Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, May 13, 2019, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Staff Present: John Vidaurri City Manager
               Veronica Moreno, City Clerk
               Bobby Yu, City Attorney
               Angel Lopez, Public Works Director
               Marilyn Chico, Housing Director
               Commander Shonk, Police Dept.

Council Present: Bob Teso
                 Herman Lopez
                 Paul Diaz
                 Akanni Oyegbola
                 Rita Rogers
                 Anita Romero

Others: Gil Federico

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

ITEM #03 – INVOCATION

Councilwoman Rogers led the Invocation.

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

ITEM #05 – CALL TO THE AUDIENCE

Mayor Teso: Speakers are limited to a 3-minute oral presentation and may submit written comments of any length for the City Clerk’s files. Is there anyone in the audience that would like to speak?

(No response from the audience)

Mayor Teso: Let the record show there’s nobody in the audience speaking tonight.
ITEM #06 – APPROVAL OF MINUTES: REGULAR MEETING OF APRIL 22, 2019 AND SPECIAL MEETING OF APRIL 29, 2019

Mayor Teso: For, first of all, minutes for April 22, 2019, Regular Meeting, do we have any corrections or additions?

Councilwoman Rogers: Mr. Mayor, I read them all and I have no additions or corrections.

Mayor Teso: Okay. Anybody else? No? Do we have a motion to accept.

Acting Mayor Diaz: Mr. Mayor, I move that we accept the April 22nd Regular Meeting minutes.

Vice-Mayor Lopez: Second.

Mayor Teso: Councilman Oyegbola.
Councilman Oyegbola: Aye.
Mayor Teso: Councilman Diaz.
Acting Mayor Diaz: Aye.
Mayor Teso: Councilwoman Romero.
Councilwoman Romero: Aye.
Mayor Teso: Councilwoman Rogers.
Councilwoman Rogers: Aye.
Mayor Teso: Councilman Lopez.
Vice-Mayor Lopez: Aye.
Mayor Teso: Aye. The motion is carried.

Mayor Teso: Looking at the minutes from April 29, 2019, Special Meeting, any additions or corrections?

Acting Mayor Diaz: Hearing no corrections or additions to the minutes of April 29th, I move that we accept the minutes of April 29th, the Special Meeting.

Vice-Mayor Lopez: Second.

Mayor Teso: Councilman Oyegbola.
Councilman Oyegbola: Aye.
Mayor Teso: Councilman Diaz.
Acting Mayor Diaz: Aye.
Mayor Teso: Councilwoman Romero.
Councilwoman Romero: Aye.
Mayor Teso: Councilwoman Rogers.
Councilwoman Rogers: Aye.
Mayor Teso: Councilman Lopez.
Vice-Mayor Lopez: Aye.
Mayor Teso: Aye. Motion carries.
ITEM #07 – MAYOR AND COUNCIL MEMBER REPORTS: REPORTS; FUTURE AGENDA ITEMS

Mayor Teso: Do we have any reports?

(No reports from the Council)

Mayor Teso: Okay. Do we have any future agenda items?

(No future agenda items from the Council)

Mayor Teso: I have one particular future agenda item and that has to do with the Ochoa School. They’re having a graduation party, I guess, next week at the John Valenzuela Center. I think it will be from, start like at 3 o’clock or something. Do you know, Mr. Vidaurri?

Mr. Vidaurri: Yes, I believe that’s the starting time. I can double-check for you.

Mayor Teso: Okay. Well, we’ll get some other information out to everybody, but we also plan to put them on the agenda to receive certificates. And this is for their student council. And we’d like to know if there are any members of the Council that are alumni of Ochoa, so they could hand out certificates. Would that be you?

Councilwoman Romero: (Inaudible).

Mayor Teso: You are? Would you like to do that?

Councilwoman Romero: I don’t know. When would that be?

Mayor Teso: Next Monday.

Councilwoman Romero: Monday?

Mayor Teso: Yeah. We have the certificates. I’m going to be handing them out.

Councilwoman Romero: (Inaudible).

Mayor Teso: Hm?

Councilwoman Romero: Never know what’s happening (inaudible).

Mayor Teso: Okay. And Mr. Diaz?

Acting Mayor Diaz: (Inaudible) ...
Mayor Teso: Would you be ...

Acting Mayor Diaz: … (inaudible).

Mayor Teso: … willing to do that?

Acting Mayor Diaz: I’m not an alumni. The wife is, but.

Mayor Teso: Oh, okay.

Acting Mayor Diaz: Not me.

Mayor Teso: And we don’t know if Mr. Romero is.

Councilwoman Romero: I think he is.

Mayor Teso: You think he is? Okay. Well, ...

