mayor Green: Okay. Piggybacking on her, you don't have any more?

Vice-Mayor Mendoza: No, go ahead, sorry.

Mayor Green: Okay. Sorry. Piggybacking on her question, on the short-term relief where employer contribution rate full-time fire personnel would drop to 34%, and a full-time police, okay, by 16. But it says without this provision it would have been extremely difficult to balance the 2018 General Fund budget. Those are your words, right?

Ms. Aguirre: Yes, Mr. Mayor, ...

Mayor Green: Okay.

Ms. Aguirre: ... those are, those are my ...

Vice-Mayor Mendoza: This is a memorandum for ...

Mayor Green: No, ...

Vice-Mayor Mendoza: ... us.

Mayor Green: ... yeah.

Vice-Mayor Mendoza: Oh, I know that. I just ...

Ms. Aguirre: Yeah.

Vice-Mayor Mendoza: ... wanted ...

Mayor Green: Yeah, no, I just ...

Vice-Mayor Mendoza: ... (inaudible) ...

Mayor Green: ... wanted to make sure that, you know, 'cause that was ...

Vice-Mayor Mendoza: Oh, yeah.

Mayor Green: ... the same thing, short-term, ...

Vice-Mayor Mendoza: Well, that's why I ...

Mayor Green: ... and then ...

Vice-Mayor Mendoza: ... asked her ...

Mayor Green: ... (inaudible) ...

Vice-Mayor Mendoza: ... where she ...

Mayor Green: ... (inaudible).

Vice-Mayor Mendoza: ... got this verbiage from.

Mayor Green: Okay.

Vice-Mayor Mendoza: Whether she created this short-term.

Mayor Green: Okay, yeah, 'cause I saw ...

Vice-Mayor Mendoza: (Inaudible).

Mayor Green: ... the short-term and I understood where you were going.

Vice-Mayor Mendoza: You know, or whether ...

Mayor Green: But then I'm going ...

Vice-Mayor Mendoza: ... this was their wording and then I question ...

Mayor Green: So future (inaudible) ...

Vice-Mayor Mendoza: ... are they going to ...

Mayor Green: ... or future ...

Vice-Mayor Mendoza: ... go back and ...

Mayor Green: ... budgets.

Vice-Mayor Mendoza: ... say, well, the definition of our short-term version was only for the fiscal year budget. So that's why I was questioning that.

Ms. Aguirre: Yes, and Mr. Mayor, Vice-Mayor, also another reason why they might be calling it short-term is because it drops the rate now, but long-term because of interest, it's going to increase. For us, the short-term relief is almost immediate.

Mayor Green: Okay. Oh, then that's exactly what I was looking at was the short-term, whose ...

Vice-Mayor Mendoza: Yeah.

Mayor Green: ... definition, and then it ...

Vice-Mayor Mendoza: Right.

Mayor Green: ... says the budget for 2018, I'm going, well, short-term and it's giving you, balance a ...

Vice-Mayor Mendoza: A year.

Mayor Green: ... budget in '18. Okay. No, but, yeah, that's why I asked if it was your verbiage. Thank you. Any other questions?

(No questions from Council)

Mayor Green: Any more?

Ms. Aguirre: I don't think so. No, Mr. Mayor. At this time, it's just those four recommendations and so the next item, I believe, is a direction item. But should Mayor and Council consider these four recommendations for implementation, the next step, just to give you a little reminder on the timeline, the next step would be to bring the entire budget back for you all in tentative format next Monday. Following that adoption, then it gets published two weeks in a row. And then after that, it comes back

in final form for adoption. And so the final budget could potentially be adopted by June 26th, which is prior to month's end. I think that's all I wanted to mention.

Vice-Mayor Mendoza: Mr. Mayor.

Mayor Green: Yes.

Vice-Mayor Mendoza: I guess I just have one more question. I wish that Corey Lakosky, the Fire Department representative, was still here, but as far as going down from four on, you know, the truck at one time, to three, I wanted to know do we have the staff that really doesn't even kind of come on the schedule at all that we plan on kind of disbursing at that point, or are we going to have to affect the guys that are on shift right now, and how much that kind of affects them. So, I guess if we can just maybe have him ...

