Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Tuesday, December 17, 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
Lourdes Aguirre, Finance Director
Bobby Yu, City Attorney
Kevin Shonk, Police Dept.
Angel Lopez, Public Works Director
Marilyn Chico, Housing Director

Council Present: Bob Teso
Herman Lopez
Paul Diaz
Rita Rogers
Robert Romero

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

ITEM #03 – MISSION STATEMENT

Councilwoman Rogers read the City's Mission Statement.

ITEM #04 – ROLL CALL

All members of the Council were present except for Councilman Oyegbola and Councilwoman Romero, who were excused.

ITEM #05 – CALL TO THE AUDIENCE

Mayor Teso: Speakers are limited to a three-minute oral presentation to address the Mayor and City Council on any issue within the jurisdiction of the Mayor and Council, except for items scheduled for a public hearing at the meeting, and may submit written comments of any length for the City Clerk’s files. Is there anybody in the audience that would like to speak?

(No response from the audience)

Mayor Teso: Let the record show there will be no speakers this evening.

ITEM #06 – APPROVAL OF MINUTES: REGULAR MEETING, DECEMBER 3, 2019
Mayor Teso: Do we have any corrections or amendments?

Councilwoman Rogers: I don’t.

Acting Mayor Diaz: Mr. Mayor, hearing no corrections or additions to the minutes, I move that we accept the minutes …

Vice-Mayor Lopez: Second.


Vice-Mayor Lopez: I second it.

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

ITEM #07 – MAYOR AND COUNCIL MEMBERS: REPORTS OF CURRENT EVENTS AND FUTURE AGENDA ITEMS

Mayor Teso: Do we have any current events?

Councilwoman Rogers: Mr. Mayor, just let, on this Thursday, December 19 at the Community, I don’t know, Center, Mr. Beltran (inaudible) December 19th Christmas party. I believe it starts at 6:00 p.m. Food and toys, and everyone is invited. And then, of course, there’s another one that is taking place. I can’t give you the exact address but the staff knows about it. And I’m gonna have to go to that one, and it’s at Dan Eckstrom area, by the Banner Hospital, across (inaudible). And it’s also at the same time in the evening, so that’s two this week.

Mayor Teso: Okay.

Vice-Mayor Lopez: Mr. Mayor, getting back to your event, it’s at the Kino Recreation Center up on Kino, across the street from the baseball park. And it starts at 6:00 to 7:30 on the 19th. And then on the 20th, Las Artes is having their graduation and they invited us to attend, hopefully, at 10 o’clock. And then on the 21st, the 39th Yaqui Children’s Christmas Party, it’s gonna held on 39th and 11th. And at least two events here, other than Las Artes, there were invitations by Dan Eckstrom to, to where, he would like for us to be there and attend those.
Mayor Teso: What time is that one, 39th and 11th one?

Vice-Mayor Lopez: He, he didn’t tell me right then.

Mayor Teso: Okay. Does anybody else have any current events?

Councilwoman Rogers: Mr. Mayor, are we on Reports or (inaudible) for Council?

Mayor Teso: Reports for what?

Councilwoman Rogers: Council reports. Or ...

Mayor Teso: No, we’re gonna ask about future agenda items.

Councilwoman Rogers: Oh, okay. Future agenda, okay, that’s what I was looking for. Thank you.

Mayor Teso: Do we have any future agenda items?

Councilwoman Rogers: Mr. Mayor, on the future agenda item, I would very much like to see, I don’t know how we’ll do this, but I know, because I come by to check my mail rather often, etcetera, we’re getting many of the evaluations back in the mail regarding the interns and whatever Mr. Oyegbola is doing or Mr. Vidaurri, whoever is in charge. I would like the Council each to be able to read each one of them and so you don’t have to copy it seven times for the place because I already have gotten calls about (inaudible) and from the people. And I don’t know what it’s gonna say or mean, but I do know it costs a great deal of money, fifty cents on a postage stamp, to be mailed and another fifty cents to, for them to mail it back, and I understand there’s 1,500 sent out. And so, what is the purpose is my future agenda item, and where can we read what the people have to say, what the people have spoken? Basically, not just a, a grade level subject for Okanni Oyegbola and the interns. ‘Cause it keeps saying the City did it and I keep telling ‘em I didn’t. Thank you.

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

(No future agenda items from the Council)

Mayor Teso: Okay. Moving onto Item #09. Item #08.

ITEM #08 – CITY MANAGER AND DEPARTMENT HEADS: REPORTS TO MAYOR AND COUNCIL

Mr. Vidaurri: Mr. Mayor, members of the Council, I’ve got a couple of things for you. First thing is we held some meetings with some representatives from Sam Lena Library and Las Artes to talk a little bit about some of the homeless problems that they’re having at the those locations. And so we met with staff at Las Artes and one of the things that we agreed to do for them is to maintain a greater vigil at the location and issue trespassing warnings to the homeless. They do have “No Trespassing” signs at that location and prior to
engaging in prosecution efforts, attempt to work with the homeless to not create the issues that they’re creating at that particular location. It’s our understanding that, that Las Artes is going to be installing some fencing as well to control ingress and egress to the Las Artes location. With respect to the Sam Lena Public Library, we had some things occurring in the back of the library, not very sanitary things. And so we received a complaint through the County Manager’s Office and we held a meeting with library staff to discuss those complaints. And in a brainstorming session that we held, we agreed to look at maybe a nightly mobile patrol unit, providing additional lighting in that location, landscaping in those areas where we’re having issues with the homeless, tree pruning to allow for better camera visibility, fencing to eliminate site ingress after posted library operating hours. And there’s been some discussion maybe of creating an advisory team of homeless for the purpose of having them police each other. We don’t know if that’s happened at any other location but we’re gonna make an attempt to do that. And so, the County Administrator was informed that we would be taking these actions and we hope to have success with some of those efforts to mitigate the problems with homeless at those two locations.

Acting Mayor Diaz: Mr. Mayor, I guess at our Neighborhood Meeting, Supervisor Valadez was there and one of the subjects was the, the problem with the homeless. And I’m not sure whether he intends to set up a county-wide committee or something to that effect, but I guess because of the problem being county-wide, so I’m assuming that somehow they’re gonna get to the problem eventually, but, you know, pushing the homeless from one area to the other is not helping and what we really need is to get down to the basics and maybe, I don’t know, San Francisco and California are having bigger problems than we are, but the fact is that there, obviously, they have some money to spend and they are making progress in respect to mobile units, sanitary units that are portable units that go around, you know, to minimize the problem of the sanitation. But also, you know, the, they’re clothing and stuff like that is being donated to them, so that creates the, you know, positive (inaudible) for them, too. But it’s not just the homeless. You know, we have two categories; it’s the homeless and the drug addicts. You know, so the drug addicts get into with the homeless and the homeless take the burden or the punishment because everybody is called homeless. That’s my comment. Thank you.

Mr. Vidaurri: We’ll work closely, Mr. Mayor, Mr. Acting Mayor, with Supervisor Valadez’s Office as they proceed with plans to mitigate some of these situations.

Acting Mayor Diaz: Thank you.

Councilwoman Rogers: Mr. Mayor, on this, regarding the Staff Report, is there anyone on staff who could report about the fire at Spanish Trail on Sunday night which was on all the channels? I’d like ...

(Coughing in background)

Councilwoman Rogers: ... (inaudible).

Mr. Vidaurri: Commander Shonk, were you at the fire that took place at Spanish Trail?

(Simultaneous conversation)
Mr. Vidaurri: Could you provide a brief report to?

Commander Shonk: We had another incident going on that night, so (inaudible) officer that needed assistance. We had to call TPD so as, there was a little bit response issue there on PD side, the Fire side was dispatched. And upon arrival, the back building behind the, I guess it’s the old restaurant area, ballroom area, gathering area, there was a back building there that was fully, flames showing through the roof and everything. TFD responded as well as South Tucson Fire. They extinguished that. There was some mention of a, a transient with a skateboard that possibly was seen leaving the area. That’s being followed up on, but there was a comment made by Battalion Chief Tucson Fire Department that that building itself is in such unstable condition and so much stuff stored within the building that he will not send his firemen into that building if it does catch fire. There was, ...

(Background conversation)

Commander Shonk? ... that was brought up as well. There, since it was, it is an abandoned building and, and really, kind of a lack of (inaudible) the arson for Pima County Sheriff’s Department will not respond out for this, something like that.

Mayor Teso: Thank you.

Councilwoman Rogers: Thank you.

