

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, September 26, 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
Idelfonso Green
Herman Lopez
Vanessa Mendoza
Anita Romero

Staff Present: Veronica Moreno, Interim City Manager
Lourdes Aguirre, Finance Director
Mark Raven, City Attorney

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 Larribas, who was excused.

ITEM #05 – CALL TO THE AUDIENCE

Mayor Rojas: Mr. Steve Soto, step forward, please. Could you also give us your address?

Mr. Soto: My name is Steven Soto. I live right here on 222 West 27th Street, right down the street right here. And I'm making a formal complaint that the last two and a half months when we had a bad rainstorm like we did in the monsoon, the lights in the center of our block, the two little lights that, street lights went out. And I've been coming over here since about two months ago to try (inaudible) and I've called Angel up twice a week, see if they can come get, turn back on, and he told me, well, the truck isn't working. So, I said all right, they'll get it fixed. Three weeks went by, nothing. Came back, complained. Kept saying you're gonna get one from some other electrician or something. A truck, a (inaudible) truck. Nothing. I wouldn't bother as much except my wife comes home at 11:30 at night from work. I wait for her to come home because it is pitch dark out there in the middle of the street. The ones on the corner work. There is no light in the middle of the street. So it's pitch black. So I wait for her to come home. I wake up at 4 o'clock in the morning to go to work. She gets home at 11:30. You know, I understand if they don't have the equipment or whatever, but it's been over two months now. And then I go at night (inaudible) the lights on 26th, 28th, 29th, 30th, just keep going, all them middle lights are all on, except for that one on 27th. You know, I just want to know if you could look into that or do something about it because apparently going through the public thing there, it's not working. That's all I wanted ...

Mayor Rojas: Will do. Thank you very much. Appreciate it.

Mr. Soto: Thank you.

Mayor Rojas: Anybody else in the audience that would like to address the Council? None noted.

ITEM #06 – APPROVAL OF MINUTES: None available

ITEM #07 – RESOLUTION NO. 16-38 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF SOUTH TUCSON, ARIZONA AND WASTE MANAGEMENT OF ARIZONA INC., AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

Ms. Moreno: Thank you, Mayor, members of the Council. As you know, the Mayor and City Hall and the entire City of South Tucson has been in negotiations with Waste Management as of, I believe, 2014, regarding the contract that was in place for, with the previous Council, I actually want to point that out because I know many of you were not totally in favor with that arrangement. However, it was not something that the City was able to meet in regards to terms with Waste Management. So, the contract with Waste Management, at that time, was to provide services to the City and its residents and as a result, the City really took a big hit with the terms in that arrangement, which resulted in about a \$600,000, I'm sorry, \$300,000 debt that was owed to Waste Management. So, Waste Management resulted in terminating the service, which you all know the story. We had to provide services for a short period of time, ask the City of Tucson if we could borrow some equipment. And finally, we were able to get them to provide the services on a long-term, yet we still had to deal with the claim and the, that was served on the City from Waste Management. So with the negotiations going back between Waste Management and Mayor and Council, Mayor and Council agreed to the offer, the settlement offer, at last week's Mayor and Council meeting for \$135,000, which would be paid in a 3-year breakdown. As you can see in front of you, you have the resolution which gives you the breakdown, along with the agreement. So, our attorney who is representing us in this matter has already reviewed the agreement, and has approved it as to form, which the first installment of \$45,000 is due this Friday. So, that will be the first payment of the total three payments due to Waste Management.

Mayor Rojas: Any questions?

(No questions from Council)

Motion by Vice-Mayor Patino to pass Resolution No. 16-38. Seconded by Councilman Lopez. Motion passed unanimously.

ITEM #08– RESOLUTION NO. 16-39 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT FOR THE CONDUCT OF CITY ELECTIONS BETWEEN THE CITY OF SOUTH TUCSON, ARIZONA AND PIMA COUNTY ON BEHALF OF THE PIMA COUNTY ELECTIONS DEPARTMENT

Ms. Moreno: Thank you, Mayor, members of the Council. As you know, Pima County Elections provides services to oversee and actually, basically, run the whole elections as we had here throughout (inaudible) South Tucson. The current agreement in front of you is an agreement for Pima County Elections Division to provide election services. As of next year, which is January 1 of 2017

through December 31 of 2021, so this is already them preparing for the next five years to provide election services.

Motion by Councilman Green to adopt the Resolution as written. Seconded by Councilwoman Mendoza. Motion passed unanimously.

ITEM #09 – APPOINTMENT OF TWO MEMBERS TO THE MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS

Ms. Moreno: Thank you, Mayor, members of the Council. Item #09, I know we've heard previous times over and over, where Mayor and Council have already appointed the total five members to the Board for the Municipal Property Corporation. And we've already scheduled a meeting, which was held two weeks ago. So we learned, at that time, that two of the members that were appointed had withdrawn. So, we were not able to conduct any formal business at that meeting. The Board members that were present felt that it would be in the City's best interest to have a total full group of five members at that meeting to provide, you know, an entire group an opportunity to listen to what was brought to this Board and what the purpose was for them meeting. And, again, that Board hadn't met in over, I think, like for 13 years, if I recall. So, I came back to Mayor and Council requesting that we get two more members appointed to this Board so the City can move forward with the (inaudible).

Councilman Green: Mayor, I'd like to appoint Dwight Metzger.

Mayor Rojas: Okay. Any other?

Councilman Lopez: Mr. Mayor, I'd like to appoint Robert Romero.

Mayor Rojas: Okay. Any other names?

Councilwoman Romero: Richard Salaz.

Mayor Rojas: Okay. Apparently, we have three names. So, let's take them by, as they came down the line. I guess Metzger would be the first by alphabetical order. I have, can we vote on, what is it, Dwight?

Councilman Green: Dwight.

Mayor Rojas: Dwight Metzger. Let's have the members that are interested in having Mr. Metzger be appointed, please vote. We'll go roll call. Yeah, I'm asking for a roll call.

Ms. Moreno: I'll start.

The following are the votes:

Councilwoman Mendoza, yes; Councilwoman Romero, yes; Councilman Lopez, yes; Councilman Green, yes; Vice-Mayor Patino, yes.

Mayor Rojas: Okay. And then the other one on the line would be Mr. Richard Salaz.

