RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

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REPORTED BY:
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CHAIRMAN MOORE: Ladies and gentlemen, thank you very much for joining us today at this Rio Nuevo Multipurpose Facilities board meeting. We have a pretty extensive agenda, but I think before we get into it, we would like to have the pledge of allegiance, so if you'd all stand and Jeff Hill will lead in it.

MR. HILL: If you'll join me in the pledge.

(Pledge of Allegiance given)

CHAIRMAN MOORE: Thank you.

Is that Jannie?

MS. BETTINI: Yes.

CHAIRMAN MOORE: Is she on board?

MS. BETTINI: She's on board.

CHAIRMAN MOORE: Can you hear us, Jannie?

MS. COX: I'm here, Jannie. I mean, I'm here, Alberto. I'm sorry I can't be there in person, but I had really important business and I was intending to be in town on Monday for the meeting, so my apologies for not being there.

CHAIRMAN MOORE: Well, we'll miss you in person. But anyhow, I'd like to start off by calling the roll call, so, Michelle or Sarah, would you please be kind enough to do that?

MS. PERKINS: Jannie Cox?

CHAIRMAN MOORE: Present by phone.
MS. PERKINS: Fletcher McCusker?

MR. McCUSKER: Here.

MS. PERKINS: Jeff Hill?

MR. HILL: Here.

MS. PERKINS: Alberto Moore?

CHAIRMAN MOORE: Present.

MS. PERKINS: Chris Sheafe?

MR. SHEAFE: Here

MS. PERKINS: Mark Irvin?

MR. IRVIN: Here.

CHAIRMAN MOORE: Thank you very much.

Before getting into the agenda, I'd like to make some comments which I believe are important and were requested by the governor for me to make these statements. This is an abbreviated version of the historic recap that was promised to Governor Brewer.

I'll just find my glasses.

It is my belief that what has occurred with Rio Nuevo is only a microcosm of what is happening across the country.

In response to recent developments concerning the Rio Nuevo District board, I think it is appropriate to make some comments. As a result of these developments, only two of the original reconstituted Rio Nuevo board members remain.
As we will see, this is no accident. In fact, it is the result of a relentless effort of powerful special interests to keep the truth from the public.

ATTENDEE: Amen.
ATTENDEE: Amen.

CHAIRMAN MOORE: The reconstituted Rio Nuevo Multipurpose Facilities District Board was the result of the State of Arizona stepping in after 10 years of mismanagement of the district by the City of Tucson. In March of 2010, the governor and legislature tasked the new board to do the following:

1. Perform a performance audit of the financial records of Rio Nuevo -- Rio Nuevo District since its inception in order to determine where almost a quarter of a billion dollars that the city had identified as under the umbrella of Rio Nuevo was spent;

2. To review and investigate the proposed business ventures of the convention hotel and new convention center project. One of the driving goals behind this effort was to protect and save the gem show.

3. To baseline the district and determine, A, what the district owed or was supposed to own. Excuse me, own or supposed to own; B, cash position restricted and unrestricted; C, what the deficit owed and how much money, if any, was available to use after debt service is paid.
In the process of fulfilling its mandate to follow the money, the reconstituted board had to untangle a web of contradictions, missed documents, deceit and endless accounting dead ends. All accounting, finance and other matters of Rio Nuevo were done by the city folks.

A year before the new board was seated, it was publicly known and acknowledged by the City of Tucson that the City of Tucson's finances were a mess, were unclear and concealed a number of transactions. Funds were obviously misplaced.

Because of the poor bookkeeping and record keeping by the city and the city's continued demand for funds that were in effect not owned to it -- owed to it, the reconstituted board requested three forensic examinations, including the Depot Plaza Block Project, the West Side Projects and the Garfield Traub/Turner/Sundt Hotel, Garage, Convention Center Project.

It is important to remember that for over 10 years the city council had appointed the Rio Nuevo board. The city's finance director, Kelly Gottschalk acted as the director's -- the district's treasurer and the assistant city manager, Richard Miranda, served as the district's executive director.

The simple truth was that under the management of the City of Tucson, there had been almost a quarter of a
billion dollars they claim spent by the Rio Nuevo District and there is little to show for it. Not only did the State of Arizona want to know where the money had gone, the public deserved to know where the quarter of a billion dollars went. In October 2010, we received an audit of the finances and the public demanded that we have a forensic examination of the audit executed.

The first of three forensic examinations was delivered on March 13th, 2012. It concerned the Depot Plaza Block Project and indicated that over $2 million was spent without the approval of the Rio Nuevo board. The report concluded that over $4.5 million of the project’s costs were questionable.

More importantly, two additional forensic studies were due to -- to arrive shortly. One of them would presumably explain how $47 million was spent on the west side in a hole in the ground on a lot in Tucson’s first ward. This forensic audit was to be released at the June 18th, 2012, planned retreat that Jodi Bain, Rick Grinnell, Jeff Hill and I were putting together with the board. The taxpayers must demand that these two audits be made public.

ATTENDEE: Amen.

ATTENDEE: Absolutely.

CHAIRMAN MOORE: The evidence that the
reconstituted board was uncovering was leading to the conclusion that for over a dozen years the City of Tucson used the taxpayer-funded Rio Nuevo District as its personal piggy bank for everything from funding the pet projects of current and former city council members to covering embarrassing -- embarrassing budget shortfalls. To some it seemed the City of Tucson was looting the taxpayers' assets. It appears because of a concerted effort to avoid accountability for what happened to the money that only two of the original board members of the reconstituted Rio Nuevo board remain.

First Casualty

Allan Willenbrock was the first casualty of the reconstituted board. He was appointed by the governor and had an extensive background in finance and bonding experience as a broker for Morgan Stanley. Allan was extremely valuable to the board because some members had never been exposed to the size or intricacies of what faced them.

Willenbrock analyzed the budget for the hotel proposed as part of the new hotel/convention center. Not only did he determine that the hotel was way over budget, but at the cost of $320,000 per room, it could never meet the economic returns that would have been required for the development. In addition to the excessive expense per room,
the number of rooms were out of proportion to what the
market would support.

The consequences was that -- the consequence was
that our attorney, Keri Silvyn from the firm Lewis and Roca,
and board member Mark Irwin, who I believe was and is a mole
for the city, went to Alan Willenbrock and suggested he
could have a serious conflict of interest because his
company might be the bond dealer in any future hotel
development. As a result, Willenbock -- Willenbrock stepped
down in the summer of 2010.

Allan Willenbrock was very important to the board
because he understood the numbers and understood what the
numbers meant. Silvyn and Irvin removed an important asset
from the board.

The irony is that board member Irvin had many
meetings with the City of Tucson about Rio Nuevo missions
and its players without authorization.

Indeed, Irvin's business relationship with the
construction giant joint venture for the hotel of
Turner/Sundt could well have prevented him from sitting on
the reconstituted board since Turner/Sundt was the selected
contractor team on this Rio Nuevo project and Sundt
Construction on many other Rio Nuevo projects. It also
appears Irvin constantly placed himself in a position to
negotiate for Rio Nuevo between the City of -- city and
Final Casualties

Two members of the board who contributed greatly to our efforts departed unexpectedly. Jonathan Paton left to run for congress in Arizona Congressional District One and Carlotta Flores removed herself from the board for family and health reasons.

Two dedicated members of the reconstituted board were former chairperson Jodi Bain and former board member and past 2011 treasurer Rick Grinnell. Like all members of the board, they were volunteers that served the public selflessly. Working for countless hours without compensation, they were committed to determine where the quarter of a billion dollars of taxpayers' money had gone, but there were also those that wanted to move ahead by ignoring the past and going back to the good old boy club.

It is now clear that a decision had been made -- had been reached that Jodi Bain and Rick Grinnell must be removed from the board by the special interests. Several major events were coming together that spelled trouble for those invested in preventing full disclosure about the City of Tucson's mismanagement of Rio Nuevo. It was the perfect storm.

These events were:

1. Response to motion to summary judgment filed
by Rio Nuevo District's within the last two weeks;

2. The West Side Project forensic audit exam due
to be released on June 18th, 2012. This is the second in a
series of three in progress;

3. Elections for new Rio Nuevo executive
officers to take place June of 2012. The new board now has
this scheduled to take place today.

The planned 2008 bond study session. This
session was to determine if there is any remaining money
from them. The city is afraid of the Rio Nuevo board
restating their 2011 financial audit as a result of new
information from the forensic audit. This is why the city
is rushing their new friendly board through Mark Irvin to
obligate and spend, spend, spend what is supposed to be --
or supposed remaining money;

5. Declining TIF money collections that covers
the Rio Nuevo District's debt service. Debt service is
covered by the TIF revenue. Debt service exceeds $8 million
and will significantly increase in the next two years. The
payback schedule for the December 2008 bond issuance by the
city in the name of Rio Nuevo increases over time. The TIF
collection efforts were to be discussed at the June 18th,
2012, retreat as well. If Rio Nuevo is unable to cover its
debt service, the State of Arizona taxpayers get stuck with
the bill.
The result was the Arizona State president, Steve Pierce, who inherited the appointments of both Jodi Bain and Rick Grinnell to the district board in 2010, was summoned to Tucson. Senator Pierce, who has ambitions to be Arizona's next governor, proved that backroom politics, cover-ups and business as usual trumps process and transparency.

It is -- it is reported that Senator Pierce met with Tucson businessman Jim Click, Tucson Mayor Jonathan Rothschild, Rio Nuevo board member Mark Irvin, General Ron Shoopman, Michael Varney, president of the Tucson Chamber of Commerce, and Fletcher McCusker. When the dust had settled, Senator -- Senator Pierce had agreed to remove both Bain and Grinnell from the Rio Nuevo board and replace them with Fletcher McCusker, chairman and CEO of Providence Service Corporation, and local developer Christopher Sheafe.

Perhaps Senator Pierce didn't know that Sheafe had previously been the chairman of the Rio Nuevo board for eight years, eight years when many of the difficulties and spending irregularities -- excuse me, irregularities occurred that the reconstituted board had been attempting to untangle. And then again, maybe Senator Pierce didn't care.

The word on the street is that Senator Pierce left the meeting with added -- funds added to his gubernatorial war chest and another substantial amount more promised to a pro Pierce PAC. There is also word on the
street that Speaker Tobin received valuable consideration for his cooperation.

It is also enlightening that the Arizona Star received the removal letters for board members Bain and Grinnell before they did.

In a stunning display of don't bore me with the facts, Senator Pierce stated that he had made repeated trips to Tucson to speak to concerned citizens, but he never contacted Bain, Grinnell or the board to hear their version of what was occurring. Of course, the exception was board member Mark Irvin, who again proved he is essentially a puppet for the city council administration.

Not only was Senator Pierce not interested in listening to the board, it appeared he only had passing interest in his new appointees. In an interview, he was asked who his new appointees to the board were and he was hard pressed to recall Christopher Sheafe's name.

And that is where we are today. There are calls to move forward. There are complaints of the expenditures made by the reconstituted board for legal fees of a million dollars over two-and-a-half years in an attempt to find out where a quarter of a billion dollars went. In fact, the city spent over $300,000 in fiscal year 2010 before the reconstituted board was sat.

And let's be clear. The reconstituted board
never had a budget or a staff. It was compelled to go outside for legal source -- resources because the city would not investigate itself.

So let's look at what has gone wrong and where some of the money went.

Blurring the Lines

The fundamental flaw that doomed Rio Nuevo from the beginning was that the state gave the City of Tucson the authority to operate the district. The problem was made worse because the City of Tucson had a shaky accounting and record keeping system to begin with.

Because the Rio Nuevo District was so closely tied to the City of Tucson, the city often failed to treat it as a separate, independent body that it was and is. As -- as will be illustrated, many of the problems and lawsuits today are a result of that blurring of the lines that occurred between the two entities.

Projects and Follies

The Depot Plaza Block projects are an example of overreach by the City and lack of recognition of the district's independence. For example, the district was charged $61,938 and change for services related to the new MLK apartments. The apartments were a federally funded project through HUD and the district had not authorized any funds for them, which raises the question, if the city
charged Rio Nuevo for these services, did they also charge
the federal government for the same.

Another payment in the original contractor
management at risk -- management at risk contract
erroneously charged the district over $116,000 for
pre-construction fees again because of the erroneous
inclusion of the new MLK apartment fees.

In another example, the city contracted with Rio
Nuevo that the city could not allocate parking spaces and
fees derived from them in the garage without the consent of
Rio Nuevo.

However, in the summer of 2010 on the very same
day that the city was offering the Depot parking garage
without strings to Rio Nuevo, at the same time, another
event was occurring.