Councilwoman Romero: 32\textsuperscript{nd} ...

Mayor Teso: … okay, we’ll …

Councilwoman Romero: … (inaudible) ...

Mayor Teso: … let him know and ...

Councilwoman Romero: … (inaudible).

Mayor Teso: … (inaudible). But anyway, we’ll be having a, trying to have ‘em walk in, I think, and pick up their certificates and have a few words for them, I think, of encouragement and I think maybe it’s the first time something like this has been done in a long time, and I think it would be really good. But anyway, that will be on next week’s agenda. Okay. Moving onto Item #08.

**ITEM #08 – PROCLAMATION – MELISSA SANTA CRUZ**

Mr. Vidaurri: Mr. Mayor, members of the Council, Mr. Federico is here to accept the Proclamation.

Mayor Teso read the Proclamation recognizing and congratulating Melissa Santa Cruz, former resident of the City of South Tucson, Program Director for Tejano 1600 AM.

Mr. Federico: Thank you so much, Council.

Councilwoman Rogers: Yes, thank you for coming.
Mr. Federico: It would be nice to have you there to present (inaudible) possible.

Mayor Teso: Where’s that?

Mr. Federico: June 29th at the Casino Ballroom.

Mayor Teso: Okay.

Mr. Federico: Okay?

Mayor Teso: Sounds good.

Mr. Federico: About 8:30 we’ll present the awards.

Mayor Teso: All right.

Mr. Federico: Thank you very much.

Acting Mayor Diaz: I’d like to add also, too, that knowing Melissa has been a pleasure on my behalf because I’ve seen her do her work out there with the audience and people, so it’s really great, appreciate her, having to known Melissa and having, you know, as a friend and Facebook, too. So, it’s really great.

Mr. Federico: It is. Thank you. I’ve known her for, since she was a little girl. I played ball with her brothers. And I’ve been trying to do this for about five years. I finally, I finally came across and I got a date and said, you know what, I’m going for it now, so, she’s all excited. She wanted to be here, but she forgot, she’s got (inaudible) to attend to her (inaudible). So she said, you know, “I forgot all about it.” I said, don’t worry, I’ll be there.” But if you all can make it, it’s free to the public. You’re all welcome to come down and celebrate the big event for Melissa. So, thank you very much.

Mayor and Council: Thank you.

Acting Mayor Diaz: (Inaudible) knowing her mother was also a pleasure, too.

Mr. Federico: Correct, right. (Inaudible).

Mayor Teso: Okay. Moving onto Item #09.

Mr. Vidaurri: Mr. Mayor, members of the City Council, we reviewed the bids that we received for employee health insurance recently. The primary staff involved in the review were: Lourdes Aguirre, our Finance Director; Veronica Moreno, our City Clerk; and myself. In your packets you will see a summary that was prepared by our Finance Director and that summary shows you the bids, quotations that were received from the various health insurance providers. As you know, on an annual basis, the City of South Tucson’s agent of record is CBIZ. They basically secure proposals from health insurance providers for the upcoming fiscal year. Because of employee demographics, high utilization, oh, I’m sorry, high utilization carrier losses, and large claim (inaudible) the City has experienced in the, in the recent past, some pretty significant premium increases. During the last three years, that first table in that memorandum shows in 2017, we had a 28% increase in premiums. The increased cost to the City was $29,510. Accumulative increase in employee cost was $23,031. In fiscal year 2018, we had a 29% increase in premiums. The increased cost to the City was $52,801. The accumulative increase in employee cost was $5,256. And then in 2019, we had a premium increase of 22%; increased cost to the City of $41,636, and accumulative increase in employee cost of $5,190.