Councilman Romero: Mr. Mayor, I have a question for Mr. Vidaurri. According to what Mr. Shonk said, it’s run down, piece of junk, it’s all crowded, it’s all a mess, why isn’t that in this list of buildings that you guys put up? You know, ...

Mr. Vidaurri: Because, ...

Councilman Romero: ... well, ...

Mr. Vidaurri: ... because it’s a (inaudible), Mr. Mayor, Councilman Romero, it’s a, it’s an owner of the property that’s working with the City to try to redevelop. Unfortunately, the owner has not been able to do that and so, the NOV portion of the City responding to issues at that site go directly to that individual. However, until that property is redeveloped, as all of our other vacant, dilapidated, and abandoned properties in the community that have caught fire, which are (inaudible) and TFD have responded to, we’re gonna continue to have this problem. The solution to the problem, I think, and I’m hoping that the State Legislature approves what’s going to be proposed by the Arizona League of Cities and Towns and I’ve distributed copies of this to you, and also attached the list that was requested in terms of the properties that we consider most seriously in violation of our Neighborhood Preservation Ordinance. And so, the League is seeking support right now for this proposed legislation that they will be introducing. We’re in touch with the League at the staff level and we’re hoping that the Legislature acts positively, considers approving this. The other caveat here is that the League will also be requesting that the State Legislature appropriate funds to municipalities to be able to demolish and clear sites that absentee landowners or property owners have failed to do so for decades. So, this is very important legislation and it’s something that we should support.
Councilman Romero: I think you’re gonna open up a can of worms here, John. You’re telling me that the people there at the Spanish Trail can’t afford to fix the place up or clean it up or anything else. They don’t have the money. You’re opening up a door that just about anybody on this list is gonna tell you the same thing. They don’t have the money to clean it or repair it or anything else. Then what are we gonna do?

Mr. Vidaurri: Mr. Mayor, Councilman Romero, the property, my understanding, is for sale. And so, we can, through the NOV process, issue citations and violations and request a cleanup. And the owner will have to respond. And having had this fire this weekend, that’s exactly the process that we’re going to undertake. So, if the owner does not respond, then we will work with Legal to look at what other remedies the City may have to have that property cleaned up.

Councilman Romero: Now that’s, like I said, that’s the only point that I’ve got. The only thing that I’m worried about that if they can’t afford to fix it, and then you’re gonna open up the door to them or anybody that’s there is gonna say, “Well, I can’t afford to pay for it. I can’t afford to clean it.” We’re gonna be, you know, we’re gonna be stuck between a rock and a hard place.

Councilwoman Rogers: Mr. Mayor, …

Councilman Romero: That’s the only thing I’m, I’m trying to let you know, you know.

Mr. Vidaurri: Yes. Mr. Mayor, Councilman Romero, and we understand that and we will proceed with a process to attempt to remedy the situation at that location.

Councilman Romero: Thank you.

Councilwoman Rogers: Mr. Mayor, I’d just like to say that my greatest concern, since I live a few feet from there, is that if they can’t come out, the fire fighters, etcetera, whether we have three or four, anything, all the bathroom windows of 60 studios could die that are residents of South Tucson. Some since Mr. Luttrell owned it in the ’90’s. So for, just to say we’ll just let it pass until maybe something happens, but we’ll never go in, is very sad for me and that’s why I brought it up. Mr. Shonk wants to talk.

Commander Shonk: I might add to that. The fire fighters are strictly talking about the abandoned buildings. They’re not talking about the occupied buildings. If there’s life in, in danger, they’re gonna enter. What the Battalion Chief is saying is that he’s not going to put his men at risk by entering an abandoned building that’s full of, which that building is full, and full, and full of mattresses, and parts, and appliances, and everything else, that could just fall on, on top, on the fire fighters and everything like that, the roof cave in and everything like that. So what he’s saying is that he is not going to send his fire fighters into the building that’s abandoned. Obviously, if there’s life in jeopardy, then they would. You know, they would enter the apartments or whatever, but they’re not gonna enter an abandoned building to put their fire fighters at risk.

Councilwoman Rogers: Well, …
Commander Shonk: They, they would monitor, they would monitor it, and they would do the outside and they would have an aerial truck with a hose and, and the thing is what he explained, but they would just basically let it burn out without it spreading.

Councilwoman Rogers: Mr. Mayor, they border, what he, Mr. Shonk is talking about, the residents, board, what you’re talking about, so.

Commander Shonk: The building I’m talking about, though, is, it’s just, it’s the one just a little bit away from the one that caught fire.

Councilwoman Rogers: Mm hm, little bit.

Commander Shonk: Do you know what I’m talking about? At, at least, the, I know that they have, they already started cleaning that out. I know Mr. Volk brought up that they have started slowly cleaning it out. There’s a lot of stuff still in there. Mr. Volk was on scene the night of the fire.

Councilwoman Rogers: Yes.

Mayor Teso: Is that it?

Mr. Vidaurri: Oh, there’s a couple of other things, Mr. Mayor. The HUD Field Office in Phoenix has telephoned conferenced us on two or three different occasions to discuss public housing operations. And so, in your mail distribution boxes this evening Marilyn Chico, the Housing Director, placed some information in your boxes. We’ll be looking at what HUD has discussed with us as far as public housing operations and working with Ms. Chico on some corrective action that HUD Field Office has suggested. And so that’s going to be taking place between now and the next City Council meeting. This is January the 7th. On January the 7th, we’ll have the Council convene as Housing Authority Board and review some of the corrective action measures that are being proposed. The last thing I have is the Pima Community College held their Chancellor Breakfast recently. We had some representation from the Mayor, the Vice-Mayor, Councilman Oyegbola, and Councilwoman Rogers. I just want to say that there was no business discussed at that meeting. And that concludes my report, Mr. Mayor.

Mayor Teso: Okay. Thank you.

ITEM #09 – DISCUSSION AND POSSIBLE ACTION TO DIRECT THE CITY ATTORNEY TO DRAFT AN ORDINANCE AMENDING CHAPTER 2 (“ADMINISTRATION”), SECTION 2-33 (“VOTING”) OF THE SOUTH TUCSON CITY CODE TO INCLUDE LANGUAGE RELATING TO THE PARAMETERS OF AN ABSTENTION AND THE LEGAL EFFECT OF AN ABSTENTION

Mr. Vidaurri: Mr. Mayor, members of the Council, our City Attorney, Mr. Yu, has prepared a Council action report for you.
Mr. Yu: Mayor and members of the Council, I’m primarily gonna go off the written report, but I’ll offer some extra comments. This subject was previously raised as a future City Council agenda item for discussion/possible action so first, I’m gonna go through what we currently have and then as members of the Council, you can decide whether you want to keep it the way it is, or take another approach. Now Arizona State law does not address abstentions. Arizona State law allows a municipality to decide how and when to plead abstentions. Now how have we done it up to this point? Section 2-32 of the South Tucson City Code states, “Except as otherwise provided by law or ordinance, the provisions of Robert’s Rules of Order shall govern meetings of the Council.” Section 2-33 currently defines a Council member’s silence during a vote as follows: “Vote of every Council person on every issue that is voted upon shall be included in the minutes of the Council meeting, unless a member of the Council states that such member is not voting, a member’s silence shall be recorded as an affirmative vote.” Section 2-33 allows a Council member to abstain and there’s no definition as to parameters of when a Council member can abstain. Section 2-33 does not specifically address whether an abstention counts as an aye, nay, or a no vote. So, for the purposes of Council meetings, it’s counted as an abstention, however, while all Arizona municipalities are subject to the State’s conflict of interest laws regardless of whether a municipal ordinance addresses conflict of interest. However, there is no Federal or State law which requires municipalities to count an abstention as an aye, a nay or a no vote at all. Therefore, Section 2-32, as it stands now, asks the Council to apply Robert’s Rules directly. Under Robert’s Rules, abstentions are not counted as an aye or nay vote, but is instead counted as no vote at all. This has the practical effect (inaudible) nay vote because if three members vote aye, three members vote nay, essentially, a tie at that point, and one member votes to abstain, there would be three aye votes out of seven, which is a minority, a majority votes. So, in that scenario, the Council cannot pass a motion without a majority vote of the quorum so, therefore, the motion would fail in this hypothetical situation. I looked at 20 other Arizona municipalities on how they define the parameters of an abstention and can share the following: In Patagonia, they apply it the same way as in South Tucson. Robert’s Rules are applied. And since abstentions have not been addressed, an abstention has the same legal effect as in South Tucson currently. In the municipalities of Casa Grande, Chandler, Douglas, Goodyear, Mesa, and Tempe, Council members, as far as I understand, cannot abstain unless there is a conflict of interest. If there is not a conflict of interest that is declared, an aye or nay vote is required. In the municipalities of Avondale, Bisbee, Flagstaff, Glendale, Phoenix, Prescott, Scottsdale, Tucson, Winslow, and Yuma, Council members cannot abstain unless there is a conflict of interest. And if there is no conflict of interest declared, a failure to vote is considered an aye vote. In the municipalities of Goodyear, Holbrook, and Peoria, Council members, again, because of State law, cannot abstain unless there is a conflict of interest. And if there is no conflict of interest, a failure to vote is considered a vote with the majority, unless it is a tie vote when the abstention is considered a nay vote. So, with how they apply abstentions, it’s a little more complex than many of the other municipalities. Certainly, then, democracy comes in all shapes and sizes. And Arizona municipalities vary on how they have addressed abstentions. We can keep abstentions as it is, as a non vote under Robert’s Rules, as applied, or adopt an approach as one of the Arizona municipalities have addressed the matter. And with that, I leave it to the Council for any discussions on this.

