RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT,

BOARD MEETING
August 30, 2016
Tucson, Arizona

Reported by:  ANTHONY C. GARCIA, RDR, CR
Certified Reporter No. 50218

KATHY FINK & ASSOCIATES, INC.
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APPEARANCES:

BOARD MEMBERS:

Fletcher McCusker, Chairman
Chris Sheafe
Mark Irvin
Jannie Cox
Edmund Marquez

ALSO PRESENT:

Mark Collins, Board Counsel
Michele Bettini, Operations Administrator

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BE IT REMEMBERED that the Meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held at the Arizona State Building, 400 West Congress Street, Suite 222, in the City of Tucson, State of Arizona, before ANTHONY C. GARCIA, RDR, CR, Certified Reporter No. 50218, on the 30th day of August 2016, commencing at the hour of 1:00 o'clock p.m.

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CHAIRMAN McCUSKER: Call to order.
The state time is wrong. It's exactly 1:00 o'clock.

MR. MARQUEZ: Agree.

CHAIRMAN McCUSKER: Okay. Jannie, you want to lead the pledge?

MS. COX: Sure.

(Pledge of Allegiance lead by Jannie Cox.)

CHAIRMAN McCUSKER: Michelle, call the roll.

MS. BETTINI: Edmund Marquez.

MR. MARQUEZ: Here.

MS. BETTINI: Jannie Cox?

MS. COX: Here.

MS. BETTINI: Mark Irvin.

MR. IRVIN: Here.

MS. BETTINI: Fletcher McCusker.

CHAIRMAN McCUSKER: Here.

MS. BETTINI: Chris Sheafe.

MR. SHEAFE: Here.

MS. BETTINI: Jeff Hill.

MR. HILL: Here.

CHAIRMAN McCUSKER: You have transcripts from the July meeting in your packet. They are verbatim.
Any questions, concerns or comments?

MS. COX: Move they be accepted.

CHAIRMAN McCUSKER: Second.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Board responds aye.)

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: This is the time set for the Executive Session.

For those people in the audience, we typically go into Exec first. Hopefully, today wouldn't take 30, 35 minutes.

I would need a motion to --

MR. IRVIN: So moved.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Board responds aye.)

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: See you back here in a few minutes.

(Recess.)

CHAIRMAN McCUSKER: Motion to reconvene.

MS. COX: So moved.
CHAIRMAN McCUSKER: Second, please.

MR. MARQUEZ: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Board responds aye.)

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Thank you, everyone. A little longer than we thought.

Just couple of brief updates from me since we're late, and you're all probably stuck in the traffic going eastbound on Broadway.

Mark, what's the latest on the AC?

MR. IRVIN: Walking Broadway, everything's on time and on budget. We are hopeful that, you know, no later than July 1st, we'll get a certificate of occupancy next year.

The hotel will probably spend at least a month going through soft openings and getting ready, probably September 1, probably open. That looks like the latest.

CHAIRMAN McCUSKER: Some other projects we're working on, we have made a commitment to the Foundation For Senior Living for the space in and around the Marist College and the former Diocese headquarters. That's moving forward.
We should finalize the documents with Gadsden, hopefully, soon, so they can break ground on the west side. That's 15,000 square feet of retail that they hope they could open, they tell me, by January. So things are moving along.

We have awarded the Greyhound construction contract. We're going to talk about that under item seven. So pretty much everything we are working on is moving along.

Elaine couldn't be here today, but the hockey renovation schedule is intact. We expect to be out of that venue on September 26th, and the ice will be down on that date for the season. If you've looked at the Roadrunner schedule, which is out now, their first game is October 9th, which is a scrimmage with the Coyotes coming down. And the Roadrunners, their schedule is out now, 34 home games. We understand tickets sales have been brisk. So we're, obviously, looking forward to that. But on our end, we should be done with the renovations and out of their way by the time they want to skate.

Dan, do you want to give us the financial report?