Mayor Green: Look at who's the ...

Vice-Mayor Mendoza: Right.

Mayor Green: ... constant there and, yeah.

Ms. Aguirre: Mr. Mayor and Vice-Mayor Mendoza, if I may, one thing that I'd like to point out is that as reserves, they make themselves available and really, they're not technically promised a set schedule.

Vice-Mayor Mendoza: Right.

Mayor Green: No, and I think what the Councilwoman, or the Vice-Mayor is asking is if we have a group of 30 firefighters that are reserves, and 10 of them are hard core here, everything, the other 20 are the ones that are making up the fillers, that, and if I understand her correctly, don't hurt the 10. Take it out from the guy that, okay, you look at the guy that's never been here, but his status is a reserve. Or he's only been here once in the past 12 months, okay, versus the guy that's here three times a week or two times a week, or whatever.

Vice-Mayor Mendoza: Like if we're splitting the shifts more from the guys who are here dependently, you know, to be on that three, versus the guy who just, you know.

Mayor Green: Floats in and out.

Vice-Mayor Mendoza: Right.

Ms. Aguirre: Mayor, Vice-Mayor, I can only mention this because we work in Finance so closely with the Fire Department and with Corey, they rely heavily on those that are dependent, that are reliable. And so I believe that they will be, they will continue to use those that, ...

Mayor Green: They have their core group.

Ms. Aguirre: ... that are constant.

Mayor Green: Yeah. Okay. Any other questions?

Councilman Larribas: I have one. When you're talking about three on the truck, is it three that are here permanently plus one reserve or how is that going to be?

Ms. Aguirre: Mr. Mayor, Councilman Larribas, the City of South Tucson only has two full-time employees, with the exception of the Fire Administrator. There is one Captain, full-time Captain. And one full-time Firefighter. So, if you look on the roster on page 3, you will see that, I'm sorry, on page 2, you'll see that (inaudible) approximately 6,000 hours or so. The need for the entire department staff with three people is closer to 26,000. So the other 20,000 hours, through the course of the year, is made up by all of the reserves. So the majority of the people on shift are reserves.

Vice-Mayor Mendoza: Can I ask a question, if I may?

Mayor Green: Yes, go right ahead.

Vice-Mayor Mendoza: What is the purpose in having one full-time firefighter?

Ms. Aguirre: Mr. Mayor, ...

Vice-Mayor Mendoza: Like how did we just decide, oh, we're just going to have one. And it will be you.

Ms. Aguirre: Mr. Mayor, Vice-Mayor Mendoza, I think that originally the intent was to have Captains as (inaudible). But I really wouldn't be able to speak to why the change or ...

Mayor Green: Let's ...

Ms. Aguirre: ... (inaudible).

Mayor Green: ... just go ahead. I don't mean to have, or to cut it off. I believe it's going to be a situation where it's a little touchy if we bring it up in the open because we would be discussing ..

Vice-Mayor Mendoza: Oh, no, I wasn't talking about the person personally. I was talking about like, you know, versus the Captain position, or versus, you know, how did we come to the number of just one full-time Firefighter?

Ms. Aguirre: And Mayor, ...

Mayor Green: There used to ...

Ms. Aguirre: ... Vice-Mayor, ...

Mayor Green: ... be two Captains.

Ms. Aguirre: Yes. I believe the intent was to have, back in, I believe 2013, the intent was to bring three Captains.

Vice-Mayor Mendoza: Okay. So instead ...

Ms. Aguirre: (Inaudible) ...

Vice-Mayor Mendoza: ... of having just the two Captains, there's one Captain and then one full-time Firefighter?

Ms. Aguirre: Correct.

Vice-Mayor Mendoza: Okay. Okay.

Mayor Green: Yeah, and (inaudible) ...

Vice-Mayor Mendoza: No, I didn't mean like ...

Mayor Green: Yeah, okay.

Vice-Mayor Mendoza: ... him as an individual, I just meant like a person.

Mayor Green: Okay. No, I wanted to make sure that we didn't, yeah. Okay. Any more questions for the Finance Director?

(No questions from Council)

Mayor Green: No questions. Okay. Lourdes, thank you very much. Mr. City Manager.