The city executed a settlement agreement with an
investor/developer, Scott Stiteler. The city granted his
group dozens of parking spaces at under market value for
years to settle a city breach to Scott's group under an
unrelated development agreement. The city used Rio Nuevo
assets illegally as a settlement tool without approval. And
we found out about it by accident.

Stiteler, who was instrumental in improving the
east end of Congress Street's historic character, ran to a
district board member. In casual conversation, he mentioned
his deal with the city regarding Depot parking spaces. It soon became apparent the city had made the deal at the same time with each of them.

The West Side Project

Although the forensic audit examination of select west side projects totaling some $39 million has not yet been received, there are troubling questions that need to be answered, namely the 39 to $72 million of Rio Nuevo funds that are simply unaccounted for and allegedly spent on the west side.

The losers are the citizens of ward one. This project has been lying dormant since 1965. The council persons who have represented ward one have only given lip service to their constituents' need for real development resulting in economic opportunities.

The reconstituted Rio Nuevo Board has repeatedly requested from the city records for the expenditures of these millions of dollars and as of date -- as of today's date has received no explanation.

There is an area in ward one that used to be a dump and perhaps some of the funds were used to rehabilitate it so it could be -- so it could have been used for a project. The many projects in this area may be expensive, but there is little to nothing built for at least $39 million spent. This is ridiculous.
Perhaps the City of Tucson record keeping was so poor that they simply lost the money. However, only the forensic audit examination the districts order -- ordered can answer these questions. To my knowledge, this audit is 98 percent completed and should be out ASAP without interruption or changes.

MR. McCUSKER: So moved.

CHAIRMAN MOORE: With the major changes --

MR. McCUSKER: Mr. Chairman.

CHAIRMAN MOORE: -- in the board --

MR. McCUSKER: I would make that a motion, that as soon as it's available, it be released.

CHAIRMAN MOORE: Well, let's find out. Let me go on. Thank you.

Who Owns What?

There has been an ongoing disagreement about what assets are owned by the district and those owned by the City of Tucson. Often the district has a financial stake in a piece of property and, therefore, a partial claim to that property or the right to reimburse -- be reimbursed if the city sells that parcel. Other times the contracts clearly state that the district is to open -- own the property and the city refuses to honor this.

As -- an example is the eight-acre parcel of land just east of I-10 that was to be used for the planned 12,000
plus seat Arena Project through 2007 -- 7-ish.  2007-ish.

Sorry. The project fell through after the Rio Nuevo District had invested approximately a million and a half dollars in the property for acquisition, planning, planning and planning. Despite this, the city has moved ahead in an attempt to sell the parcel without regard to the consequences it may have on downtown development and refused to give it back to Rio Nuevo.

One of the major thrusts of downtown development was to construct a hotel and convention center exhibition facility to keep the gem show in Tucson. The eight-acre Arena parcel is a critical component of any future plan to realize the development of a hotel and convention center. It is clear that, if a hotel and convention center is built, this parcel will be needed for parking for the gem show.

However, Schwabe of Peach Properties, the city-designated buyer for the property, has suggested he will use it at least in part to develop low cost income housing.

There is no ambiguity to the district's ownership of roughly half of what is the Tucson Convention Center nor the lease agreement that City of Tucson has to -- has to maintain the district-owned party -- parts of it. When Rio Nuevo took ownership of their portion of the TCC, it also took ownership of various adjacent land properties.
Despite clear legal title to one of these parcels, the City of Tucson had Greg -- Greg Shelko transfer it to the City without authorization of payment and built the fire station number one on it, a 44-million-dollar structure built on Rio Nuevo property without the approval of the district.

This demonstrates how the City of Tucson ignored the independence of the district when it met the city's or developer's needs. Perhaps most of the blatant examples is when the financial crisis overtook the city in 2008.

By October 2008, the City of Tucson was projecting a budget deficit which was skyrocketing. As the debt crisis grew, the city dipped into Rio Nuevo funds for a reported $6.8 million, but Tucson city manager at the time, Mike Hein, declared another $31 million was needed.

So how did the city solve its budget deficit? Records show that the City of Tucson restated its financials and reclassified approximately $29 million of district assets, land and properties, et cetera, and claimed that they now belonged to the City of Tucson without approval by the district.

And even now the monies don't add up. This -- this has been our dilemma.

Bonds and TIF Money

In November and December of 2008, and then -- the
then Tucson staff member Greg Shelko, who was project manager of the old Rio Nuevo board, approached the old Rio Nuevo board with some 300 plus pages of bond documents and pushed that the bond papers -- excuse me, pushed that the bond papers must be approved today. The meeting was less than an hour on this issue.

The old -- excuse me again. The old Rio Nuevo board responded by approving the issuance by the district of $80 million in bonds and naming specific projects totaling about $65 million. 6.8 million of the amount was for an alleged loan the district received from the city from years before.

The trustee for the account was Wells Fargo and the funds were to be released to the city, which managed Rio Nuevo, only for designated projects.

In the same manner, TIF money collected by the district was to be received by and held by Wells Fargo and any excess over debt service was to be released to the City of Tucson.

However, it appears that the bond fund proceeds released by Wells Fargo to the City of Tucson in January of 2009 in reality went into the City of Tucson's general fund and not into a separate and segregated project account as required. Although the city maintains no wrongdoing, this -- this has at the very least the appearance of
commingling of funds.

Other Projects.

Clearly, these are not the only examples of mismanagement of Rio Nuevo by the City of Tucson. There are other issues, such the Fox, the Rialto Theater, the Presidio, the TCC east entrance construction, which is not only shoddy but of questionable value. The latter was 4 million plus dollars expenditure built in an anticipation of the new hotel and convention center that was to be doomed by it's bloated --

denounced and untenable cost

Legal Matters

In the aftermath of a 10-year-plus spending spree and precious little to show for it, the City of Tucson and the reconstituted Rio Nuevo board were left to pick up the pieces.

There is one lawsuit where the district is the defendant and Garfield/Traub is the plaintiff. Jonathan Paton and Jodi Bain are being personally sued for defamation as a part of this lawsuit for a million dollars each. It is reported that this lawsuit is close to being completed --

completely dismissed.

ATTENDEE:  Good.

CHAIRMAN MOORE: If this is a form of intimidiation or retribution for Bain or Paton, it is inappropriate behavior. What the community should know is
that both Paton and Bain should have an ongoing right to
discuss any of these matters with attorneys for Rio Nuevo
without board approval because they are named in the suit
along with the district.

There are two other lawsuits where the City of --
where the city is the defendant and the district is the
plaintiff. One of these concerns a property titles issue
and the other momentary -- monetary questions.

Part of the mediation negotiations attempted to
set terms regarding who owned what and who had financial
interest in what.

There was a charge presented in the Sunday
Arizona Daily Star that the Rio Nuevo board wanted, in
essence, to take money from the city to compensate the
district for misdirected or misplaced funds.

Mayor Rothschild is quoted as saying, that's
basically like taking, over time, $180 million out of city
coffers.

In fact, the legislature was approached with a
plan to extend development credits to new projects so that
taxpayers of the city and the district would not be made
whole. Excuse me. Could be made whole.

You know, long speech.

No new money would be required for this.

In real terms, this was a credit system being set
up and the credits would have provided a bookkeeping strategy that helps to stimulate development in an area without affecting the taxpayers adversely. Nonetheless, it was -- it was negatively -- negatively received and apparently with the excuse the city claims it needed to walk away from the mediation process.

What really brought the negotiations to an end was not the Rio Nuevo demanding imagined reparations of taxpayers' money that had been misappropriated or misplaced by the city but a single phrase.

Every negotiation where close -- where we were close to succeeding, the city wanted language in the settlement that held the city and its employees be held blameless for any of its present or past actions.

Since the extent of possible malfeasance and negligence by the city or some of its employees is still to be determined, it was a condition that was not acceptable to the board. Then the city walked away from the table.

As the board pushed for accountability and clarification of who owns what, the city continued to drag its feet. To be charitable, the city might not be guilty of obstructionism. It may be their finance department is run so inefficiently and incompetently that they simply don't have any idea where the quarter of a billion dollars of Rio Nuevo money went. In fact, as far as the accounting folks
can tell, there never was a quarter of a million dollars -- excuse me, a quarter of a billion dollars to spend.

In summary, in March of 2010, the reconstituted Rio Nuevo board was optimistic that with the cooperation of the City of Tucson, it could sort out the financial tangled web that 10 plus years of poor management had created. The board was soon to find its optimism misplaced.

If the financial quagmire the reconstituted board confronted had simply been the result of poor management, the solutions would have been straightforward. The city could have admitted they -- they had made poor judgment of accounting and managing Rio Nuevo, cooperated in finding the missing funds and pledged to help the new board move ahead.

But this was not the case. Presumed incompetence by the city was leading toward intimidation of others in order to ensure the reconstituted board failed -- failed in its mission.

Bain had tires slashed and threatening voice mail messages. Wells Fargo told a board member they did not want to interrupt their good relationship with the city, and then the Rio Nuevo accounts were put under legal review for months. They still refuse to answer some questions and we never received the banker's box of documents we were told to expect in January of 2012.

Further, powerful political forces were gathered
to ensure more compliant individuals services -- served as board members. In truth, the demand that the board needs to move forward and forget the past is a clarion call to those who wish to cover up and repeat the past.

ATTENDEE: Amen.

CHAIRMAN MOORE: It is important to remember a lesson of history. Ignoring and denying past transgressions and wrongdoing only encourages and guarantees the commission of new misdeeds.

ATTENDEE: Amen.

CHAIRMAN MOORE: Recommendations.

Today I stand in the wreckage of what was the board selected to find a quarter of a billion dollars of missing taxpayers' money.

Despite the spoken word, the agenda for the current board shows the path that will be taken, and I'm afraid it is a path where the truth will be the first victim.

Nonetheless, I would make the following recommendations to the governor, the legislature and anyone who will listen, which presumably excludes Senator Pierce.

First I recommend that every contract that Rio Nuevo District is a part of be read, studied and reviewed by the University of Arizona College of Law. This would be a tremendous learning tool for students demonstrating how the
real -- real world operates while bringing transparency to
the process and teaching them how not to advocate for a
client.

Second, identify the character and type of person
that should be on the board. These should be professional
people that are familiar with the law of contracts,
construction, real estate. They should be persons of good
character.

Third, I do not believe it is possible to depend
on a board of volunteers to oversee such a large program.

Fourth, it is important to ensure that persons
involved with the board do not have genuine conflicts of
interest, especially where they can make money off of them.

It is also my belief it is necessary to review
all TIF programs statewide because I don't think this
board's experience is unique.

Finally, for the sake of transparency, I would
request that members of the reconstituted board that served
for -- from 2010 to present have the opportunity to speak
with the governor, speaker of the house and the president of
the senate in order to make both a written and oral report
to them regarding the duties and functions of the Rio Nuevo.
In addition, they should present the findings and obstacles
the reconstituted board uncovered.

Closing Remarks
As one grows older, it becomes easier to speak your mind. Because of the collective talent that made up the reconstituted Rio Nuevo board, we were able to realize some of the major pitfalls with this entire concept, including the misrepresentations that were made either by the city or some of the contractors or parties that had personal interest in draining funds from the project.

This was a cesspool started by the city and the puppeteer and the magician was Michael Rankin, the city attorney. He created and approved all contracts for the city between Rio Nuevo and the city and others. And the sewage was a lot of department heads and previous board -- boards of Rio Nuevo.

Unfortunately, the new board coming together and the new mayor are now tainted with the sewage -- this sewage and Speaker Tobin of the House and President Pierce of the Senate have allowed themselves to be sucked into this sewer. And the Arizona Daily Star is the toilet paper for all of them.

ATTENDEE: Amen.

CHAIRMAN MOORE: In 2010, I stood here confident that the reconstituted Rio Nuevo board would fulfill its mandate. I was optimistic that people as Senator Pierce and Representative Tobin would back us. I expected cooperation and good faith from the City of Tucson. In the end, I was
disappointed with many.

But to be a member of the reconstituted board, excuse me, that worked so hard for a better outcome, it was a privilege to serve with you. Those of us who have fallen and been vilified for standing firm against the rolling tides should be commended.

ATTENDEE: Amen.

CHAIRMAN MOORE: I must also extend -- I apologize. I also must extend my appreciation to Governor Brewer for her steadfast support.

Thank you. I -- I now turn this podium over to Jeff Hill, treasurer, for his comments.

MR. HILL: Thank you, Mr. Chairman. Thank you, Mr. Chairman.

All I know is what I read in the paper. Since it's the Arizona Daily Star, that can be pretty grim. But I want to make just, I think, one point today that is, I think, easy understood that shows the situation Rio Nuevo is, particularly for those that think that it's an unending fund of money to spend on building facades and lord knows what else.