Councilwoman Rogers: Mr. Mayor, my input will be that I just love Robert’s Rules of Order. And I like, I would choose the same as South Tucson and Patagonia, how it goes. And especially the abstain example would be if say I missed one meeting this month. And you wanted a vote on the approval or non-approval of those minutes for corrections or additions, etcetera, I am not gonna vote no or yes on either one of those things because I was not a part of it and I would abstain.
Mayor Teso: Anybody else have any comments?

Vice-Mayor Lopez: Mr. Mayor, I actually like number three, which is the one that take care of Avondale, Bisbee, Flagstaff, Glendale, Phoenix, Prescott, Scottsdale, Tucson, Winslow, and Yuma to where a failure vote will be considered as a aye vote. And it would probably, would break the tie.

Acting Mayor Diaz: Mr. Yu, in respect to possible action, if we choose to go with Robert’s Rules under 3-32, does that mean that all the, all the issues that imply the uses of Robert’s Rules will be in effect? In other words, Robert’s Rules is covered under various sections of that, of our ordinance.

Mr. Yu: Yes.

Acting Mayor Diaz: Right? So, if we accept Robert Rules as our guidance or, or as our part of our ordinance, that deletes everything else under that as far as possible conflicts.

Mr. Yu: I guess if that is the direction, I would ask for clarification as to whether or not it is to keep the abstention, the understanding of an abstention the same or whether or not that is to apply to other parts of the Code as well since this is just a discussion about the abstention itself.

Acting Mayor Diaz: In other words, if we go with Robert Rules, there, there’s be no possible conflict of the wording that we use to accept the motion. In other words, if she, or if somebody decides to abstain under Robert Rules, it’s a no vote. Right?

Mr. Yu: It’s, it’s currently not a vote under Robert’s Rules.

Acting Mayor Diaz: Not a vote.

(Simultaneous conversation)

Acting Mayor Diaz: Okay, so ...

Mr. Yu: It, it would be not a vote.

Acting Mayor Diaz: So, in reality then, for that particular motion, that person is a no vote.

Mr. Yu: For the purposes of counting whether there is a majority, in essence, it would count as a, as a nay.

Acting Mayor Diaz: Is, is the, okay, so the ...

Mr. Yu: So ...

Acting Mayor Diaz: ... majority ...
Mr. Yu: … using that example of, that, that was referenced for seven members that are present, six either vote for an aye or a nay, if there is a, that seventh member abstains, well, there’s not a vote, so that’s not counted …

Councilwoman Rogers: It’s three …

Mr. Yu: … for the …

Councilwoman Rogers: … three.

Mr. Yu: … purpose of whether it’s an aye or a nay.

Mayor Teso: So only the six votes are counted.

Mr. Yu: Only the six votes are counted. Although for the purposes of a majority, that seventh vote counts, the seventh non-vote still counts for determining whether that motion passes.


Mr. Yu: Correct.
Acting Mayor Diaz: Okay. So, Robert Rules will eliminate any possible, if whatever, you know, conflict there is, it’s a majority or all the ayes are counted and not, that particular vote is not.

Mr. Yu: Right. You know, even if we keep it the same, it may still be beneficial to have it in the Code, to have it be better defined, if, …

Councilwoman Rogers: Yeah.

Mr. Yu: … that is, …

Acting Mayor Diaz: Right.

Mr. Yu: … if that is, …

Acting Mayor Diaz: Yeah.

Mr. Yu: … if that is …

Councilwoman Rogers: I agree with …

Mr. Yu: … what the Council prefers.

Councilwoman Rogers: Okay.
Mayor Teso: Comments?

Councilwoman Rogers: Mr. Mayor, I do, I don’t know if we need a motion or not, but I do agree with what he’s saying about adding it into the Code as a direction or whatever. I don’t know if you need a vote.

Mayor Teso: Okay. Well, I have a couple of comments. I think we’re, well, it might be the only votes that should be counted are probably ayes and nays. The resident voters of our City didn’t vote for us, us into our offices so that we could be, further obscure the results of our Council votes on any (inaudible) issue. The record should be clear on how Council members vote on resolutions and ordinances. If conflicts of interest exist, a Council member should declare that confidently and without reservation since it is required by law. I, that’s the only time I can see that we actually need an abstention. I mean abstention votes leave me with a feeling that the person abstaining may have, may leave the audience or Council members with this idea that maybe there’s special outside interests, inside or outside the community, that are being served. And that leads to, I just, yeah, I’ve never had to use an abstention on the Council. I don’t see why that any other people should, but that’s my opinion. Votes on any Council motion should be mandatory, I think. It should only include verbal yes, no answers. You know, aye, nay, and yes, no, thumbs up, thumbs down, whatever, you know, something, we need something visual, but I don’t think we, we need to have an abstention in there. There’s other processes for handling, I think, if people don’t like what they hear when, in, during, prior to the actual while we’re having discussions. I mean maybe they don’t think that there’s enough information provided to make a sound judgment on, and that they may need more time to, to have staff look over information. That, well, you can always table a matter for the next meeting, couple meetings, whatever, and why, why go through the abstention? I just don’t see the need for that.

Acting Mayor Diaz: Why would you have an abstention during adjournment?

Mayor Teso: Well, you wouldn’t.

Acting Mayor Diaz: You had one the other day.

Mayor Teso: Well, that’s what we’re trying to get rid of.

Acting Mayor Diaz: That’s exactly ...

Councilwoman Rogers: (Inaudible).

Acting Mayor Diaz: ... right, but why did we have one? Because it’s not written in the book. It’s either yes or no.

Mayor Teso: Right.

Councilwoman Rogers: Mr. Mayor, for further discussion, Mr. Mayor, I’d like to ask Mr. Yu a question. First of all, I’m not an abstract thinker. I’m a very, very concrete. So, let’s just take, and we’re not naming anybody and it’s not a joke or funny, or etcetera, but if you say, I can use one example would be the judge, I was an abstain, but I’m not gonna use that one ‘cause it, but the election of the Mayor, I was nom-,
Mayor, etcetera, and there was seven people there and this current Council so it applies, concretely, that two voted abstain. They did not have to vote no if they did not want to. And I don’t know what’s the problem with the word abstain. I just don’t know. I think they don’t want whoever got elected affected personally and they choose to abstain rather than be a big yes or a no. That’s my thinking. That’s my concrete question. Why, why can we not abstain? And I’m never gonna vote yes or no for minutes that I was not involved in. Never. Because I don’t know what was really said. Half of, part of our documents show inaudible. So I want abstain to stay and I want Robert’s Rules of Order to stay.

Councilman Romero: I tend to agree with Mr. Lopez. I’d like Option 3.

Acting Mayor Diaz: Say that you give direction to the City Manager to approve.

Councilman Romero: I’m just giving my opinion, sir.

Acting Mayor Diaz: You’re asking for direction.

Councilman Romero: Well, let them do it.

Mayor Teso: Do we have any other ...

Acting Mayor Diaz: Well, they’re asking, ...

Mayor Teso: ... discussion?

Acting Mayor Diaz: ... asking for direction. They’re asking for direction.

Mayor Teso: Or possible action.

Councilwoman Rogers: (Inaudible) the other two Council members?

Mayor Teso: Or what?

Councilwoman Rogers: All seven Council members present. You can table it.

Acting Mayor Diaz: I’d rather not. I’d rather get this over with now.

Councilwoman Rogers: Alright.

Acting Mayor Diaz: So, to me, I would like Robert Rules. You know, so I make the motion to direct the City Attorney to draft an ordinance amending Chapter 2 “Administration”, Section 2-33 “Voting” of the South Tucson City Council to include language relating to the parameters of an abstention vote and the legal effect of the abstention by applying Robert Rules.

