



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on May 25, 2010

Date of Meeting: January 12, 2010

The Mayor and Council of the City of Tucson met in joint session with the Pima County Board of Supervisors, at the Pima County Board of Supervisors' Hearing Room, 130 West Congress Street, Tucson, Arizona, at 9:08 a.m., on Tuesday, January 12, 2010, all members having been notified of the time and place thereof.

1. ROLL CALL

The meeting was called to order by Ramon Valadez, Pima County Board of Supervisors' Chairman. Upon roll call by Mayor Robert E. Walkup of the City of Tucson, those members of the Mayor and Council present and absent were:

Present:

Rodney Glassman	Vice Mayor, Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Council Member Ward 6
Robert E. Walkup	Mayor

Absent/Excused:

Regina Romero	Council Member Ward 1
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Staff Members Present:

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

2. INVOCATION

The invocation was given by Pastor Phil Kruis, of the Rincon Mountain Presbyterian Church.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was presented by the entire assembly.

4. PAWS 4 PAWS

Pima County Animal Control presented a cat that was available for adoption.

5. CITY/COUNTY WATER AND WASTEWATER STUDY FINAL REPORT

a. Comments from Oversight Committee

James Barry, Chairman of the City/County Water and Wastewater Study Oversight Committee, spoke on the cooperative efforts of all involved entities and the public participation that culminated in completing the Water and Wastewater Study Final Report.

Pima County Supervisor Richard Elias, on behalf of the Board, thanked and recognized Mr. Barry and all of the members of the committee.

Mayor Walkup concurred with the comments made by Supervisor Elias. He stated this was one of the more complex issues facing the region. It was stated years ago that everyone would have to sit down together and address the issues faced by both jurisdictions. The region must address this issue for the future. He stated there was continuing pressure on the Central Arizona Project (CAP) allocations with the issues on the Colorado River. This would affect everyone. Mayor Walkup said this was the time to really move forward as a region to knock down the barriers and ensure that everyone had a part in the final outcome of the discussions. He stated this was a historically important moment.

Chris Brooks and Joseph Mayer, members of the Oversight Committee, expressed their appreciation to the Board and City Council Members for initiating and supporting the study that used a comprehensive integrated planning approach to water with sensitivity to sustainability. They emphasized the importance of carrying forth the same effort to the other phases in the report for the benefit of the community.

b. Staff presentation of Phase II Report

Melanie Seacat, Pima County Project Coordinator and Nicole Ewing- Gavin, City of Tucson Project Coordinator, provided a Powerpoint Presentation on the

City/County Water and Wastewater Study Final Report Phase II which highlighted the key elements and goals recommended by the Committee.

c. Call to the Public (for this item only)

The following speakers addressed the Board and Council:

1. Cynthia Bruwer
2. Madeline Kiser
3. Chuck Freitas, Vice-President, Tucson Mountain Homeowners Association
4. Ed Verburg
5. Ron Proctor, Co-Chair, Sustainable Tucson
6. Michael McNulty, Tucson Regional Water Coalition
7. David Godlewski
8. Richard Basye
9. John Kromko
10. Judith Meyer, President, Tucson Mountain Homeowners Association
11. David Ludwig
12. Donna-Branch Gilby
13. John Kai
14. John Carlson, Registered Groundwater Engineer
15. Bob Cook, Alternate Committee Member, Oversight Committee

They provided the following comments:

- A. Central Arizona Project (CAP) water is a fragile resource and not guaranteed.
- B. It is anticipated that there will be a shortage of CAP water by 2012.
- C. De-emphasize the use of CAP water and focus more on harvesting rain water.
- D. Adopt the recommendations contained in the report.
- E. Regional dialogue is vital to water policy development and outside experts in creating regional and national plans should be invited to participate.
- F. An economic analysis on the costs vs. benefits was important; and, proposed enhancements and potential project costs need to be transparent and made available to public prior to jurisdictional approval.
- G. The Oversight Committee, County, and City staff did an outstanding job.
- H. Sustainability needs to encompass three major components: environment, economics and people.
- I. A permanent water policy should be adopted by the City and the County.
- J. The plan required comprehensive integration planning and a look at global warming/climate change.
- K. Look at reuse because effluent was the future of Arizona.
- L. The obligated water service area should be defined and addressed in a timely way.

- M. A reliable water assurance program requires funding, so stop spending on non-essential projects and direct those funds to water.
- N. There should be incentives for smart growth.
- O. The plan contained nothing specific.
- P. There should be no expansion of the City's CAP water obligated area.
- Q. Access to Indian Reservation's water allocation was not likely.
- R. Rain water harvesting in Tucson and Pima County should be publicized, incentivized and subsidized.
- S. Sustainability was defined as meeting the needs of current population without diminishing the ability of future populations to meet their needs.
- T. The decrease in Lake Meade's water elevation posts a potential problem because Arizona, as well as California, will be required to relinquish a portion of their CAP allocation.
- U. Water quality was a big issue, especially relative to pharmaceuticals and sludge. It was time to think out of the box and make the "green deal" work for everyone.
- V. Remember photosynthesis – a leaf will take out the CO2 and exchange it for oxygen, keeping the air quality good. Let's not end up like the City of Phoenix.

Margot Garcia, citizen and former City Council Member, appeared to respond to a question by Supervisor Bronson as to why the Metropolitan Utilities Management (MUM) Agency was not successful.

- d. After discussion by the Board of Supervisors and upon a roll call vote being taken, the motion to adopt Resolution No. 2010-16 and support the recommendations contained in the City/County Water and Wastewater Phase II Report. The motion carried 4-1, with Supervisor Carroll voting "Nay."

Mayor Walkup asked the City Clerk to read Resolution 21468 by number and title only.

