

Minutes of the Special Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Thursday, September 4, 2014, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Council Present: Paul Diaz
Anita Romero
Idelfonso Green
Miguel Rojas
Vanessa Mendoza
Mary Soltero
Oscar Patino

Staff Present: Luis Gonzales, City Manager
Veronica Moreno, City Clerk
Angel Lopez, Public Works Director
Marilyn Chico, Housing Director
Richard Vidaurri, Deputy Police Chief
Lt. Jeff Inorio, Police Dept.
Dennis Rankin, Police Dept.
Artemiza Mejia, IT Dept.

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

ITEM #03 – INVOCATION – Councilman Patino led the Invocation.

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

ITEM #05 – APPROVAL OF MINUTES: REGULAR MEETING, AUGUST 25, 2014
SPECIAL MEETING, AUGUST 28, 2014

Motion by Councilman Rojas to approve the minutes of the Regular Meeting of August 25, 2014. Seconded by Councilwoman Soltero. Motion passed unanimously.

Motion by Councilman Rojas to approve the Special Meeting of August 28, 2014. Seconded by Councilwoman Soltero. Motion passed unanimously.

ITEM #10 – DISCUSSION – MAYOR PAUL DIAZ REGARDING FLYER COMMUNICATION CIRCULATED

Motion by Councilman Rojas to table this item forever. Roll call vote: Councilman Patino, aye; Councilman Green, nay; Councilman Rojas, aye; Councilwoman Romero, aye; Councilwoman Soltero, aye; Councilwoman Mendoza, nay. Motion passed.

Councilwoman Mendoza: Mr. Mayor, if I may excuse myself.

Mayor Diaz: You're excused.

Councilwoman Mendoza: Thank you.

ITEM #06 – PUBLIC HEARING: PURSUANT TO A.R.S. 9-499.15: NOTICE OF THE CITY'S CONSIDERATION TO ASSESS NEW FEES, INCREASE EXISTING FEES OR MAKE OTHER FEE CHANGES – Mr. Gonzales explained this item pertains to the public hearing regarding the assessment of fees. After the public hearing, there will be a resolution to approve the fees, and another resolution to declare a public hearing. Motion by Councilman Rojas to enter into a Public Hearing for the purpose of Item #06. Seconded by Councilwoman Soltero. Motion passed unanimously. No comments were made by the public. Motion by Councilman Rojas to close the Public Hearing. Seconded by Councilwoman Soltero. Motion passed unanimously.

ITEM #07 – ORDINANCE NO. 14-04 OF THE CITY OF SOUTH TUCSON, ARIZONA, RELATING TO THE PRIVILEGE LICENSE TAX; APPLICATION FEE; AMENDING TGE FEE SCHEDULE FOR RENTAL OF COMMERCIAL AND RESIDENTIAL PROPERTY; AMENDING AND ADDING NEW LANGUAGE AND DEFINITIONS, "FOOD FOR CONSUMPTION" AND "UNIT"; AND ADDING NEW SECTION, 11-205, REIAL SALES, FOOD FOR HOME CONSUMPTION TO CHAPTER 11 OF THE SOUTH TUCSON CITY CODE, ADOPTING "THE AUGUST 2014 AMENDMENTS TO CHAPTER 11 OF THE SOUTH TUCSON CITY CODE" AND REPEALING ALL RESOLUTIONS, ORDINANCES, RULES OF THE CITY OF SOUTH TUCSON IN CONFLICT THEREWITH AND DESIGNATING AN EFFECTIVE DATE

Mr. Gonzales: Item #07 is the ordinance for the City of South Tucson, in relation to the privilege licensing taxes. It also has application fee changes, it amends the schedule for rental of commercial and residential properties, it amends the number of areas, including food for home consumption. The Council reviewed all of these amendments during the budget process. What I'll just basically do is go over very quickly, over the jest of what you're basically doing today. What this is is approving the items to the amendments to the Tax Code. One of these you'll be doing here is to be decreasing the food consumption tax by 1%. That, if you look at your ordinance, you're going to find on page 21, a brand new definition that did not exist in your Code before. The definition will detail out what the consumption food is and what the exemptions are. So that's kind of a new section there for you. The other thing that we do here is you're setting the occupancy tax at 4%. This is basically the same that it was before, except that it wasn't imposed. And so you're just basically redoing that portion of it. Going on, we're now going to a 2% increase in the excise tax across all industries, all the way from advertising to amusements and construction contracting, construction by owners and builders and speculative builders, timbering and other extractions, which you really don't do here. You don't have any of that. And also, it doesn't really apply, publishing and periodicals, transportation for hire, and on and on. So all of your categories will be going up by 2%. I want to just reiterate to you that during the budget process what you did was you eliminated the secondary property tax. Secondary property tax was \$2.73 per \$100 of assessed valuation. That has already been submitted to the County Assessor and so this year, those taxes will no longer exist. So for example, if there's a property owner that has property that's worth \$100,000, or one hundred, say \$100,000, for each \$100 it will be -\$2.73. For a total of a yearly amount of reduction in tax, \$273. That will accrue to any property that