MR. MEYERS: Dan Meyers, Chief Operating --
I've changed my title. Chief Financial Officer.
CHAIRMAN McCUSKER: Gave yourself a demotion.

MR. MEYERS: It's been a couple exciting months. Michele and I have pretty much gotten through our annual audits, Beach and Company. There's a few more loose ends to tie up we're waiting for some numbers on. Our performance audit is moving along nicely. That's due the end of September. I think they have to submit some kind of draft tomorrow. Still a couple of things hanging out there as well, but I think we've got through it pretty well.

Our new database is completely installed and very functional. I think it's going to be a really big help to Michelle and I as we try to track down merchants that aren't properly complying with the voluntary TIF revenue. And now they are also coming back to do some little IT tweaks involving some networking and some security things they've suggested. So that's been some stuff that really is outside of our financial information.

Cash standpoint. At the end of July we had approximately $17 million in the bank. A variety of sources, still moving money around trying to get these things consolidated to some extent. But I think we pretty much decided to keep money in some of these community banks and be loyal customers.
We've got about $67 million of commitments, one of which is the Caterpillar building. Again, finishing up TCC and the garage at the AC hotel, so --

CHAIRMAN McCUSKER: If you back Cat out, that's $52 million, if you back that out of your 67, it's 50 million and change, versus the 17 million in the bank.

MR. MEYERS: Right. For example, the May increment for TIF was almost $1.6 million. We budgeted one million per month fiscal year.

CHAIRMAN McCUSKER: I think that's a record.

MR. MEYERS: There were a couple things in there that jumped that number up a bit, but our numbers are coming in consistently higher, and I think good things are happening from that respect.

MR. COLLINS: What did increase that number? I'm just curious.

MR. MEYERS: One person, company, hadn't filed for a while -- not really able to disclose all that information, but just a couple of things that kicked that number up. But every month there's something in there that jacks that number up a bit. You know -- it's.

MR. COLLINS: Great job.

MR. MEYERS: The City of Tucson helps us
track these people down as well, so -- and Michele and
I try to watch what we can so.

CHAIRMAN McCUSKER: Questions from Lee of Dan?

MR. SHEAFE: With the new system up, Dan, any lookback?

MR. MEYERS: I beg your pardon?

MR. SHEAFE: Any lookback opportunities?

MR. MEYERS: We've got a couple in process right now I think could be very significant. I think now with this -- again, we've only got two years of information. Unfortunately, we don't have 10. But you can really see some trends and you can see people, for some reason, aren't paying. Who knows what that can be, and then they caught and comply. I think we're just going to keep finding those kinds of merchants.

MS. COX: Dan, when you identify a merchant, you aren't allowed to approach them?

MR. MEYERS: I am allowed.

MS. COX: You weren't for a file?

MR. MEYERS: I can call and reason with them and suggest; I can't make them.

CHAIRMAN McCUSKER: We're not tax collectors. We have no real authority. But we can educate them.

MR. MEYERS: Michele and I were on a campaign
where we go out, we visit people, we hand out a thing explaining to them why it benefits them to comply. I mean, it brings money back into downtown.

CHAIRMAN McCUSKER: This has to be self-coded, so a lot of the out-of-state providers know nothing about it.

MR. MEYERS: For the most part, the merchants are really good and willing to comply with very little pushback.

MR. SHEAFE: It's important to mention it isn't an avoidance situation. It's just where we participate in our part.

For anybody's who's ever filled out a TPD form, they just changed them over, it really is quite arduous. I don't know how I would make it more simple, but I can tell you looking at it, it's a difficult form to try and figure out. For a lot of merchants it's real a headache.

MR. MEYERS: Especially in our case, you've got stored within and without of the District. You've got to account for that separately. You know, it's a challenge to do that, keep plugging away.

CHAIRMAN McCUSKER: Thank you, sir.