Resolution No. 21468 relating to the City of Tucson Mayor and Council supporting the implementation of the City/County Water and Wastewater Study Phase 2 Report.

Council Member Uhlich stated she wanted to offer a brief comment and then make a motion. She thanked the staff and members of the Committee. The process heralded a new age for the region in regard to wastewater, water planning and collaboration. She said the composition of the Committee was an indication of how they hoped to move forward. The Committee had members of the Planning Commissions of both jurisdictions as well as members of the Citizen's Water Advisory Committee and Citizen's Wastewater Advisory Committee. The members had studied the issues in great extent providing the supporting documentation.

Council Member Uhlich stated that both jurisdictions understood that their fate was intertwined and there was not any one entity that could effectively plan, manage and implement a sound water policy in the future. She said this would align the two largest water providers, the City and the County. If the alignment in goals was not achieved then regional alignment would be made virtually impossible. She also noted the Resolution pointed to a next step that insisted dialogue continue involving all water and wastewater providers in the region as well as the jurisdictions.

It was moved by Council Member Uhlich, duly seconded, to pass and adopt Resolution No. 21468.

Mayor Walkup asked if there was any discussion.

Vice Mayor Glassman thanked Supervisor Elias and Council Members Uhlich and Scott for bringing the concept forward. He requested that language be added to the Resolution based on a discussion with the City Attorney. The Mayor and Council had on multiple occasions resolved and made policy statements that the City of Tucson was not interested in engaging in conversations where the municipality would relinquish control of the City of Tucson's water rights, nor even have a discussion concerning relinquishing those rights. Several members of the Council campaigned on the assurance of Tucson's water future and that was a responsibility the Mayor and Council had. Vice Mayor Glassman requested that Council Member Uhlich include that language in the motion.

Council Member Uhlich accepted the amendment to the motion to include language in the resolution that the City of Tucson was not interested in engaging in conversations where the municipality would relinquish control of the City of Tucson's water rights, nor even have a discussion concerning relinquishing those rights.

Vice Mayor Glassman stated he had an opportunity to speak with Oro Valley's Mayor, Paul Loomis, and he noticed elected representatives of other municipalities in attendance, such as Marana. In the Resolution, there was language regarding the Pima Association of Governments (PAG) leading the discussion. He stated that Gary Hayes, Executive Director of the Regional Transportation Authority, had assured him that based on the language he had read; PAG had the time and resources available to convene the discussions. Vice Mayor Glassman wanted to ensure that as the discussions moved forward the City of Tucson and Pima County were the two principles and PAG was the convening authority as opposed to the one leading the charge. It would be the joint governing bodies' process that PAG was assisting with.

Council Member Scott stated she had a little trouble implementing all of the suggestions in the report without any costs associated with them. She asked if that was something that should be included since they were not trivial things if taken across the board without any challenge to the costs. She asked if that would be acceptable to the maker of the motion.

Council Member Uhlich asked Nicole Ewing-Gavin, Assistant to the City Manager to step forward. Council Member Uhlich stated it was her understanding in reading the Resolution that as reflected in Supervisor Days' comments that the next step was for staff to propose implementation strategies and steps that would go before each elected body for adoption. This phase provided the overarching goals and guidance but the implementation steps would still be approved by the respective bodies'. She asked Ms. Ewing-Gavin to confirm if that was correct.

Ms. Ewing-Gavin confirmed that Council Member Uhlich was correct and indicated staff would include costs when returning with the implementation steps.

Council Member Scott asked if accepting the report as it was, were the Mayor and Council accepting all of the recommendations excluding the commentary from the Tucson Regional Water Coalition and from other interested parties that had been actively engaged in the process.

Council Member Uhlich stated the Mayor and Council had received the letter as part of the record and had listened to people from various groups reiterate those comments. She stated the intent for Phase III, as emphasized in the Resolution, was to ensure that type of input continued. Thirty-five meetings had been held in public and included extensive input from all stakeholders during that process. Council Member Uhlich stated that had to continue. She said they were talking about sustainable water resource management and a sustainable change in how the jurisdictions worked together. Any steps taken without the full involvement of all stakeholders within the region would not be sustainable. She stated that was the intent of the Resolution.

Council Member Scott stated she did not want to disparage the good work produced by staff and the Committee. She read a statement she had prepared.

"I took the time to read this report very carefully and thoughtfully, from cover to cover. There are many things in this document I feel are more of a philosophical nature rather than a factual and scientific nature. The supporting empirical data to justify the commentary was completely left out. Without solid scientific justification it is difficult to endorse or support a document which I feel is incomplete and lacks a full public vetting. Although this report is intended to address issues related to water and wastewater, this report focuses almost exclusively on water policies, and minimizes discussion of wastewaters' infrastructure deficit. It is precisely there at wastewater the community most needs improved facilities.

This study appears to have devolved into a discussion of what needs to be done with the water department and water use policies, a purview of this City Council since Tucson Water is the primary water provider in the active management area for our region. Let us remember that without water there is no wastewater. Over the years the Tucson Water Department has effectively addressed sustainability, conservation and preservation of water under the City's jurisdiction. Because of conservation and preservation measures enacted by the Water Department and City Councils in the past,

Tucson water customers do not have to worry if water will come out of the faucet tomorrow morning when they turn it on. In fact, Tucson Water's knowledge, skill and information related to water conservation programs has been sought nationally and internationally with Tucson leading the way through the long running "Beat the Peak" program and the more recent addition of the Zanjero program. These programs not only help implement conservation and preservation measures, but help rate payers on a one on one basis to help save water. The City leads the nation because of its drought tolerant xeriscape landscaping policies put in place decades ago. A program that has been enhanced a number of times by staff and Councils since then.