Councilwoman Rogers: Second.
Mayor Teso: Do we have any other discussion?

(No discussion from the Council)

Mayor Teso: Mr. Romero.
Councilman Romero: Nay.
Mayor Teso: Mr. Diaz.
Acting Mayor Diaz: Yes.
Mayor Teso: Ms. Rogers.
Councilwoman Rogers: Aye.
Mayor Teso: Mr. Lopez.
Vice-Mayor Lopez: Nay.
Mayor Teso: Nay. Motion does not carry. Do we have any other motion?

Vice-Mayor Lopez: Mr. Mayor, I’d like to make a motion that we accept that Number 3, which is the Council cannot abstain unless there is a conflict of interest. If there is no conflict of interest, a failure to vote is considered to be a aye vote.

Councilman Romero: Second.

Mayor Teso: Any discussion?

Councilwoman Rogers: Yes. Mr. Mayor, I’d like to ask Mr. Yu a question. Unless there’s a conflict of interest, who would define conflict of interest? Like I consider not being present to be a big conflict of interest to approve minutes of what went on. What, who is defining conflict of interest in this motion?

Mr. Yu: I can say that, at least for these municipalities that have addressed the matter, the conflict of interest is based on State law.

Councilwoman Rogers: Okay. So we’ll get that State law. Thank you.

Mayor Teso: Any other discussion?

Vice-Mayor Lopez: Mr. Mayor, I think that if we, as individuals that are voting on issues, if we have a conflict of interest with any voting issue, that we should be coming forth and say, “I’m abstaining or not voting because I have conflict of interest.” Like that, everyone would be aware that you’re not gonna vote. It may come up, it may not come up. I don’t know.

Mayor Teso: Any other comments?

Acting Mayor Diaz: Mr. Yu, how about the word of, not abstaining but reclusing, recluse yourself ...

Councilwoman Rogers: Recusing.
Mr. Yu: Acting Mayor Diaz, I believe in the cities that are referenced in this Option 3 they use the word abstain rather than recuse, based on a conflict of interest, but for all intents and purposes, I think it would mean the same thing.

Acting Mayor Diaz: Thank you.

Mayor Teso: Okay. We have no other comments. We’ll take it to a vote.

Mayor Teso: Mr. Romero.
Councilman Romero: Aye.
Mayor Teso: Mr. Diaz.
Acting Mayor Diaz: No.
Mayor Teso: Ms. Rogers.
Councilwoman Rogers: Nay.
Mayor Teso: Mr. Lopez.
Vice-Mayor Lopez: Yes.
Mayor Teso: Aye. Motion carries.

Mr. Yu: I want to mention that when I draft this ordinance, it will still be up for the Council to vote on whether or not to approve it and perhaps the other two Council members will be present to offer (inaudible).

Vice-Mayor Lopez: Yes.

Mayor Teso: Thank you.

Councilman Romero: That would be the wisest thing, wait till they’re here.


Mr. Vidaurre: Mr. Mayor, members of the Council, our Finance Director, Lourdes Aguirre, has prepared the City Council agenda report for this item.

Ms. Aguirre: Mr. Mayor, members of the Council, this is the item related to last meeting where we brought you all up to speed on the position that had been advertised for Grant Writer. We gave you the specifics and also the rationale behind the evaluation and the recommendation. Given that the, this, that Ms. Irma Yepez-Perez has extensive experience in applying for grants for municipalities, which includes, of course, Public Safety. The specifics of this contract are listed there on your cover sheet. It is $30,000 per year and the funding, it lets you know there where it’s coming from. It’s coming from the six-month vacancy in the Planning and Zoning Director’s position, the first six months. You may have noticed that this resolution
includes a declaration of an emergency and that’s only because of timing and the potential to miss deadlines for any applications should we delay the implementation of the contract any further. Okay? So, of course, we want to make sure that she is on board as soon as possible to be able to perform whatever research and drafting of applications, communications with departments, necessary to be able to meet grant deadlines. With that said, I think we’re open to any questions that may come up.

Mayor Teso: Anyone have any comments for Ms. Aguirre? Questions?

(No questions or comments from the Council)

Vice-Mayor Lopez: Mr. Mayor, I move that Resolution No. 19-47 of the Mayor and Council of the City of South Tucson, Arizona, approving and adopting the agreement between the City of South Tucson and Irma Yepez-Perez, “Contractor”, authorizing the Mayor or the City Manager to execute the agreement and declaring an emergency.

Councilman Romero: Second.

Mayor Teso: Do we have any discussion?

(No discussion from the Council)

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


Mr. Vidaurri: Mr. Mayor, members of the Council, our Finance Director, Ms. Aguirre, also prepared the City Council agenda report for this item. She will present this to the Council.

Ms. Aguirre: Mr. Mayor, members of the Council, just like the previous item, this particular item having to do with the services of Construction Project Manager, were also discussed at the last meeting. Just to go over a couple of the specifics, the contract amount is to be determined by project. There are several projects in line for the next four years of different sizes and so the amount of time dedicated to management of each one will
be different. Nonetheless, one recommendation is that that budgeted amount, as well as whatever is allocated towards the design and/or construction, actual design and construction of each project, be shared with Mayor and Council. I think that Mayor and Council already went through the process of approving, through resolution, all four projects that are in line. And this is all for RTA, Regional Transportation Agency funding, so that was, indeed, one of the things that staff recommended be done. Mr. Michael D. Holder does have extensive knowledge and experience in working with the RTA. He actually worked with them or for them in the past and so that was one of the requirements, that there be that expertise so that we can hit the ground running, so to say. There is one project currently in the works that may require an extension this month, nearing the end of the month. And so bringing him on board as soon as possible is very important for him to be able to get started and also perform any of those duties that need to be performed with RTA. That is the reason for the inclusion of the emergency declaration in this resolution.

Councilman Romero: Mr. Mayor, refresh my memory. RTA is going to be paying his wages, aren’t they?

Ms. Aguirre: Yes, Mr. …

Councilman Romero: To a certain extent?

Ms. Aguirre: Yes, Mr. Mayor and Councilman Romero, they will be paying his, the amount of the contract in its entirety. Yes, Mr. Michael D. Holder will be responsible, though, for making sure that his fees are within the allotted budget for management, design, and construction.

Councilman Romero: Okay. Mr. Mayor, I make a motion that we pass Resolution 19-48 of the Mayor and Council of the City of South Tucson, Arizona, approving and adopting the agreement between the City of South Tucson and Michael D. Holder, “Contractor”, authorizing the Mayor and/or the City Manager to execute the agreement and declaring an emergency.

Vice-Mayor Lopez: Second.

Mayor Teso: Okay. We have a motion and a second on Resolution 19-48. Do we have any comments or questions?

(No comments or questions from the Council)

Mayor Teso: Okay. Going onto Roll Call.

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

Mr. Vidaurri: Mr. Mayor, members of the City Council, Ms. Aguirre has also prepared the Council agenda report for this item, the resolution and grant-in-aid agreement with the Tohono O’odham, through the Tohono O’odham grant program.

Ms. Aguirre: Mr. Mayor, members of the Council, I think that this item is pretty straight forward. All the specifics are listed there on the cover sheet. The entire award is for a little over $118,000, of which $116,000 is for the City to use in the purchase of two brand new vehicles and it will also cover the cost of equipment, and $2,400 for the Casa Maria Soup Kitchen. As indicated in the contract, it’s for the movie night at the park. So, typically, what happens is the City will pass the acceptance through resolution, approve the intergovernmental agreement. The City sends it back to the Tohono O’odham Nation, they approve it, and then issue payment. Once payment is received, then we perform the distribution. Once payment is received, then the City will cut a check to Casa Maria Soup Kitchen for $2,400. So, just wanted to make sure that that was clear so you all know the money has not been yet received.

Mayor Teso: Thank you.

Acting Mayor Diaz: Mr. Mayor, correct me if I’m wrong, but did we not receive the invitation around June or July for this grant?

Ms. Aguirre: Mr. Mayor, Acting Mayor Diaz, you may be correct in the invitation to apply. The award was sent out towards mid to late October and we had been waiting for the actual IGA to come through from Tohono O’odham Nation.

Acting Mayor Diaz: Okay. Thank you.

Vice-Mayor Lopez: Mr. Mayor, I’d like to make a motion that we pass Resolution 19-49 of the Mayor and, and the, the Mayor and the Council of the City of South Tucson, authorizing, ratifying and approving the Grant-in-Aid Agreement between the City of South Tucson, “Grantee”, and the Tohono O’odham Nation, and declaring an emergency.