Item number seven, item number eight, I think have been separated, but in terms of introduction, I'll
I think at the last meeting we talked about financing some of the cash commitments that we've made. You just saw Dan go through the report. You know, we've committed all but a couple of million bucks of the cash that we have at hand. The TIF income will pick up, but how do you keep this momentum going. You know, we are averaging seven, eight, nine times our investment dollars, so, you know, five million bucks could theoretically produce 40, 50 million dollars of activity downtown.

So we asked counsel to explore the opportunities to finance both the AC Marriott parking garage and the Greyhound. The Greyhound's agendized first.

Mr. Collins, Tim, I don't know if you guys want to come forward. We do have a resolution that's been prepared by counsel that would authorize Rio Nuevo to pursue these sorts of financing.

Go ahead, Mr. Collins.

MR. COLLINS: Mr. Chairman, Members of the Board, this is my partner, Tim Stratton. Tim specializes in municipal financing. I'll let him address the many questions you may have about both agenda items. I have separated them because I think
you need to vote on them separately. You can ask Tim
whatever questions you like. I'm sure he can respond
to it.

CHAIRMAN McCUSKER: Tim, thank you.

MR. STRATTON: Thanks, Mr. Chairman.

Before you are, as Mark indicated, two
resolutions which authorize the Board to move forward
with exploring financing options for both the Greyhound
project and the AC Marriott parking garage project.
Both ordinances are similar in as much as the mechanics
of them go. The financing would be secured by the
lease payments that the District is to receive on each
of those projects.

The resolutions authorized a maximum amount
to be borrowed to finance those projects, and it
delegates the authority to the Chairman and to the
Executive Officers to sign and execute any agreements
that ultimately be reached with a bank or financial
institution to borrow the money. It does not commit
the Board or the District to financing the projects.
It merely authorizes the financing team to move forward
and to solicit bids or proposals, if you will, from
interested financial institutions and banks, and those
proposals then would be brought back before the
Chairman and would have to fit within the parameters so
authorized by the resolution. And this is a very
similar setup to what we did with the refinancing,
which was closed earlier this year under terms of the
resolution structure authorizing the Officers to go out
under certain parameters to accomplish the financing.

CHAIRMAN McCUSKER: No rating agency
involved?

MR. STRATTON: No, Mr. Chairman, no rating
agency involved. We're anticipating with these that
these would be negotiated with financial institutions
and what we call a direct placement, which would avoid
the need to go before the rating agencies and would
also avoid the need to have an official statement
generated, because these bonds would not be sold to the
investing public. They would be placed with either an
institutional investor or a financial institution
directly.

CHAIRMAN McCUSKER: Any questions for Tim?

Conversation?

Okay. The first resolution, Mr. Hill.

MR. HILL: I move resolution number 2016-01
be adopted.

MS. COX: Second.

CHAIRMAN McCUSKER: That is a motion to adopt
the resolution, which is a two million dollar cap to
finance the construction of the Greyhound terminal.

We have a motion and a second. All in favor say aye.

(Board responds aye.)

CHAIRMAN McCUSKER: Any opposed? Nay.

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Okay. We'll move on to the Caterpillar.

Is there any difference between these, other than the dollar amount?

MR. STRATTON: It would be the AC Marriott.

CHAIRMAN McCUSKER: What did I say, Cat?

MR. STRATTON: No, Mr. Chairman, they are identical except for the dollar amounts.

CHAIRMAN McCUSKER: This is a five million dollar bond resolution, 2016-02, to finance the Marriott Hotel parking garage project.

MR. HILL: Mr. Chairman, I move the adoption of resolution number 2016-02.

MR. COLLINS: Second.

CHAIRMAN McCUSKER: Any further discussion?

All in favor a say aye.

(Board responds aye.)

CHAIRMAN McCUSKER: Nay?
(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Thanks for all your help. We'll be back to the Board on the response to those offers.

My brain was faster -- my mouth was faster than my brain. Item number nine, Caterpillar. We are moving forward.

If you have driven down Congress lately, you will see the Caterpillar sign on the temporary headquarters, 97 East Congress. I had to stop for a moment when I went by. It's really quite remarkable. They are moving people into town and doing everything we hope they would do, buying houses, enrolling their kids in school, et cetera, et cetera.