The Tucson Water Department has also consistently addressed the departments water infrastructure needs on a regular basis, to the point the department's infrastructure issues are minor and don't require increases in rates as such. Recent increases in rates are due to the effectiveness in conservation to the point that we cannot sell enough product to pay the bills. I know of no better experts in water conservation, with more knowledge, than our Tucson Water Department staff. A fact everyone in the region can be proud of. Other water providers in the region have benefited from their expertise. This Mayor and Council, along with previous Councils, have enacted policies brought by our water department staff that successfully set the stage for the future. Effective water conservation is the most critical element of water planning for it ensures that continued existence of this very important resource for our community's future. We have been extremely successful with this. I sincerely hope that my colleagues will seek to continue the tradition set by previous Councils by trusting the skill and knowledge of our staff to continue the good work they have been doing for the last thirty years. There is no doubt that our water department has performed impeccably, particularly over the past ten years and will continue to do so for years to come.

There is a lot at stake when it comes to changing water use policies. The ramifications of new policies and regulations can be far reaching and unless there is input from all sectors of our community, in an effort to do this right, we might end up making some huge mistakes that we will regret for a very long time. The City Council has only had this report for less than a week. Although I've read every page, I can't tell you with any degree of comfort that these recommendations won't have any negative consequences on the City's future. The community as a whole has not had an opportunity to comment on this final product. My biggest concern is that we have economic sustainability. We will not have the resources to implement and enforce environmental and water sustainability in our community unless we know the cost. I don't know what the ramifications of implementing these recommendations will be on new jobs, what's the cost, what's the need. What's needed is an economic analysis of these recommendations before we rush to ask staff to take action. So far, this cannot be called a community consensus document as there are several interests and entities which have made recommendations that have not been discussed for inclusion".

Council Member Scott stated that she would like the Mayor and Council to go ahead with the general flavor of the report. She felt it was good that the jurisdictions had conversations together about water management. But, there needed to be an

understanding that there was not a need to rush to move forward with the report in its entirety without allowing for other entities and water experts that lived in the area a chance to review and provide comment. She asked they be given time to review the recommendations in the report in order to have a community consensus. That meant allowing additional time.

Mayor Walkup asked if that was a substitute motion and if so, how much additional time.

Council Member Scott stated it was a substitute motion to allow an additional thirty to sixty days for comment. She said it was curious that she and Supervisor Carroll, without previous conversation, hit the same kind of note that said there was a very good process with the *Sonoran Desert Conservation Plan*. She stated they needed to vet the report as part of that to ensure all voices were heard prior to giving staff direction to move ahead.

Council Member Scott stated her request could be an amendment to the original motion to allow an additional thirty to sixty days for further comment. She asked Council Member Uhlich if she was agreeable to the amendment.

Council Member Uhlich said she felt the Resolution adopted general goals and a vision that would align the jurisdictions in moving forward. She agreed that the time for process at some point had to move into action. This was an important step to take. She stated she preferred her motion stand as stated.

Council Member Scott stated the original motion also included item number five which said: "Direct the City Manager to appoint staff to coordinate the implementation of the Phase II goals." She stated the first bullet said within six months. There was a six month number in the report already, and the County Board of Supervisors had agreed to that provision earlier.

Mayor Walkup accepted Council Member Scotts' substitute motion to allow an additional thirty to sixty days for comment. Council Member Kozachik seconded the motion. Mayor Walkup asked for further discussion.

Council Member Kozachik stated he was also very product oriented and did not want to get caught up in the process. He had read through the document and appreciated the presentation by staff. As he was reading it, he agreed that much of it seemed somewhat philosophical. He was looking between the lines for some factual or scientific basis for some of the conclusions but could not find them. He agreed with Supervisor Elias that while economic development was not the only consideration, it certainly needed to be one.

Council Member Kozachik also agreed with Mr. John Kromko that sometimes the devil or the blessings were in the detail. He said there were plenty of holes to be filled in the document as it was presented. He stated that regional coordination was critical and

yet this was a City/County document. There were other jurisdictions as well as other stakeholders that could provide beneficial input to the document. This included consumers, businesses and the design and development community who had not had an opportunity to weigh in formally on the report, even though they had sent in letters and correspondence just prior to the meeting.

Council Member Kozachik stated he would like to see some cost benefit analysis conducted on the demand strategies, environmental set asides, as well as, the jobs created and the related economic impact. He agreed that the Council should take some time to reflect and receive more input. He also wanted to bring it to closure since there was nothing in the community or region as important as the water issue. But he did not want to dive off the board and hope there was water below.

Council Member Fimbres stated he was also troubled by the short amount of time provided to review the report in order to do a thorough job, as well as, time to consult with the Board of Supervisor and the City's constituents. He stated he was comfortable with the Resolution and the six month time frame it contained that would allow them to digest the information and to coordinate better partnerships with those in the water industry and to receive further input from them.

Mayor Walkup stated he also had some concerns based upon the timing and was prepared to join Council Member Scott's motion except he felt sixty days was too long. He said the Mayors in the region had come to him and were concerned about their roll in the process. He was not able give them an explanation of the roll they would play in the emerging discussions. He stated these issues could be resolved in a thirty day period. Another area of concern was the precise roll of the PAG. He said his opinion was, since this was such an urgent issue, that time was of the essence and sixty days was longer than should be taken to sort out the roll some of the key stakeholders were to play over the next six to nine months. He asked Council Member Scott to amend her motion to thirty days so they could start to work defining what was needed to be done.