The following are the votes:

Councilwoman Mendoza, yes; Councilwoman Romero, yes; Councilman Lopez, yes; Councilman Green, no; Vice-Mayor Patino, no.

Mayor Rojas: What do you have?

Ms. Moreno: I have 3-2.

Mayor Rojas: So it passes.

Ms. Moreno: Right.

Mayor Rojas: 3-2 passes. Okay. So we don't need to go to the third.

Ms. Moreno: No.

Vice-Mayor Patino: No.

Mayor Rojas: Okay. So ...

Councilman Green: No, actually, ...

(Simultaneous conversation)

Councilman Green: ... actually you do.

Vice-Mayor Patino: (Inaudible).

Councilman Green: You have to go to the third just in case ...

Mayor Rojas: Okay. Let's ...

Councilman Green: ... (inaudible).

Mayor Rojas: ... go to the third then.

Ms. Moreno: Robert Romero.

The following are the votes:

Councilwoman Mendoza, yes; Councilwoman Romero, no; Councilman Lopez, yes; Councilman Green, yes; Vice-Mayor Patino, yes.

Ms. Moreno: Okay. So, that's 4-1, and the other one is 3-2.

Mayor Rojas: Okay.

Ms. Moreno: So it's Robert Romero.

Mr. Raven: The one that gets the most votes, assuming that that's the procedure that you all adopted and I think that's apparent.

Ms. Moreno: We have standard parliamentary (inaudible).

Mayor Rojas: Okay. So the, Mr. Romero and Mr. Metzger.

Ms. Moreno: Okay. So it'll be Mr. Dwight Metzger and Robert Romero. Okay. Thank you.

Mayor Rojas: And then, and then ...

Vice-Mayor Patino: If one of them declines, you've got the other.

Mayor Rojas: Then you have one declines, you get the third one.

Ms. Moreno: Right.

Mayor Rojas: Yeah. Okay. Any other item? Next item.

ITEM #10 – REPORTS – FINANCE DIRECTOR UPDATE

Ms. Moreno: Thank you, Mayor, members of the Council. I'll start with a report from our City Attorney before we get into the Finance Department. And this is, I think, some really good news, which we already provided you with a copy (inaudible) City Attorney.

Mr. Raven: Yeah. Pasadera has dropped their lawsuit number two, which was the damages for the claim in lawsuit number one, which was thrown out. So, it's very unlikely that they could have had any damages for lawsuit two, and now it's official. The judge has signed an order of dismissal with prejudice, which means they cannot bring any action again. So, that chapter can be closed.

Mayor Rojas: Thank you very much, and I don't know if we owe this one to you or the other lawyer, or both of you lawyers.

Councilman Green: No, actually, this is owed to the community and the members who actually fought for it.

Mayor Rojas: Okay. So.

Mr. Raven: We just helped.

Mayor Rojas: We just helped. Okay. Any other reports?

Ms. Moreno: Yes, we do. We have one from our Finance Director. And you all have been tracking along with what's been placed in your box. Lourdes has done a fabulous job with providing Mayor and Council with quarterly updates in regards to our finances. So I asked if she could give another snapshot to Mayor and Council to give you kind of a rundown as to kind of where we are financially, and just to kind of give you a little reminder as to where we're at, where we're moving along, what the Mayor and Council has provided us direction into moving forward and this would be an opportunity for you to ask questions just in case, you know, if you get sidetracked or you get lost. Some of these, I think we've already heard, but this is just to give another update and to let Mayor and Council know that we're moving forward with, you know, financial sustainability and that's our overall goal.

Ms. Aguirre: So this is going to be a little bit different. It's more informational than anything else. As we're approaching month's end here in September, we'll be closing the books and getting ready to issue the first quarterly report, which will be coming in October. Okay. I know there's a lot of items on there, but we're going to kind of go through them as fast as we can, also being thorough. So, the first item that you have there, I wanted to give you some information just to let you know and you're aware, we're really attempting to be as transparent as possible so I want you to know where it is that we can find either yourselves, other employees, people in the community, where they can find some of this information. So, if you come over to the second page, you'll notice that both adopted budgets and audited financials, they're all posted online. The budgets are posted online from fiscal 2008 all the way to current, which is the budget you all approved a couple months ago. The audited financials are posted online beginning at fiscal year 2007, up through fiscal 2015. And here, very soon, we're going to begin the process for the audit for fiscal '16. And once that is completed, the deadline is actually March 31, and that final report will be posted online as well. Hard copies are always available to anybody who comes to request to see a copy, make a copy, everything is here, available for anybody. Unaudited financial statements are provided to you all on a quarterly basis. And then also, I think we've also done this that at mid-year if there's need for any reallocation of funding capacity, then we address that through a request for budget adjustments. Most recently, I've also been issuing some reports on the RICO balance to keep you apprised of where that's at. Also, to let you know what the frequency of the deposits into that account have been, and also the reimbursements that are being issued out of the account. I write in little notes as well to let you know, okay, the balance as of the end of this month was such-and-such balance. But that's not including these other monthly expenditures that are awaiting reimbursement. Okay? With regards to the five-year model, the five-year model was one of the recommendations that was made to us by the financial advisors in order to move forward with any options on refunding. We have copies of all those presentations available. We know that you all were provided with copies during the meetings, but if you need another one, we can make it available. And we've been touching base on this. We first met and discussed the financial model back on March 19th, it was a Saturday. It was a very long meeting. So that was the first time. Then during the budget process, we touched a little bit on that subject. And then at the end of July, we re-introduced. Okay. Just track along and see what the effect of implementing certain items was. So if you can go onto the last one, it's just letting you know that Finance Department is here, we're available any time you guys want to ask us questions, feel free to do so. If there's something that you would like some more information on, or that you'd like assistance with, we're here for you as well. Alright. So that was the first piece. Just wanted to let you know everything that's out there. The second item now is going to be just a little recap on what it is that we're working towards. Okay? So, we're working towards our goal. Our goal is financial sustainability. And we're basically going to go over some of the information that was given to us by

the financial advisors as to what it is that we should really be looking into. So, first off, clean-up. We needed to have an accurate picture where our finances were. And that's what we worked on for the last two or three years, aggressive clean-up of our general ledger accounts. We've also reduced the amount of findings from back in fiscal 2013, from fourteen, to seven, to two in the most recent audit. The next thing was also ...