So our obligations here -- and, Mark, you have to remind us about the two million dollar -- I was going to ask Dan that. Is there a time on the two million dollar commitment we made to Caterpillar?

MR. COLLINS: Yes, Mr. Chairman, Members of the Board. The commitment has been that you will do it concurrently with the four million dollars coming from the State.

CHAIRMAN McCUSKER: We have agreed to -- it's not in writing, but we've agreed to develop the
documents so that we can acquire from the City about an eight-acre parcel the right over the Gutierrez Bridge along the banks of the Santa Cruz. We would build a Caterpillar headquarters for their mining -- surface mining technology building, not to exceed a 50 million dollar budget. We would then lease that back to Caterpillar.

This is a very complicated project that will require us to retain a very sophisticated design and architectural team and, obviously, contractor that can handle that of scale. We've asked Phil Swaim and Associates if they would be interested in helping us with this project. It would prohibit them from being a bidder for the design award, but they would consult with us pre-award, work with the Board on selecting the architect and designers. And we have a proposal in your packet to do that.

Mr. Collins, I believe this is a professional service, so it's not something we're obliged to competitively procure?

MR. COLLINS: Mr. Chairman, Members of the Board, it is a professional service. You can direct select as you may choose to do here.

Couple things that I want to emphasize based on what the Chairman just said. This is, obviously, a
large project, and you're going to have to procure a project architect and a project contractor. There's several procurement methods that you can utilize; design, bid, build; construction manager at risk; design, build or job order contracting.

I'm going to guess that you are going to go contractor at risk. But before you can do that, before you can hire an architect for the project, you need professional assistance to prepare those procurement documents. And I believe that's the concept that you would be considering Swaim and Associates.

As the Chairman indicated, if, in fact, you engage Swaim and Associates to assist you in that process, to essentially be the owner's representative, if you will, then Swaim is precluded by statute from bidding on any of that. So, in other words, Phil may be on one side, on your side of this, but he could not respond to the procurement request. In fact, as I read the statutes, he will have a member of his office on the evaluation committee, so, obviously, there are things that preclude him from being on the other side. But you do, without question, need professional help beyond anything lawyers can provide for this.

CHAIRMAN McCUSKER: Phil's here if we need to ask anything of him. We have a proposal from them.
It's basically an hourly rate. Principal architect at $130 an hour; architect at $94 an hour; CAD, 68; admin, $58 an hour.

This would all be pre-bid consultation. And then post-bid project management, as Mr. Collins suggested, we would designate them as our owner's representative.

So anyone want to discuss this with Mr. Swaim?

MR. IRVIN: First off, I support this. I've had the chance to work with Phil and his team on both the Tucson Convention Center remodel, it also includes the hockey piece; and, obviously, the Greyhound; and then he was selected by the developer of the AC Marriott as well. I've had a chance to work with him. We're not staffed. We don't have an architect on our staff. We really need to have somebody with that understanding. As, you know, the Rio Nuevo representative, I think it's a very smart move on our part.

MR. SHEAFE: Phil, could you --

CHAIRMAN McCUSKER: Get signed in.


MR. SHEAFE: When you added into your list of
duties construction administration, could you define really what you're talking about there.

MR. SWAIM: A lot of that is really the coordination between your needs and responsibilities. The architect and the contractor would be managing the construction directly themselves, but throughout construction you still need to be able to have somebody representing your interests just to make sure you're getting what you're after and keep you informed.

Obviously, a lot of moving parts with this project, with different government entities, utilities, et cetera, that --

MR. SHEAFE: The role really will continue long after the bids are let and the design is complete and all of that.

MR. SWAIM: That's certainly what we would anticipate.

MR. SHEAFE: All the way through the project.

MR. SWAIM: Absolutely.

MR. SHEAFE: I strongly support this. I was thinking we might want to break it into some boxes, say you ought to be able to get through the bidding process and have your architect on board for X number of dollars, within a range, then so much to get the contractor on board. From here on out the
administration ought to be about this general process.