Council Member Scott stated she was willing to look at the thirty day time frame but also wanted to hear from the labor people and those who were currently unemployed. She felt it was necessary to consider the sustainability of those groups. She said that in the Tucson Regional Water Coalition suggestion, they recommended that PAG, the Arizona Department of Water Resources and the Central Arizona Water Conservation District be involved in the process with regard to the oversight of the regional discussions. She asked if that was something the Council could ask to be approved.

Mayor Walkup stated it was something that had to be defined. Based on his discussions, PAG was going to be a facilitator of the process in order to involve the stakeholders at the appropriate time. PAG would not be the leader of the process, but would simply assist in facilitation. During the thirty days the Mayors of the jurisdictions wanted that roll more clearly defined. He said there were also members of the private sector who were concerned about their roll. He wanted to assure them the process allowed for an individual place at the table.

Council Member Scott amended her motion to allow an additional thirty days for comment.

Council Member Uhlich said she recognized the importance of moving forward and in order to do that the Council needed to allow an additional thirty day window. She wanted to emphasize that the content before the Council was the basis for moving forward. She said it sounded like the technical documents that supported the Phase I study were important to everyone to have access to. She requested that they be made available. She stated she looked forward to further action in thirty days.

Michael Rankin, City Attorney, clarified there was a substitute motion on the table to delay consideration of the item for thirty days.

Vice Mayor Glassman asked Council Member Scott if it was appropriate to leave in the language reassuring the residents of Tucson that the discussion was not about relinquishing the control of Tucson Water. He wanted it to be clear it was not about everyone sitting around the table trying to determine Tucson Water's future.

Council Member Scott stated she wanted all the stakeholders who had not been included to date to be included and there was thirty days to make that happen. She said that was all she was attempting to do.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Fimbres, and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay None

Absent/Excused: Council Member Romero

The motion to delay consideration of the item for thirty days was declared passed and adopted by a roll call vote of 6 to 0.

6. RECESS 11:33 a.m.

Mayor Walkup announced the Council would stand in recess at that time.

The Mayor and Council reconvened the regular meeting at 5:51 p.m., in the Leo Rich Theater, Tucson Convention Center, 260 S. Church Ave., Tucson, Arizona.

7. ROLL CALL

Mayor Walkup called the regular meeting to order and upon roll call, those present and absent were:

Present:

Rodney Glassman	Vice Mayor, Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Richard G. Fimbres	Council Member Ward 5
Steve Kozachik	Council Member Ward 6
Robert E. Walkup	Mayor

Absent/Excused:

Regina Romero	Council Member Ward 1
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Staff Members Present:

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

8. PRESENTATION

- a. Mayor Walkup proclaimed January 18, 2010, to be “Martin Luther King Jr. Day.” Martiza Broce, Chairperson of the Tucson Human Relations Commission, accepted the Proclamation.

9. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Walkup announced City Manager’s communication number 18, dated January 12, 2010, was received into and made a part of the record. He also announced that this was the time for any member of the Mayor and Council to report on current events and asked if there were any reports.

- a. Vice Mayor Glassman announced the Ward 2 Office, on January 19, 2010, was holding a reception, hosted by Zona 78, to honor Kathy Dixon who was retiring after serving the City for twenty-four years.

Vice Mayor Glassman also announced the Ward 2 Office was holding a Tucson Solar City meeting on January 22, 2010.

- b. Council Member Fimbres invited citizens to participate in a Community Dialogue to be held at the Ward 5 Office on January 14, 2010.

Council Member Fimbres announced the following Martin Luther King, Jr. Celebrations: the Boys and Girls Club Breakfast on January 16, 2010, and the Annual March beginning at the University of Arizona on January 18, 2010.

Council Member Fimbres also announced that a celebration of Rosa Park's life and those who follow in her footsteps would be held February 10, 2010, at Rigo's Restaurant.

- c. Council Member Kozachik announced he was working with the private sector to mitigate some of the impact of the budget crisis. He extended his appreciation to Lloyd Construction who donated up to twelve thousand dollars in labor to help the Friends of Tucson's Birthplace construct and install security gates around the Mission Gardens.

Council Member Kozachik also expressed appreciation to the Walmart at Grant Road and Alvernon Way that donated and signed a contract to pay for street lighting for the Walnut Neighborhood Watch Group.

Council Member Kozachik congratulated the Parks and Recreation Department on the Jim Reffkin Tennis Center at Reid Park which had been named the number one Municipal Tennis Complex in the nation for 2009 by the Racquet Sports Industry Magazine.

10. CITY MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Walkup announced City Manager's communication number 19, dated January 12, 2010, was received into and made a part of the record. He also announced that this was the time for the City Manager to report on current events and asked for his report.

No report was given.

11. LIQUOR LICENSE APPLICATIONS

Mayor Walkup announced City Manager's communication number 20, dated January 12, 2010, was received into and made a part of the record. He asked the City Clerk to read the Liquor License Agenda.

- b. Liquor License Application(s)

New License(s)

1. Grant Rd. Shell #329, Ward 1
1570 W. Grant Rd.
Applicant: Saryas Omer Shareef
Series 10, City 89-09
Action must be taken by: January 17, 2010

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a new license application, "In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires and that the best interest of the community will be substantially served by the issuance of a license". (A.R.S. Section 4-201)

c. Special Event(s)

1. Our Lady of Lavang Parish, Ward 5
800 S. Tucson Blvd.
Applicant: Anton Trung Tran
City T95-09
Date of Event: February 13, 2010 - February 14, 2010
(Vietnamese New Year festival)

Staff has indicated the applicant is in compliance with city requirements.

2. Salpointe Catholic High School, Ward 3
1545 E. Copper St.
Applicant: Donna M. McCarthy
City T104-09
Date of Event: February 13, 2010
(Fundraising)

Staff has indicated the applicant is in compliance with city requirements.