Councilman Green: Excuse me. Which, Mr. Mayor, question for the Director. What exactly is considered a finding?

Ms. Aguirre: Mayor and Councilman Green, a finding is anything that is not in accordance with either internal policy, or GAAP, which is General Accepted Accounting Principles.

Councilman Green: Okay.

Ms. Aguirre: So, you may recall back in 2013, there was a very long list of deficiencies.

(Simultaneous conversation)

Ms. Aguirre: Yes, discrepancies. They went on and elaborated on what the finding was, and they asked for action to remedy it. And what their recommendation as auditors was. So that's all listed on the financial report, which is also available.

Councilman Green: Okay.

Ms. Moreno: And I'd like to point out, because I don't think Lourdes gives herself enough credit, but prior to Lourdes being appointed Finance Director, the findings that were on the books were never basically ...

Mayor Rojas: Addressed.

Ms. Moreno: ... treated. You know, the findings were there and I think that they kind of were looked at and kind of just blown over. And I'd like to give credit to our Finance Department. They worked really hard to, in 2013, to cut that number in half. So it went from fourteen to seven in '13 to '14, and then most recently, it went down even more so from seven to two. So I'd really like to thank Lourdes and her entire Finance Department because it's not easy to be appointed Finance Director and come into something where you just are hit with like fifteen findings, or fourteen findings, and you have that certain amount of time to correct them, so I want to give credit to Lourdes and, of course, Mayor and Council also for treating those findings and fixing those discrepancies and working towards cleaning our books because, again, that is going to show another good faith on the City's part, and we're on a mission to do the right thing.

Mayor Rojas: We're looking at no findings, it's hoped, this coming year. I think it will happen. Chapman is a good troop. They'll work on it. Good. Any other reports?

Ms. Aguirre: Yes. This is a long one, Mayor.

Mayor Rojas: Okay.

Ms. Aguirre: So, the next thing that we worked on was stabilizing cash flow. It really involved some aggressive managing and payment, figuring out what was past due, paying off our older vendors, making sure that our obligations were met with payroll and contractual obligations, also, a lot of planning with our departments. Because we don't have (inaudible) cash flow, it's always necessary to keep really good communication with the departments because there's things that they might want to do, especially under grants. So, they need to let me know what it is that they're planning. For instance, I just had someone in the office this afternoon talking to me about the GOHS grant, the Stone Garden Operations Grant, and how much we were awarded as a City, and what the plan was, and so it's that type of communication that I really, really value and it helps us get ahead, or at least stabilize our cash flow. Another thing we've done there under Item C, is implement and enforce policies and procedures. So, some areas may have been lax in the past but we've really stuck to enforcing our policies and our procedures. And what we've noticed is that it's reduced any expenditures that we would have seen in the past. So it's helped control certain expenditures and limits (inaudible). Planification. With planification now, it's that 5-year model again that we've been trying to keep you guys up-to-date with. Okay. And so if you turn over to the next page, just to recap briefly what it is, those points that our financial advisors have mentioned, we really want to work on. But before I do that, you may recall that there was a couple of options that they presented to you all. I think that one of the options may have been a little more appealing to some of you, which involved a 3-year savings, which would have amounted to about \$700,000, or something close to that amount. Just know, Mayor and members of the Council, that those options were based on making investment grade. So that means the City's showing that it has basically, in essence, good credit. Okay? So the things that they went through that meeting and mentioned, in order to achieve that good credit, or that investment grade rating, things we need to do are improve the City's solvency. That is, improve the City's ability to make its payments; avoid bankruptcy; good management; demonstrate, and they said this, demonstrate that the City is making the tough decisions. For example, adopting policies or modifying service deliverable to show that operations are sustainable. That's one of the things that they're looking for. And also, show the ability to properly manage liabilities. I think that that was a section of the earlier arrangement. There was a big liability with Waste Management, but negotiations were made and so there's a plan in place to bring that down, to pay it off.

Councilman Green: When you say adopting policies or modifying service deliverables, what exactly are you meaning?

Ms. Aguirre: So, Mayor, Councilman Green, cutting back on expenditures.

Councilman Green: No, no. How?

Ms. Aguirre: How? I think that we've reviewed the biggest expense is personnel. Biggest expense is personnel. And as we get further into this presentation, you'll probably see where the money goes. So, it could be scaling back on services.

Councilman Green: Okay. Such as?

Ms. Aguirre: Anywhere Mayor and Council would, ...

Mayor Rojas: Decide.

Ms. Aguirre: ... would like, decide or ...

Councilman Green: Well, no. I mean there was a article in the paper the 5th of September where it was mentioned that either reduce the police department or we get rid of two smaller departments.

Ms. Moreno: Right. And if I may interject, sorry, Mayor, members of the Council, if you recall, there was some recommendations made to Mayor and Council that didn't pass, so as a result, and that was all in an effort to, you know, (inaudible) revenue-generating (inaudible) for the City. However, you know, because of that, it may result in cuts in areas anywhere we would provide services. It could be police. It could be fire. It could be public works. It could be anywhere. It would have, and it would have to be, the City would have to be faced with making a cut somewhere however which way Mayor and Council see fit. But it wouldn't be like one or two positions. It would have to be something that would be of bigger cost-savings versus like one or two positions because it would result in that much of critical loss in revenue.

Councilman Green: No, I'm just, you know, just thinking that, you know, touching the police department, touching, you know, the public safety, ...

Ms. Moreno: Right.

Councilman Green: ... you know, be it fire, be it police, is really detrimental to what we're trying to achieve.

Ms. Moreno: Right.

Councilman Green: Because, you know, a statement like that going out in the paper and being read by anybody who has an interest trying to come into the City, is it, and it's an immediate turn-off.

Ms. Moreno: Right.

Councilman Green: Yeah, so, I mean comments like that shouldn't be made lightly.

Ms. Moreno: Right. And I think, excuse me, Mayor, members of the Council, Councilman Green, sometimes, you know, the media just has a tendency to make statements which are clearly out of context, but as we have presented to Mayor and Council in numerous presentations, what could be the fallback should the, should we not move forward with any immediate revenue-generating options or cuts.

Councilman Green: No, and ...