Councilman Romero: Second.

Mayor Teso: Do we have any discussion?

(No discussion from the Council)
Mayor Teso: Okay. If not, moving onto Roll Call.

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

ITEM #13 – FINANCE DIRECTOR’S REPORT: FISCAL YEAR 2020 FINANCIAL QUARTERLY UPDATE AND GENERAL FUND OVERVIEW

Mr. Vidaurri: Mr. Mayor, members of the City Council, Ms. Aguirre, our Finance Director, will be present this report to you.

Ms. Aguirre: Thank you, Mr. Manager. I’m actually gonna move over, turn on the projector and that way you all can have a better view. So, by now, in your agenda items, what you’ve got is an Expenditure and a Revenue Report for fiscal year 2019, as well as fiscal year 2020, through quarter one. In that report that was distributed to you all, what I did was I included some notes at the bottom of pages where I felt it would be necessary. Just so you all are aware, typically, Department Heads are in charge of managing their budget, based on the bottom line. The reason for that is each year, the budget is approved based on the baseline from the previous year’s actuals. But there may be certain things that change in their operations and so that’s why Department Heads pretty much manage it based on the bottom line, to ensure that it doesn’t exceed. There are instances where perhaps they exceeded the budgeted amount by more than expected, more than anticipated, and so those are the things for which I have added notes or comments here on the reports. At this time, I don’t know if for purposes of revenue, it would be good just to give you all an overview, or would you all like for me, for purposes of record, it would probably be a good thing for me to review. It’s not a lot of notes. Is that okay with you all?

(Simultaneous conversation)

Ms. Aguirre: Yes? Okay. Alright. So what I’m gonna do is I’m gonna jump forward to your packet, page number 15, and give ...

Mayor Teso: Fifteen?

Ms. Aguirre: Fifteen. And these reports right here are for the General Fund. All the other funds are restricted and those are managed independently. The General Fund is the one that, they’re all, I mean we’ve got to track ‘em, we’ve got to manage them, but we’ve got to keep a really close eye on that General Fund. So, at the end of June 2019, the City experienced a surplus of $101,000, and I’m rounding, $101,000. Revenues
came in at 5.1 million and expenditures at five million. Page number 16, notes I have on here, the first note on page number 16 has to do with Transaction Privilege Sales Tax. I noted there was a variance between actuals and estimated actuals of about $62,000. I felt the need to let you know that because we were using the estimated actuals in our budget as of April 30th. Okay. So, from that amount, estimated actuals from April 30th all the way to the actuals at 6/30, the variance was $62,000. Franchise Fees, you may have noticed that in Franchise Fees it was a little lower than normal by about $8,000. That’s not a lot; nonetheless, this was because advertising activity for one of our franchisees was low, but it’s projected to increase in 2020 and we’ve already had discussions with the company. It’s AdVision who takes care of advertising in the bus stops.

Next page, page 17, it’s the page noting Fines and Forfeitures. So, on there, what we mention is that the General Fund Fines and Forfeitures, plus Restricted Revenues, because the Courts has Restricted Revenues by State statute and also City Code, the total revenues were eighty-eight point seven thousand. Okay? Once we account for those Restricted Revenues. Page number 18, I wanted to mention that in Miscellaneous Income, there is a lot of activity being captured and I think that that was something that was pointed out, I think, by one of the members of the Council, and perhaps even by the Citizens Advisory Committee at one point, so just to gain a better understanding of what was being accounted for in the Miscellaneous Income and this is, you know, from years of rolling forward and pretty much how things were done, we split it up. We …

(Coughing in background)

Ms. Aguirre: … (inaudible) new GL accounts, which you may have noticed here, to account for employee benefit adjustments, pack revenues, police reports, any lien payoffs, and also sales of bus passes. Okay? So, everything is gonna be accounted for separately. With regards to interest revenue, this is one item that had been increasing a little bit, year over year, but it really wasn’t that evident in the past. It has to do with, with the gains on investments from our bonds. And so, whatever gains come from, or those dividends, the sales, that’s what we’re accounting for here in interest revenue. Medical Premium Rebate, MLR, what happens with MLR’s, and this is according to the Affordable Care Act, is that a year or two after a health insurance premium year, the gains and the losses are evaluated. And so, if an insurance carrier determines that a company did not have much in losses, they will return a portion of the premiums back to the company, back to the employer. And so, that’s what we’re accounting for here under the MLR, Medical Premium Rebate. It was a total of $21,000, $21,800. A portion of it, though, by law, has to be returned to the employees, and so that’s been done. If you were looking at the balance sheet, that would be sitting in the amount of about $10,000 or so in the liability account because it’s due to the employees. Okay?

Mayor Teso: Why does the, on that particular value there, it’s called Medical Premium Rebate, but the thing in parenthesis says MLR.

Ms. Aguirre: Oh, that’s a really good question, Mayor. The MLR, Medical Loss Ratio. Yes. I know it doesn’t match up, the title to that abbreviation.

Mayor Teso: Right.

Ms. Aguirre: Those are just two ways to identify it, depending on who’s looking for the account to post it.

Mayor Teso: Okay. Thank you.
Ms. Aguirre: Page number 19, under the City Manager’s budget there was Attorney Fees. There was a slight difference under Attorney Fees and after research, I believe that that slight difference there was related to, it’s about $1,800, it was related to a carry forward from the defense attorney. Outside legal fees under the City Manager’s budget exceeded the budget of $50,000 by about $9,000. That was due to, that was for the representation in the secondary property tax lawsuit. You’ll also notice that there was numerous savings in the Salaries and Benefits section of the City Manager’s budget and that’s because the vacancy remained there, open from about October through March. That’s when the City Manager was brought on board. So that was an additional, I don’t know, three months or so, three, almost five months. Okay. So that was savings. And there was a slight variance in Mayor and Council under the State Retirement line item that had to do with a variance in the calculation used, the percentages used. I don’t believe that they were updated on the budget sheet. Page number 20, under Magistrate Courts, I just make a note to reference expenditures in Funds 401 through 404. Those are the Restricted Funds and the Court, with the approval from the Administrative Office of the Courts, can utilize those funds for eligible expenditures. Under Contracts in City Clerk and Personnel, there was a slight overage there and that’s pretty much due to increase admin support, and also minute preparation. Admin support for the time when City Clerk was Interim City Manager. Page number 21, under Finance Department, the line item of Contracts, exceeded budget by $2,400 and that was equivalent to a thirteenth payment to catch up from the prior year in one of the contracts. Under Salaries for Development Services, again, there was savings of approximately $29,000. Salaries and Benefits, and that was for the vacancy in the Planning and Zoning Director position. I believe it was supposed to be vacant for six months. Nonetheless, once the City Manager arrived, he performed an evaluation, along with staff here, and determined that they could go on to keep the position vacant for an additional six months. During the budget process, that was one of the recommendations that was made to just keep it vacant and that’s what has afforded the contract for the Grants Writer position. Page number 22, under the Fire Department, one of the things you’ll notice there is State Retirement, under the Fire Department. I’m trying to read my note here. Okay. So, essentially, the amount budgeted, the amount that was budgeted in State Retirement was based on salaries and the percent rate that is required by Public Safety Personnel Retirement, PSPRS. But it was below the required amount. So there’s two metrics there that PSPRS uses. There’s a contribution rate, based on salaries, and then there’s also an amount. Once we were able to see that the budgeted amount was below the required amount, the City went ahead and paid. There was sufficient money to pay the required amount for fiscal ’19. Now going forward in fiscal, in fiscal year 2020, we also used both metrics. We’ve used the contribution rate, based on salaries, and we’ve also used the required pension contribution amount, which was included in the pension policy, the pension funding policy that you all approved in the summertime. And so, should the City, because of vacancies or people on military leave have, spend less in State Retirement, the City needs to at least meet that required amount that’s in the pension funding policy. Alright. With regards to Reserve Salaries and Benefits, one of the things that was identified as adding more appropriate level for budgeting purposes is around $225,000. They did go through a change in their scheduling to be able to make sure that they’re more efficient and there isn’t as much going into overtime, things of that nature, so a more appropriate amount will be $225,000. That’s just a note for going forward. Page number 23, Police Department, under State Retirement, same thing. Turned out that the budget amount was a bit lower than the required pension contribution. And so, with savings that came from the Police Department, they had quite a few vacancies and people on military leave, the City was able to pay the full amount of $623,000, for fiscal year 2019. Under Contracts, Contracts in the Police Department, one thing that you’ll notice there under Contracts is that the budget amount was eighty-one point five thousand dollars. But the year to date actual
was a hundred and two point seven thousand, a variance of $21,000. And that’s pretty much due to representation by a very known attorney, Ms. Bergin, who represents them in all their policies and procedures, and so that’s basically to, you know, maintain or reduce the risk in liability in their department. One of the line items that was recently added for fiscal year 2019 was the one that is stated as State Retirement Military. You may have seen it at the end of the roster in Police. One of the reasons why I felt it was necessary to do that is because the City is required to meet the annual required pension contribution that’s listed in actuarial reports. But also, in accordance with State law, the City is also required to pay the pension for any employee who was on military leave and comes back. Now, something, let me just give you a scenario. If, for instance, the budget is adopted with a set number of people on a roster, full-timers in the summertime, prior to July, but in August, one of the officers goes out on military leave. Well, of course, the City is gonna be having some savings. And the City pays, again, based on the contribution rate. We have to enter those amounts as deducted and as, as accounted for in the PSPRS portal every pay period. So, if that person is out on military leave, the City’s saving a savings, but the City makes up when it pays the required amount at the end of the year. Now if this individual comes back at the end of June or at the end of May, then the City is required to pay back pay all the time that the person was gone on military leave. If the person comes back from military leave in the following fiscal year, the City didn’t have to pay the military leave, all the back pay, until he returns. If the City does not know when the person is going to come back, there’s no way to budget for that. Okay? So this is just something that I found I needed to explain to you all because I know that it causes an impact on the budget, year over year, and it also causes an impact in staffing in the police department. And so keeping that line item separate just gives you a visual.