3. Saving Animals from Euthanasia (SAFE), Ward 6
900 S. Randolph Way
Applicant: Roxanne Ethel Johnson
City T105-09
Date of Event: February 20, 2010
(Raise awareness about responsible pet ownership & animal welfare;
educate & entertain)

Staff has indicated the applicant is in compliance with city requirements.

d. Agent Change/Acquisition of Control/Restructure

1. Magpies Gourmet Pizza, Ward 6
605 N. 4th Ave.
Applicant: Laurie Neal Parker
Series 7, City AC10-09
Action must be taken by: January 15, 2010

Staff has indicated the applicant is in compliance with city requirements.

NOTE: The local governing body of the city, town or county may protest the acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control. (A.R.S. Section 4-203.F)

It was moved by Council Member Uhlich, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Romero absent/excused), to forward liquor license applications 11b1, 11c1 through 11c3, and 11d1 to the Arizona State Liquor Board with a recommendation for approval.

12. CALL TO THE AUDIENCE

Mayor Walkup announced this was the time any member of the public was allowed to address the Mayor and Council on any issue, except items scheduled for a public hearing. Speakers were limited to three-minute presentations.

- a. Daniel Garcia, Pima County Interfaith Council, spoke about funding for Job Path and Schools Plus Jobs.
- b. Miriam Weber spoke regarding the value of Access Tucson.
- c. Matthew James spoke about reductions in the City Prosecutors' Office and the elimination of the Mental Health Court. He stated these reductions would affect public safety.
- d. Eric Shlapack requested that Vice Mayor Glassman give his attention to the public discourse. He thanked Council Member Uhlich for her support of the arts.
- e. M.J. Raciti spoke in support of the City unions who were working to support employee jobs.
- f. Mauricio Brown spoke regarding the value of Access Tucson.
- g. Paul Parisi, Tucson Metropolitan Chamber of Commerce, requested the Mayor and Council delay any further taxes on businesses.

- h. Sarah Jones, Emerge! Center Against Domestic Abuse, stated that her agency was closely tied to public safety and requested that be a consideration when funding Outside Agencies.
- i. Joe Sweeney spoke regarding immigration issues.
- j. West Ruck spoke in support of Access Tucson and co-locating it with Tucson Cable 12.
- k. Sam Behrend, Access Tucson, spoke regarding the value and the support for Access Tucson and requested their operating support be extended for two months.
- l. Wendy Dewey, DIRECT Center for Independence, Executive Director, spoke regarding the twenty percent cut in Outside Agency funding.
- m. Flora Edwards spoke about the value of the arts in Tucson.
- n. David Godlewski, Southern Arizona Home Builders Association, Government Liaison, spoke regarding the removal of the exclusion of the cost of land from the taxable gross income for speculative builders.
- o. Ed Castelhana, Becklin Construction, spoke about the loss of jobs in the construction industry and the need for the City to look at cutting costs instead of simply increasing revenues.

13. CONSENT AGENDA – ITEMS A AND B

Mayor Walkup announced the reports and recommendations from the City Manager on the Consent Agenda were received into and made a part of the record. He asked the City Clerk to read the Consent Agenda.

- A. **BOARDS, COMMITTEES, AND COMMISSIONS: EXTENDING THE SUNSET DATE FOR THE OUT OF SCHOOL PROGRAM TASK FORCE**
 - 1. Report from City Manager JAN12-10-23 CITY-WIDE
 - 2. Resolution No. 21467 relating to Boards and Commissions; authorizing the Mayor and Council to extend sunset date of the Out of School Program Task Force; and declaring an emergency.
- B. **APPROVAL OF MINUTES**
 - 1. Report from City Manager JAN12-10-24 CITY-WIDE
 - 2. Approval of minutes for the regular meeting of the Mayor and Council held on June 23, 2009.

It was moved by Council Member Scott, duly seconded, that Consent Agenda Items A and B, be passed and adopted and the proper action taken.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Fimbres and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay: None

Absent/Excused: Council Member Romero

Consent Agenda Items A and B, were declared passed and adopted by a roll call vote of 6 to 0.

14. PUBLIC HEARING: BINGO LICENSE – FRIENDLY VILLAGE ESTATES, 1202 W. MIRACLE MILE, CITY NUMBER 197

Mayor Walkup announced City Manager’s communication number 25, dated January 12, 2010, was received into and made a part of the record. He also announced this was the time and place legally advertised for a public hearing on a request for a bingo license at Friendly Village Estates located at 1202 W. Miracle Mile. The applicant was Patricia M. Sanders. He asked if the applicant was present. No one came forward.

Mayor Walkup announced the public hearing was scheduled to last for no more than one hour and speakers would be limited to five-minute presentations. He asked if there was anyone in the audience wishing to be heard on this item. There was no one.

It was moved by Council Member Scott, duly seconded, and carried by a voice vote of 6 to 0, (Council Member Romero absent/excused), to close the public hearing.

It was moved by Council Member Uhlich, duly seconded, and carried by a voice vote of 6 to 0, (Council Member Romero absent/excused), to forward the bingo license application, Friendly Village Estates, to the State Tax Commission for approval.

15. ZONING: (C9-09-08) FREITAG – MAGDALENA ROAD, SR TO RX-1, CITY MANAGER’S REPORT, DIRECT ORDINANCE ADOPTION

Mayor Walkup announced City Manager’s communication number 26, dated January 12, 2010, was received into and made a part of the record. This was a request to rezone property located on the south side of Magdalena Road, one-quarter mile west of Harrison Road. He also announced the Zoning Examiner and staff recommend approval subject to certain conditions. He asked if the applicant was present and was agreeable to the proposed requirements.

The applicant indicated agreement to the proposed requirements.