The debt service alone on the bonds issue, which we are going to discuss at our June 18th meeting, is $12.3 million a year. That's just the debt service. That does not count any expenditures to run the district. The
TIF funds, which, outside of bond proceeds, is the only money this board receives.

Tax increment financing in fiscal year 2009 was $8.9 million. Fiscal year 2010, it was 12.9 million. Annualized for this fiscal year ending on June 30th, it's $9.8 million. As you can see the history of the TIF money, the only year it's ever reached just the debt retirement, we did not reach the operating budget, was the last fiscal year. Therefore, every year, unless the TIF money increases, we are dipping out of some pot of money the city has. They have not turned over all of the funds that they have to the -- to the board and they are ensuring that these bonds are paid. Clearly we don't have the money at Rio Nuevo to pay the bonds let alone go out and start contracting for other items.

I hear -- read in the paper there's $3 million available to -- to make repairs on the TCC. The city written lease says that that's the obligation of the city, not Rio Nuevo. So not only is it not our obligation, we flat don't have the money at Rio Nuevo to pay the bonds let alone go out and start such thing.

So I would caution the new board that hopefully they wait enough time that as the accountants and the auditors are able to extract the actual cash balances, the actual balances in the bond accounts that aren't already
sequestered, if you would, the paying the bonds, that they
not move quickly to do some type of a project to give the
appearance to the Arizona Daily Star that they're an active
board and working with the city. That would be an injustice
to the taxpayers of this state and I hope that they do not
enter into any such debacle.

Mr. Chairman, if it's not out of order, I think
with this audience here I would like to hear the three
minutes presentation by any of the people at this point who
would give us, I think, a different viewpoint, perhaps, than
what is force fed to the unfortunate citizens here in Tucson
with the monopoly by the Arizona Red Star.

MR. IRVIN: It seems like as a point of
clarification, item number two was supposed to also allow
for an introduction of new board members. So I don't have
any heartburn, Jeff, with -- with, you know, the audience
coming up and speaking, I've always thought it was nice to
have them come up and get whatever's on their chest off, but
as a point of clarification, we do have in the announcements
from the secretary a welcome to the two new board members
and it's traditional we've always allowed those new board
members a minute or two to talk about why they joined this
board, et cetera.

CHAIRMAN MOORE: Well, thank you, Mark. I was
going to get to that.
I would like to -- at this point before we step into the comments from the audience, I'd like to welcome our two new board members, Fletcher McCusker and Chris Sheafe, for joining our board. I would like to allow them at least a minute or two to sort of introduce themselves and how they feel they can offer support to our project and our responsibilities.

Fletcher, would you like to start?

MR. McCUSKER: Mr. Chairman, members of the board, thank you very much.

Alberto, now that that's transcribed, I would hope that we put that on our website. It's probably the most complete history that I've heard as an observer about Rio Nuevo. And 99 percent of it I agree with you on. I watched the city ruin this over the period of '99 to 2010. I've had great admiration for you and Jodi and Rick and others who have tried to understand where that money has gone. For my perspective, after you listen to this, you kind of wonder, what -- what have we gotten ourselves into. The only thing I would correct you, sir, is I was not involved in any meetings with any of the people you mentioned regarding any interest I might have on a coup or serving on this board. I don't know how that process went. I do know I was asked if I would accept an appointment and I did. My reasons for that I think as many people know, I am
very vested in downtown. My grandfather moved to Tucson in 1930 and laid sidewalks for the WPA. Most of those sidewalks are downtown or around the University of Arizona where I graduated in 1974.

A piece of that sidewalk is the reception desk in my office today at Broadway and Scott, so it's a full circle adventure for me and I encourage all of you to visit the work that we've done with our company headquarters.

My mother graduated from Tucson High in 1944. I went to Marana, Amphi, graduated high school in California, came back to Arizona and graduated from the University of Arizona in 1974.

Last year to my surprise, I was selected as the U of A's alumni of the year, so a lot of this is the circle of life for me.

I agree with the comments that have been made about the lost opportunities with Rio Nuevo. I do think we can now identify where that money went, $230 million. What we can't tell you is under whose authority did it go there. And that's part of the forensic agenda.

And I'm sorry I interrupted you, Alberto, but from my perspective, and I know there are rumors to the contrary which appear to me to be partisan, I am committed to continue the forensic agenda. The audits have to be released. The city has to be held accountable. If there
are criminal acts, it is not our responsibility, we are not an enforcement organization, but I would hope that the attorney general and the FBI act with swiftness in that regard.

One of those audits is in fact public. The Depot audit is on the Rio Nuevo website. It's available to you and I would encourage you to look at it. It does indicate that -- that there was $2.2 million of funds that were expended on that project that were never authorized by this board or its predecessor board. That is very troubling to me. And that basically means that somebody used money unauthorized and I believe that is an opportunity for us to challenge the city about paying that back.

However, that audit has been rebutted, I understand, and I do not know what the status of that audit is. So it's one thing to issue audits, it's another thing to enforce audits. And I believe we have to have a responsibility not to just disclose and issue the audit but ultimately hold the people accountable for that.

My company enjoys over 1,000 government contracts. In the government, when you are audited and there's money that was not authorized, that's recouped or paid back. And I've yet to understand how this board can hold anyone accountable to us that has misappropriated or coopted our funds.
As it relates to the west side audit, I met with those auditors yesterday on my own accord just to get a status of that audit. I don't want to see it. I don't want to see it before anybody else sees it. I believe it should go from them to the website so that it has no chance of being filtered or fiddled with by anybody other than the auditors.

They did indicate, as Alberto suggested, it's very close. They also indicated to me what is a very troubling situation, that they've been able to obtain only about a third of the data that they have asked for for the City of Tucson, so I don't know how you can issue an audit when two-thirds of the data that you've asked for has not been available to you.

And I am personally committed to remedying that situation. And I think there are two paths that this board can select. One is to release an audit that obviously the city will object to as incomplete and we're going to go around and around and around on the adequacy of the audit or we accelerate the audit process, we demand publicly that the city turn over the records that we need to complete the audit and we release a completed audit that there are no question about its completeness.

I'm fine with that. We can deal with all this in the public or we can take a few weeks to resolve this.
That's not a good sound. That is an air raid siren. I haven't heard one of those in a really long time.

I run a public company. You know, I'm very accessible, very transparent by law. We run a company that's subject to Sarbanes-Oxley regulations. There's nothing in this country that's more transparent and requires more disclosure than being a CEO of a public company.

I am committed to bring that discipline to this organization. I believe everything we do should be public, everything we do should be transparent and hopefully we can get past some of the personalities that have troubled this organization in the past.

And I object to the word city friendly. I am not a friend of the city's, I am a friend of downtown's. I moved my business downtown. I started Second Saturdays, which now is probably the largest single event contributing to the downtown economic success. I accepted the chairmanship of the Fox Theater when I was asked when it was near bankruptcy and today is a cornerstone of downtown redevelopment.

The easiest thing for the Fox to do would have been to file for bankruptcy, but I felt that would be disastrous for Rio Nuevo and I worked personally with that board, a reconstituted Fox board, to make sure that Rio Nuevo came out whole with every dollar that was contributed...
to the Fox and the terms of the loan.

I believe that was a serious blunder on the part of the predecessor board to ever loan that struggling theater $5.6 million at, mind you, six-and-a-half percent interest. I have no earthly concept as a businessman how anybody ever expected that we would be paid back for that.

I've resigned from the Fox board and do have a disclosable conflict there, not to the degree that Alberto would like to see conflicts. Personally I don't benefit from being the chairman of a not for profit organization, but that organization is the debtor and Rio Nuevo is its lender. I believe from my perspective the appearance of conflict is even more important than an actual statutory conflict.

And as a result of that, I've also removed myself from the chamber board. I've resigned from the downtown partnership for the Trio so that all of my energy and focus is committed to the Rio Nuevo organization.

I didn't plan this, I didn't ask for this, I didn't seek this, but I'm committed to seeing it through. And I would encourage those original members, particularly Alberto and Jeff, to stay involved with us as we work through this. For my mind, this should be a very simple agenda because I do not believe it's appropriate for a six-member board making decisions for a nine-member
appointed board with three members absent, so I believe anything we do today should be deferred or interim until those other appointments are made. The speaker has an appointment he's going to make. The governor has two appointments she's going to make. None of us in the minority should take advantage of the situation and try and seize control of the district. That is clearly not my intent.

The -- this agenda came about from a single member who asked to be heard. The meeting was approved because the majority of us agreed to have the meeting, but in that situation, you don't get to tinker with the agenda. The agenda is put forth, it's published, we will work our way through that.

For myself, and I would defer to the board, I think it's parable that you have three minutes and 15 minutes total to speak your mind. And I would suggest that we set aside those rules today because that stack is going to take longer than that. And personally I would rather see that at the end of the meeting. And I will pledge to you I will stay here until you drop to make the comments you want to make on the public record.

I think you're in for a surprise if somehow you've attributed to me that I'm a Jim Click good old boy who is going to be friendly to the city and we're going to
dismiss lawyers and dismiss audits and go back to the habit
that this city ran amuck with Rio Nuevo.

There is opportunity here. The Walmart, if it
ever comes, will be in the TIF. The Hobby Lobby is in the
TIF. All of that revenue eventually will make its way to
us. We will have some limited opportunity to exercise our
best judgment to invest that.

The lease from the city is part of our current
income. I think it's around $6 million. So in addition to
the bond money, we also have lease income. And I think we
have to be prudent about what we do with anything. I'm not
of the mind today in spite of what you've heard in the paper
or any other paper pretending to be a paper that we intend
to approve anything, buy anything, sell anything, fire
anybody or hire anybody, that is not my nature, not until
the entire board is constituted and we have some idea of how
we can contribute to downtown.

I came back from the now very public trip from
San Diego a few days ago and they have a version of our Rio
Nuevo. They have invested $1.7 million -- billion
dollars -- $1.7 billion into downtown San Diego. Every
dollar of that was spent in a partnership with the county
and a private developer. As a result of that, $15 billion
has been invested in total in San Diego. I believe Rio
Nuevo has an opportunity to leverage whatever minimum funds
we have to increase private sector investment in downtown.

That's ultimately the way we're going to be able to pay for anything.

I understand the law intimately in terms of the primary component, the secondary component. I know that we cannot use the money today for facades; however, that's probably some of the best money that's ever been spent in Tucson, was to change the aesthetics of a building to make it more inviting.

We're going to build a 200-million-dollar street car to nowhere and step off of that onto the crummiest sidewalks in America. It's shameful. It is absolutely shameful that this city cannot paint a curb or landscape a block.

As part of the Rio Nuevo board, I think we have an opportunity to make noise about how the city is going to proceed. I think all of you will be very surprised, and I know I can speak for Chris and myself, that we are not anybody's lackey and only have the best interests of downtown at heart and --

Thank you.

Mr. Chairman, thank you.

CHAIRMAN MOORE: Thank you very much, Fletcher.

We look forward to your service. I enjoy looking forward to working with you.
Chris?

MR. SHEAFE: Well, let me -- at first I wasn't so happy I found the room because I did get sort of tangled up trying to get here. It's complicated.

Let me start off by saying that I think -- and I'm going to try and take a little different tact rather than recover -- or cover some of the things that Fletcher said because I thought he made very poignant remarks. But I'd like to thank the people who have been working on the board in the past for their hard effort. I think anybody that steps into a position like this and volunteers their time and their effort and goes at it as hard as they did, whether they did everything perfectly or not doesn't matter. It's a tremendous commitment and a tremendous gift to the community and they ought to be acknowledged for it just on that basis alone. So I'd like to do that.

I'd also like to say that, if you see what took place at the Fox and the response --

And now I will back up by saying I was there for eight years as not the head of the board, I was the chairman of the citizens advisory committee for Rio Nuevo. And I'll have a comment on that. We had no authority, no power, no ability to get anything done other than to just mention things and ask a few questions. And we actually did do some good work in stopping a number of things where money would
have been used more inappropriately than the money that was
inappropriately used.

But what I -- what I want to say is that one of
the real problems we had was the Fox and figuring it out and
trying to maneuver to get at least some support to the Fox.
And I had real concerns about ending up with many millions
of dollars invested in an empty building.

And when Fletcher took over and stepped in, it
was almost like taking a dark room and turning the lights
on. It was that dramatic. He put together a strong board.
He put together a plan. He put accountability on the table.
He made events and venues and a program available so that
acts around the country began to hear about it and found
out -- and found out they could come here and be compensated
well and, the next thing you know, we started getting really
good acts here. We've got Willie Nelson coming in a few
days. This all happened because of what Fletcher's
leadership did.

