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MARY H. SOLTERO

CITY MANAGER
LUIS GONZALES



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December 02, 2014

Ms. Robin Brigode
Clerk of the Board
Pima County Supervisors
130 West Congress, 5th Floor
Tucson AZ 85701

Dear Ms. Brigode:

In accordance with the terms of your letter to dated October 17, 2014, this response to the Notice of Claim filed with the Pima County Board of Supervisors on October 14, 2014, by Paul Moore, Mooney Wright and Moore, LLC on behalf of identified claimants and others similarly situated is being filed for and on behalf of the City of South Tucson.

The City of South Tucson does not consent to an error in this case and disputes the error. The City of South Tucson has taken prompt action by seeking input and guidance from the Arizona Attorney General on this issue several weeks ago in regards to whether or not criminal activity may have been involved. Our New City Attorney , Ed Matchett, also is reviewing the matter for the city. Thus far, the AG has not responded.

The current Mayor, most members of the City Council and the City Manger of South Tucson were not part of the City Government at that time the tax which is the subject matter of the present claim was implemented because of that fact, we have no direct knowledge of either the circumstances underlying the decision to collect this tax or of the process and procedures involved in making the decision to move forward with this now disputed tax. We are acting diligently to find answers to these important questions.

If ultimately it is found that the taxes identified on behalf of the claimants were in fact collected inappropriately and without legal authority, then, and in that event, it is the position of the City of South Tucson that Pima County bears responsibility for breaching it's fiduciary duty to confirm

that taxes which are sought to be collected by a municipality, but which actually are collected by the County on behalf of the municipality, are in fact in compliance with requirements of Arizona law.

Questions or further communication regarding this matter should be directed to :
Mr. Luis Gonzales, City Manager, City of South Tucson. 1601 South 6th Avenue., Tucson AZ 85713 with a copy directly to the South Tucson City Clerk, Ms. Veronica Moreno.

Sincerely.

A handwritten signature in blue ink that reads "Veronica Moreno for Luis A. Gonzales". The signature is written in a cursive style with a large, decorative flourish at the beginning.

Luis A. Gonzales

City Manager, City of South Tucson