is owned in the City, whether it's a business or whether it's a residence. So residents will see that basically going away. You're going to have other fees, for example, applications for business licenses. Currently, your licenses are \$12. Those will increase to \$25. All of you have been briefed on the fact that none of these have been increased for over 20 years. So basically, that's what we're doing in a number of other areas, and we're also increasing the privilege taxes and (inaudible) excise tax. Those are 2% for all of these categories. I'm not gonna go over all of them because I think you have a pretty good idea of what they are. Rentals and leasing and licensing for real property, generally speaking, you're also placing a 2% increase on those. It's important to note, also, that the 2% increase is also being placed on restaurants and bars. As you know, a lot of studies have shown that for the issue of food consumption and food sales, approximately 60% of your revenues are coming from there. And so the majority of the taxes that you have placed here are gonna be paid by people who are coming from outside the City and either buy products here or eat at the restaurants, etc. So it kind of shifts some of that burden away from the residents because you've already taken out the property tax.

Councilman Patino: Were the restaurants notified about the ...

Mr. Gonzales: They will ...

Councilman Patino: ... (inaudible)?

Mr. Gonzales: ... be notified directly by the State, once that is done. This has been, as I said, a public notice for 60 days, which is a State law that we have to do.

Councilman Patino: And we got no reply?

Mr. Gonzales: Which had no (inaudible).

Councilman Patino: Okay.

Mr. Gonzales: I already mentioned to you the new section on page 21, definition regarding food consumption tax. Basically, what that amounts to is grocery stores, we'll be seeing a decrease in that tax. That's about all I have here, Mr. Mayor, members of the Council, unless you have any other questions.

Councilman Green: Mr. Mayor, I have a question.

Mayor Diaz: Councilman Green.

Councilman Green: Who reviewed this? Because we have no attorney.

Mr. Gonzales: Who reviewed it?

Councilman Green: Yeah.

Mr. Gonzales: At this ...

Councilman Green: For the legal, for the legal practices, purposes.

Mr. Gonzales: No, they've not been reviewed by legal staff at this point.

Motion by Councilman Rojas to approve Ordinance No. 14-04. Seconded by Councilwoman Soltero. Councilman Green, nay vote. Motion passed.

ITEM #08 – RESOLUTION NO. 14-24 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, DECLARING AS PUBLIC RECORDS THOSE CERTAIN DOCUMENTS FILED WITH THE CITY CLERK'S OFFICE AND ENTITLED "THE AUGUST 2014 AMENDMENTS TO CHAPTER 11 OF THE SOUTH TUCSON CITY CODE" ORDINANCE AMENDMENT ADOPTED PURSUANT TO ORDINANCE NO. 14-04

Motion by Councilman Rojas to approve Resolution No. 14-24. Seconded by Councilwoman Soltero. Motion passed.

ITEM #09 – RESOLUTION NO. 14-25 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, RATIFYING, APPROVING, AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF SOUTH TUCSON, A MUNICIPAL CORPORATION, AND PIMA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, FOR THE PURPOSE OF ENTERING INTO A COOPERATIVE EFFORT FOR THE PROVISION OF YOUTH PROGRAMS AND RECREATION ACTIVITIES AND AUTHORIZING EXECUTION OF THIS RESOLUTION, FOR THE PURPOSE OF AUTHORIZING THE MAYOR AND/OR CITY MANAGER OF THE CITY OF SOUTH TUCSON TO EXECUTE SAID AGREEMENT AND DECLARING AN EMERGENCY TO EXIST

Mr. Gonzales stated this resolution is an IGA between the City of South Tucson and Pima County for a total of \$113,000 for recreational services and youth activities for youth. This the funding source for the John Valenzuela Youth Center. Motion by Councilman Rojas to approve Resolution No. 14-25. Seconded by Councilwoman Soltero. Motion passed unanimously.

ITEM #11 – EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(4)

Motion by Councilman Rojas to adjourn the Special Meeting and convene to Executive Session. Seconded by Councilwoman Soltero. Motion passed unanimously.

1. CONTRACTS: WASTE MANAGEMENT UPDATE

Motion by Councilman Rojas to adjourn the Executive Session and reconvene to Special Meeting. Seconded by Councilwoman Soltero. Motion passed unanimously.

Motion by Councilman Rojas to instruct the City Manager to continue negotiations or conversations with the attorney. Seconded by Councilwoman Soltero. Motion passed unanimously.

ITEM #12 – STUDY SESSION: STRATEGIC PLAN

1. Public Works – Angel Lopez addressed the Council and provided a strategic plan for the Public Works Department.
2. Finance – to be presented at next Council meeting
3. Information Technologies – Artemesia Mejia addressed the Council and provided a strategic plan for the IT Department.
4. Housing – Marilyn Chico addressed the Council and provided a strategic plan for the Housing Authority.