The reason I'm mentioning this is I'm not trying
to patronize him, I'm trying to say we have a tremendous
opportunity here because we really do have a recognition
that there have been problems in the past and, if we're
willing to be transparent and willing to focus on the
problems at hand and use the resources that we have, we have
an opportunity to take this from where it is, and as bad as
it is, there's a lot of good that was also done, and we can step forward and actually get quite a bit done.

Now, I'll just tell you as the chairman of the citizens advisory committee, that was a committee of 21 people. We started off with an enormously diverse group pretty much at each other's throats, and it took very -- not very long to figure out a way to get all of our priorities down so that we would all work on the same problem. And the committee did that and it did it rather well.

At the time, city council lady Nina Trasoff started a subcommittee for Rio Nuevo of the -- the mayor and council. And anybody who needed to get something done figured out real quickly they could come and talk to us, we got no -- nowhere, but if they went to Nina's subcommittee, then things might start happening with funding and all kinds of other things. So I told Nina, you know, I think this is terrific and we really aren't needed.

And then I got one of the great blessings of government. It took me two years to get the committee stopped when we had nothing to do. And that was just a fascinating process for me.

So I'm just here to say that I have a couple things that I come in here with. And Fletcher was kind enough to include me in his remark on this. I don't have any interests downtown. I've never anticipating making one
dollar downtown. I've spent an enormous amount of time trying to understand how to create a downtown in the process because I'm a developer, because I'm a member of the Urban Land Institute, because I've been to cities all over the country and actually around the world looking at how they did it. I think it's almost amazing how Tucson has gotten this far and gotten this little done given how much we had going for us. And I think it's all in leadership and it's all in transparency. Those are the two things.

So I sit here as committed as Fletcher is to absolutely making everything transparent. We're going to let the audit get on the table. We're going to let it be out there. We're going to let whoever deals with the legality of that deal with the legality of that and hopefully this board will be able to get back to the task of taking the resources of Rio Nuevo and using them to the absolute best we can use them.

And I just wanted to say that, if anybody were to put me in a position where I wasn't able to carry that mission out, I would withdraw immediately. If I can't be transparent, then we're going to -- at least I won't have time to do this because I intend to get something done and I don't plan to be here for the eight years that I was at the other committee. I think we can wrap this up in a fairly short order to where we've got it organized and running like
they did in San Diego. San Diego is a classic example, Philadelphia, Baltimore.

Look at what happened to downtown Manhattan. You guys all remember years ago when Manhattan had garbage piled up all over the city. And one change -- and I sat in a room with Mayor Giuliani, who explained how he did it and how they did it. And they turned that thing around and all of a sudden not just 15 billion, about 40 billion was planted into the Manhattan complex. And today Manhattan is an enormously successful, you know, renovation project for our country and it's a wonderful place to go visit if you haven't been there any time soon.

So that's really the essence of my remarks. I would just say that I'm very optimistic. I really do support bringing in three more members. I think we need to do that. I don't think we should be taking actions today. And also I want to compliment Alberto. I -- I was a little -- and I've never met Alberto before, but it takes some guts and a lot of typing to -- to put together that kind of a comment. And the only thing I would say is that we will never get anywhere finding scapegoats. If people were illegally doing what they did, that will come out. They will end up having to pay a price for that.

If it was just pure incompetence, then we're just going to have to get around the process and make sure we
don't have that level of incompetence in the future. And that is kind of the reality of the world, so we're just going to have to do that.

So as a board member, the other thing I'm going to do is work hard to keep the board working on the future, on where we're going, and hopefully let the problems and the personalities and the issues just kind of settle down, because what really fascinates me, when I talk with people who are on opposite sides, very often they want the same result and you just say to yourself, well, if we all want the same result, we ought to be able to find a way to get there. And the shortest route is usually the best way in the end for getting the greatest amount of results.

So that's where I'm at. I thank you very much for listening to me and I thank my fellow board members for allowing me to go on here.

And, Jeff, just as a final comment, I remember Senator Jeff Hill. He was nobody that went along with anybody. He -- he was very helpful on lots of issues for this community. And when I knew that he was on this board, I knew darn well there wasn't anybody that was going to pat him on the back and say just look the other way. So you have a bunch of independent people up here.

And, Mark, I -- I'm sorry you had the comments in there about Mark because my -- my experience with Mark
Irvin, and I haven't been here with the board, but he's one of the true reliable people in the real estate development industry and he really does deserve a lot of credit for what he's done and I hope we'll all work together going forward.

That's --

MR. IRVIN: I -- I appreciate that, Chris. You know, just as a point of clarification, I want to make sure that everybody knows that I've never visited with Senator Pierce -- President Pierce, never talked to him. I didn't use any influence to ask him to do anything. I've only talked with Speaker Tobin one time and that was just here recently.

I live in the county although my office is in this city, actually in the district. Yes, I have said I'm tired of the term reconstituted. I think we ought to be referred to as a constipated board.

And, you know, I -- I don't have any issue or desire to sweep anything under the rug. There seems to be some desire or statement that that's something that's high on my list to do. You know, we are charged with accountability. Some of these discussions are -- are -- are very difficult discussions. I think we just have a real key difference on what happens with that information when it's released.

I agree with whoever said it earlier that I don't
think it's our job to go and enforce that. I think that's
information that we provide to the attorney general or the
FBI and let them go chase it. I think we should take our
rear-view mirror and break it, throw it away and figure out
a way to all get on the same page. And I'm -- I'm committed
to do that.

But I think some of the things that have been
said like I forced Dan -- or, excuse me, that I forced Allan
Willenbrock to step away, I had nothing to do with Allan
Willenbrock stepping away at all. To the best of my
knowledge, Counsel Silvyn wasn't involved in that at all.
And I think if somebody would ask Allan Willenbrock how that
came to pass, he would shed some light on that, but I can
tell you that did not come from me. That came from Art
Shear (ph) and Jodi Bain. And that's all I have to say.

CHAIRMAN MOORE: Okay. Let's go on with the
agenda. We started -- we've already done all our speeches
and I really appreciate what Fletcher and Chris said. And I
welcome them on the board and I think they'll be great
assets to the board and what we have to accomplish in the
future.

I guess the next thing on the agenda -- it's
going to be difficult. I think the -- the new board members
are going to need some time to review the minutes or --
before we discuss them since they weren't a part of it at
MR. IRVIN: So, you know, one thing I might bring up on the minutes -- and I -- I struggled with this a little bit, Secretary Moore. I -- the last meeting I asked that we hold those in abeyance because, after I had reviewed them, there were a number of things in there that were attributable to me and I didn't recall saying any of those things.

In fact, what I recall in my discussion, and this was related to the TIF issue, my discussion was very simple, and that is I -- you know, I don't recall saying those things. What I had said was, before we start accusing the city of doing something or not doing something, we should sit down with the city and have a discussion with them and ask them to come in and educate us.

And as a -- as a benchmark, there was a concern that TIF revenues were falling and maybe it was the city's fault for that occurring, maybe they weren't doing what they said they were going to do. And there was a huge discussion about it and I remember it very clearly.

So I had a chance to secure a copy of the tape, which I've listened to time and time again, and it candidly doesn't say what is -- what -- what is reflected in our minutes. So I have a copy of those recordings for both the meeting of the 10th and also our meeting of the 23rd, which
I'm only about halfway through the 23rd meeting, and I would offer those tapes to our two new board members, if they would like to listen to those, or anybody else that would like to.

But I would ask that we take those board meetings of the 10th and the 23rd -- and this is difficult for me to say because I've been the one -- one of the people that have said we need to make sure we get our minutes approved and on our website in a timely manner. I don't think it's appropriate for us to post those minutes because I'm candidly not comfortable with them yet. I don't think they really reflect what went on at that meeting.

So I would like to move that we put those in abeyance and perhaps, Mr. Secretary, we could have a group of people take a listen to those tapes and modify those minutes accordingly.

MR. HILL: Mr. Chairman?

CHAIRMAN MOORE: Yes.

MR. HILL: Substitute motion. I'm not sure I follow what all the brouhaha is over minutes, but I'd make a substitute motion that we accept the minutes of the 10th and the 23rd with the proviso that Mark would be able to add clarification that he feels appropriate and place those on the website. I so move.

CHAIRMAN MOORE: A second?
MR. SHEAFE: Do you accept that?

MR. IRVIN: No.

MR. SHEAFE: Okay.

MR. McCUSKER: And Chris and I can't help you here because we weren't at the meeting.

Is Jannie still on the phone?

MS. BETTINI: Jannie?

CHAIRMAN MOORE: I think she disappeared early on. Her battery probably ran dead. Mine almost did.

MR. HILL: Point of order.

Mark, this came up before about voting on minutes when you're not here. A board member can vote on anything. And that was opined by the last counsel and has always been my understanding. So even though they were not there, they can certainly make a motion, a second motion.

MR. COLLINS: Mr. Hill, that's my opinion. I mean, I haven't looked at that particular subject. It strikes me that -- that Mark -- Mr. Irvin has made a motion. There's been no question of discussion. I know you did a substitute motion, but Mr. Irvin declined that. It seems to me Mr. Irvin's motion is up for discussion and/or seconding. And I agree with your assessment that anybody who has been appointed can vote what to do.

Mr. McCusker has previously indicated a desire to put things off, but I believe he can vote on that subject.
MR. HILL:  Thank you.

MR. SHEAFE:  Could I offer a substitute motion then?

CHAIRMAN MOORE:  Sure.

MR. SHEAFE:  And I'm not even sure if this is a good one, but the substitute motion would be could we have -- give Mark an opportunity to make the clarifications or ask to have the minutes changed to bring them into compliance with the tapes and then approve the minutes at the next meeting.

MR. McCUSKER:  Second.

MR. IRVIN:  I'd accept that substitute motion.

CHAIRMAN MOORE:  Well, I guess we'll call for the vote if we don't have any further discussion on it.

(The board voted and the motion was passed)

CHAIRMAN MOORE:  So there, the ayes have it.

MR. SHEAFE:  Three to two.

CHAIRMAN MOORE:  So that's the first big decision we've made.

All right.  So --

ATTENDEE:  Mr. Chairman?

CHAIRMAN MOORE:  Yes.

ATTENDEE:  With all due respect, sir, I thought there was a suggestion that maybe we take call to the audience.
CHAIRMAN MOORE: I will. I will get to that. I -- I want to get rid of some of this little stuff first because of Mr. Fletcher's suggestion that we have a lot of information here and I think in fairness to them and to you all that you hear it, and then you can make your comments. So just give us a few more minutes here. We're -- we're not going to go through this whole agenda today.

ATTENDEE: Okay. Thank you, sir.

CHAIRMAN MOORE: All right. So that minute -- those minutes amended and so forth with Mark Irvin will be subjected to the next meeting and we can identify those changes.

(Discussion off the record)

MR. SHEAFE: Why don't we have the phone here. And I'll tell you what, Jannie, every few minutes, go beep.

MS. COX: I can go beep?

MR. SHEAFE: Yeah, you should go beep.

CHAIRMAN MOORE: That way we know you're there.

MS. COX: I'm still here, but the conversation goes in and out and a lot of it I could not hear.

MR. SHEAFE: Well, we just moved the phone closer to the speaker, so you'll have a better chance to hear.

MS. COX: Well, that is much better. I can tell that already.

MR. SHEAFE: All right.
MR. IRVIN: So as a point of clarification, I'd ask that I be provided a -- a Word document with the current minutes for both the 10th and the 23rd and I'll provide a red line back for review.

MR. SHEAFE: And that motion passed.

CHAIRMAN MOORE: And that motion passes.

Okay. I think we're going to -- if it's all right with the board, that we table both the administrative rules, board officers unless you want to go ahead and have your election.

MR. IRVIN: I'd -- I'd like to make a -- a comment on administrative rules. I'm -- I'm fine putting those in abeyance. I -- I had hoped that we were going to have a fully seated board with -- with nine of us here. We -- we don't currently, so I think the discussion relative to responsibilities and duties and what have you for -- for officers is probably something that we should put off until such time as we have a fully or a fairly constituted board.

CHAIRMAN MOORE: I thought that's what I said.

ATTENDEE: Is there a second?

MR. IRVIN: No, you actually -- you actually asked for -- for five and six and I --

CHAIRMAN MOORE: No, I -- okay. I did.

No, I said five and six, which is administrative rules and responsibilities, and so -- and the board
officers. Now, I don't know if you want to -- do you want
to hold on the election of new board officers?

MR. IRVIN: No, actually I don't.

CHAIRMAN MOORE: All right.

MR. McCUSKER: Let's deal with five. I move to
table five.

CHAIRMAN MOORE: Table five.

MR. HILL: Second.

CHAIRMAN MOORE: All in favor?