Mayor Walkup asked the City Clerk to read Ordinance 10752 by number and title only.

Ordinance No. 10752 relating to zoning: amending zoning district boundaries in the area located on the south side of Magdalena Road (500 feet north of Old Spanish Trail), approximately one-quarter mile west of Harrison Road, in Case C9-09-08, Freitag – Magdalena Road, SR to RX-1; and setting an effective date.

It was moved by Vice Mayor Glassman, duly seconded, to approve the request as recommended by the Zoning Examiner and pass and adopt Ordinance 10752.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Fimbres and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay: None

Absent/Excused: Council Member Romero

Ordinance 10752 was declared passed and adopted by a roll call vote of 6 to 0.

16. FINANCE: AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENTS TO AGREEMENTS WITH VARIOUS OUTSIDE AGENCIES

Mayor Walkup announced City Manager's communication number 28, dated January 12, 2010, was received into and made a part of the record. He asked the City Clerk to read Resolution 21469 by number and title only.

Resolution No. 21469 relating to Financial Participation Agreements, Memoranda of Understanding and Enhanced Services Agreements; authorizing the City Manager to negotiate and execute amendments to the FY 2010 agreements between the City of Tucson and certain enumerated agencies to reduce city funding under those agreements; and declaring an emergency.

Council Member Kozachik the Mayor and Council talked about the issue during the Study Session and he wanted to know how that discussion related to this motion.

Michael Rankin, City Attorney stated that due to the action taken during the Study Session, Exhibit A of the Resolution would be amended to reflect a twenty percent cut to the Downtown Tucson Partnership Business Improvement District which would result in a reduction of fifty-six thousand, four dollars. Additionally, Exhibit A would be amended to reflect that all unexpended funding for the El Centro Cultural de las

Americas, Tucson Botanical Gardens, Tucson Children's Museum, Tucson Museum of Art, Tucson Sister Cities Association and Tucson Pops Orchestra would be reallocated to the Tucson Pima Arts Council (TPAC). Mr. Rankin stated TPAC's new allocation would be three hundred ninety-eight thousand, one hundred twenty dollars.

It was moved by Council Member Kozachik, duly seconded, to pass and adopt Resolution 21469 as amended.

Mayor Walkup asked if there was any discussion.

Council Member Uhlich clarified the arts funding for this fiscal year was as stated by the City Attorney. She asked the City Attorney to read into the record the funding that would be available to TPAC at the beginning of Fiscal Year 2011.

Mr. Rankin clarified the funding amount for TPAC was four hundred forty-two thousand, three hundred thirty-one dollars.

Council Member Uhlich stated that was in keeping with the conversation during the Study Session and the level of cuts that were initially proposed. The motion simply places TPAC as the intermediary to receive the funding. She expressed concerns on how the reallocation of funds was being approached. She appreciated the commitment on behalf of the City Manager and staff to get Access Tucson and Tucson Channel 12 together to look at a plan for consolidation. She stated her understanding of the City Manager's comments were that Access Tucson would not be placed in a position to go without broadcasting over the next two months. She asked if that was something that could be worked out.

Mike Letcher, City Manager, stated that for the next thirty days he would work toward that. He could not make assurances that everything would continue to work as it had but together they would develop a plan to keep them both operating for the next thirty days. If it was necessary to extend the timeframe he would consider the extension.

Mayor Walkup asked if there was further discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Fimbres and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay: None

Absent/Excused: Council Member Romero

Resolution 21469 as amended was declared passed and adopted by a roll call vote of 6 to 0.

17. TUCSON CODE: AMENDING (CHAPTER 10) RELATING TO FISCAL YEAR 2010 COMPENSATION

Mayor Walkup announced City Manager's communication number 27, dated January 12, 2010, was received into and made a part of the record. He also announced this item had been scheduled to allow the Mayor and Council to discuss possible changes to the FY 2010 Compensation Plan, and to give direction to staff.

Vice Mayor Glassman asked if during the Study Session, the Mayor and Council decided to continue the item for one week.

Michael Rankin, City Attorney stated that during the Study Session the Mayor and Council continued the specific motion made by Council Member Scott. At this time, the Council could provide further direction if desired.

Council Member Kozachik stated that during the afternoon break there had been a consensus reached with the members of the City's Labor Council so the Mayor and Council could take action.

It was moved by Council Member Kozachik, duly seconded, that; 1) there be three and a half percent cuts in salaries in the form of furlough days for all City employees; that the furlough process be determined by the department head in concurrence with labor representatives; and that the outcome of the process be documented and provided to the City Manager; 2) there be no further cuts to City employees' salaries, benefits or premium pay for the remainder of Fiscal Year 2010; and 3) in the event of additional savings or revenues in the Fiscal Year 2010 budget, the Mayor and Council discuss and place a priority on bringing employees' salaries to their previous levels.

Vice Mayor Glassman requested the City Attorney read the motion back to the Mayor and Council for clarification.

Council Member Kozachik reread the motion.

Mike Letcher, City Manager, asked for clarification regarding whether the motion included the overtime policy.

Council Member Kozachik stated it included anything incorporated under the umbrella of premium pay.

Council Member Uhlich asked if that would be a separate item and not considered a part of the premium pay discussion.

Mr. Letcher stated the overtime policy had been removed from the premium pay list since it related to the Fair Labor Standards Act. He stated he needed to be clear whether the motion included overtime.

Council Member Kozachik stated that anything the City Manager incorporated under premium pay was included in the motion.

Council Member Uhlich stated she was grateful to the Labor Council for reaching a consensus. She asked if the motion addressed the presentation to the Mayor and Council by the Labor Council during the Study Session.