The good thing about this year’s bids is that it’s the first time we’ve really received competitive bids from multiple carriers. And so we did a side-by-side comparison of premium to product; co-insurance, co-pays, deductibles, prescription rates. And what you see in the table below, titled Insurance Premium Quotes for FY2020, are basically results of that premium to product comparison. As you can see in column C under Humana, we actually have a premium decrease of 6%. The increased cost to the City would be $756, but the cumulative decrease in employee cost is actually $14,989, so the benefit package went up, premiums went down. The overall experience that we would have with this particular quote is a 6% decrease, with a significant decrease in deductibles, better coverage, and a broader network for both the base plan, HMO, and the buy-up plan, the PPO, it looks like Humana, option C, in that table is the best way to go. The savings in premium will not only allow the City to reduce the required employee contribution amount, but will also allow the City to keep the Health Reimbursement Account intact. The Health Reimbursement Account helps provide deductible payments to employee so that they can meet deductibles during the course of the year. On the second page, you’ll notice a table that compares the benefits side-by-side. And again, option C on that table, going from left to right, is the Humana bid for health insurance. And if you look in that little, the boxes that are, the rectangular boxes on the far right-hand side, you can actually compare those to those on the left. And you will see that overall, there’s a 25% change in employee deductions, minus 25%, so the employees would benefit from that particular section of the bid. If you look at the bottom, under option 3, it will compare the percentage change and that percentage change, overall, is minus 6%. The middle box under premium increase split actually shows you that 6% differential. To the left of that, you have Cigna, which has a premium increase of 2%. And to the left of that, you have United Health Care, which has a premium increase of 15%. So, overall, we think that option C would benefit employees the most. It would reduce the City’s contribution and would increase benefits for the employees. I just want to go over the benefits of the plan versus our current one real quick, and then open it up for any questions that you might have. The current plan versus the bids that were received, we have a broader network for both the base and the buy-up plan. Employees will be pleased, we think, with this. Cigna’s network is comparable to what we currently have with UHC. We have lower deductibles at $2,500 for the individual, and $5,000 for the family on the base plan, and 0% deductible on the buy-up plan versus the current $3,000 and $6,000. This is good because this is covered by the HRA plan, which is the plan that covers, or compensates some of the deductible expenses that we have during the course of the year. The tiered cost of prescriptions is lower than the other plans that were quoted. The amount appropriated and budgeted for the HRA, Health Reimbursement Account, would remain at
Ms. Moreno: Thank you, City Manager Vidaurri. And just to reiterate what the Manager went over, I think like what you mentioned, I mean it’s been three years or more where we have been non-competitive in the market. So, we go out every year to secure bids and because our claims were so high, no other carriers would even give us a quote. So, we kept United Health Care for three years. And as you can (inaudible) where Mr. Vidaurri went over the amounts of the increases, I mean that was, it was ridiculous. So, this is the first year in quite some time that we’re able to actually look at other carriers and see what is the best plan for the employees. And it’s a richer plan at a lower cost. Some of the reasons why the carriers of previous years didn’t quote was ’cause we had a large claim and there was some, you know, issue where your claims are higher than maybe other years, but those three years were higher than we had seen in previous years, but those, in our census, those participants had fallen off the census. So, I think that our employees will really appreciate it and we have a really healthy group of employees. And not to carry onto another subject, but I’d like to also add that our employees have also, we’ve seen a huge decrease even in like accidents. So, we have a really good safety program. Our employees come in every day and we have a very low sick leave turnout here as well. So, employees do come to work. I think it’s a great thing and I think they will appreciate the plan once they hear all the benefits it comes with. Thank you, Mr. Vidaurri.

Mr. Vidaurri: Thank you. Mr. Mayor, that’s our presentation on the health insurance plan. Are there any questions?

Mayor Teso: Any questions?

Councilwoman Rogers: I’m ready to move (inaudible).

Mayor Teso: Okay.

Councilwoman Rogers: Mr. Mayor, I would like to move and hopefully someone will second, and then if you have further discussion, it will be fine before we vote. Mr. Mayor, I move Resolution No. 19-07 of the Mayor and Council of the City of South Tucson, Arizona, approving and adopting the agreement between the City of South Tucson and Humana (Medical Insurance Provider), authorizing the Mayor and/or the City Manager to execute the contract for fiscal year 2019-2020 services.

Councilman Oyegbola: Second.

Mayor Teso: Do we have any discussion?

Councilwoman Rogers: You gotta get a second. Oh, he second it.

Mayor Teso: (Inaudible) second.

Councilwoman Rogers: Mr. Mayor, for my discussion, somewhere we gotta include the resolution whereas, whereas, whereas ...
Mayor Teso: I have it here.

Councilwoman Rogers: ... about it.

Mayor Teso: Yeah.

Councilwoman Rogers: Okay. It may be in the motion. Because they will say, “Oh, you didn’t say that.” And then we’ll say, “Oh, yes, it’s right there stapled.” All of that, I didn’t read all that ...

Mayor Teso: Okay.

Councilwoman Rogers: ... about, but it’s there. Part of that, that would be very important (inaudible) get it on a vote.

Mayor Teso: All right. Okay.

Mayor Teso: Mr. Oyegbola.
Councilman Oyegbola: Yes.
Mayor Teso: Mr. Diaz.
Acting Mayor Diaz: Yes.
Mayor Teso: Ms. Romero.
Councilwoman Romero: Yes.
Mayor Teso: Ms. Rogers.
Councilwoman Rogers: Aye.
Mayor Teso: Mr. Lopez.
Vice-Mayor Lopez: Yes.
Mayor Teso: Aye. Motion carries.

ITEM #10 – STAFF REPORTS

Mayor Teso: Mr. Vidaurri.