(The board voted and the motion was passed)

CHAIRMAN MOORE: Okay. Board officers, item six,
any comments somebody wanted to --

MR. IRVIN: Yeah, I'll -- I'll -- I don't mind --
I don't mind taking the lead.

You know, I think the last two plus years have
been very, very difficult years. We've been through a bunch
of ups and downs and over and arounds. I think one of the
things that really excited me when I heard that Fletcher was
coming on board and Chris is I felt that, you know, we were
going to have some strong development expertise, and then
also in Fletcher we were going to have somebody who runs a
public corp. and understands transparency and doing things
aboveboard and what have you. And I think there are things
that we talk about that candidly sometimes we give a little
lip service to.
I'd like to make a motion that on an interim basis until we are a fully seated board, at which time we could come back and revisit it, that we -- I'd like to nominate Fletcher, if he'll accept it, to be our interim chair again with the caveat that, when the board is -- is seated with, you know, at least eight of us, depending on how long it takes to do nine, but we get, you know, at least a couple more, that we revisit that issue. So that's my motion.

MS. COX: I'd like to second that motion.

MR. HILL: Point of order, Mr. Chairman.

What is an interim chairman, Mr. Collins? Will we have no such position? Is he in fact the chairman?

MR. COLLINS: Mr. Hill, I think -- I think what Mr. Irvin is suggesting is -- is that Mr. McCusker be appointed chairman at least until the entire board is seated. My interpretation of the administrative rules is that the seated people here today can do that. When there are additional members appointed, those members can revisit that issue, but I think that Mr. McCusker, should he -- should this pass, Mr. McCusker would be the chairman of the board and, if the issue wanted to be revisited in the future, this board could do that.

MR. HILL: So, Mr. Chairman, so I interpret it correctly, politicking with the chairman. There is no such
thing as an interim chairman. I want to make that very clear.

Mr. Chairman, I -- I would also like to suggest that -- I thought we weren't going to do this. I'm not in favor of changing proverbial horses in midstream. It's my understanding, and apparently there's opposition, that you have to have only four members of this board to act on these types of items on this agenda. It's my understanding it's five. And very easily I'm particularly interested in making sure that doesn't happen and, if two members left, we would have no meeting, we'd have no input from the public and I think that's most unfortunate.

And I want to emphasize certainly to our legal counsel the further understanding, if in fact they say four is a majority, they're in violation of the open meeting law because four of them conspired to call for this meeting and I would certainly bring that up with the attorney general.

So I think we should tread very carefully as we rush this thing forward to whatever their goals are that we don't need to do that today. So as you can probably guess, I'm speaking in opposition to the suggestion that we elect a chairman today.

CHAIRMAN MOORE: Hold your applause, please. We have -- we have a long way to go yet.

So --
MR. McCUSKER: Mark, can you speak to the legality of the motion and the rules?

MR. COLLINS: Members of the board, I believe paragraph 4.15 of the administrative rules addresses the need for a quorum and how -- how a quorum is established. And it says, at all meetings of the board consistent with the requirements of ARS 38-431, which doesn't really apply, the presence of a majority of the board members then appointed to the board and eligible to vote shall be necessary and sufficient to constitute a quorum.

As I understand it now, there are six board members. Those -- those are the members that have been appointed and are eligible to vote, so there are six of you. A majority of six -- I flunked algebra II twice, but I think a majority of six is four. And as long as there's -- as long as there's four people present, I believe that is a quorum and I think the vote could be taken to -- along these lines.

MR. HILL: Mr. Chairmen, point of order. Then under the open meeting law, a majority of a board cannot meet and vote and make decisions privately not while sitting here. Four such members signed a paper in -- in -- in cahoots to call for this meeting, therefore, they would be in violation of the open meeting law.

MR. COLLINS: Mr. Hill, I'm -- I am not an open
meeting law expert. Whether that happened or not, I don't know. It strikes me that for the purposes of today -- I've told you what my opinion is and -- and I guess that opinion is -- is that, if the vote goes the way it goes, I think that that would be appropriate.

MR. HILL: Mr. Chairman, I certainly agree that Counsel -- obviously he's read those correctly; however, I feel as the sponsor of the open meeting law in 1981 that I'm going to guess they've got a problem. So I just want to be sure they are aware of what they're doing today if they decide to act after the four of them have colluded to get to this point and they are in fact a majority due to the fact there's only six appointed.

Thank you.

MR. SHEAFE: Do we have time to make a comment here, Mr. Chairman?

CHAIRMAN MOORE: Of course. Go ahead.

MR. SHEAFE: Yeah. Jeff, I think you're making a good point, but I want to dissuade you of any view that we got together and colluded to do this. That isn't what took place, at least as far as I'm concerned. The four of us have not met. I have met Fletcher on one occasion. Mark was there. We were not colluding to do a meeting. My purpose was to make sure that everybody understood I'd be gone on the 18th and unable to participate. And I suggested
we ought to set a time -- a different time and I thought earlier would be better than later, and then a few days later, I was asked really for a telephone pole, would you support a meeting and would you sign that you're asking for this meeting.

And that's all that happened with me. There really was never an attempt to exclude anybody. And I hope that we can get through this process without creating hard feelings because I don't think that's the way we ought to start out.

MR. McCUSKER: Is -- is Jannie on the phone?

MR. SHEAFE: Yeah, Jannie, are you there?

MR. McCUSKER: Jannie, I would suggest that --

(Discussion off the record)

MS. COX: I've been here most of the time, so I have not met with anyone. I've sent one e-mail to Chris Sheafe welcoming him to the board. I have had a couple (inaudible) with Mark Irvin and I -- that's the extent of my involvement in any kind of potential collusion.

CHAIRMAN MOORE: Thank you, Jannie.

MR. McCUSKER: Mr. Chairman, Mark, I don't think you move forward under a cloud, you know, particularly if there are legal questions regarding the appropriateness of it, so I would suggest that you withdraw your motion and give us time to research the issue, allow another member or
two to be seated. It's not going to matter a whole lot
whether we do it today or some other time.

From -- excuse me. From my perspective, I told
President Pierce when he asked me to serve that I would
serve in any capacity, so if I am asked to chair, I'm
willing to do that, but, again, I believe it should be under
a nine member, fully constituted board. And it just
deals -- it takes away all these issues about collusion and
hoo-hoos and good old boys and all that kind of stuff. So I
would respectfully ask that you withdraw your motion. Let's
aggendize this properly, give Mark a chance to research it.

One of the things that I've always been
challenged by as an observer of Rio Nuevo meetings is you
seem to struggle with a lot of parliamentary rules and it
may be advisable to us to have some parliamentary counsel,
you know, in regard to -- we had a point of order at the
last meeting, we have a point of order at this meeting. You
know, it seems to me that we ought to be really careful,
particularly given the suspicious nature that many people
have regarding this whole process.

So respectfully I would, I guess, decline to
serve and ask that you withdraw your motion temporarily.

MR. IRVIN: I -- well, obviously not -- you know,
I've already mentioned that I'm, you know, personally not
seeking to be chair. I've made that clear, that that's not
something I want to do. I'm the exact same way. I'll do
whatever this board would like me to do. I think we're at a
crossroads right now, Fletcher, where, you know, we have
divergent camps in -- in -- in our group. That's one of the
reasons that I haven't asked to step up.

As I made with my motion that you would be -- I
asked you to be chair and I also ask that to be revisited
when the board is fully seated. I think I'm not really
interested in -- in removing that right now.

CHAIRMAN MOORE: Let me make a suggestion. Why
don't we -- why don't we table this.

MR. IRVIN: There's -- there's been a motion and
a second.

CHAIRMAN MOORE: Okay. That's up to you.

Who was the second?

MR. IRVIN: Jannie was.

MR. SHEAFE: Let me just ask a question, though.

Can you -- if -- if Fletcher says he won't serve, you know,
what do we do? Then it won't do any good to elect him
because he's just said I decline to serve.

CHAIRMAN MOORE: So why doesn't Jannie retract
her second and Mark can do what he wants, and then we can
just move on.

MR. IRVIN: I'd -- I'd -- I'd call for the vote
candidly. If Fletcher -- if Fletcher, when he's nominated
1 and made chair, decides he doesn't want to serve, that's Fletcher's decision.

2 MR. SHEAFE: She keeps disappearing.

3 CHAIRMAN MOORE: I -- you know, as I said, I --

4 let's -- why don't we get -- table this temporarily until --

5 I think in fairness to the audience that's here, I'd like to

6 hear some of their comments and we can come back to this

7 before the end of the day.

8 MR. McCUSKER: Well, let me just help with the --

9 CHAIRMAN MOORE: Okay.

10 MR. McCUSKER: If the motion's passed, I vote no,

11 so it's not going to pass.

12 CHAIRMAN MOORE: Okay.

13 MR. McCUSKER: So let's table the whole thing

14 until the board is properly seated. You can -- you can

15 take -- somebody -- you can withdraw the motion, withdraw

16 the second or call for the question. We need the second --

17 CHAIRMAN MOORE: Okay.

18 MR. McCUSKER: -- on the phone.

19 CHAIRMAN MOORE: Well, there's a second by

20 Jannie. Let's call for the vote.

21 All in favor say aye.

22 MR. McCUSKER: You need -- you need -- you need

23 Jannie on.

24 MR. IRVIN: You need Jannie on.
CHAIRMAN MOORE: Oh, that's right.

MR. SHEAFE: If she answers the phone aye, it will solve the problem.

CHAIRMAN MOORE: Go ahead.

MR. McCUSKER: Jannie, are you there?

MS. COX: I am here.

CHAIRMAN MOORE: Okay. I'm calling for the vote, Jannie.

MR. McCUSKER: Did you hear the whole legal discussion whether -- all right. Let me just -- as the nominee, I suggest to you that some legal and procedural orders have been raised. I'm not willing to take the position under those conditions, so you can withdraw your second as one option or we can --

MS. COX: I would like to withdraw my second based on your decision that you will not accept the role of chair.

MR. McCUSKER: And, therefore, no vote is needed.

CHAIRMAN MOORE: So there's no second, so the motion dies. Thank you very much.

So that's board officers.

Do you want to discuss item seven, meeting, discussion and potential action related to further board meetings? I think that we have a retreat planned for the 18th. I don't know if somebody wants to continue that
thought or table it.

MR. McCUSKER: Mr. Chairman, I -- I think the retreat is -- is not going to be advisable given that we've got so many new members, three more coming. It's hard to talk strategically. I think they need to be brought up to speed. I do think there's a need for us to meet fairly regularly in the short term, resolve some of these issues, get board members up to speed. Maybe there's a way to, you know, cancel the retreat but schedule kind of a standing time for regular meetings over the next, you know, couple of months, meet our obligations to bring the new members on, and then, if we kind of get to someplace where we think we need strategic conversation, we can schedule it. That would be my recommendation.

MR. HILL: That's a good recommendation, Mr. Chairman.

MS. COX: I would like to meet on a regular basis where we can plan (inaudible).

CHAIRMAN MOORE: Speak up, Jannie, please.

MS. COX: I'm very committed to being at all of the meetings and I will plan my travel schedule around those meetings, but I really need to know when they are going to be so that I can make it there (inaudible).

CHAIRMAN MOORE: Very good. I mean, do we -- are we talking about weekly meetings or a monthly meeting? I
MR. SHEAFE: May I make a suggestion?
CHAIRMAN MOORE: Sure.
MR. SHEAFE: Why don't we plan to meet twice. We're in June now.
CHAIRMAN MOORE: Uh-huh.
MR. SHEAFE: And, you know, it's amazing we're almost halfway through June, so we should have a July meeting and an August meeting. Hopefully before we get to the August meeting, we'll have at least two of the three members. And what I would ask is that we not try and set those two dates but we let staff set those dates at a time when all of us are available. And that's a horrible job, but --
MR. HILL: They're used to it.
MR. SHEAFE: -- you know, we can get it done, and then I will plan my schedule around these meetings because I plan to be here.
MR. HILL: Sounds pretty simple.
CHAIRMAN MOORE: Any comments from anybody else? Jannie, a July meeting and an August meeting, is that satisfactory?
MS. COX: We're not going to meet then on the 28th of June as scheduled?
(Discussion off the record)
CHAIRMAN MOORE: We're not going to meet on the 28th of June as scheduled.

MR. IRVIN: I think we keep that meeting.

MS. COX: So when would that meeting be

(Inaudible).

CHAIRMAN MOORE: I don't -- I don't see that there's a problem in meeting on the 28th if nobody else does. But, I mean --

MR. SHEAFE: I guarantee you I won't be here.

CHAIRMAN MOORE: Oh, okay. Then that's -- because one of our new members won't be in town, so that -- that creates a problem.