Vice-Mayor Lopez: Can I add something to your comment?

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

Vice-Mayor Lopez: When a police officer gets called up, and when they provide a copy of the ordinance that they’ve activated, it tells you the amount of time that they’re gonna be gone whether it could be 12 months, 18 months, 24 months, but it states the amount of time that he’s gonna be gone, so that would be something to where, how you could project their return date in the future.

Ms. Aguirre: Yes, Mr. Mayor, Vice-Mayor, you have a very good point. And I know that that has been the case, at least for one of ‘em, ‘cause we have two officers who are out like that, but they have to remain on the budget roster. But for the other one, there’s been extensions and that’s not something that I have, that I’m privy to. But, yes, absolutely, those orders would be a good way to budget for that.

Vice-Mayor Lopez: Thank you.

Ms. Aguirre: Under DEA overtime, on page 23, DEA overtime, this is something that is covered strictly for salaries only by DEA Federal Funds. Benefits are not covered, but we know that when we’re budgeting and we’re approving the budget.

Mayor Teso: Does that include the Stone Garden Funding?

Ms. Aguirre: Mr. Mayor, no, that’s something completely different.
Mayor Teso: Totally different, okay.

Ms. Aguirre: This is for the one police officer that is on assignment with DEA. Page number 24 doesn’t have any notes. Page number 25, there’s a few notes here, one of them having to do, well, actually, both are under the Non-Departmental section of the budget. The first one has to do with insurance. As some of you may know, the City of South Tucson participates in a pooled program with other cities and towns under the Arizona Municipal Risk Retention Pool, or Southwest Risk. So, the amount that is budgeted here under Insurance, was, and this was, again, for last year, $163,000 is what was budgeted. But they’ve also performed their loss ratio evaluation. And so for prior years, they noticed that the City is in good shape with regards to claims and things of that nature, and so Southwest Risk provided the City with a credit of $21,000. And so we still want to make sure we’re keeping up with all of our trainings for safety because it makes a difference. It really does. With regards to contracts under Non-Departmental, what’s in here is amounts for ADP Payroll processing for the processing and it’s mostly the timekeeping component that we did not have. It was a way of automating a lot of the process for capturing time from employees. And it’s been very beneficial not only to the Finance Department, but also to departments that have more employees like Fire and Police, in keeping track of schedules and also making sure that everybody’s time is complete. Another item that’s in Contracts is, we also include in here the Admin Fees for Medical Insurances, the cost of shredding, the shredder service, and also eCivis, which is our, it’s a software for grants and we’ll make it available to Ms. Irma Ypez-Perez, if she needs it. Page number 26, under Debt Service Other Fees, so what’s in there is fees for expenditures for maintenance and purchase supplies. And so one of the things that we did in reviewing our lease for our machines, our copiers, I believe it was sometime last year, was that we included a maintenance component. It’s just one less thing for staff to take care of. It’s very, very few of us. And they’re on top of ordering our toners and supplies like that. In, prior to signing that agreement, we made sure to evaluate the cost of what we were spending at that time in toner and it was pretty much a wash, except that now, we have someone else in charge of supplying us with the toner and also performing maintenance on our equipment which, in a way, helps prolong the life of our equipment. Under Principal Repayment, oh, okay, that’s also related to our, I’m sorry, it’s related to our printer lease that was signed, at that point in time. But that variance that you see there was offset by some revenues that came in. But it was pretty much a contract buyout. So that pretty much concludes the review of the General Fund for last fiscal year. Again, the net position at the end of last fiscal year, according to this report, was a hundred and one point five thousand dollars. We know that our budget is very, it’s very limited. It covers only the basics, okay? But Department Heads are doing a good job of operating within their budgets. With that said, one of the things that I want to show you, so I issued this report to you all, okay, back in November. And I apologize for having issued it a little later than usual, but having short staff and also being tied up in working with the bond, and also preparing for the audit, that kind of limited my time. So, there is a slight variance in what you may see here and what is, so what you see on the screen are the most recent figures through today. And what will end up, more than likely, in our audited financials. Again, I want to make sure that you are all clear that these are unaudited financials. Okay? But that’s the closer figure that you see there, net surplus of $105,000. So there was a little change from 101 to 105, alright, in the General Fund. Now for last fiscal year, just to go over some of the figures here, there are a total of five major categories. So you’ve got your General Fund; you’ve got Housing; you’ve got Youth Operations Center, which comes from the County; you’ve got Grants; and you’ve got Non-Major Funds. There was a little shift in how all of our funds were designated prior to 2018. Okay? 2017, back, they were grouped in a different way. It changed slightly in 2018. And it mostly has to do
with the levels of funding. If one fund does not qualify or it doesn’t meet a certain threshold, then it’s better to maybe change it and, and put it in a category with a smaller fund. That’s just pretty much the rationale. So, just to give you a little bit of insight on this, and I don’t know if you can see it, but what’s included in the General Fund figures, or in the financials for that column General Fund, is, of course, General Fund. There’s four Restricted Funds for Courts, which are FAIR; there’s JCEF; there’s the Municipal Fill the Gap; and there’s DDS for the Defensive Driving School. There’s Fund 405, which is for Impounds from the Police Department. In Housing, you’ve got three different funds; you’ve got Section 8, Low Rent, and Capital Funds Project. Three funds. For the purposes of reporting on the Government-wide Financials, these are reported cumulatively, year over year. Okay? And then they’re managed, of course, year over year, separately by the Housing Director. The Youth Operations Fund that comes from the County and it helps pay for some maintenance and repairs to the building, and then the other portion goes to Pio Decimo, who is the awardee for services in providing to the youth. The Grant Fund now covers the (inaudible) grant for Police, a police grant for OCDETF, that’s linked to DEA. It also covers the Stone Garden Grant, which is from the Arizona Department of Highway Safety. Included in the Grants Fund was COPS, which used to cover, that one actually was completed last fiscal year. It’s just listed here. But it used to cover the cost of an officer. And so that was to help the City augment in staffing. So that, that grant is done. There’s also included in that group for grants fund, any grants from Pascua Yaqui, any grants from Tohono O’odham, any grants from EPA, and also, I think that was the last one. In Non-Major Funds, we have HURF, which comes from the State. And that pays for street-related expenditures. So any repairs to streets, lighting on streets, things of that nature. And, of course, Mr. Angel Lopez is the one that manages that. The next one, RICO, Fund 261, that’s strictly Police. And I think I mentioned this in the past, but that’s made up of three separate accounts; a State, a Treasury, and a Justice Account. The Treasury and the Justice Account are Federal and we have to abide by separate reporting guidelines for federal requirements. CDBG is also in the Non-Major Funds and as is the Explorers Fund. So, when that’s up and running, the kids do their job of fundraising and building up their funds so that they can cover the expense of traveling and going to some of their conferences. Fund 730 pertains to Reserve Firefighters Voluntary Pension Fund. That’s self-sustaining and you will not see that reported on the financials because it’s a fiduciary account. And it’s listed in the Notes Section of the financials, along with other notes for pensions. I know that this review is pretty extensive, it is thorough, but nonetheless, I want you to know that if you ever need to cross-reference anything it’s all here. Okay? Because it can become confusing sometimes. Okay, so, back to this review here. Now you don’t have this because this is what I was updating through today. So, I apologize. I should have given you this outline when I started so that you can follow and make notes. The bottom portion is what you see on the screen because it’s representative of revenues and expenditures. The top portion is the balance sheet. I want to make sure the City Clerk has a copy. The City Manager. Okay. So now that you have this in hand, of course, what I’ve just given you is what we just went over on page number 1 of 3 on the outline. On page 2 of 3, what you see there is (inaudible) and Expenditures Summary. But this is essentially pulling all the data and the information from this chart here on page 2. Not page number 2 of your outline, but the other packet I just gave you. So this is the total and this is a really good reference right here. At a glance, if you wanted to see specifically how any specific fund was doing, so say you wanted to see from your outline how Fund 252 did last year, 252 is that Youth Operations Center. So here, on this chart titled “The Trial Balance Summary”, go to Fund 252, and what you see under Income Statement is that there was revenues of $113,000 and expenditures of $113,125. So there was a loss. There was a loss of $125, but there was Fund Balance there to cover it, of $2,800. So that’s pretty much an easy way to review any of these funds. And then, of course, cross-reference it with this chart here on your outline, the chart titled “The Fund Grouping, the Overview of Funds.” So that’s how to read it. So now, we will jump onto the current
fiscal year as of September. So the current fiscal year as of September, on your agenda report, you have pages 1, or pages 2 through 13 of your agenda report. What I can do with this one as well is go through some notes and, and as I am glancing through it, I see that our notes actually start on page number 6. So, again, this is for fiscal year 2020, July through September. So you may notice that the numbers under City Manager Salary and Benefits was a little funny with a couple of negative numbers in the period actual for September. So that’s just because some adjustments were made, so coming into the new fiscal year, one of the things we noticed was that the prior Interim City Manager’s salary had been coded there and so we performed the adjustment. But in the year to date actual column, that’s the actual expense through September 30th for City Manager. Outside attorney fees, that’s one of the ones that I want to draw your attention to, outside attorney or legal fees. Mayor and Council adopted the budget with $50,000 appropriated for outside attorney or legal fees, $50,000. Through September, expenditures were nine point five thousand. Okay? So we anticipate that those fees are going to start to dwindle since the secondary property tax lawsuit is done. It’s in its final stages. It’s being completed. And so, we anticipate that the charges from that attorney will begin to decline. Under Mayor and Council, there’s Training and Travel. What you will notice there in those line items is that the actual expense through September exceeds the budget amount by a minor $500, and that is due to the educational opportunity that came up through the League of Cities and Towns for the conference. This was an educational opportunity. Page number 7 does not contain notes. Page number 8, under page number 8, Finance Department, the line item for Training and Travel, myself and staff had to attend training because Finance Department had been behind in its accounting software, about two versions behind and we were forced to upgrade in August or September. So it’s pretty new to us and there’s savings in the budget because there’s still a vacant position. So that was covered. Just thought I’d let you know about that because it, in case it draw, drew your attention. Page number 9, (inaudible) Service, it’s just pointing out the continued savings in Planning and Zoning Director. Also, savings due to the late implementation, it took a while to advertise and also hire the Code Enforcement and also go through the process for Grant Writer. We’re very, very glad to have them on board now, but it did take a little process and so there’s some savings associated with that. With the Fire Department, Fire Department under Membership, Dues and Subscriptions, you’ll notice there is that there was no budget for that. Nonetheless, it was a really good educational opportunity for them to also enroll and I believe it was the Fire Chief’s Association, which gives them a lot of good information. It’s a good resource for them to have. Again, departments manage their budgets based on the bottom line, as well, year over year. Page number 10, with regards to the Police Department, you’ll notice that overtime is a little high. But that’s all covered by the savings in vacancies. Also, savings in, due to military leave. The officers have to provide extra coverage and so it comes in the form of overtime, sometimes, but it’s being covered by savings. Page number 12, there’s been quite a few improvements under Public Building and those have been done, you know, different areas of the building, some to the roof. There’s been also some improvements on the PD side having to do with the gate in the back and not operating properly. Also, on the Fire side, with the Fire bay doors, and some of the doors to the building and so that is where the expenditures are coming from under improvements in Public Buildings. One really good thing that I want to mention to you all is that thanks to the CDBG grant, through the end of September, Fire Captain Luna worked very closely with Finance Department to be able to procure the services of, and also obtain, a, an exhaust system. And so I’m drawing a blank on what it was called. Mr. Manager, do you remember?