MR. SWAIM: We can certainly do that.

MR. SHEAFE: We don't need that today.

MR. SWAIM: I think in the proposal we included that we should actually be reviewing this monthly to be able to determine the services, if we're on task of what you're expecting or not, to make sure that we're being responsible both financially and services wise.

CHAIRMAN McCUSKER: These are standard rates, discounted rates?

MR. SWAIM: Those are the standard rates that we have through our opening contract through the City of Tucson and Pima County and others, and I think what we've been under contract with before. I think that's in some way how, I think, you've been able utilize that contract through the City in the past.

CHAIRMAN McCUSKER: Anything else for Phil?

Okay. We have a proposal from Swaim and Associates to be retained as owner rep at our discretion at the rates we talked about.

All in favor say aye.

(Boards responds aye.)

CHAIRMAN McCUSKER: Any opposed? Nay.

(Motion moved, seconded and passed
CHAIRMAN McCUSKER: Sorry. Our lawyer's up there. Did we stumble into some trouble?

MR. COLLINS: No. Going to ask you to consider making another motion that you direct the preparation of an appropriate contract for this. There needs to be more than Phil's proposal. You need -- statutes require it. I've actually drafted it. I should be able to get it to Phil and his folks to look at. You guys need to look at it.

So I would suggest a motion to authorize the preparation of an appropriate agreement and to authorize the Executive Officers to execute it when they deem it a fit.

MS. COX: So moved.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: All in favor say aye.

(Board responds aye.)


(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: There you go.

MR. COLLINS: Thank you.

CHAIRMAN McCUSKER: While you're up there, Mr. Collins, you're going give us a little update on
the new conflict of the interest statutes?

MR. COLLINS: Yeah. Mr. Chairman, Members of
the Board, conflicts of interest are some of the most
important things that you need to know. They are also
the driest, most boring. I'll try to make it as
tolerable as I can, but it is not an easy topic. And
you have Jeff Hill to blame for that. He helped write
these statutes. So I've asked Jeff, if I misstep or
fail to mention something that he recalls from his days
in the Legislature, I told him to call me on it.

Conflict of interest statutes are all found
in 38-501 et seq. Et seq. is lawyer for the rest of
the stuff that follows that. The statutes apply to you
because the District is a public agency and you folks
are public officers.

This is a summary of what they say. When you
or your relative -- and relative in quotes, because
we're going to talk about that -- has a substantial
interest in a decision of the District. You shall make
that known in the official records and you shall
refrain from participating in any manner. That's, in a
nutshell, about five or six statutes, right.

Let's talk about who a relative is. We know
who you are. Who's a relative? The Legislature, in
its wisdom, has a sentence that you have to dig in to
to understand it, but this shows you pictorially who the relatives are. We have you in the middle. We have and your kids and your grandkids. Those are certainly relatives of yours. Your sibs are relatives, their spouses are relatives, your spouse, his or her children, siblings, parents, those are all relatives. When you go upstream, it's parents and maternal and paternal grandparents. What you do not see in there are aunts and uncles. But that is a pretty broad spectrum. So when somebody comes before this Board asking for money or to enter a contract, you need to not just think about who, what relationship you have, but what relationship all of those folks might have. Next one, please. And if you've got any questions, bug me.

A conflict of interest arises when there's a pecuniary, which means money, or propriety, an ownership interest, is deemed substantial. It's really pretty easy, because it's substantial, unless it falls within a remote category. And the Legislature has defined those remote categories. Most of them we've all talked about before. There's a couple of new ones that were enacted in the last Legislature, which I think is part of the reason why I'm doing this.

So the pivotal questions are whether your
interest is substantial and whether your relative's interest is substantial. As I said, the analysis almost begins and ends (static noise) -- obviously, I talk too loud. Unless the interest falls within one of these about 10 or 11 categories that we're going to talk about, it is a substantial interest.