MR. SHEAFE: Now, if I can get that changed -- if you want to say we'll meet subject and I will see if I can change, and then I'll get to you by tomorrow.

CHAIRMAN MOORE: Oh, that's fine.

MR. SHEAFE: And then we could --

CHAIRMAN MOORE: Let's tentatively plan for June 28th for a board meeting assuming that Chris is in town. If not, we'll postpone it to July.

Is that satisfactory to the board?

MR. HILL: Okay by me.

MR. McCUSKER: Okey dokey.

MS. COX: And may I ask when that will be known?

CHAIRMAN MOORE: I -- I don't know. Hopefully
maybe tomorrow.

MR. SHEAFE: I -- I will know by tomorrow.

MS. COX: Okay. Good. Then I'll make my travel plans when I hear whether you can be there.

CHAIRMAN MOORE: And we'll let you know because Michelle will e-mail you and get you the information along with the other members of the board.

MS. COX: Okay. That sounds good.

CHAIRMAN MOORE: Thank you.

Item number eight are the bonds. I think that --

MR. IRVIN: How about press releases?

MR. McCUSKER: Is there an issue with anything that -- that we may lose the opportunity to in the short term? I think that's how this got on the agenda. Have we clarified that further, that -- that we do not have anything that may revert to a debt repayment in June? Because that would be a lost opportunity if we're not going to meet again until the 28th. What is the status of that?

MR. SHEAFE: The specific question is, is there money that has already been funded that would go away if it was not used by June under the arbitrage laws.

MR. McCUSKER: That was -- I think that's the reason it's on the agenda.

MR. IRVIN: Right.

CHAIRMAN MOORE: Mark, I think you have a comment
MR. COLLINS: Well --

CHAIRMAN MOORE: -- Jeff.

I think it's on your shoulders, Counsel.

MR. COLLINS: Members of the board, I -- I don't pretend to be a bond counsel, but I have in light of this agenda item taken a little bit of time to take a look at this. I will tell you that what you really need, and you need it, in my opinion, quickly, is an opinion from bond counsel on this subject. It's going to be driven by the bond indenture and perhaps the IRS regulations.

It's easy for me to say this because I'm talking about somebody else who's doing the work, but I think it would be relatively easy to determine what the bond indenture says with respect to this. If in fact the bond indenture says the money has to be spent, then there's an issue. If in fact the bond indenture is ambiguous, the IRS regulations are going to apply and there's some more flexible room.

I would -- one of the things that I wanted to say to this board regardless of whether it continues my involvement is that I think you -- you ought to get bond counsel looking at this yesterday and -- and make a determination. The remaining problem is going to be is there any money because you can't commit money that you
don't have.

But as I understand the question, there's this perceived deadline of June, the end of this month, and I will tell you that my initial investigation is -- is that that determination as to whether that's a real deadline or not can be made rather quickly, I think.

CHAIRMAN MOORE: Let me ask a question, Mark. I thought we had bound counsel at least on and off over the period of our presence.

MR. COLLINS: Mr. Moore, at some point Lewis and Rocca's firm was bond counsel.

CHAIRMAN MOORE: Up in Phoenix, correct?

MR. COLLINS: Right. Lewis and Rocca like my firm is located both in Phoenix and in Tucson and -- and the bond counsel at Lewis and Roca is in Phoenix.

CHAIRMAN MOORE: Your firm has bond counsel.

MR. COLLINS: Indeed. And -- yes. Yes, we do. And I -- that's who I called on this morning when I saw this item on the agenda and what I have just spouted to you was shared with me this morning.

CHAIRMAN MOORE: Well, may I make a suggestion then? The members can speak to it, but what about talking to your counsel to get their opinion as to what we have. And I -- I don't know how that affects our budget, our relationship with you from --
MR. COLLINS: Mr. Chairman and members of the board, as I have said to at least some of you, I serve and have served at the pleasure of this board. If you want me to continue to work for you, I'm happy to do it. If you don't, that's -- I understand that and I'll help in transition.

If the board asked me to inquire of our chief bond counsel, a fellow by the name of Scott Ruby, I -- I can certainly do that and we can get cracking on that right away. I -- I frankly think that's one of the two hot items, in my opinion, that you folks need to advance.

MR. McCUSKER: Mr. Chairman --

CHAIRMAN MOORE: Sure.

MR. McCUSKER: -- would it be more expeditious to go with Lewis and Rocca so they already know the issue? They were bond counsel.

MR. COLLINS: It could very well be,

Mr. McCusker. I -- I -- I -- I have been not privy to all of those discussions. The bond counsel for Lewis and Roca is a highly qualified individual and, if he's familiar with all of that, that may very well be the best way to go. You can explore that, I can explore that, whatever. I just think for the best interests of this board you need to -- need to move the ball forward somehow.

MR. HILL: Mr. Chairman, I would move in light of
the urgency of this that the board direct Mr. Collins and his firm to jump on this and give us a decision as soon as possible. I make that in the form of a motion.

MR. SHEAFE: I'll second that.

CHAIRMAN MOORE: Second.

Call for the vote or discussion? Is that appropriate?

MR. COLLINS: You bet.

CHAIRMAN MOORE: Okay. Discussion?

MR. IRVIN: I -- I -- I firmly believe that we should have somebody look at it. In fact is Sylvia in the audience?

There she is.

So maybe this might help. I -- I -- I -- Sylvia Amparano with the city. I -- I struggled with the numbers. I heard we were going to have something term at the end of this month, then I started looking at it, and then they said, no, it actually termed -- you, know, you had to spend that money in November of last year. So I was trying to understand it and, as I was trying to understand it, I had a couple of visits with -- with Kelly to try to get a handle on it and she's out of town and has sent Sylvia in her stay, who could probably shed a little light on this, I would think.

Sylvia, can you address us for a moment, just --
MS. AMPARANO: Certainly. I agree with the gentleman. Bond counsel needs to address that and interpret the -- the -- the legal documents. I'm not an attorney, but I did look at the indenture. The indenture specifically says that the bond proceeds should have been spent by November 30th of 2011. Any remaining proceeds in that bond should have -- should be transferred to the trustee and pay for debt service.

MR. IRVIN: So was -- so was part of that money that you're talking about part of the money that we received from the city in the 10 million-dollar payment?

MS. AMPARANO: Correct.

MR. IRVIN: And can you break those two numbers out or whatever the numbers are? Is that all 10 million for the bonds or how is that?

MS. AMPARANO: It's my understanding that the $10 million transferred to the district in August of 2011 included 5 million from the bonds and 5 million from the TIF.

MR. McCUSKER: Mr. Chairman, I call for the question.

CHAIRMAN MOORE: I call for the question. We've got a second on it. Do we want to vote? What do we want to do?

MR. IRVIN: Absolutely.
MR. HILL: All in favor.

CHAIRMAN MOORE: All in favor?

(The board voted and the motion was passed)

CHAIRMAN MOORE: Okay. So your firm is going to investigate --

MR. SHEAFE: All five voted yes.

MR. COLLINS: I -- I will do that, Mr. Chairman. It's always been my view that it's most efficient when I represent a group of individuals that the group at least designate a spokesperson with whom I can communicate to save money. Otherwise, I end up answering lots of questions. I would suggest that this board decide which one of you is the point person for me, and -- and then I can -- can get cracking and work with that person.

MR. IRVIN: It seems the treasurer would probably --

MR. McCUSKER: I would suggest the treasurer is the most likely.

CHAIRMAN MOORE: That's what I would suggest.

MR. COLLINS: All right.

CHAIRMAN MOORE: That's acceptable to everybody?

MR. IRVIN: Absolutely.

CHAIRMAN MOORE: Okay.

MR. McCUSKER: Absolutely.

MR. COLLINS: All right.
MR. HILL: Thank you. I'll look forward to it, Mark.

CHAIRMAN MOORE: Okay.

MR. HILL: Thank you.

MR. COLLINS: My pleasure.

CHAIRMAN MOORE: District legal counsel representation.

MR. IRVIN: We never did number eight.

CHAIRMAN MOORE: I thought we just did. We did five.

MR. IRVIN: We did bonds. We didn't do press releases.

MR. SHEAFE: That's a different agenda. I don't have that. That's not here.

MR. IRVIN: Well, it somehow got scratched from what was approved, but that's okay.

MR. McCUSKER: What was -- what was posted? Ms. Bettini, can you help us? We're looking at two different agendas. One is --

CHAIRMAN MOORE: This is the last agenda sent out --

MS. BETTINI: The last agenda that was posted and sent out to the board involving --

MR. McCUSKER: This is the one that's posted? This is the one we're working on?
CHAIRMAN MOORE: Okay.

MR. SHEAFE: The one we're working on?

MS. BETTINI: Yes.

MR. SHEAFE: The one you have?

MR. IRVIN: I -- I guess I'd like just to ask how it's changed, because in the notice of agenda and call for special meeting that I sent, I had a preset agenda and was asked to allow for comments from the secretary and comments from the treasurer, which I agreed to, but somehow the little notice about press releases was -- was removed.

CHAIRMAN MOORE: Well, I'll take responsibility for that.

MR. IRVIN: Okay.

CHAIRMAN MOORE: And the reason why I take responsibility for it is because I'm the acting chair and I'm the one to set the agenda. You made comments to it. We followed certain guidelines that I thought were appropriate, but I thought this one, because of the length of this particular meeting, I didn't want to get it clouded with other issues, so I was trying to narrow it down to things that would be important, so --

MR. IRVIN: As a point of order, though, I thought, when you call for a special meeting and you call and you set forth a special agenda, that there are no changes allowed to that unless they're agreed.
CHAIRMAN MOORE: Well, I don't know how that works to be very honest with you.

MR. IRVIN: I would ask -- I -- I -- I would ask counsel.

MR. COLLINS: Well, Mr. Irvin, I've never looked at that subject. I -- I would have to concur with Mr. McCusker's initial comment. Whether it -- whether it got here in the proper way or not, I can't comment on it, but I think we're limited to what was publicly posted.

CHAIRMAN MOORE: And this was the last posted. I would -- if it's all right with everybody because I know we have a very patient audience that's been eager to make some comments --

MR. McCUSKER: I can dispose of nine, I think, pretty quickly.

CHAIRMAN MOORE: Oh, okay.

MR. McCUSKER: I just think, particularly with new members coming in, and maybe, Mark, you can help with this, you went through and identified the suits and some were defendants, some were a plaintiff. I think it would be good for new members to have some sort of inventory of litigation and representation. I know a number of people are concerned about our legal fees and I think we're all committed to try and identify ways to reduce those, so I would just ask that maybe you could help us pull the other
inventory of litigation, who represents us, and then maybe
we could be briefed in executive session on those items.

MR. COLLINS: As the members of the board are
aware, I became aware of what's going on here today
yesterday and I started that process on my side and I
believe that the folks at Rusing & Lopez have done the same
thing. I would suggest to the board that I certainly can
have a summary available for the board members certainly
before the end of this week, if not, day after tomorrow.

MR. SHEAFE: Can I add a comment then?

CHAIRMAN MOORE: Sure.

MR. SHEAFE: I got a call from Pat Lopez and Pat
said that they had just done a full summary. I have not
seen it, but he asked me to send a copy of the authorization
letter appointing me to the board, which I asked my
secretary to send this afternoon. I understand I will get
an e-mail of that. So if anybody else doesn't have it, I
will be very happy to pass that through.

I think you ought to look at it and then
determine whether or not it covers the subjects it should.
If there's something missing, we ought to add it. We ought
to just get it done as efficiently as possible.

Does anybody have an objection to that?

CHAIRMAN MOORE: No, I'm fine with it.

MR. COLLINS: That's the Lopez -- Rusing, Lopez &
Mr. Sheafe, I believe that that's been done or at
least is in the process of being done. In my opinion,
that's legal advice and needs to be restricted to the
members of the board who have been lawfully appointed and
seated, but from the lawyer standpoint, I believe that that
information can be available before the end of this week so
you folks can start to digest it. I know that there's some
things in there that -- that Alberto and --

MR. McCUSKER: I do think there are issues if --
if a memo comes to you and then you forward it in terms of
privilege, so I would just ask that it all go --

(Discussion off the record)

MR. COLLINS: I would recommend to the board that
all of that communication go from one lawyer or one conduit
to each of you who have been seated. I'd be happy to serve
as that since one of them is coming from me, so -- and that
way the privilege is maintained. I think that's highly
important for this board.

MR. HILL: Do you need a motion, Mark?

MR. SHEAFE: With -- with the fellow board
members' permission, I have a copy here of everybody's
e-mail address. I will get that to Lopez, his firm, and ask
him if -- anything he sends me he sends to everybody else.