Mr. Vidaurri: Exhaust circulation system.
Ms. Aguirre: I believe that’s what it was. It had a value of $33,000 and we were able to cover that all through CDBG funds. So that was really, really good. It was very necessary. It was overdue, so we’re glad we were able to do that and get it done before the end of the award contract. Also in Non-Departmental there was a slight overage there under the ADOR Admin Fees mostly because they let us know how much the fee is going to be for the following fiscal year, but I think that that took place a little later than usual. And so, our estimated actuals in our budget amount was a little lower than what we actually got billed. So, again, ADOR provides all the services of collecting taxes, as well as performing some of the audits. Under page 13, Debt Services Department, what you see there is, Mayor and Council appropriated $143,500 towards settlements. Okay? Forty-three thousand of that, $43,500 of that goes towards the, the jail settlement and that’s been on a payback agreement with the County for a couple of years now. That one is paid every June. An additional $100,000 was appropriated in this budget here to satisfy the first payment for the secondary property tax lawsuit. Pima County was the one that settled, but the City has to pay back the County. And so, Mayor and Council appropriated $100,000 towards that and so, the contract, as I was reading it, indicates interest only and that it would be determined at the end of this whole process and so we have yet to find out how much that’s going to be. If it’s less than $100,00, then Mayor and Council will have savings in that area. So that is pretty much a quick review of General Fund for fiscal 2020. And that’s exactly what you have up here. So, on the Summary Sheet, page number 2, I have indicated that just in General Fund, there was a deficit of $179,000. Once combined, the General Fund with all those other funds, including the Bond Fund, which is Fund 410, the deficit is actually $28,000. But if you are looking exclusively at just revenues against expenditures, and you saw that deficit of $179,000, don’t be alarmed. That’s typical of that time in the fiscal year. Okay? So sales tax revenue collections are at a low, but then they begin to pick towards February, March, April, during, when sales taxes for holidays, for the holidays, as well as I believe it’s the Super Bowl, are being collected. So, you tend to see those spikes in revenue come in and kind of level everything off. Okay? So, of course, these are unaudited, again, and there’s a difference between, if you’ve ever read the financials for the City, there’s a difference between Restricted and Unrestricted fund balance, okay? At this point, as of today and as of tomorrow, there will be a Restricted Fund balance of $603,000. Okay? And I’m pointing that one out because it’s the largest restricted. That amount is what is sitting with the Bond Trustee, okay, on reserve. You may recall, just in case the City ever were to forfeit a payment, an annual payment in the amount of $600,000, then that would be the reserve to cover it. On Thursday, these bonds refinancing for this year, 2019, will be closing. This is the transaction that Mayor and Council approved. That fund right there will go away. But it’s a combination of that fund and also the reduced interest rate from 6% on that bond to 3%, which will make savings available beginning fiscal year 2021 and the following four years. The City will be saving, again, $200,000 a year for those four years, and also will pay that bond off, which you all know, have been kicked down the road for decades and decades. Stifel was able to shorten that from 2037 to 2034. But after that, you will no longer see that Restricted amount there. And the amount on your Unrestricted, or unassigned reserved fund balance for General Fund will be more in the lines of 730, 750, and it will grow, depending on how we do, or decrease, depending on how we do. But we want it to grow. We want to have at least, the going amount is at least 20% of what your General Fund amount is. With that said, you can see there on the summary, the net position for all the other funds and so we’re doing pretty good. ‘Cause the only one you see a negative there is the General Fund, but that’s because we know that our revenue collections are low. And that’s typical of the fiscal year. Across the board, everything else is doing okay, so there’s, it’s, all the other funds are being managed pretty well. Again, this report that I’m gonna give you is just for your records in case you want to take a look at it later on, your own time. So this is for fiscal 2020, quarter one. It’s the same thing I just showed you right here. And the page on the back is that table that summarizes this. It’s
called a Trial Balance Summary. That’s where you can see how each (inaudible). So I know this is a lot for you all to take in, it’s a lot of information, but if any of you have any questions, feel free to let me know. All the information is here and I will also be posting it online. And I’ll send you all a link, letting you know where it resides on our website. So, any major issues, pending liabilities, at this point, I think the City has settled all those large lawsuits that we had, which is, it’s really wonderful. It really is. We finished paying off the Waste Management lawsuit. Of course, Pasadera didn’t even get there, so that (inaudible). And now the secondary property tax lawsuit, we’re on a repayment schedule on something that is affordable, reasonable, that we can afford within our budget constraints. During this whole bond refinancing process, there was quite a few questions on the pension. And so, those are the answers that I want to share with you all. Because I think that all of the questions that that committee had, from the lender as well as from Stifel, and also bond counsel, were excellent questions. In reality, I had never received questions like that, so I think it’s gonna be beneficial for you all to, to know. As we track forward to fiscal 2021, okay, the pension will be stable in the sense that you are not going to see increases in the rates or the amounts like you did up through this fiscal year. But there will be a slight increase in fiscal 2021. Allow me to remind you that if there are savings any fiscal year, savings in salaries, for vacancies in Police or Fire, or for military leaves, you have a savings now, we still have to pay the required contribution amount, but you will also have to pay for it later under the normal calculations for amortization, which the City is on a 30-year schedule. So, I don’t have copies of this, but I can make it available to you all because you need to know, PSPRS, Public Safety Retirement System, and their new actuary company, they hired a new company, Foster and Foster is their name, just issued the actuarial reports today. And so I took these offline and what we see here is that for the Fire Department, the contribution rate for next year is going from 391% to 326%. It’s going down. But look at the amount. The amount is gonna go from $187,000 to $197,000. A difference, I’m rounding, but the difference is about $9,000. On the Police side, the contribution rate is going from 106% to 115%. And that’s the area where we’ve experienced, in the past, the vacancies and the savings and salaries and all that. If you take a savings, you gotta pay later. So, the amount is going up from $563,000 to $593,000. It’s a difference of $30,000, from this fiscal to next. So that’s a total of $39,000 that that’s an increase in the pension that you’re gonna see for next fiscal year. And I’m really, really glad that they were able to issue this now so that I can make you all aware and we can track along with these figures from this point forward. I’ll give you printouts of this. I’ll put them in your boxes. I already provided you with a status on the 2019 Bond Refunding. So, again, Thursday is when it closes and Thursday is when they’re gonna be performing all those wiring transactions to zero out the old accounts, establish the new accounts. And the list of needs, so this is something that you all are probably gonna want to look at and consider going into fiscal 2021. There may be the opportunity for some budget adjustments in revenues or expenditures. You’re gonna have some savings from the bond. So what I’m gonna give you right now is that list of department needs. I distributed this to each department about a week ago, or two, and I asked them for some input, but I know everybody is busy. So, maybe they didn’t get back to me just yet. This is the report, though, that was, we worked on this with every single Department Head May of 2018. And then I showed it to Mayor and Council again for fiscal ’19. So, we’re just refreshing it. For the most part, our Department Heads don’t ask for much, but these are some of the basic needs that they had listed at that point in time. So, just to keep you up to speed and informed, reminded, of what these needs are. And you have it there. I mean on the Fire side, you know their needs with regards to equipment. There’s also, their fire truck has been breaking down quite a bit. And so, yeah, it’s been breaking down quite a bit. So, it’s not inexpensive to cover the cost of repairs. On the Police side, we are so grateful that we were at least able to get those two vehicles through the grant. I know that they’re always putting in for trucks and vehicles through the grants. And so this time, you know, it just happened for the City. They’re gonna keep trying, but nonetheless, that’s
one of the needs, too. And maybe some increased Reserve hours in personnel. I know that under the City Manager position, back then it was well-known that there was interest by some in having a, an Economic Development Specialist, and so that was put in here. City Clerk Admin, the need for personnel to assist with front office clerical activities. Same thing in Finance; we need some help with staffing. We do what we can, but we’re always in a crunch for time and it would just alleviate and it would help us dedicate some time to, you know, special areas where we want, you know, perform certain projects. IT, with regards to services, phone equipment, I guess I should take that one off here because we already got the phone equipment. We transitioned. And that was one of the things that we had to do, actually, because our phone equipment was so outdated that it was no longer supported. And by this, I’m not meaning the phones on our desk, I’m meaning the infrastructure, the lines. What they call the PBX box. I don’t know what that stands for, but the PBX, so it was no longer supported. We needed to upgrade and so the system that we have now is a digital one. So, I think that that’s one of the things that I can mark off here. There’s always need for equipment because our computers are aging. And as they age, they start failing on us or they become slower and they prevent us from doing our jobs in the most efficient manner. Planning and Zoning, I think that that’s one of the ones, again, I didn’t go through this to revise it because it’s in its original form as it was presented back then, back in 2018 and 2019. So, there was the, the need for a Planning and Zoning Director, but that’s, you know, can be evaluated by you all and the City Manager. In the Magistrate Courts, one of the things that they listed on here was full-time Clerk. They also talked about the phone system upgrade, which they had to do, again, like us, forcefully. So, and they had also talked about some small, inexpensive enhancements to their Court area here. In the lobby, you may have seen, a few months ago they cleaned up, they painted. So those were some of those inexpensive items that they really wanted to take a look at. They would also like to do something here in the Council Chambers, Court Chambers. Maybe some cleaning up, removing the carpet, doing something to make it look presentable and nice. Public Works listed some need for full-time crew workers to help them. I know that they’re always, you know, stretched in multiple ways and they do what they can, but, yes, staffing is a need. The Public Works Director also listed on here some equipment and just general needs for the building. I know that it always comes up, you know, repairs to the roof. That would be a one-time expense. That’s pretty expensive though, but, nonetheless, it’s something that we’re gonna have to take a look at. Yes, we’re gonna have to take a look at that one. Also, aging AC units. Sometimes they cost us more in maintenance than it would to replace, but it costs to replace, but it is a one-time expense. Let me go down here. Contract for striping and sweeping; this was just an estimate, but it’s something that we’ve got to revisit with the City of Tucson. They’ve provided that service for us in the past. The building exterior, paint, that was just an estimate. We know that the library did their part once they took it over, but it’s listed as a need here. And then in Non-Departmental, things that were listed on there was the cost of a 3% merit for all employees. Salaries and benefits is about, or was, at that time, about $89,000. But that would be for all employees across the board. And just the need to reestablish a contingency once again. So that’s, all in all, a pretty quick review of where we were, where we are, where we’re going.