Ms. Moreno: So I don't think that the intent of what my, how I was quoted was already talking on behalf of Mayor and Council. What it was, what I was explaining was basically there will be a cut in service, which could be police, could be, you know, any service that we ...

Councilman Green: No, and ...

Ms. Moreno: ... provide. But nowhere did I ever ...

Councilman Green: No, no, ...

Ms. Moreno: ... intend to ...

Councilman Green: ... and, and I'm ...

Ms. Moreno: ... (inaudible) ...

Councilman Green: ... not blaming you.

Ms. Moreno: You know.

Councilman Green: Believe me, you know, 'cause I like to, you know, if I'm going to lay blame, I'm going to name it. And I understand how the media works.

Ms. Moreno: Right.

Councilman Green: And I understand that. That's not a problem. But what I'm looking at is the fact that if this is a problem and this needs to be addressed, then what needs to happen is actually, you know, go into an Executive Session, or however, do a Special Meeting, or whatever, or a Study Session, and actually start looking. And that's what we need to do before we, you know. And to make a comment like that and have it taken out of context or whatever the case is, I understand that. You know, that's the case, that's the case. Neither you nor the media is to blame. But that should, that comment should have been brought to the seven of us, so we can actually look at it before we make a statement.

Ms. Moreno: Right. And if I may just make a comment, Mayor and members of the Council, Councilman Green, I think that myself and the Finance Director, along with the advisors have been, you know, we've been communicating as much as possible how critical it is that, especially from a financial perspective, the City's finances, and it's very important that, you know, that, you know, this is all very serious. It's not to be misconstrued. It's not to be taken as speaking, you know, or stepping on anybody's toes, but it, you know, I do want to make it (inaudible) that it's very critical. I mean we could be facing a very critical ...

Councilman Green: Oh, ...

Ms. Moreno: ... financial ...

Councilman Green: ... yeah.

Ms. Moreno: ... situation. I mean any service could be cut. It could be whatever service, it could be the Council sees fit. It could be, you know, created. It could be the court. It could be anything. And I think that we have brought that up to the Mayor and Council. (Inaudible) to your attention, so.

Councilman Green: You know, and like I was saying, you know, we're not putting any blame, or I'm not blaming you or I'm not blaming the media. I'm just saying that those comments, if somebody does approach, you know, it's, I can't speak for the Council. I can't, you know, and I can't speak for the City Manager. City Manager, if that's the case, should say the same thing. I cannot speak on behalf of the wishes of the Council. And I'm not going to give you my opinion.

Mayor Rojas: Okay. Any other comments?

Councilwoman Mendoza: Mr. Mayor, I do. I don't remember, and I know that it's probably public knowledge because it was at that session with the finance advisors, our current credit rating is, was a "B" something. Am I correct? Being financed or something like that. And ...

Ms. Aguirre: Yes, Councilwoman Mendoza, that's what it was at the time when the previous bond ...

Councilman Lopez: (Inaudible).

Councilwoman Mendoza: Right.

Ms. Aguirre: ... (inaudible) was worked out. But in doing the research, it appears as though the rating had been pulled. Because there had also been so much time in between. And so that's another thing that we'd be working towards, getting graded.

Councilwoman Mendoza: Okay. 'Cause, so that was my next question would be how often do they look at credit ratings, how often do they update them? How many, I guess, years in approximation, are we looking at in order to improve our rating would be my question.

Ms. Aguirre: Councilwoman Mendoza, given that the opportunity will be opening up in March to refund the bond, the opportunity, it opens up at that point. That's not to say Mayor and Council cannot be given more time to come up with a strategy and a good financial plan that everyone, you know, is in agreement of. And then at that point is when the financial advisors will actually assist the City in getting, obtaining that rating.

Mayor Rojas: Good?

Councilman Green: I have a question. And this is piggybacking off her question. What exactly, besides the money, does our credit rating depend on? Is it infrastructure that we have? Is it the streets, the condition of the roads? You know, what exactly, because they're looking at the City. And, you know, that's what they're investing in, is the City through the bond. Am I correct?

Ms. Aguirre: Yes, Councilman Green, that is correct. And, in fact, they look at all that as reflected in the financials. And so if you look at the balance sheet, in the assets is embedded the value, everything that the City owns.

Councilman Green: Okay. So, does the City ...

Ms. Aguirre: (Inaudible) ...

Councilman Green: ... own the streets?

Ms. Aguirre: Streets, buildings.

Councilman Green: Okay.

Ms. Aguirre: Fixtures.

Councilman Green: Sidewalks and stuff like that. The fixtures, lampposts.

Ms. Aguirre: That is correct.

Councilman Green: Okay.

Mayor Rojas: Okay. Any other questions, comments? Any other reports? Are you still going? Yeah?

Councilman Lopez: There's more

Ms. Aguirre: Okay. So now we go back to the cover sheet for Item #2 and the last item on that is the South Tucson policy update. So, since I've been Finance Director, which has now been about two years or so, I've made sure to properly (inaudible) every single thing that is coming towards, for approval from Mayor and Council, anything that is also going to affect the City Code, make sure (inaudible) the attorney. I reach out to colleagues, and also make a good use of our resource, the Arizona League of Cities and Towns. Make sure that everything is line with statutes and things of that nature. There are areas in the City Code that have not been updated in years. And so it is absolutely crucial that that be done. And one of the areas that I'm mainly looking at and focusing on myself is Chapter 11, anything having to do with licensing. And so I forwarded a request to our City Attorney. We're going to be looking into some areas, specifically those tied to licensing requirement and (inaudible) should there be anything that needs to be corrected, or that has a dollar impact, I will be reporting back to you all to let you know what that would be. But it is absolutely necessary and crucial to align our City Code with statutes. And like I said, there's area of that Code that cite back to statutes stated (inaudible). So that's another thing that we're working on. Just wanted to let you all know.