MR. IRVIN: I think what they were talking about
is to run for client privilege everything through Mark Collins so that -- and then he would -- he would distribute it.

MR. SHEAFE: Do you want to do it that way, Mark?
MR. COLLINS: I'm -- I'm very happy to do it that way. Mr. Lopez and I know each other.

MR. IRVIN: Do we need a motion for that or --
CHAIRMAN MOORE: Do we need a motion?
MR. COLLINS: I think for your benefit that would be a good idea.

MR. HILL: So moved, Mr. Chairman.

CHAIRMAN MOORE: Second?
MR. SHEAFE: Second.

CHAIRMAN MOORE: All in favor?
(The board voted and the motion was passed)

CHAIRMAN MOORE: One -- one question I have on that same -- as you go -- each one of you go through the -- this information, I think it's appropriate that you individuals can talk to the lawyers regarding that issue so that you have a better understanding in case there's some kind of confusion or -- rather than calling a meeting or executive meeting, if you want to be informed about the -- the particular issue, that you talk to the law firm that's representing that and clarify it in your own mind.

Does that -- I mean, you don't have to, but if
you want to, you have a right. And I don't think we have to
get permission from everybody.

MR. McCUSKER: Mr. Chairman and Jeff, enlighten
me on open meeting math. If there are six of us seated and
four of us go to coffee, is that an open meeting?

MR. HILL: That's an open meeting violation.

MR. McCUSKER: So I think we just need to be
cognizant of the fact --

CHAIRMAN MOORE: That's what I'm saying, one of
you at a time or however you want to do it, but obviously
you have to make sure that we're not --

MR. McCUSKER: Got it.

CHAIRMAN MOORE: -- out of step, so --

MR. HILL: They're very good about throwing rocks
at us if we start going astray.

MS. COX: Well, I have a question about that.

CHAIRMAN MOORE: Okay. Jannie has a question.

Speak up. Speak up, Jannie, because we --

MS. COX: Pardon me?

CHAIRMAN MOORE: Speak up, please, because I've
got you to a microphone and I don't know how --

THE WITNESS: Okay. I'm just saying that, if
we're trying to (inaudible).

(Discussion off the record)

CHAIRMAN MOORE: You have to talk louder, Jannie.
(Discussion off the record)

ATTENDEE: Start over.

CHAIRMAN MOORE: Jannie, can you repeat yourself, please?

MS. COX: Okay. I'm saying that, if we are -- in light of the fact that we're trying to contain some of our legal expenses, it doesn't sound prudent to me that we have the potential for six people taking some of our attorney's time to explain one document, so having each one of us speak to counsel individually does not seem like a very good way to do that.

MR. McCUSKER: We can do it twosies and theesies.

We can't just --

CHAIRMAN MOORE: Well, if the two -- I mean, I don't know if the old members want to do it or the two new members. I mean, I don't -- but what do you want to do? You tell me what you'd like to do.

MR. SHEAFE: I -- I have every confidence that I can read the document and understand it.

CHAIRMAN MOORE: Okay.

MR. McCUSKER: We do it often.

CHAIRMAN MOORE: Okay. Then that's moot. Let's go on.

MR. COLLINS: Mr. -- Mr. Chairman, before you leave the -- number nine, in my attempt to try and give
guidance to the new folks in particular, I tried to identify what I thought were hot button items that you folks needed to think about and the bond issue was one of them. The Depot garage is another one. The city and the district some time ago executed what amounts to a standstill agreement over which time the city pays the district X number of dollars, I think it's something a little less than $5,000 a month, for the garage while both the city and the district -- any statute of limitations are stayed. And that -- that agreement was entered into in November of '10, I believe, and it expires this Friday.

I don't know how the city feels about it. My dealings have been with Mr. Rankin. The last time I talked to Mr. Rankin about this, he was at least at that time interested in extending that. I think in light of the board's situation right now, I would urge that that be extended, too.

MR. SHEAFE: May I make a motion then?

CHAIRMAN MOORE: Yes, please, Chris.

MR. SHEAFE: I would motion -- the motion would be that we authorize counsel to communicate with Mr. Rankin to extend the standstill agreement and to ask that as part of that the city recognize that the standstill agreement is a binding obligation upon them as stated and they accept it. As long as they give that, I'm willing to go for the
standstill agreement.

MR. HILL: Second.

CHAIRMAN MOORE: All in favor?

(The board voted and the motion was passed)

MR. COLLINS: Fair enough. That's all I had for you. Thank you.

CHAIRMAN MOORE: Thank you very much, Mark.

If there's nothing else, I'd like to have a call to the audience.

MR. McCUSKER: Mr. Chairman?

CHAIRMAN MOORE: Yes, sir.

MR. McCUSKER: I think your rules provide three minutes, 15 minutes total. Is there any interest in us extending the sum total time?

ATTENDEE: You better believe it.

CHAIRMAN MOORE: Well, you know --

MR. SHEAFE: Can we put some limit on it?

CHAIRMAN MOORE: I think we need to put some limit on it, otherwise -- there are a lot of people --

MR. McCUSKER: How many -- how many cards do you have?

CHAIRMAN MOORE: I think we have nine cards.

MR. McCUSKER: And so --

CHAIRMAN MOORE: Ten cards. We have 10 cards.

MR. IRVIN: That's thirty minutes.
MR. McCUSKER: Thirty minutes. I'm fine with that.

CHAIRMAN MOORE: So three minutes apiece?

MR. McCUSKER: Still -- but it allows everybody to speak that been signed up.

MR. SHEAFE: Yeah. And -- and just to go to your point, Fletcher, because I -- you know, having chaired these things before, you always get somebody that wants to just talk about their vacation and every other thing and you kind of have to have an ability to stop that. But if you have people that legitimately want to communicate with you, with the board, you want to give them the opportunity to do it. So let's say we go three minutes and, if somebody needs more time, we can see that that's going to be productive, then maybe we quickly say we're going to grant you another three.

Does that make sense?

MR. HILL: At the discretion of the chair?

MR. SHEAFE: Yeah, at the discretion of the chair.

MR. HILL: I think that's fine.

CHAIRMAN MOORE: Here we go.

(Recess)

CHAIRMAN MOORE: I'd like to call the meeting back to order. At this point in time, I'd like to call the individuals who are interested in speaking to our board and
giving us some ideas and direction.

Jannie?

Are we going to call Jannie?

We have a microphone here and we're requesting that each speaker speak for at least three minutes. And we'd like to keep -- ask you to keep --

MR. SHEAFE: Speak for a maximum.

CHAIRMAN MOORE: A maximum, excuse me. Thank you. Sorry about that. A maximum of three minutes. Please give us your name and address. And at the same time, I'd like you to stay on -- on topic because I know there are a lot of you that are here that would like to say something, so I think --

MS. BETTINI: Jannie needs to leave the meeting, so she's excusing herself.

CHAIRMAN MOORE: We still have a quorum, so we're okay.

Thank you, Jannie, very much for attending.

Okay. The first person to speak is a Ralph Kayser.

Is that correct?

MR. KAYSER: Yes.

CHAIRMAN MOORE: Kayser.

MR. KAYSER: Can you hear me?

CHAIRMAN MOORE: Yeah. I think we need to turn
1 it on.
2 There you go. And you can move the mike up if
3 it's more --
4 MR. KAYSER: My name's Ralph Kayser. I live at
5 10700 North Law Reserve Drive in Oro Valley. I'm a primary
6 organizer of the Tucson Tea Party. And, you know, I want to
7 echo something Alberto said very early in this meeting, that
8 what we're seeing here is a microcosm of what is happening
9 across the country. Your electorate's engaged and, when we
10 hear that there's been a last minute meeting planned on
11 short notice to discuss the kind of matters that we saw on
12 this agenda on election day when we should be in the voting
13 booth and we've already adjusted our schedule at the voting
14 booth, that -- that totally takes away the credibility of
15 anybody up here who agreed to have this meeting and use the
16 term transparency, which if I tallied it correctly, all of
17 you used that word today in your speeches, transparency.
18 So, I mean, I'll ask the rhetorical question.
19 Whose cockamamy idea was it to have a meeting today on
20 election day to talk about counsel and moving on spending
21 money. That is -- if -- if -- if you had the intentions of
22 establishing credibility as a reconstituted board, I can
23 think of no worse way to establish or suggest that
24 credibility by scheduling a meeting today.
25 Chris, you said we're never going to get anywhere
finding scapegoats. I disagree. We're going to get a lot
of places by finding out who misspent this money.

Mark, I think you talked about breaking the rear
view mirror.

Ladies, do any of you have mirrors in here?

We're not breaking the rear-view mirror.

Somebody's accountable. I want to learn about the trips to
Rio De Janerio. I want to know who did what. And the
suggestion or the possibility that this board could have
manipulated or made a decision today that would have
affected the outcome of the audits is -- is horrifying to
those of us in the community that want accountability.

So I -- I'm -- I'm just really going to, you
know, go back to my original statement. This is a microcosm
of what's happening across the country and your electorate
and your voters are watching you. And we're going to watch
every move this board makes. To those of us that are
involved, we're going to watch it. We're going to talk to
our friends about it. We're going to share the -- the
decisions of this board moving forward. We're not going to
be the apathetic voter community that was our community back
eight, nine years ago. We're just not going to let it
happen again. Fool me once. Not going to happen again.

Thank you for your time.

CHAIRMAN MOORE: Thank you.
MR. McCUSKER: Tell me your name again.

MR. KAYSER: Ralph Kayser.

MR. McCUSKER: Ralph, thanks.

CHAIRMAN MOORE: The next person, Keith Van Heyningen.

ATTENDEE: He couldn't stay longer. He left.

CHAIRMAN MOORE: Okay. So he's passed. Okay.

Josephine Cardenez.

MS. CARDENEZ: Buenos tardes.

CHAIRMAN MOORE: Buenos tardes.

MS. CARDENEZ: It's Josefina Cardenez.

CHAIRMAN MOORE: Pardon.

MS. CARDENEZ: And I live in Barrio Kroeger Lane, just a walking distance from here. I'm a native Tucsonan, fourth generation.

And I sure would not like to be in your shoes, so I applaud and I take an appreciation what you are here doing. Even though this is my city, I really love my city and I really look sad to what it's going through. But at the same time, you have pulled a veil and have brought a lot to light.

In my involvement, I was involved with Rio Nuevo from -- from the beginning with the Native American community. And I would like to remind you as we were just reminded that we have our -- our flags and that we need to
be together in unity as one community and our Pledge of allegiance.

We have been supported in our barrio by the Tohono O'odham Nation and I would like to have that in consideration that we stand in the first nation's land, the Tohono O'odham.

In my hands I have documents that support. You probably don't have time to read those documents, but these are open to your -- to your files if you would like.

I also represent part of Protectship Shonse Rio Nuesto (ph) and from our community we are asking that with -- if you have those funds or do not have those funds which is very difficult to know, but we would like that those lands below A mountain, Sentinel Peak, the remaining land of the birthplace of Tucson be remediated because that is the original birthplace of Tucson, that you go back to the original plan in 1999 that the voters voted that we wanted to see those lands be historical, traditional, cultural. And that's what our citizens are looking back to, especially our elders, because there has so much been lost.

Senor Fletcher, downtown is not the harmonious downtown that I knew as a child and my grandparents talked about. It has changed so much. But I'm grateful that now downtown has the community it did not have for many -- for many years.
Also the Protectship Shonse (ph) is asking that you -- you go back to the original -- that the land be remediated and that you drop any suit against the city. Or is that what you want? Your role is to continue going back and forth or is it that we want progress in -- in Tucson? Because that's what I'm looking for, is progress for Tucson and our barrios.

Look what we went -- went through in urban renewal. It seems that we can continue doing those mistakes over and over. So many of us are looking downtown because we are in downtown. What is going to happen to our barrios?

I have documents here. You mentioned in your -- Alberto, that it's a dump. It's not just a dump. It's the original birthplace of Tucson.

In June 10th, 1999 --

And who's taking time? Stop me when you would like.

But it said -- it was Honorable Mayor and Council by deceased Vice Chairman of San Javier District, Mr. Daniel Preston.

(Speaker reads document into the record)

CHAIRMAN MOORE: Excuse me.

MS. CARDENEZ: It was turned into a landfill.

CHAIRMAN MOORE: I think we need to go on. I appreciate it, Josefina.
MS. CARDENEZ: Okay.

MR. McCUSKER: You're going to leave us with that?

CHAIRMAN MOORE: Are you're going to leave that with us?

MS. CARDENEZ: I have it in file and I will sure send it to your web page.

CHAIRMAN MOORE: Appreciate that.

MS. CARDENEZ: Thank you.

CHAIRMAN MOORE: That's very nice. Thank you. I apologize for cutting you short.

