



Minutes of SPECIAL MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
June 15, 2010

Date of Meeting: June 9, 2009

The Mayor and Council of the City of Tucson met in special session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 8:31 p.m. on Tuesday, June 9, 2009, all members having been notified of the time and place thereof.

1. ROLL CALL

The meeting was called to order by Mayor Walkup and those present and absent were:

Present:

| | |
|------------------|-----------------------------------------------|
| Regina Romero | Vice Mayor, Council Member Ward 1 |
| Rodney Glassman | Council Member Ward 2 (electronic attendance) |
| Karin Uhlich | Council Member Ward 3 |
| Shirley C. Scott | Council Member Ward 4 |
| Nina J. Trasoff | Council Member Ward 6 |
| Robert E. Walkup | Mayor |

Absent/Excused:

| | |
|------------|-----------------------|
| Steve Leal | Council Member Ward 5 |
|------------|-----------------------|

Staff Members Present:

| | |
|-------------------|---------------|
| Mike Letcher | City Manager |
| Michael Rankin | City Attorney |
| Roger W. Randolph | City Clerk |

2. FINANCE: FINAL BUDGET ADOPTION FOR FISCAL YEAR 2010

Mayor Walkup announced City Manager's communication 325, dated June 9, 2009, was received into and made part of the record. He asked the City Clerk to read Resolution 21297, by number and title only.

Resolution No. 21297 relating to finance finally determining and adopting estimates of proposed expenditures by the City of Tucson for the Fiscal Year beginning July 1, 2009 and ending June 30, 2010, declaring that together said expenditures shall constitute the budget of the City of Tucson for such Fiscal Year.

It was moved by Council Member Scott, duly seconded to pass and adopt Resolution 21297.

Mayor Walkup asked if there was any discussion.

(Note: Council Member Leal arrived at 8:33 p.m.)

Council Member Glassman said he wanted to make some comments before the vote, which were consistent with some of the statements he made throughout the budget process. First, he wanted to thank the City Manager and his staff for working so hard and reaching out into the community, along with his colleagues, to get feedback on the City's budget and budget proposals. He said he was pleased with the fact that the budget proposal before them did not include a rental tax which, as discussed, would have fallen directly on the backs of those least in a position to pay more during the current economic crisis. At the same time, he said he was still troubled by the fact that the Council was being asked to consider a budget that would move them forward to become the city with the highest utility tax in the state and the highest bed tax in the state.

Council Member Glassman said the prior week, he put forward a proposal to have a discussion and move forward on sunsetting the tax doubling, which he did not think was the direction the City should be going. He added there was still the fact that millions of taxpayer dollars were being distributed through a process that was put in place prior to the current Council and still existed, that distributed money without a transparent process, without a public process, and without the kind of process and inclusion on behalf of the community that the current Council was committed to.

Council Member Glassman also explained they had talked about the need for a safety net and the need for reserves. While the budget included 1.6 million dollars in contingency funds and added 3.7 million dollars to the reserves, it only brought the City and their reserves to 4.3 percent of their expenditures. He said long before his election, the Mayor and Council put forward a policy that the City would be at ten percent for reserves, which was the amount recommended by bond rating agencies.

Council Member Glassman said he continued to struggle and was troubled, because he did not believe the community they all should be working to build, was one

that simply balanced its budget by creating the highest taxes in the state. He said for those reasons, he was not able to support the budget.

Council Member Trasoff said before she started her own comments, she wanted to ask staff to go over the “gives” that were made by City employees. She said she did not think there had been enough credit given to the way City employees had stepped up in terms of furloughs and other gifts.

Cindy Bezaury, Human Resources Director, thanked Council Member Trasoff for asking her to respond and that it was her honor to do so. She said with every employee group Human Resources (HR) went to, employees felt as if they were not being recognized for the way they had come forward in unity and without any dispute or dissent towards the Mayor and Council for trying and balance the budget. She said as Marie Nemerguth, Budget & Research Interim Deputy Director, pointed out, first and foremost, was that employees were doing far more with far less. The four hundred jobs that had been cut were largely civilian positions, close to fifteen percent of the civilian workforce and did not represent police and firefighters in that amount. She said that was a huge effort and meant the employees were doing far more in order to serve the citizens with the same level of services.