ITEM #13 – REPORTS:

1. MAYOR PAUL DIAZ – DISCUSSION ALLOWING FOR TELEPHONE CONFERENCE PARTICIPATION IN COUNCIL MEETINGS WHEN UNABLE TO PARTICIPATE IN PERSON

Mayor Diaz: I have an item under there, discussing allowing telephone conference participating council meetings when unavailable to participate in person, and that subject, it has been discussed before in regards to what may occur if, in fact, we don't have or we couldn't have all the Council present, either through conferencing and stuff, and it is allowed, by law, by State law, so, and so I'm just putting it on here that it does exist and of course if we do anticipate doing this, that we'll probably need a resolution in that respect to carry it on in our agenda items that it is available and it is there and, of course, some of the reasons are dictated to, on the, will be dictated on the ordinance. That's my report. Any questions, comments?

Councilman Rojas: So, Mr. Mayor, just one question. So there will be a City ordinance written to that effect?

Mayor Diaz: No, not unless we absolutely need to go into it or we feel that we need it, so it can exist but not at this time. That's all ...

Councilman Rojas: So ...

Mayor Diaz: ... (inaudible).

Councilman Rojas: ... we don't have it on ...

Mayor Diaz: Yes.

Councilman Rojas: ... (inaudible) right now?

Mayor Diaz: No, there's no code.

Councilman Rojas: But if we wanted to ever use it, wouldn't it have to be a City ordinance in place?

Mayor Diaz: Right.

Councilman Rojas: Okay. Just wanted to ask the question. Thank you.

ITEM #14 – CALL TO THE AUDIENCE

Mayor Diaz: We have a request from Eddie Badilla. And again, you'll be addressing the Council, no personal opinions. You're allowed three minutes.

Mr. Badilla: Mr. Mayor, Vice-Mayor and Council members, City Manager and Staff, I would like to thank Mr. Angel Lopez and his staff for going out of their way to help me with a safety issue on my property. I have seen them work very hard in the neighborhood and the community and I'm sure appreciative of their efforts.

Mayor Diaz: Raul Green, and again, it's no personal opinions. You're allowed three minutes ...

Mr. Green: (Inaudible) ...

Mayor Diaz: ... and you're ...

Mr. Green: ... (inaudible).

Mayor Diaz: ... addressing the Council.

Mr. Green: Good evening, Mr. Diaz, Council members, one thing there's a problem, I'm a little concerned, a while ago there was a, the last meeting, the last real meeting that we had, there was a guy here who I know works for Pasadera. And he was coming in and out as if he's very familiar with this, I don't know his name. But I just wanted you guys to know that Pasadera, as far as the community is concerned, Pasadera is not welcome in South Tucson. So if Pasadera is not welcome in South Tucson, I'm hoping that people from Pasadera are not welcome in the City, in City Hall, at least with that, it seems so familiar with the people that, like it seems like they might be working with them or something, and it's, I'm a little concerned. But that's, since I don't know his name, I'm gonna leave it at that. The other issue that I want to talk about is this letter. I'm not gonna go over this letter. I'm just gonna read the title and (inaudible). This is, I know you tabled it. I'm not gonna talk about this. This is cheap gossip. I'm not really interested in this.

Mayor Diaz: Okay. Again, ...

Mr. Green: The thing is ...

Mayor Diaz: ... now it's your personal opinion ...

Mr. Green: Right, so the thing is that there's one thing here that I read within this letter. It says, "Real change takes courage and firm leadership." I think that you need that in South Tucson, courage and

firm leadership. And what we need is courage and firm leadership because you guys all ran on transparency. Tabling something forever, it sounds ridiculous. This used to happen and there's a little triangle in (inaudible). And they used to do things like this at times. I used to go to the meetings every once in a while because it was fun. It was fun, just looking at things that these people used to do. And after a while, they were determined to be the most corrupt three places in America. And I would hate for us, South Tucson, my town, to be seen as something like this. People here, I mean they, we all know that people in South Tucson want transparency. This is what you ran on, this is what you were voted for, this is the reason that you're here. And we, a little reminder that City Council represents the people and the people are actually the ones who are supposed to be running, well you guys are running (inaudible) and that's what we want, and we want some courage and (inaudible) ...

Mayor Diaz: It's, it's ...

Mr. Green: ... (inaudible).

Mayor Diaz: ... almost, you're almost up for your three minutes.

Mr. Green: Okay. When I'm done, let me know and I'll leave. Okay?

Mayor Diaz: Okay.

Mr. Green: I want real change, even though it might take courage. And I want firm leadership from this, and we want transparency. And (inaudible) appreciate it.

Mayor Diaz: Thank you. Is there anyone else in the audience who would like to address the Council?

(No response from audience)

ITEM #15 – ADJOURNMENT

Motion by Councilman Rojas to adjourn the Special Meeting. Seconded by 2 Councilwoman Soltero. Motion passed unanimously.

Paul Diaz, Mayor

ATTEST:

Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of South Tucson, Arizona, held on the 4th day of September, 2014. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2014.

Veronica Moreno, City Clerk