Mr. Molina: So at this point, Mr. Mayor, members of the Council, we're asking for direction on Item #07, which is to proceed to move forward with the budget as presented today so that we can (inaudible) ...

Mayor Green: Oh, excuse me. Mr. City Manager, I think you jumped to Item #08. Okay. We have to leave the Study Session and convene back into Special Session.

Motion by Vice-Mayor Mendoza to close the Study Session and reconvene into Special Meeting. Seconded by Councilman Larribas. Motion passed unanimously. The Special Meeting resumed at 6:48 p.m.

ITEM #08 – DIRECTION ON ITEMS DISCUSSION ITEM #07

Mr. Molina: Mr. Mayor, members of the Council, at this time, we're asking for direction on what was discussed in Item #07, which is to, hopefully, move forward to present the tentative budget at the next Council meeting, based on the information that was presented tonight.

Mayor Green: Okay. So, if we look at the plan itself, we have a surplus of \$2,642?

Mr. Molina: That is correct, on paper.

Mayor Green: On paper. Well, that's better than the six hundred and something thousand on paper. Do I have a, any questions, and do I have a motion to the City Manager to continue with the discussion and present this a, the tentative or balanced?

Ms. Aguirre: It is tentative, Mayor.

Mayor Green: A tentative budget on Monday next. Do I have a motion?

Vice-Mayor Mendoza: Mr. Mayor, does it need to be in the form of a motion because it's not a ...

Mayor Green: Is it an action item?

Vice-Mayor Mendoza: It's just a ...

Ms. Aguirre: Mr. Mayor, ...

Vice-Mayor Mendoza: ... direction.

Ms. Aguirre: ... it's just a direction. Just direction. If it is, you know, the wishes of the Council that we proceed to implementation.

Mayor Green: Okay.

Vice-Mayor Mendoza: I just, I guess, Mr. Mayor, I think that we should just direct the City Manager and Finance Director to provide us with a tentative budget on Monday, as well as a resolution brought to us for the option number 2 on the fiscal year personnel budget of 2018 that was presented tonight. That would be the direction that I would say.

Mayor Green: Was it just two or did you want 1, 2, 3, and 4?

Ms. Aguirre: It's all inclusive, Mayor, because ...

Mayor Green: Okay.

Ms. Aguirre: ... they all work together.

Mayor Green: Okay.

Vice-Mayor Mendoza: So we need a resolution for ...

Ms. Aguirre: For item number ...

Vice-Mayor Mendoza: ... item number two.

Ms. Aguirre: ... two.

Mayor Green: Oh, okay.

Vice-Mayor Mendoza: Because that needs to get sent to the Board.

Mayor Green: That's, okay. Not a problem. I understand. So let's go ahead and take her motion because for me to repeat it, I'm going to stumble and trip and everything else. And do we have to take a vote on that or just?

Councilman Larribas: Do we need a second or?

Mayor Green: Let's go ahead and second it. All in favor?

Vice-Mayor Mendoza: I don't think we need to because it's not a motion.

Mayor Green: It's not a motion? Okay.

Vice-Mayor Mendoza: We can't take a vote on it.

Mayor Green: Okay. Just ...

(Simultaneous conversation)

Mayor Green: Because this one is a new one for me, so I, you have to have, yeah.

Councilman Cantu: Well, I think the recommendation of the Manager and the Council here is to go ahead and expect by next Monday ...

Mayor Green: A tentative.

Councilman Cantu: ... this resolution.

Mayor Green: Tentative budget and a resolution. All right. Thank you, Vice-Mayor. Okay. City Manager, anything else on that?

Mr. Molina: Not on Item #08.

ITEM #09 – REPORTS

City of South Tucson Boards and Commissions

Mr. Molina: Mr. Mayor, members of the Council, at the May 8th Mayor and Council meeting, staff was directed by Mayor and Council to add more details to the document that we handed out regarding Boards and Commissions. So believe that has been done. There are five Boards and Commissions

that are listed here, with all the requirements, (inaudible) training, qualifications, who can be members. It's all spelled out pretty good (inaudible) new and expanded documents that were provided to you.