Ms. Bezaury added in the health insurance arena, employees would pay more out-of-pocket for each and every co-pay in their plans, including prescription drugs, office visits, and deductibles. This was done voluntarily; paying those extra out of their pocket expenses without a wage increase for the year. She reported this saved the City over a million dollars. She said employees in the City were giving up uniform allowances. Some employees were issued a uniform because they had hard jobs and got dirty; they were sacrificing that whether it was a civilian, a firefighter, or a police officer to the tune of nearly another million dollars.

Ms. Bezaury said, in addition, every employee in the City of Tucson was taking a week without pay and those were wages that would not be recovered. She said it was happening across the City except for police and firefighters; that alone, for civilians, represented a two-percent wage decrease. She said it was employees from the top to the bottom, including Mike Letcher, City Manager; they were all taking that time in the form of furlough days. She added that police and fire employees, because public safety was so important to the City, could not take furlough days, but were paying an additional percent towards their pension.

Ms. Bezaury said, across the City, she thought employees, in dollars alone, had given about 5.7 million dollars. She said she thought what the Mayor and Council were getting out of employees was far more than one hundred percent and felt employees were giving one hundred fifty percent to the citizens because they truly believed in the City of Tucson just as the Mayor and Council did.

Council Member Trasoff thanked Ms. Bezaury and said she thought it was important to note that because it had gotten lost in the shuffle. She emphasized it had

been a really difficult budget process. She stated she had heard a lot of people in pain and a lot of people in anger. She said she understood it all as she herself had probably gone through all those emotions, as she thought everyone had, as they tried to work through the process.

Council Member Trasoff said by increasing the utility tax, which was not something the Mayor and Council had taken lightly, they were able to diversify the City's sources of revenue. She said that was part of the problem over the years because the Mayor and Council had been so reliant just on the sales tax, so when the economy, went flat nationally, everyone was hit. She commented, though, it was not of their cause, but certainly felt the effects of it. She confirmed diversifying revenues was critical for improving the City's bond rating. She said she had a disagreement with her colleagues about some of the revenue sources. For example, she said she had a hard time with what she perceived to be as a double hit on the hospitality industry by both cutting their agreed upon contract that was based on how well they performed and by adding another dollar to the bed tax.

Council Member Trasoff said she had raised the issue, lost, and still supported the budget because it was a democracy and the majority had decided it was a way to move forward. She said she had some disagreements about how cuts were made to outside agencies, but thought what was missing in the present conversation was the critical role many of the outside agencies played; they served as a safety net. She said on the one hand they were told not to cut and on the other hand they had a group of people whose lives would be homebound, restricted. She said she thought the services provided by COPD were essential and the vast majority of these agencies that were lumped into the outside agencies category provided critically important services. She said the Mayor and Council could get to the point, as discussed, of just cutting out everything that was not police, fire, water, environmental services, parks and transportation. She stated she did not think that represented who they were as a community.

Council Member Trasoff said another thing living within the budget, was that there had been no profligate spending even though Ms. Bezaury just went through some of the cuts and Ms. Nemerguth had done a great job on all of the things that they had cut. She said it was really down to bare bones, and every one of them felt the pain in doing that. She reaffirmed it was a very difficult budget. She said she understood the frustration that they had been hearing for the past hour and shared it, but when sitting on the Mayor and Council, one had to step back and try to make whatever they thought was the best possible decision for the community. She said she believed that was what the Mayor and Council were doing, whether they agreed or disagreed with each other.

Mayor Walkup said he wanted to make a very quick comment. He said they had a number of conversations about the importance of creating jobs in the community, and to conclude, before moving on, they needed to support; Tucson Regional Economic Opportunities (TREO); City organizations, the Chamber of Commerce, and organizations that were out trying to do the best they could to create new jobs coming into the community. He added the University of Arizona (U of A) was an extraordinarily

important element in the creation of new jobs in the community. He said, in the future, everyone had to agree that they had to do whatever they could to create more and better jobs in the community.

Mayor Walkup said the City was going to pull out of the current economic period but needed to set the stage so that they came out healthy and strong; creating jobs for young people and for people that wanted to advance themselves and their families. Mayor Walkup said that was clearly an objective everyone one had; the importance of jobs in the community.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Leal, and Trasoff;
Vice Mayor Romero and Mayor Walkup

Nay: Council Member Glassman

Resolution 21297 was declared passed and adopted by a roll call vote of 6 to 1.

3. ADJOURNMENT: 8:43 p.m.

Mayor Walkup adjourned the Special Meeting and reconvened the Regular Meeting.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the Special Meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 9th day of June 2009, and certify that it is an accurate transcription.

CITY CLERK

RWR:mz:sac