Councilman Green: Okay. So, Mr. Mayor, so some of these things that you're looking at and you made reference to, to licensing or, or the cost of, okay, now one thing I would be very hesitant to do is to do a 200 to 300% increase as we were trying to do on the other one that didn't pass. Okay. So, if we're actually looking at it, and I said it in the past, I said you're never going to get this through if you don't talk to 'em, and you don't sell it. Now, the problem that we're looking at is that we do have to raise it. You can't, you know, it's a 1 or 2% increase. I hear it from businesses that I do with business with that the previous taxes and service, you know, privilege tax or privilege licensing has just, you know, drowned 'em to almost bankruptcy. They're looking and saying I can buy a piece of property, sell this one here, and buy a piece of property on Skyline and pay less taxes. Because you're looking at the fact that these guys are doing businesses with the university and Raytheon and everything, and they're dealing with the County taxes, they're dealing with the City taxes. But then all of a sudden, they go and purchase something from A & S Plumbing, which is a specialty plumbing

place, and all of a sudden, they're spending 10 to 12, or 10 to 11%. Well, to us it didn't think like it was much of an increase. But to, you know, the penny counters, as you well know, a penny here and a penny there, adds up at the end. So, they're losing business. You know, so we have to be very leery because we may be cutting our nose off to spite our face if we continue just taxing and taxing and, you know, so. And I understand that we need it, but you can't raise a tax or fee 200% and expect them to be happy with it.

Ms. Aguirre: Mayor and Councilman Green, I believe it was at one of the last meetings that we had related to the budget where I made mention that I probably would not be coming back to recommend higher taxes for that same reason. This was merely one last attempt while I'm here to balance the budget. What I am talking about in regards to updating our City Code has to do more with language and making the City Code mirror what statutes require, or also eliminating anything that is old and no longer relevant or supported by State statute. Nothing really related to fees or increasing fees.

Councilman Green: But you did mention fees in your first.

Ms. Aguirre: In the event, ...

Councilman Green: Okay.

Ms. Aguirre: ... Councilman Green, in the event that, let's say there are fees in our City Code right now, but State statutes don't support it, ...

Councilman Green: Okay.

Ms. Aguirre: ... right, in that case.

Councilman Green: Okay, so.

Ms. Aguirre: Right.

Ms. Moreno: And if I may just kind of piggyback on what Lourdes mentioned, Councilman Green and Mayor, members of the Council, our City Code, and (inaudible) ...

Councilman Green: Oh, yeah.

Ms. Moreno: ... Green, I mean because you've asked me for copies and our Code is so old that I have so many inserts that not even I can keep track. So I mean when we go and we amend, you know, the Code and we adopt new ordinances, we need to ensure that whatever we're enforcing is in line with State statute because we don't want to put the City in a position where we could be challenged in the future. We want to make sure that everything that is in our Code is in line with State statute, no questions asked. And that is the reason why Lourdes has just explained that there are times where she's making reference to a City Code and it's, there's a State statute that supersedes that. So we need to make sure that there's no conflict with any fees that we could be even currently charging for anything that's in our City Code we need to ensure that we get that whole Code updated with whatever is out in State statute. And it's from, you know, I know that Lourdes is a little concerned with Chapter 11 which is licensing, but we need to certainly do the whole Code. You

know, from streets and sidewalk enforcement to fines, and anything that from beginning to end, we need to make sure that there's no conflict because we don't want to put the City in a position where there's potential liability. So I think that we need to definitely put some monies aside moving forward to codify our City Code, and for that reason especially.

Mayor Rojas: That sounds good. Any more?

Ms. Aguirre: Yes, Mayor. So that takes care of (inaudible). Now we're going to move onto Item #3 and Item #4. Okay. So these have to do with Animal Control and Jail Fees, Jail Analysis.

Mayor Rojas: Do you have a question?

Unknown: I'm just wondering if I could get a copy (inaudible)?

Mayor Rojas: Yeah. We have two Council people that have to leave in 15 minutes.

Ms. Moreno: That's fine. There's no more action items. This is a report, so if you need to leave.

Ms. Aguirre: So with regards to Animal Control, I'm pleased to let you know, you probably already noticed in the budget report that you got from fiscal year end, Animal Control expenditures came in about \$25,000 less than the budget mark. So, for about three to four years, the budget had been at \$100,000. It came in a little over \$74,000. And I believe that a lot to do with it is the reduction in impoundment time. You may recall at the beginning of the year, impounded time was reduced in accordance with State statutes from seven to five days. So that makes a difference. Pima County is also working on different initiatives to help raise funds for the purpose of caring for these animals and so they've used some of that to offset expenditures as well. In additional conversations with Pima Animal Care Center staff, what I learned was that the most recent fees they have in their system and they are going off of are from an approved ordinance, Ordinance 07-04, so that indicates the rates were approved back in 2007. And that's currently what they're charging, and what's in their system. Okay. It's a little different from that one schedule I provided at the beginning of the year. I forward to you all, Mayor, members of the Council, that schedule that I was provided with by Pima County. But this is the actual accurate rates that they're going off of. And so what they do, in speaking to them, is any time a pet owner goes in to retrieve their animal, they attempt to collect a full fee related to licensing, anything that's listed in the Code, and also any expenditure that they've incurred for caring for the animal. Anything that they're successful in collecting from the pet owner, they then reduce it from City of South Tucson's bill. And I believe, Councilman Green, that that was one of the questions, make sure that they're not double-billing the residents and the City. So they've, in fact, confirmed that they are not. That's how they do it. Whatever they collect, they then reduce it from the South Tucson bill. And they've made themselves available to come in and speak to you all if you all wish, if you have any questions regarding any of their operations. They are willing to make someone available to come and talk to you all about that at any meeting. One thing that they brought to my attention was the fact that these rates are very old. They mentioned that other jurisdictions have currently adopted or actually a couple years ago, adopted a plan that would put them at a certain line, and they're all in line with each other pretty much. They've asked if Mayor and Council would be interested in doing something like that because anything that is collected from pet owners is then used to reduce off of the bill that City of South Tucson incurs. So, if Mayor and Council is interested, I can compile a comparison of what other jurisdictions are doing.

Councilman Green: Could you look at the number of pets that are actually impounded from here and those that are retrieved by the owners? Okay. Because if the percentage is, you know, 20% and, you know, at the rate that we're going now, and if we raise the fees, then we only have 5%, it doesn't matter. I mean we're still paying more at the end. So, I mean, we have to look at it in that area, too.