Councilman Cantu: I have a question, Mr. Mayor. These persons that are already listed here, Mr. Manager, are these persons that are already serving or just the new personnel that we're going to have on these?

Mr. Molina: Mr. Mayor, members of the Council, these are people on record that are still on these Boards and Commissions. (Inaudible) make some changes. We could probably make some changes with minimal interruption. Some of these folks have not been active as a Board, sometimes even for several years.

Councilman Cantu: So these have, these persons have already been chosen to serve on those Boards or?

Mr. Molina: Yes.

Councilman Cantu: Okay.

Mayor Green: Okay. Going back to what you stated is, is that some of these individuals may have not been participants in a number of years. One of the things that I'd like to see is there has to be training requirements. I mean I can't expect individuals in Planning and Zoning to go and do, you know, to go into everything here and they're just appointed and then put up before the Board and then fed the information. There has to be some kind of training outline. I believe that that's what I've been asking for, and the dates that these people were put on. And, you know, if they're still even interested in being on the Board because if we keep these and all of a sudden we have to go back because we had that, what was it, the Merit Board Commission ...

(Simultaneous conversation)

Mayor Green: ... that we, yeah, Board of Adjustment, yeah, the Board of Adjustment, the Board of Adjustment that was done. That Board was convened within a week of the, you know, the case with Pasadera. You know, so that was the problem and that was one of our problems that we were facing in litigation is that the Board itself was weak in the answers that it was asking and the way they asked them.

Vice-Mayor Mendoza: Well, we were not represented properly.

Mayor Green: Right. Yeah. But it was, you know, a lack of training on the Board and that's what I'd like to see. If there is requirements to the Board, training requirements, and, and I mean there's individuals in Planning and Zoning that I'm looking at that I've spoken to that didn't know what was going on. They were just fed information. I don't know and I'm not, you know, I'm not saying that that was fact. It could have been just a person misunderstood, but what I'd like to see is the duties, you know, exactly spelled out, any kind of training, because I don't think I would be able to sit on a Board, Zoning Board, you know, just sit on it and make a decision or determination on the, you know, from

an R1 to SR1 or, you know, whatever the case is, or split to R2. So that's just my opinion but, you know.

Vice-Mayor Mendoza: I think that the simplest solution is just to be having a list of all of our Boards and then checking to see if there's any training that the Board members can attend, and whether or not we would like to extend that training to them or not. And at that point, we can see if they're even still interested in serving, or whether we need to appoint somebody new. I mean that, to me, would solve ...

Mayor Green: Yeah, and that's what ...

Vice-Mayor Mendoza: ... all that.

Mayor Green: ... I, that's what I've been asking for, ...

Vice-Mayor Mendoza: Yeah.

Mayor Green: ... yeah.

Vice-Mayor Mendoza: So if we just have a list of our Boards, a list of the members, and then see if there's any training available throughout the year that these Board members can attend. So that way they kind of gather a little bit of information and then at that point, when we see if they're interested in attending these trainings or, you know, or if they're mandatory, we can get our answer on whether or not they still want to serve, whether or not they're still interested, and then we can reappoint someone else.

Mr. Molina: Mr. Mayor, members of the Council, I'm not sure that there's specific training for these types of boards available. So whatever training we come up with, we probably have to do it in-house and maybe work in conjunction with other municipalities because I'm sure they're also facing the same situation. But we can have our staff from Planning and Zoning definitely put some training together so that the people that are on these boards have an overview of what they're supposed to do and why they're supposed to do it. I don't see any problem with that.

Mayor Green: No, and that's what exactly, you know, like the Vice-Mayor said, because there's things like in here, you know, the terminology and being in the construction trade, I understand it. The floor area ratio, the parking ratio, you know, and those things. The usable open space and, you know, percentage of lot coverage, your building envelopes. Those are the things that any member that sits on a board has to understand. And encroachment, you know, onto somebody's property, you know, what, you know, what the word encroachment means, and a real, you know, and real property. You know, those are the things. And those are the things that these individuals couldn't answer. They were basically, this is what we want and this is what you're going to get. You know, and.