Ally Miller, is she here?

MS. MILLER: First of all, I'd like to say thank you to Alberto, Jeff Hill, Jodi Bain, Rick Grinnell for your amazing service and your comments here today because I think it was needed to be aired.

And I'd also like to talk about the accountability and transparency. We do need accountability for the past. We can't just move on and forget about this because the citizens have no trust in this board. And it is going to continue until we hold somebody accountable, so these audits do need to go forward. I think it's extremely important.

Another thing I'd like to say is thank you to Fletcher for denying -- or for turning down the offer to
become the chair today. I think you did the right thing. I think it's honorable and I appreciate it because, until the full board is seated, it wasn't the appropriate thing to do, Mr. Irvin.

The other thing I'd like to talk about is there was a -- an agreement -- one of the things -- the findings of the audit was the disbursement agency agreement that was entered into in December 2008 states exactly what the young lady talked about that was sitting here from the City of Tucson, that November 30 of 2011 was the last date for monies to be spent. So that's of great concern, that we -- the money is supposed to be sent for the debt service, is my understanding based on the documents I read.

Another thing I'd like to say is thank you for your resignation from the various boards that you have resigned from to make sure that you are not having any conflict of interest. I think that's extremely important, again very honorable.

Mr. Irvin, I understand that you have contracts and work with Sundt Corporation and have conflicts of interest and I'd ask you to look deep on that and consider whether or not you do have serious conflicts of interest. I -- I think that is something that has been troublesome to many people in the community. I know it's really bothered me when I've read about these conflicts of interest and I
think the new members should really discuss that. And when
you get the full board together, discuss it and make a
decision on whether or not that's appropriate for you to
continue serving on the board when you in fact do work for
Sundt Corporation.

In closing, I'd just like to say that this has
been a long, hard road for the people who have been serving
on this board since it's been reconstituted. I know how
difficult it was because I spent time researching it and my
head was spinning. And when I get up and watched
Mr. Collins try to just detangle the Fox Theater alone, that
was an act that I don't think anyone could follow.

And so it -- it was really a lot of work. You've
come a long way. I know it's been a thankless job because
everyone criticizes you because -- I think one of the things
that might be important is to change the name of this board
from reconstituted Rio Nuevo. Just completely rebrand it is
my suggestion, because I think that -- that will have a
negative connotation going down in history.

I know my time is up. I really appreciate it. I
thank you all and have a good day. Thanks.

MR. SHEAFE: Thank you very much.

CHAIRMAN MOORE: Roxanna Ziegler, is that
correct?

MS. ZIEGLER: Yeah, that's close.
CHAIRMAN MOORE: Good.

MS. ZIEGLER: I'm going to say a couple things.

CHAIRMAN MOORE: Please give your name and address, please.

MS. ZIEGLER: Oh, I'm sorry. Roxanne Ziegler, 7460 West Mountain Sky Drive, Tucson, Arizona, 85743.

For transparency, I am a council woman for the Town of Marana. I certainly understand about the lawsuits that you're going through. Unfortunately, we've been in one for quite a long time and we hope to work it through and beyond that for our citizens.

That's one thing I wanted to impart to you was you've got to remember who you're representing as you sit up here. And to me to lose $230 million of people's money is unconscionable. And I know you didn't do it, but you need, as Ally said, to keep digging and find how that happened. And I don't even suggest take that person and, you know, do whatever, but we need to have accountability.

Fletcher McCusker, I've never met you before. I -- as Ally said, I listened to things Ally said, you -- it is -- my thought about you when I heard that you came on -- you were appointed to the board by Steve Pierce, I thought, oh, no, no, not another bobbing head and -- and maybe a vehicle for others that may have different agendas, but I -- I am pleasantly surprised on you resigning from those
boards, especially Trio. I have never been in favor of the people of Trio, not just because it just came up. I in 2007 got four other council members to vote to not support Trio any longer because they did nothing and we had given them half a million dollars by that time and they had did nothing for the Town of Marana.

So my verdict is still out on you, sir. I heard -- I -- I like what I heard today. I hope it's just not another blowing smoke up -- up the citizens' I'll leave that one alone.

And what I do find, though, is, when I look at some of you, except for Alberto -- I don't know you either, sir. I was very taken by -- the speech that you read, the first several pages, was that you or was that --

CHAIRMAN MOORE: Yes.

MS. ZIEGLER: That was -- oh, was that all of you? That was phenomenal. That was -- that needs to go on your website and hopefully the paper. That was phenomenal. And it really did give, I think, an accurate account, I think, of what happened.

But the thing of it is, you put your own spin on it and I liked your spin. And maybe it wasn't palatable to others, you know, but you, sir, and Jeff Hill, who I don't know either, seem to be very genuine in wanting to find a resolution to this. And I just hope that the other members,
Mr. Irvin, Mr. Sheafe and Fletcher, that you can -- as I sat here today, I saw a lot of egos, so I hope that can be taken and put to the side and -- and that you can work together because it needs to -- it needs to be resolved. And so, again, I do thank you for your candor.

I'm a little disappointed that you did not take item 10 and bring it up to the top with all the people that were here. I think that was something you should have might done. You've got to remember the citizens are the ones that you work for, so to speak, so don't ever forget that.

Thank you very much.

CHAIRMAN MOORE: Thank you very much. Appreciate your thoughts.

MS. ZIEGLER: Thank you.

CHAIRMAN MOORE: Jennifer --

MS. RAWSON: Rawson.

CHAIRMAN MOORE: Rawson. Excuse me.

MS. RAWSON: Jennifer Rawson, 9581 East Ozark Street, Tucson, Arizona.

$230 million and we have almost nothing to show for it. You folks are to be commended for trying to negotiate and find exactly what happened. And you cannot build without foundation. You must have the foundation clear. We must know -- all of the citizens must know where the money went, whether it was criminal or whether it was
just stupid, before you can move forward. I strongly recommend that you in fact do go through every audit. We've already paid for them. We've put more money into trying to -- let's not then just try and sweep it under the rug. If you must fight Tucson in order to get the answers that you need, I heartily recommend that you fight Tucson. We need answers.

Thank you.

CHAIRMAN MOORE: Larry Lewis?

MR. LEWIS: Thank you.

My name's Larry Lewis. I live at 5788 East Paseo Cimmaron, Tucson, Arizona, 85750.

As you know, I was the former executive director for the Rio Nuevo Multifacilities District from August of 2011 until January of 2012 and it was a great honor for me to spend that six months under contract helping the board get themselves organized for an office and a website and a number of other projects.

And I also had attended meetings for about eight months before that to kind of bring myself up to speed, so I have a vested interest in this board. I've made some good friends and have great respect for a number of the members on this board and would feel disloyal if I didn't come forward and speak on behalf of both Jodi Bain and Rick Grinnell.
The replacement of Jodi Bain was a shameful treatment of a dedicated volunteer public servant. Jodi worked tirelessly for the two years that she was -- has been on the board, spending probably 20 or 30 hours a week on behalf of the Rio Nuevo board and the taxpayers of Arizona. Who of you will replace her time and her expertise and her dedication? Because without her on the board, you have wasted all the -- all the -- all the history and all of the issues that have gone forth for the last two years. She's a great loss to you.

Her term for the chair was up and the board was prepared to reselect new officers this month, so I don't understand where the bum's rush was. And I know many of you on this board didn't have anything to do with that, but the fact is that there was no need for a political coup with a follow-up and a hatchet job by Josh Brazinski (ph) in the newspaper. You can pass it on. I'm sorry he's not here so I could tell him myself.

You two gentlemen are highly regarded in this community, your dedicated service, and you deserve better than to be pulled into the board under these circumstances in this quagmire, but I'm glad you're here because I think you're going to be a great addition to the board, so welcome and thank you for your service.

Jodi Bain and Rick Grinnell deserve our gratitude
as relentless watch dogs of the taxpayers of Arizona and I thank them and I know you all will thank them as well. Enough said.

I also had a note I wanted to bring up on the Tucson Convention Center because, again, I did a lot of research. I'm probably the only guy that's read all the minutes of all of the board meetings all the way back to 1999 and recapped them on behalf of the board. And one of the things I wanted to make sure is that, you know -- because I was concerned that you might be voting to spend some money today and I'm glad you're not.

And regarding improvements on the TCC, while admirable, please be cautious. You know, Jannie Cox was one of the first ones to lead the way last fall wanting to get $3 million pledged. And at that time, it was defeated because there was a number of reasons, the least of which was the fact that you've got to read the lease and, if you haven't read the lease, before you spend any money or commit any funds to the TCC, make sure you know that this is a triple net lease.

When the -- it was -- a 34-million-dollar, I believe it was, or 32-million-dollar bond issue was floated under the direction of the city so that the TCC was sold to Rio Nuevo. They rewrote -- they wrote the lease so that only the -- they were only covering the debt service and
they took responsibility for all repairs, maintenance and improvements on that building.

So I would encourage you, if you do make a decision and you find that you do have some money and you want to spend it on the TCC, then I think you need to make sure that you renegotiate the lease.

And you've got a great commercial real estate guy here, maybe he'll save you some legal fees, in Mark Irvin, because you really need to recoup that money that you spend on the TCC from the City of Tucson. And like I -- I think the lease is coming up at the end of the year, so if there's any money or any allocation of funds or any attempts to try to do improvements, make sure you renegotiate the lease and recoup the money that is due Rio Nuevo, because, as you can see, you're going to need every penny you've got for projects in the future.

I thank you very much.

As far as the TIF collection, you guys were mentioning that you might want to talk to the city. And I know during conversations I had with Kelly Gottschalk they used to do a stellar job and she had a team of people that went out there because that's a special collection procedure. You have to fill out a separate tax return to make sure the money gets turned in. And a lot of times people just don't do it automatically. In some cases,
business may not even know that they were doing it.

And let's face it. The city now doesn't have the same vested interest before as they do now, so there is a chance that -- to your point, part of the reason the TIF revenues are going down is not just totally the economy but the efforts are not there to actually make sure that that TIF is properly reported and turned in.

That's all I have to say today. I wish you all the very best in your future endeavors. And I know you're all working well to better -- build a better downtown Tucson and, if there's anything I can do to assist, don't hesitate to call.

Thank you.

CHAIRMAN MOORE: Thank you very much.

James Jordan, please?

Did he depart, James Jordan?

Okay. Benny White?

MR. WHITE: Good afternoon gentlemen. My name's Benny White. I live at 1715 East Kleindale Road in Tucson. I wanted to speak to you this afternoon to beg, plead, whatever is necessary to ask you do not do anything to limit, subvert, obscure, hide, cover up these forensic audits. We absolutely have to know where the money went, what you own, how much money you owe to various and sundry entities.
I was asked by the attorney general in late 2010 to take an informal look at what the status of Rio Nuevo was. And during that two-month period, I found that there were $47 million of taxpayer money stolen from the citizens of the state by the City of Tucson and moved to other accounts, different projects from year to year. The accounting was terrible. That $47 million, there was no indication of who the check was written to, what it was for, or which project it was assigned to. And that may just be the tip of that iceberg, so please do not do anything that is going to cause damage to those audits.

Mr. McCusker, I don't know you, some of the gentlemen I do know, but you have made many proposals to the city council about various things that need to be done in town and it seems to me that you're heavily invested in downtown. I don't know how you can vote on various items that will appear before this board without having a conflict of interest. I'll be interested to watch that as it goes along.

And it's a shame that Mr. Kazazich (ph) is not here. He continually asked for -- let's just forget all of this stuff that's happened and let's move on. Let's look toward the future and not look back.

A crime has been committed. It is a significant crime. Warren Buffett, Bill Gates, the federal government
may be able to write off $230 million, sneeze and go on down the road. Tucson cannot afford that, so, please, let's get the truth. Let's get on with it. Let's get the improvements we need to Tucson.

Thank you.

CHAIRMAN MOORE: Thank you.

Roberta O'Key?

ATTENDEE: She left.

CHAIRMAN MOORE: Did she leave?

ATTENDEE: Yeah.

CHAIRMAN MOORE: Well, that's the last one. And I -- let me thank all of you for your comments. I think they were very worthwhile and we will certainly take them under advisement and we'll try to meet some of the goals that you've set for us.

I know with the new constituted board that I think we're on our way to do that. They're good people and I think they're very interested in serving the community. They have done that over the years and I see us being able to complete that task, so thank you.

At this moment, I'd like to see if anyone would like to adjourn. I don't want to stay for lunch.

MR. HILL: I think you had four motions.

MR. McCUSKER: Pick one of them.

CHAIRMAN MOORE: Okay. All in favor?
(The board voted and the motion was passed)

CHAIRMAN MOORE: All right. Thank you all very much. I appreciate it.

(5:46 p.m.)