Mayor Walkup stated that this was a modification of the presentation and was a compromise that would allow the Council to move forward.

Council Member Uhlich stated that it seemed like this was an exciting opportunity and there was clear understanding the Council would be moving forward without the premium pay or other items that were on the future agenda, however, the Labor Council had put together ideas on how to close the three million, six hundred thousand dollar gap. She stated she was looking forward to having those meetings. She said it was important to be clear whether the gap would be closed through identified savings or through revenues. She asked Council Member Kozachik to reread the portion of the motion relating to new revenues.

Council Member Kozachik stated he could invite a Labor Council representative to clarify as well. He stated the Mayor and Council heard those descriptions during the Study Session presentation by the Labor Council.

Council Member Uhlich stated she simply wanted the third point of the motion reread.

Council Member Kozachik read item 3 of the motion.

Council Member Uhlich stated that while it was a Mayor and Council discussion, the Labor Council had opened the door for a true partnership and she looked forward to the ongoing discussions.

Vice Mayor Glassman thanked the Labor Council for working together as a group.

Mayor Walkup expressed his thanks for a process that allowed the Council to boil the issues down into the essence of what was meaningful. He stated that was an advantage to everyone involved. He thanked the City Manager and staff for bringing them to a point where they could be proud of what was done with a difficult task. The Mayor stated it was important for everyone to know that they were shoulder to shoulder on public safety. He thanked the Council and the Labor Council for putting the motion together.

Mayor Walkup asked if there was further discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Uhlich, Scott, Fimbres and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay: None

Absent/Excused: Council Member Romero

The motion that 1) there be a three and a half percent cut in salaries in the form of furlough days for all City employees; that the furlough process be determined by the department head in concurrence with labor representatives; and that the outcome of the process be documented and provided to the City Manager; 2) there be no further cuts to City employee' salaries, benefits or premium pay for the remainder of Fiscal Year 2010; and 3) in the event of additional savings or revenues in the Fiscal Year 2010 budget, the Mayor and Council discuss and place a priority on bringing employees' salaries to the previous levels, was declared passed and adopted by a roll call vote of 6 to 0.

18. TUCSON CODE: AMENDING (CHAPTER 19) REMOVING THE EXCLUSION OF THE COST OF LAND FROM THE TAXABLE GROSS INCOME FOR SPECULATIVE BUILDERS

Mayor Walkup announced City Manager's communication number 29, dated January 12, 2010, was received into and made a part of the record. He asked the City Clerk to read Ordinance 10753 by number and title only.

Ordinance No. 10753 relating to taxation; amending Tucson Code, Chapter 19, by repealing cost of land deduction for transaction privilege tax on speculative builders; and declaring an emergency.

Council Member Uhlich stated it was clear the Council was in a position where, keeping with their decision on January 5, 2010, and to balance the budget, they had to look at different sources of revenue. She asked how other jurisdictions of the City's size compare with this type of repeal of the exemption for the cost of land from the privilege tax.

Kelly Gottschalk, Finance Director, stated there were sixty other cities in Arizona that did not exempt land when the gross income was calculated for the speculative builders.

Council Member Uhlich asked if some of those cities were of comparable size. She also asked if there was an example of some of those cities to ensure that they were staying comparable to others.

Ms. Gottschalk stated she did not have a list of the cities but would provide it to the Council.

Council Member Uhlich stated that she did research to see which cities continued to exempt the cost of land. From what she was able to tell they tended to be smaller cities and she did not see any cities of comparable size.

It was moved by Council Member Uhlich to pass and adopt Ordinance 10753. Motion died due to lack of a second.

Mayor Walkup explained that this was a reflection of the time in the community where there was a desire to begin stimulating the building industry. He stated this was the wrong time to be adding an additional burden.

Council Member Kozachik asked when this would come back to the Mayor and Council if they took no action at the time.

Michael Rankin, City Attorney, stated that by not passing the Ordinance, the Tax Code would remain unchanged and the cost of land would continue to be excluded from the taxable income.

It was moved by Vice Mayor Glassman, duly seconded, to table the item for twelve months so it could not return during the Fiscal Year 2011 budget discussions.

Council Member Scott suggested bringing the item back when it was appropriate. She said she was not sure the Council should do this in twelve months. She asked that the time frame be amended to return when economic times were better.

Vice Mayor Glassman restated that his motion was to not bring it back as part of the 2011 budget discussion.

Council Member Uhlich stated that she appreciated the need to be circumspect regarding new taxes and any additional burden on the business community. She stated she was painfully aware, as were all the Council Members, of the three million, six hundred thousand dollar budget shortfall which has grown with this budget approval to nearly four million dollars. She preferred to see alternative solutions prior to taking items like this off the table. She said she looked forward to hearing the four million dollar solution from her colleagues.

Council Member Uhlich stated that it was easy to vote no on items like these or to deny the need to be balanced and to ask every segment of the community to contribute its fair share. She said she felt that was what the Council was trying to do and felt they were being fair. She stated she would like to open the table for conversation as to where the revenue would come from and if there were alternative proposals the Council had.

Mayor Walkup stated that he was unsure of the extent of the value and what it would yield based on the forecast of the business levels over the next year. He asked for clarification.

Ms. Gottschalk stated the annual revenue projection was two hundred, ninety thousand dollars. She stated this was based on the previous six to nine month experience.

Mayor Walkup stated that the question was where more than two hundred thousand dollars would come from to offset the budget.

Council Member Kozachik stated that during the Study Session, he had a number of motions that he deferred to the following week that would provide revenue generation. He was unable to provide dollar figures, at the moment, but they would be in excess of two hundred, ninety thousand dollars. He stated his greater concern was, that in September of 2009, the Council passed a resolution committing to make Tucson a business friendly community. On January 5, 2010, the Council voted to increase fees for the Development Services Department (DSD). He stated, at that time, and continued to maintain, that the private sector was what was feeding the City budget and those kinds of fee increases would continue to run jobs and businesses out of the city. He felt that was going in the wrong direction.