Vice-Mayor Mendoza: I think, though, just, and because I'm a strong believer in that everybody has a part in things, us, as a Council, appoints these people. And we need to be knowledgeable in the fact that are we appointing people just because we're appointing them, or because they are our brothers or our sisters, or because they actually have knowledge in what they're being appointed for.

Mayor Green: Right.

Vice-Mayor Mendoza: So we need to be extremely sensitive to that because, you know, here we can provide all the training but that doesn't mean they're going to understand it.

Mayor Green: No, and that's ...

Vice-Mayor Mendoza: (Inaudible) ...

Mayor Green: ... exactly what we need to find out before we send somebody to one of these boards to make a decision saying do you feel comfortable? No, I don't. Go ahead.

Councilman Larribas: I think there has to be a terminology on the stuff that they're going to be appointed to, as to what everything means so they can have an understanding of what they're doing.

Mr. Molina: Mr. Mayor, members of the Council, what I, I personally have not been through a cycle with one of these Boards, but what I would imagine needs to happen, as far as training, is as matters come up, that the people that are sitting on the board would be briefed on all the issues that they're going to have to rule on. And then be given information about the terminology that's going to be presented, you know, parking ratios, and those sort of things, so that they can make a competent decision. I don't know that, this is very complex and very detailed information that is dealt with by the Planning and Zoning staff. And I don't know that there is one class that is going to cover all the topics for future. Even if it does, you may not remember it at the time that you need to remember it. So, I would imagine that maybe the best approach is to brief members of the Board on that particular issue and what all the issues and points of law that have to be addressed.

Councilman Cantu: And that would be done prior to any case that comes to them?

Mr. Molina: Yes.

Vice-Mayor Mendoza: That would have to be from an outside, though, like I guess in my viewpoint, we can't be providing these people with this information because then we could possibly be construed as giving them only information that benefits us. Do you see what I'm saying? So, it needs to be some kind of third party that doesn't, I mean to me, I mean that would just be my opinion on that.

Mr. Molina: I think we can probably, to accomplish that, Vice-Mayor, we could probably hire an independent consultant to provide some unbiased information on the situation they have to rule on. I think what you're all looking for is you want fair and impartiality from the people on these boards. And I think we can accomplish that.

Vice-Mayor Mendoza: Okay.

Mayor Green: You know, and ...

Vice-Mayor Mendoza: And we also want to know whether they're still interested and on.

Mayor Green: When they were appointed, because some of these boards, if you don't, you know, they're one-year appointments and if you don't reappoint them, they automatically go for another year and then another year and another year. I mean that's an option that, or that's something that we have to look at, basically yearly on the anniversary of the, you know, of the commission or whatever, see if they want to continue. If not, we need a back fill. Because if we get, like I said, one of the meetings and we have to bring one of the Boards up and three of the members are gone, and it's something that's very critical that we, you know, that it pass, and we don't, yeah, it just doesn't look right.

Councilman Cantu: Going back to what Vice-Mayor was saying about we choose, you know, the people that are going to serve, is there any way that we can provide them with a questionnaire or something like that, they have to fill out, see how knowledgeable they would be? I don't know, just random questions that, that need to be asked about them so that they could be qualified or something like that, instead of just choosing, they're my cousin, oh, you're going to serve, that we can more or less rely on, on some kind of knowledge about these people that are serving. I don't know if it's possible to do that, but I guess my question is just that. I mean if we could provide them with a questionnaire or something and see how they answer them and after they're told about certain things or whatever, you know, a minimum knowledge that they should have and then come back with a questionnaire and see, say, okay, you're interested, yes. Here's a questionnaire. Please fill it out for us. And then try to decide who is qualified to be there and who's not. And I would imagine that that would help us, more or less, select the people that could serve the best.