Ms. Aguirre: Yes, certainly. We can look at that, too, and bring it back to you all. Okay. They've been working on some initiatives, along with the City of Tucson, for low cost spay and neuter. And you'll see some of those fliers towards the end of the packet here. They've provided one in Spanish and one in English. I'll be printing some out to place in the lobby, which is another option. They're really pushing towards spaying and neutering animals to promote more healthy pets, and licensing. And one of the things that they mentioned was that any resident that should go this route, it could potentially reduce their licensing fee as well. So that's something that could be communicated to your constituents as well. And the last item here, Item #4, has to do with the jail analysis. So I may have mentioned to you all a couple weeks ago that I was going to be (inaudible) compile some good reports, going back 20 years. In essence, what I want to do is I want to really understand where the trend comes in with the cost, and also with the inmate population. So once I have all that information put together, I'll bring it back for you all to look at. So that's the conclusion of this packet. And now the final packet. But this final packet, I'm going to take it in stages with you guys. This one has to do with cash flow. Now, what I presented to you all in the past has been related to what other, no, identify as income statement, which is a reflection of your annual activity, your revenues and your expenditures. There's the other side, the balance sheet side which shows you your net equity, your assets and your liabilities. One piece of that balance sheet is what I'm going to share with you all today. And it has to do with cash flow, so here is this cover sheet and then there's the report in the back. So, during the audit presentation for fiscal year '15, I believe it was around April, I want to say April, when the Executive Director from Fester and Chapman, Mr. Kevin Camburg came down to present to you all. He mentioned one thing having to do with cash flow. He mentioned that the City of South Tucson only has enough cash flow for 13 operating days out. Thirteen operating days out. That's two weeks. So what I'm going to show you here is what I get to see every two weeks. So every two weeks, turn over to the report, what I have to do is save enough for payroll. Payroll, primary, is the, what we need to meet first. So save about \$140,000 every two weeks. That's how it's broken down, if you see that box right there. Of course, Mayor and Council is only paid once a month, so you can deduct that from the bottom number. So, I try to save \$140,000 because there might be emergencies that we have to cover through the payment of overtime. So, give a little bit of a buffer there, \$140,000. And all these numbers that are right here on the department side in that box (inaudible) cross-referenced against our payroll register, including hourly rates, all that information, against the budget that you all approved. What's left and what we've saved is an average of about \$40,000. Sometimes it's a little bit more, but that's what we've played with to pay off our bills. And our check runs run opposite of payroll. So it's every two weeks. So, on a bi-weekly basis, it's \$180,000. Bring it down to the bottom, annualized including health insurance, including the third payrolls of the month because there's two months in the year that have a third payroll, including our insurance, our property and casualty insurance and worker's comp, the total cash flow need based on just the needs, the day-to-day, the thirteen days out, is 5.1 million, which you may recall is very, very close to that projected amount in revenues because we did a status quo budget for fiscal '17. Nonetheless, this is pretty much how we've been managing the cash flow. Payroll and then the bills. When I mentioned that we had to do our part and really learn how to manage it is because there was so many old invoices that we really had to tackle. So really, it's the oldest is what gets paid first. But

you always have a balance. So now we're going to go on to see what the balance is in accounts payable. And I'll hand that one out to you. Now this one has a lot of detail. This is our unpaid bills, okay? And if anybody were to come in and make a request for this information, it would be available (inaudible). So you look at accounts payable, this report was printed on Friday afternoon. I wanted to make sure that we had the most current up-to-date balance in our system. So, currently, our accounts payable is at \$598,000. One of the things that you'll notice there, and it's broken down by GL, Administration, Fire Department, Police, Public Works, Non-Departmental. Non-Departmental is the largest. And that box to the side, that tells you what makes it up. You can cross-reference it against the actual invoice detail on the back. Five hundred and ninety-eight thousand (\$598,000) currently sitting in our accounts payable as unpaid bills. That's not even talking about our bi-weekly obligations which is our payroll and the little bit that we set aside to pay bills. This is in addition to, the \$598,000.

Mayor Rojas: I have a question. You have Waste Management, 235, you knew I was going to ask.

Ms. Aguirre: Mayor, you are correct. So, what I'm going to show you next is going to show the reduction, okay, based on the settlement agreement that you all approved. So, that actually comes down to 135,000. And ...

Mayor Rojas: Okay.

Ms. Aguirre: ... that's over three years. Nonetheless, it will be sitting on our books because now it's been adjudicated and one of the things is that in the past, auditors really consider and they talk to attorneys to see what the chances are of a settlement going through against the city or in favor of the city so that they know how to account for something. But because there was no determination at that time, ...

Councilman Green: Well, what do you mean by that?

Ms. Aguirre: So, if in talking to attorneys they got the sense that it's not looking good for a city, it looks like the city is going to have to pay "X" amount of dollars, and the chances are great, then they do account for it on the books. But ...

Councilman Green: Okay. Like Waste Management, ...

Ms. Aguirre: Waste Management.

Councilman Green: ... \$235,515. Okay. That was going to go through the court system, was going to be adjudicated. It was settled. Okay. Is that, okay, that's an example. Okay. Now, the monthly jail bills, that's another thing. Are they, are you talking about the obligation versus the liability versus if we can reduce it?

Ms. Aguirre: Councilman Green, I think, yes, the obligation versus the, what was the other thing you mentioned?

Councilman Green: I don't know.

Councilwoman Mendoza: Liability.

Ms. Aguirre: The obligation versus the liability, yes, the probability (inaudible).

Councilman Green: Yeah.

Ms. Aguirre: But it doesn't take into account any information having to do with reductions unless it is something that is currently being negotiated.

Councilman Green: Okay.