Council Member Kozachik stated that the budget should not be built on the backs of the private sector. He said during the past week, builder D.R. Horton bought two hundred three lots, although they were in Marana, Sahuarita, Vail, and Corona de Tucson. On Sunday, January 10, 2010, the Arizona Daily Star ran a front page headline titled: "Tucson vs. Business: Byzantine City Codes Can Start Making Enterprise Expensive and Daunting." On the second page of the article, there was one horror story after another about what it meant to try to do business in Tucson. He stated that the Council took a step in the right direction during the Study Session by partially exempting the Business Improvement District from the Outside Agency cuts. He stated his sense was that the Council continued to pass tax increases and fee increases on the private sector. It was not a matter of trying to find two hundred, ninety thousand dollars; it was a matter of going in the wrong direction when businesses were being sent to other jurisdictions. He stated the motion should not relate to just FY 2011 but should be eliminated completely allowing the Council to start making Tucson truly business friendly.

Council Member Uhlich stated there was agreement that the entire Council wanted to work on establishing a more business friendly community. She stated there was a group of business people assisting the City in ways that saved the development community money by cutting the development timeline by approximately some fifty percent. This cut the length of time projects were delayed and resulted in true savings. The point person from the committee, Ed Marley, stated fees that were modest and in balance were not what was killing business. She stated business was being killed with red tape.

Council Member Uhlich stated that Tucson was the last city in Arizona to adopt Development Impact Fees. She said that put the City behind in infrastructure and hurt the business community environment which hurt the entire community. This occurred because time was not taken to really listen to what would help business. She said the City tended to fall for the notion that this circle of developers would have their backs

broken by two hundred, ninety thousand dollars annually. She did not believe that to be true.

Council Member Uhlich stated she was committed and worked hard toward cutting red tape, making things streamlined, and getting projects through more quickly. She stated anytime someone raised that flag and said they were anti-business the City was buying into a fallacy that would harm the community in the long term. She said it was done with Development Impact Fees and everyone was hurting together. This occurred because the Council did not have the courage to state that everyone needed to contribute to a healthy community that could invest in the future constructively.

Council Member Kozachik stated that he did not believe that was a fallacy. He stated the Council sent a message to the business community each time fees were increased. He said it was not necessarily a matter of the bottom line but a matter of the message being sent. He stated the only reason the Mayor and Council passed the Resolution in September 2009 was because Tucson had the image of being unfriendly to business and according to the front page headline, the image still prevailed. Council Member Kozachik emphasized it was not a matter of the bottom line but a matter of the message sent to business. He said he was not inventing this; the business community was not building in Tucson because they did not want to build in Tucson. It is the bureaucracy, red tape and the delays that cost businesses money.

Council Member Kozachik said he spoke with an individual who gave him line item after line item of delays his company dealt with getting through DSD for sign code issues. He stated he would be speaking with DSD concerning the list. He said as long as the Council continued to send this message to the business community, the business community would turn their backs on the City and leave.

Council Member Uhlich stated there was agreement on the Council about the need to streamline processes. She said she felt that when the notion was repeated, while trying to balance the budget fairly, asking each segment of the community to contribute, that was somehow anti-business. She stated that they needed to create a good quality of life. She said the Council had the option of pointing to the ways they had made great strides in cutting the development process. To vote in favor of the item or against it was not anti-business but was an attempt to find a fair way to balance the budget.

Mayor Walkup stated that there was another way of looking at the time. That was not the right thing to do when they were trying to get an important industry to the community back on its feet. He stated that in the future it may be reasonable to remove the exclusion because it was market driven. He also wanted to ensure that the development community recognized that during the past year the Council had directed DSD to address the reputation of being unfriendly. He cited the Arizona Daily Star article and indicated that following the negative issues, Ernie Duarte, Development Services Department Director, was quoted on the steps the City was taking to mitigate those issues. He stated that the job of the Council was to sit down with the business community, list the top five issues and then go and fix them.

Mayor Walkup stated that was why the new members were welcomed to the Council to give it that new look. He stated the he could assure everyone that the Council was very cautious about the issues and were committed to doing something about it over time.

Vice Mayor Glassman stated that he wanted to ensure that the entire Council could vote for the very positive, pro-business signal. This was not just for the development community but to the business community as well. Vice Mayor Glassman amended the motion, duly seconded, to state that the item was being tabled with direction to the City Manager to be cognizant of the fact that the Mayor and Council were very committed to the business community and very reticent about imposing new taxes or fees at this time.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Scott, Fimbres and Kozachik;
Vice Mayor Glassman and Mayor Walkup

Nay: Council Member Uhlich

Absent/Excused: Council Member Romero

The motion to table the item and to direct the City Manager to be cognizant of the fact that the Mayor and Council were very committed to the business community and very reticent about imposing new taxes or fees at this time was declared passed and adopted by a roll call vote of 5 to 1.

19. APPOINTMENTS TO BOARDS, COMMISSIONS AND COMMITTEES

Mayor Walkup announced City Manager's communication number 21, dated January 12, 2010, was received into and made a part of the record. He asked if there were any personal appointments to be made.

Vice Mayor Glassman announced his personal appointment of Steven K. Russell to the Citizen Sign Code Committee.

20. ADJOURNMENT: 7:13 p.m.

Mayor Walkup announced the next regularly scheduled meeting of the Mayor and Council would be held on Wednesday, January 20, 2010, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 12th day of January 2010, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR:rr:sl