Mr. Vidaurri: Mr. Mayor, members of the City Council, I have just a brief report to give. I’m not sure if anyone else has one at this time. But the first item is the Tohono O’odham Nation Request for Proposals. Councilwoman Rogers had brought that up a couple of meetings ago. Staff is working with Department Heads to develop projects to submit for possible funding. The application deadline is June 14th and we do expect to have something to the City Council prior to that. Projects eligible for funding include education, health care, public safety, child advocacy, economic development, cultural and environmental development and protection. So we’re working on that and we will be back to you with an application for you to consider within the next two or three weeks, and in time to meet the June 14th deadline. As you know, Primavera received a grant from NeighborWorks America to support the development of business survey that will be distributed. It’s my understanding, this week. And will also be available online. The surveys will provide data that will be
used to convert our business license mailing list into a business directory that will be posted on an economic development component of the City’s website. The website will also provide information on the government property lease excise tax, the GPLET, and Opportunity Zone incentives. How to do business in South Tucson documents and forms will also be made available on the City’s website. This information will be provided to student interns beginning this fall semester. And with their help, we’ll incorporate this database of information into the City’s website, hopefully by semester’s end. Staff met with Peggy Hutchinson this week. She’s Primavera CEO, and Alonzo Morado, one of her staff members, to discuss affordable housing as a potential requirement of the GPLET process. By incorporating in GPLET development agreements, wording that developers would be required to participate in affordable housing components, but there are also other components that could be added; parks, just about anything, where the developer actually contributes funds to the City to make these projects a reality. They could probably even be fire trucks. But we’re working on that process currently. Developing a model program like this would allow us to begin to address some of the issues that we face in blighted single-family homes, as well as blighted multi-family homes. And in addition to that, do other things that the City Council may be interested in doing; parks, purchase of equipment for public safety. After all, they do have to respond to fires and not only residential areas, but commercial areas as well. Staff is in the process of finalizing a license agreement with New Cingular Wireless for wireless installations on public structures in the community. This item will require the City to include the adoption of a fee as part of the permitting application process. So, the City Attorney, you and I, are working on that project. We’ll have a telephone conference with the AT&T officials tomorrow to discuss some of the particulars of the proposed license agreement. And also talk a little bit about that B structure. I met, or I have a meeting with Lea Marquez-Peterson tomorrow, or Wednesday, excuse me, to talk about a new business locating in the community. They’ve expressed interest and so we’ll sit down and talk about what it is that they’re looking at, discuss some of the things the City may be able to do for them, and see where we go. Hopefully, we’ll have a new business in town. And I think the last thing I have on my report is the, two or three meetings ago there was some discussion about our financial advisor having provided a presentation to the City Council in March of 2016. We have basically a new City Council now and what I’d like to recommend that the Council consider is revisiting that matter and look at holding another work session so that we can look at the City debt profile, possible debt restructuring alternatives, and further analysis into where the City is currently at fiscally. And what I’d like to do is give you copies of the presentation that was made in March of 2016 for you all to review and perhaps we can then talk a little bit about possibly holding another study session to look at the, some issues that are currently affecting us. As you know, we have a lot of old equipment. Some of our facilities have been subject to deferred maintenance because we simply don’t have the money to pay for the maintenance. So, we’re just exploring all the different opportunities that might be available. And this is just one proposal that was submitted by our financial advisor. So, with that, Mr. Mayor, members of the Council, that pretty much concludes my report to you. If there are any questions, I’d be happy to answer them.

Mayor Teso: Do we have any questions for Mr. Vidaurri?

(No questions from the Council)

Mayor Teso: Thank you.

Mr. Vidaurri: Yes, sir.
ITEM #11 – ADJOURNMENT

Mayor Teso: Do we have a motion to adjourn?

Councilman Oyegbola: Mr. Mayor, I’d like to make a motion to adjourn tonight’s meeting.

Vice-Mayor Lopez: Second.

Mayor Teso: Mr. Oyegbola.
Councilman Oyegbola: Aye.
Mayor Teso: Mr. Diaz.
Acting Mayor Diaz: Aye.
Mayor Teso: Ms. Romero.
Councilwoman Romero: Aye.
Mayor Teso: Ms. Rogers.
Councilwoman Rogers: Aye.
Mayor Teso: Mr. Lopez.
Vice-Mayor Lopez: Yeah.
Mayor Teso: Aye. Motion carries. We are adjourned.

The meeting adjourned at 6:32 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 13th day of May, 2019. I further certify the meeting was duly called and a quorum was present.

Dated this ________ day of ______________________, 2019.

_______________________________________
Veronica Moreno, City Clerk