Mayor Green: Piggybacking off of that, I mean I went to the Board of Adjustments and if you look at the meetings, number 2, C2, it states, "Special meetings of the Board of Adjustors shall be held at 6:00 p.m. on the 4th Wednesday of each month and may be recessed or adjourned for the day-to-day, or to the next Special meeting." That means that the requirement is that they have a monthly meeting. And they haven't been doing that, and that's what I'm saying is there are certain meetings that, or certain committees that have to go to different, or have to show up and discuss, you know, the duties or anything, or anything possibly coming up. So those are the, you know, so those are the things that I'm looking at. And that's what I believe the Vice-Mayor has also indicated that look at who is on there, look who still wants to do it, anybody who is vacant we fill, you know, through the Council, then we figure out if there is any training requirements, or any requirements for meetings. Because I know the Board of Adjustments and I believe the Board of Adjustments, yeah, the Board of Adjustments meets, you know, that's what I said, so if we could have that, that would be perfect. Thank you. Any other questions?

(No questions from the Council)

Mayor Green: No, I like the report. I like the report. Just if we could tweak it a little bit, it will work out great.

Mr. Molina: Mr. Mayor, members of the Council, with regard to having Special meetings, I imagine we would have to have an agenda for those meetings. So if we don't have an agenda, then (inaudible) issues put on the table. In the three months that I've been here, I haven't seen any issues for the Board of Adjustments.

Mayor Green: No, and I understand that. But during those meetings, they can be used for the forms, you know, training people on the forms that they're supposed to use, non-zoning matters, filing deadlines, you know, those, give them like little half hour class on filing deadlines, how do you file and what's a deadline. You know, what is a notice of hearing. You know, those things so you can train up your people. Those are the things. You know, the zoning ...

Vice-Mayor Mendoza: You're saying to ...

Mayor Green: ... (inaudible) ...

Vice-Mayor Mendoza: ... utilize the meeting as like a study session.

Mayor Green: A study session, exactly.

Vice-Mayor Mendoza: (Inaudible) train ...

Mayor Green: Yeah, train 'em up.

Vice-Mayor Mendoza: ... (inaudible). That wouldn't be a bad idea. But, yeah, I would assume that meetings would only be required if there's an agenda.

Mayor Green: Right.

Vice-Mayor Mendoza: I think to just, if we're still, or the board is supposed to be sending out notices that there is no meeting, it's going to be held every month, if there's nothing on the agenda. Like we have to send out, you know, do the Board of Adjustments have those same requirements?

Mayor Green: And that's, that was the other thing is that every, or most of the cities, or the majority part of the cities have all their boards listed on their website, to include the members. And that's probably a good place to put it where, hey, you know, the second Tuesday of the month, if it's the second Tuesday, or second Wednesday that you're supposed to be here, have it updated and say, you know, there's no meeting or there is a meeting for 30 minutes on a class or whatever the case is. So if we could put that on the, you know, on the website.

Mr. Molina: Mr. Mayor, members of the Council, that's an excellent suggestion. And we just happen to be in the process of ...

Mayor Green: Updating.

Mr. Molina: ... (inaudible) website.

Mayor Green: Anything else? City Manager, any thing else? Oh, EPA ...

Mr. Molina: (Inaudible).

Mayor Green: ... Brownfield.

US EPA Brownfields Grant

Mr. Molina: Mr. Mayor, members of the Council, the last item in reports is the United States EPA Brownfields Grant was announced. The City of South Tucson receives a grant award in the amount of \$300,000. And this particular award is an assessment grant, so it's designed to assist somebody who wants to buy some property with assessing whether that property has been contaminated. The grant does not pay for the actual clean-up. It does pay for an assessment testing that will be done (inaudible) research, pay for research, or maybe actual, take the soil samples of the property. That's what it would pay for. That way, whoever is buying it can receive assurances that, yes, the property is not contaminated or, yes, the property is contaminated and you might want to reconsider whether you want to buy it or not. But that will help and put an ease on a lot of the investors who want to buy property and build businesses that they don't have to deal with expensive issues down the road having to clean-up contaminated soil.

Mayor Green: Any questions?

(No questions from the Council)

ITEM #10 - ADJOURNMENT

Motion by Vice-Mayor Mendoza to adjourn the Special Meeting. Seconded by Councilman Larribas. Motion passed unanimously. The meeting adjourned at 7:11 p.m.

Mayor Green: And one of the things I'd like to announce is that we have a newly graduated from college Vice-Mayor. Congratulations.

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 Special Meeting of the City Council of South Tucson, Arizona, held on the 6th day of June, 2017. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2017.

Veronica Moreno, City Clerk