Acting Mayor Diaz: I have a question. It doesn’t show Police requesting any personnel.

Ms. Aguirre: Mr. Mayor, and Acting Mayor Diaz, under Police, again, this is from 2018-2019. And so maybe at that time, they had all the positions filled, and at that point, they were requesting increased Reserve hours. But things have changed. And I sent this report out to all departments, waiting to hear back, but I haven’t heard back from anybody just yet. Okay? But the goal is to update this list. And I’m sure that that’s one of the things that the Police Department will list on here, increased staffing. Are there any questions?
(No questions from the Council)

Mayor Teso: I think not.

Ms. Aguirre: Overall, as of September 30th, things looked pretty stable, especially in the General Fund. All the other departments, or all the other Restricted Funds, were doing okay, being managed well. And the importance, I mean we always stress the importance of good management in every individual fund. If you mismanage or if you don’t pay close attention, you wind up with deficits. Government-wide, it’s eating out of General Fund account. Government-wide. So, you want to take care of those Reserves.

Mayor Teso: Right.

Ms. Aguirre: Help them grow. But yes, now you have all this information. And should any of you have any questions, feel free to let me know.

Mayor Teso: Okay. Thank you.

Vice-Mayor Lopez: Thank you very much.

Ms. Aguirre: You’re welcome.

ITEM #14 – ADJOURNMENT

Mayor Teso: Do we have a motion to adjourn?

Vice-Mayor Lopez: Mr. Mayor, ...

Councilwoman Rogers: So moved.

Mayor Teso: Alright.

Mayor Teso: Mr. Romero.
Councilman Romero: Yes.

Mayor Teso: Mr. Diaz.
Acting Mayor Diaz: Abstain. You said it’s the last time I can use it.

Mayor Teso: Ms. Rogers.
Councilwoman Rogers: Abstain.
Acting Mayor Diaz: So we stay here another hour.

Mayor Teso: Mr. Lopez.
Vice-Mayor Lopez: Yes.

Mayor Teso: Aye. Motion carries. Thank you everybody.
The meeting adjourned at 8:02 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 17th day of December, 2019. I further certify the meeting was duly called and a quorum was present.

Dated this ________ day of ________________________, 2019.

_______________________________
Veronica Moreno, City Clerk