One of them is the interest of a nonsalaried officer of a nonprofit corporation. Obviously, if you are nonsalaried and nonprofit, there's no pecuniary interest involved. Mr. McCusker appeared before this Board when he was Chairman of Fox. He then became your chairman. There was no conflict there because of that particular exemption.

Interest of a landlord, tenant and a contracting party. I think that's an interesting one. It's come into play here. I don't know exactly what the Legislature was thinking, but that's pretty easy to understand.

Interest of an attorney and a contracting party. We lawyers look out for ourselves. So that's an exception or remote interest.

Nonprofit cooperative marketing association. No problem there. Next one, please.

This one has been around for a long time.

Ownership of less than three percent of a corporation
for profit and you don't get a lot of money from that. For example, if you are sitting on an Advisory Board of a big bank and you get a little bit of ownership interest in that big bank, and that big bank comes in front of this Board, if your income falls within that category, there's no conflict. So if you own stock in a big company that comes here, that's probably the remote interest. Next one, please.

    Officer being reimbursed for actual necessary expenses. If you park in the parking lot over here and you get paid to come to these -- or you pay to come to these meetings, the fact that you get reimbursed doesn't make you have a conflict of interest.

    This one is long. I tried to come up with a good example. I haven't been able to do it. But trust me, this is another safe harbor. All of these -- if you look at remote interest, they are safe harbors. And it's a public officer or relative of a public officer unless certain things happen in there. If you want questions about it, I'll try to come up with an example. I haven't been able to do it yet. Next one, please.

    Member of a trade or business in which there's at least 10 members, in which the interest is not greater than the other members of that class. So,
if Chris was a member of an 11-man partnership and everybody had the same voting rights, and that partnership came in front of this Board, it's arguable that you would fall within that interest and you wouldn't be disqualified. Those are some -- that's close. Your lawyer might talk to you a little bit about that, but what's that says. Okay. So the next one.

This a new one. This is the one that comes into effect January 1 of '17. I originally thought that all of these came into effect with all the rest of the statutes that were enacted in the last session, but I realized January 1 is the date. This is a new one. This is where a relative who is an employee of a business entity where there are at least 25 employees in the State and does not assert control or decision making authority. It carves out another safe harbor from the substantial interest. That's new. That's one of the reasons we're talking today. Next one, please.

This is also new. This, I think, covers a lot of the same ground as the three percent that we talked about before. Ownership of a publicly-traded investment that's held in an account or fund, like your mutual funds and so forth. If Caterpillar comes before you and you own Cat through a mutual fund managed by a
professional, that's not going to disqualify you for it. Next one, please.

Another change. Current is just any pecuniary or proprietary interest. As of January 1 they've inserted the word nonspeculative, which I can't find in the dictionary, but the courts have already inserted that, case law did that. The Legislature has adopted that. So to my way of thinking, that makes it -- narrows the disqualification a little bit. Next one, please.

Short version. I looked at this this morning, I thought I did a lousy job of the short version. If your relative or you have a pecuniary or proprietary interest, talk to me about it. Don't do anything. If you have one, we need to make full disclosure of it in the official records, which should be done right here, and then you can't communicate in any way with any of the Board members about that topic. Next one.

Again, this is a big deal to me. That's who relatives are. And I will tell you, I thought about putting the language up and I thought you'd shoot me, but that's what the language says. Those are your relatives. Next one.

The determination of what is a remote
interest is made by the courts on a case-to-case basis. In other words, they have the benefit of hindsight; we don't. If you ask me, is there a conflict of interest, I'm going to be trying to predict it. I'm going to be conservative about it, because we don't need to have the problems that could arise if a court later looks back and says, Collins, you were wrong. Okay.

Risk of assuming no conflict or you -- the contract can be declared void. You'd have to defend a lawsuit, criminal charges and forfeiture of your office. You don't want to do that. So -- one more, please.