Ms. Aguirre: Yes. And at the time when the financial statements were prepared, because this auditing firm came on board for fiscal 2013, that was still in the works, so that amount, the \$235,000 (inaudible) this table. Okay. But now, since this was passed in fiscal '17, this will probably be reflected at \$135,000 on the financials as of fiscal '17, once the year is done. Okay. So \$598,000 in outstanding. So we'll reduce the Waste Management reduction. Now what we have here is a report that shows cash flow impact. You might want to look at the first row, which actually shows you our starting point, \$598,000. The next row is actually reducing that amount by \$100,000, which is what happened here just a moment ago. So that brings it down to \$498,000 unpaid bills. And again, this is unpaid bills. It doesn't have anything to do with our monthly, our bi-weekly obligations. Okay? Alright. We have two scenarios here. One scenario shows you the end result on our payables as well as our liability to Pima County. One is with the sale of building space, and the other one is without the sale of building space. So under column A, you will notice that from the \$498,000, what's reduced is \$236,000, which is what is owed to Pima County for incarceration and animal control fees for fiscal years 2015, April, May and June, and for fiscal 2016, the entire year. Well, actually, I believe one of the, I think incarceration was a little over what it would cover. But nonetheless, it was most of that expense. So, under column A, applying that credit would bring down your unpaid bills to \$261,000. Column B shows it at half a million. So, I mean if the goal is to improve solvency, the City's ability to pay debt and possibly take advantage of any refinancing opportunities, the City first has to show, as we were told by the finance advisors, that we're working towards paying our debt. With that said, here I've also included some information to give you some perspective, attachment 1. These are copies straight from our financial reports that are posted online. These were also presented to you all for those Council members that were here last time, during the auditor's presentation. For fiscal '13, '14, and '15, what I've highlighted there for you is the accounts payable balance at the end of each one of those fiscal years. So in '13, it was \$293,000. In '14, it was \$299,000. In 2015, it was \$329,000. So, in reality, under column A, applying the credit from the sale of that building space would help reduce the unpaid bill balance to pretty much what it's been in the past, which is going to show it's not, there isn't enough money to pay all of the debt.

Councilman Green: Okay. And this \$498,289.47 is, correct me if I'm wrong, the sale of the library?

Councilwoman Mendoza: It's without it.

Ms. Aguirre: Without, yes.

Councilman Green: Okay.

Ms. Aguirre: That's without. That's without the application of that credit.

Ms. Moreno: So let's try comparison side-by-side. This is what you would stand to see once it evolved, the whole transaction take place, and column B what, where you would stand to show should this not happen.

Ms. Aguirre: And it's the building space that Pima County occupies.

Councilman Green: Right. The library.

Ms. Aguirre: Right. The library. So I wanted to ...

Councilman Green: I'm sorry. And what's the rent that they pay right now?

Ms. Aguirre: Currently, the rent that they have been paying was \$98,000 a year; \$30,000 or more, which went to cover their utilities, their entire cost of utilities, so what was free was \$60,000.

Councilman Green: Now it would be \$68,000.

Ms. Aguirre: Approximately.

Councilman Green: Yeah. And that was payment to us.

Ms. Aguirre: That was the payment to the City of South Tucson.

Councilman Green: Okay. So we're generating \$68,000 if we keep it and we continue? Is that?

Mayor Rojas: No, not really.

Ms. Moreno: No.

Ms. Aguirre: So we'll go on to explain the rest of this formula here. So what I've gone over with you all ...

Ms. Moreno: Let me answer Councilman Green's question real quick. I just want to point out to what he asked. So, just so that you understand what all took place and what brought us here, I just want to give them a little bit of history as to why this was all raised and how it all started. So going back to Lourdes, Mayor and members of the Council, yes, the City was receiving \$98,000 for the lease of that building so that they could provide library services; \$30,000 of the total \$98,000 was going towards utilities, which would leave a balance of \$68,000. It was a City Manager that was under the impression that if we were to go out and appraise that property that we would be able to possibly receive more money in leasing the space to the County. As a result, we learned that when the property was appraised, that it actually came back at less than the amount that we were receiving. So, Lourdes, you might know what that figure was when we went back out and had it appraised.

Ms. Aguirre: Yes, City Manager, it was \$62,000.

Ms. Moreno: Right. So, we learned, at that time, that once that conversation started, the County went ahead and, you know, received an appraisal for what the market value would be at that time for leasing that space, which we were receiving \$88,000, market value once we (inaudible) results was \$62,000. So I think that it was at that point that the County offered to purchase the building. And then, you know, it was appraised at a total amount of \$450,000, which a portion of that amount would be credited towards the library and then the difference to Pima County Animal Control and Lourdes can provide a further breakdown after that. So just ...

Councilman Green: To the library or to the jail bill?

Ms. Moreno: To the jail, I'm so sorry.

Councilman Green: Okay.

Ms. Moreno: Pima County Animal Control and ...

Mayor Rojas: And the jail.

Ms. Moreno: ... the jail, right. So, also, keep in mind and the whole reason I think why that conversation started because there was a settlement that the City agreed to, which Lourdes will get into when she starts talking more about this in her report. But the Council previously agreed to an arrangement with the County to pay the jail debt, which we owed at that time, \$1,000,000. There was some interest that was forgiven, along with ...

Mayor Rojas: The agreement.

Ms. Moreno: ... interest, and other things that she'll get into that and I'll let her take it from here. So, I just want you, Councilman, ...

Councilman Green: Okay.

Ms. Moreno: ... to track along as to why we are where we are and, you know, how that all came to surface.

Ms. Aguirre: So, Mayor and Councilman Green, yes, \$62,000 is what they offered. Nonetheless, the City of South Tucson would have to be responsible, would have to continue being responsible for any major repairs, any repairs, really, to their building. To be honest, with the financial condition, the cash flow situation that I just shared with you all, it's even hard to take care of anything in City Hall. So with that said, we can go onto ...

Councilwoman Mendoza: Mr. Mayor, ...

Ms. Aguirre: ... looking at ...

Councilwoman Mendoza: ... can I ask a question then, 'cause, so right now what's going through my head is that, basically, the current value of the sale of the library supersedes enormously from what any future value we would get if we kept renting it. Am I correct in that? I mean the future cash value

of that is going to help us astronomically compared to if we were to continue to keep renting it at, you know, \$62,000 a year, which doesn't even cover an officer's salary. Or, you know, it doesn't make any dent, so we're way better off if we sell that.

Mayor Rojas: Oh, yeah, (inaudible).

Ms. Aguirre: Yes, Mayor, ...

Councilwoman Mendoza: For the current, you know, ...

Ms. Aguirre: ... Mayor and Council,...

Councilwoman Mendoza: ... am I saying that right?

Ms. Aguirre: ... Councilwoman, yes, you are. In fact, the benefits are immediate. They are offering to reduce, to use that value and reduce two annual payments, which the City never was able to make. In fiscal '15, I'm sorry, in fiscal '16, October '16 and here coming up, October of '17, \$106,000 for each one. It's also going to reduce about a quarter of a million in normal fees that the City, again, does not have the money to pay. Because we only have enough money to operate 13 days out.

