

June 12, 2009

Before I talk with you about what happened at last Tuesday's meeting, I need to tell you "the rest of the story" you didn't get in the article this morning about our City Manager's recent hire and moves within his administration.

Mr. Letcher did NOT add staff. Rather, he promoted one person to Deputy (the position he held until becoming our new City Manager) and replaced him with an Assistant City Manager. Each will be paid less than his predecessor in that position. And three other positions have been eliminated. Mr. Letcher's moves will end up saving us as much as \$377,000 THIS COMING YEAR. Here's how he explained it in an email to all City employees:

The Arizona Daily Star article today did not print all of the information we provided them regarding the recent promotions and new hire in our office. We have eliminated three (3) positions in the Fiscal Year 2010 budget including an Assistant to the City Manager, Rio Nuevo Project Director and an Intergovernmental Relations Program Liaison. Information we sent to the paper indicated these cuts will save our office \$377,000. This information was not printed.

The staffing in our office has not changed. We still have a City Manager, a Deputy City Manager and an Assistant City Manager. I promoted Richard Miranda to Deputy City Manager and hired Sean McBride as my new Assistant City Manager to replace Richard

.Marie Nemerguth and Christina Parisi are promotions. Marie is being paid comparable to former Budget Directors and Christina is receiving a five percent raise provided for in our Administrative Directive on Employment Compensation.

This City is a \$1.3 billion operation. I need help managing it. It is important to me for you to know the reasoning behind my actions.

*Thank you,
Mike Letcher, City Manager*

Greater efficiency with top notch people being offered the opportunity to move up from within.

On Tuesday, we approved our Fiscal Year 2010 Budget:

This year's budget process has been a challenge ... a very public challenge, and that's as it should be, but a challenge none the less. I hope the process has been informative for you, though I know there are still many misperceptions about the budget that makes matters all the more confusing. Let me share a few personal perspectives with you.

- Don't Raise Fees! So many sincere, concerned voices were heard during this public process. I could hear their fear, their frustration and their anger. Many demanded that we not raise any fees. At all. Yet at the same hearings we'd hear the demand that we pave the streets, increase police, keep the pools open longer, clean the medians, and more. Let me break out a few of these increases for you:
 - Utility Tax on Water: the 2% increase will mean an extra \$0.13 per month for the average citizen [whose bill is \$19.93/month]
 - Utility Tax on Electricity: the 2% increase adds up to \$1.75 per month for the average citizen [whose bill is \$100/month]
 - Utility Tax on SW Gas: the 2% increase will mean an extra \$0.70 per month for the average citizen [whose bill is \$70/month]
 - Utility Tax on your land telephone line: the 2% increase adds \$0.40 per month to the average citizen [whose bill is \$20/month]

I do NOT minimize this impact. It all adds up, but our sales taxes are down by so much we had to take some action to offset those losses.

- Tighten the City's Belt/Live Within Your Means! We have - and we have to. We made tens of millions of dollars in cuts before the

budget process even began! Here are a few:

- We've reduced our City staff by 400 positions since last year at this time, so fewer staff are working to maintain service.
 - Every department budget has been reduced by more than 7% - including Ward offices. The only exceptions were Police and Fire, which took a 2.5% hit not directly impacting service delivery.
 - City staff are taking 5 unpaid days off - and have negotiated other 'gives' back to the City totaling about \$5.7-million.
- Cut All Outside Agencies! Except, don't cut the agency/program that I care about. This was one of the more challenging aspects of the budget ... and I disagree with the decision made by the majority of my colleagues to cut virtually all groups by approximately 15%. It is simply not responsible, in my mind, to lump all outside agencies into one list, then cut everyone equally.
 - Some agencies provide dramatic return on investment;
 - Some stimulate our economy;
 - Others save us dollars in the long run; others are fixed fees for services;
 - Others provide important human or cultural services that impact quality of life in our community.

It has been an incredibly busy few months at the Ward VI office! In addition to working to finalize this budget, we've been working hard on two major and complex development agreements for Plaza Centro [the old Greyhound site] and the Entertainment District. We've also been working to resolve issues around TEP's possible purchase of the old Santa Rita Hotel ... just to name a few of the projects with which we are involved right now! And Scott Avenue has reopened ... ahead of schedule and UNDER budget! More about these topics in the next edition of

Perspectives!

As always, thanks for your input. Please do stay in touch.

Nina

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