So if it has a possible -- so four points. One, if there's a possible personal or relative interest, pause, think about it. It's your decision, not mine. It's your decision, but talk to me. Because I don't expect you to navigate these, because they are not that easy keep your radar up. And if it exists, you can't participate in any manner.

That's it, huh?

Any questions. Have I put you all to sleep?

Okay. Jeff, okay with you?

MR. HILL: Yeah. Mr. Chairman, Mark, the one that's used most certainly that I saw in the evolution of this is that class. That is a biggie. And we were
always determining whether or not someone's in a class. Because a lot of people think, well, I'm in that situation, and I was in one where I lived within three miles of Saguaro National Monument, therefore, I had a conflict of interest. I did not, because there was 200,000 other people in that class.

MR. COLLINS: Right.

MR. HILL: Which did not give me a pecuniary interest.

MR. COLLINS: It was speculative to say that you had a pecuniary or proprietary interest.

MR. SHEAFÉ: That's correct.

MR. COLLINS: You can stretch this stuff out. And what the Legislature confirmed with the amendment is that we can't speculate. We need to be -- it needs to be real.

Anybody else?

CHAIRMAN McCUSKER: I think, in practice, we ask you pretty much everything.

MR. COLLINS: You do.

CHAIRMAN McCUSKER: If we have a relative that works for somebody who might be coming to the Board, we send it to you.

MR. COLLINS: And I --

CHAIRMAN McCUSKER: In my mind, the safest is
sort of look to you to clear it. Even though we may think we're fine, we're better off, I believe, is more defensible if we ask you and you said, no, you're fine; or no, you are conflicted. There have been some situations, we just had one recently, but relative under the employment of a developer, and we recused him.

MR. COLLINS: Yes. Yes. Yes, Your Honor.

You're spending public money, you're dealing with other people's money, you need to be very cautious about this.

CHAIRMAN McCUSKER: Any questions for, Mark?

MR. HILL: I thought it was interesting this last week -- I think I sent it to Mark -- the faux pas committed by the Tucson Unified School District. I thought they were nailed appropriately, and clearly was not one of the seven exemptions. They tried to pass off an action in their Executive Session where they, in essence, took a vote by noncommittal of a nonlegal area and then tried to say it was by their lawyers. They actually ratified a proposal by the Superintendent for going forward on some specific area. Nothing to do with lawyers and what have you, and they are going to catch that one in the nose.

MR. COLLINS: Yeah.
MR. HILL: And that was the group that caused the original adjustment with the statute, was T.U.S.D. I guess they haven't learned their lessen yet.

MR. COLLINS: Mr. Chairman, Members of the Board, you are very good about talking to me, and it's just something I want you to be very aware of. I think you are. I keep track. I've got a little cheat sheet that I keep with me and bring every Board meeting, so I know what conflicts exist. My good-looking, trusty sidekick over here reminds me about it a lot too. So we're in good shape.

CHAIRMAN McCUSKER: Mark, thank you very much.

Last item Michele, call to the audience. Do you have any?

Entertain a motion to adjourn.

MS. COX: So moved.

MR. IRVIN: Second.

CHAIRMAN McCUSKER: So moved. All in favor say aye.

(Board responds aye.)

(Motion moved, seconded and passed unanimously.)

CHAIRMAN McCUSKER: Meeting adjourned. See you next time.
CERTIFIED REPORTER'S CERTIFICATE

STATE OF ARIZONA  )
                  ) ss.
COUNTY OF PIMA   )

BE IT KNOWN that I took the foregoing proceedings pursuant to Notice; that I was then and there a Certified Reporter, CR No. 50218, in the State of Arizona; that said proceedings were reduced to writing by me.

WITNESS MY HAND this 31st day of August 2016.

ANTHONY C. GARCIA, RDR, CR
Certified Reporter No. 50218
REPORTING FIRM CERTIFICATE

THIS FIRM CERTIFIES the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) through (6) are in compliance and have been met.

WITNESS MY HAND this 31st day of August 2016.

KATHY FINK & ASSOCIATES, INC.
No. R1003