Councilwoman Mendoza: And does that, correct me if I'm wrong, does that also, it's reducing our liability as far as maintenance and all that other stuff, which also helps when we go and try, if we're going to or decide on that, you know, refinance any type of bond because it's less, you know, and you're saying it's coming up in March. So, if we see immediate impact from that.

Ms. Aguirre: Yes, Councilwoman, that is correct. You could see ...

Councilwoman Mendoza: It would help our ...

Ms. Aguirre: ... column A, ...

Councilwoman Mendoza: ... bond rating ...

Ms. Aguirre: ... column A, ...

Councilwoman Mendoza: ... if we were to ...

Ms. Aguirre: ... yes, absolutely, column A, column B. Which one looks better? Well, and that indicates the City cannot pay off half a million. Or one that shows the City (inaudible) pay off a quarter of a million? And in going further down under column A. And in going further down under column A, what I put here are the numbers according to the recommended settlement agreement. So, first, let me take that back. Let's focus on this box here. This box here reflects the number as approved by Mayor and Council back in September of 2013. The total debt owed to Pima County was 1.9 million dollars and that's how it's made up. For your reference I've also included a copy of the jail settlement agreement that was executed. And, of course, it has in Sections 2.3 all of the detail of what made it up. The County was very explicit in drawing all that out; what period, what years they were for, how much in interest had accrued. So, during this agreement, you may recall, those of you

who were here, the agreement proposed that \$200,000 would be waived from service fees. And \$606,000 would be interest-eliminated, for a total of \$806,000, bring the balance down to 1.1 million dollars. And then they asked for a payment of \$150,000, which was made in October of 2013. Nonetheless, it did make our cash flow hurt, but it was made. Then, from there, they drew out what's located on the last page, or the second to the last page, which is the (inaudible) schedule. And it shows how much interest we then accrued. So, keep in mind they waived all the interest. They said, okay, we're going to apply to whatever balance we're working with, we're going to apply 1.5 million, 1.5 percent interest annually. The total of that is \$83,000, based on this over ten years. And it called for a payment of \$106,000 per year for ten years. Again, we have so much money in unpaid bills and we're having to worry about paying, you know, every two weeks saving for our obligations, our employees. So, in reality, that is why the recommendation was made to extend it over 20 years. The County was gracious enough to accept that recommendation. And that would reduce the payment amount from \$106,000 to \$45,000, which is a bit more manageable. It's a bit more manageable. So you see there, those two cells that are highlighted in yellow shows you, yes, over 20 years the interest at 1.5% will increase by \$61,000 from \$83,000 to \$144,000. But nothing close to what they originally waived which was \$606,000 in just interest. Now these areas that I really want to draw your attention to, I believe to be very important, very crucial. They're listed in the settlement agreement and there's 2.8 and 2.9. Midway through 2.8, what the agreement says is, this waiver and write-off, the write-off of all the interest and \$200,000 in fees by the County are revocable at any time the City fails to make the required payment, and such failure is not remedied within ten business days of written notice. Section 2.9 goes on to say the parties agree that the write-off and waivers by the County are contingent upon the City making its payment obligations recited herein. If the City fails to make payment in full as stated above, the entire agreement of the fees and interest charges as set forth in Section 2.3, less any payments already made, plus continually accruing interest, shall become due and owing at the election of County, and County may take all steps necessary for collection. So, now going back to our chart here, under column 2, or column B, we can see is now it's jumping back to that high balance. Pretty much everything reverting back to how it was pre-agreement because that's what these sections indicate. So, the bottom line would then be on the jail settlement, not the recommended \$915,000 over 20 years, but 1.8 million owed to the County.

Councilwoman Mendoza: And presumably immediately 'cause they would want ...

Ms. Aguirre: And presumably immediately because we do owe two years, two years worth of payments. All the operating services, the month-to-month ones for fiscal 2016. So I thought it was, it's really crucial that I shared this information with you all. You should all have it.

Mayor Rojas: Time to get rid of the jail. Sign ...

Ms. Moreno: And if I ...

Mayor Rojas: ... it over.

Ms. Moreno: ... may, Lourdes, Mayor, members of the Council, ...

Councilwoman Mendoza: How much do we owe on the jail (inaudible).

Mayor Rojas: I mean the library.

(Simultaneous conversation)

Ms. Moreno: So, again, this is, again, refreshing your memories and letting you guys know where we stand. (Inaudible) shall we not move forward with what the County has offered and what has already been recommended by Mayor and Council as far as moving forward with the offers, so we have already started with what that process requires, so Lourdes has worked with bond counsel on what that whole transaction would require. And it does require a hearing with the Municipal Property Corporation and Pima County under real estate offices have already drawn up the contract and our City Attorney has reviewed that by now. So we'll have a (inaudible) meeting here scheduled probably within the, hopefully this week, as early as this week with the Municipal Property Corporation to present them the purpose of the meeting, what this transaction is for, and what the results could be. And then after that meeting takes place, come back to Mayor and Council with a recommendation from them, hoping that it is passed so we can move forward with the overall transaction.

Mayor Rojas: That's the plan.

Ms. Moreno: So that's ...

Mayor Rojas: Any other, ...

Ms. Moreno: ... the plan.

Mayor Rojas: ... any other reports?

Ms. Aguirre: Mayor, that was it.

Mayor Rojas: Thank you very much. Very well presented. I like it.

Ms. Aguirre: I'm glad.

Mayor Rojas: I can understand it.

Ms. Aguirre: If any of you have any questions, if you want to see anything else, more information, let me know, please.

Ms. Moreno: Thank you, Mayor, members of the Council. Again, you know, Lourdes will continue with providing a report. So please feel free to come in and sit with her or myself and we can go over this. I know it's a lot of information for one night, but we just wanted to keep you briefed on what we're doing and what we're working towards. Thank you.

ITEM #11 - ADJOURNMENT

Motion by Councilman Green to adjourn the Regular Meeting. Seconded by Councilwoman Mendoza. Motion passed unanimously. The meeting adjourned at 7:18 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 26th day of September, 2016. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2016.

Veronica Moreno, City Clerk