



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on July 7, 2015.

Date of Meeting: June 3, 2014

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:32 p.m., on Tuesday, June 3, 2014, all members having been notified of the time and place thereof.

1. ROLL CALL

The meeting was called to order by Mayor Rothschild and upon roll call, those present and absent were:

Present:

Regina Romero	Council Member Ward 1
Paul Cunningham	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
Jonathan Rothschild	Mayor

Absent/Excused:

None

Staff Members Present:

Richard Miranda	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Pastor Beth Rambikur, First United Methodist Church, after which the Pledge of Allegiance was presented by the entire assembly.

Presentations:

- a. Mayor Rothschild presented certificates for the Employees Appreciation Awards to the Department of Transportation.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 162, dated June 3, 2014, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

Current event reports were provided by Vice Mayor Cunningham, Council Members Fimbres and Kozachik. A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

4. CITY MANAGER’S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 163, dated June 3, 2014, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

No report was given.

5. LIQUOR LICENSE APPLICATIONS

Mayor Rothschild announced City Manager’s communication number 164, dated June 3, 2014, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

- b. Liquor License Application(s)

New License(s)

- 1. Aloft Tucson University, Ward 6
1900 E. Speedway Blvd.
Applicant: Lauren Kay Merrett
Series 11, City 30-14
Action must be taken by: June 6, 2014

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

2. Millies Pancake Haus, Ward 2
6530 E. Tanque Verde Rd.
Applicant: Dean Andrew Griffith
Series 12, City 34-14
Action must be taken by: June 13, 2014

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)

Person Transfer(s)

3. The Flycatcher, Ward 6
340 E. 6th St.
Applicant: Justin Ryan McLamarrah
Series 6, City 33-14
Action must be taken by: June 12, 2014

Staff has indicated the applicant is in compliance with city requirements

NOTE: State law provides that for a person to person transfer, Mayor and Council may consider the applicant's capability, qualifications and reliability. (A.R.S. Section 4-203)

Person/Location Transfer(s)

4. Bottoms Up, Ward 3
3710 N. Oracle Rd.
Applicant: Esmeralda De Jesus Nuves
Series 6, City 35-14
Action must be taken by: June 19, 2014

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

NOTE: State law provides that for a person and location transfer, Mayor and Council may consider the applicant's capability, qualifications, reliability, and location issues. (A.R.S. Section 4-203; R19-1-102)

c. Special Event(s)

1. Tucson Botanical Gardens, Ward 6
2150 N. Alvernon Way
Applicant: Mary Ann Confrey
City T64-14
Date of Event: July 26, 2014
(Fundraiser)

Staff has indicated the applicant is in compliance with city requirements

2. Museum of Contemporary Art, Ward 6
265 S. Church Ave.
Applicant: Dan S. Martin
City T66-14
Date of Event: June 14, 2014
(Art Exhibition and Opening)

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

- d. Agent Change/Acquisition of Control

Note: There are no application(s) for agent changes scheduled for this meeting.

It was moved by Council Member Scott, duly seconded and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b 4 and 5c1 through 5c2 to the Arizona State Liquor Board with a recommendation for approval.

6. CALL TO THE AUDIENCE

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

Mayor Rothschild also announced that pursuant to the Arizona Open Meeting Law, individual Council Members may ask the City Manager to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during “call to the audience.”

Comments were made by:

Robert Reus	Roger Score	Kelli Trainor
Belem Chagolla	Keith Van Heyningen	Jeff Holser
Alex Valenzuela	Claudia Valdez	Brisa Gutierrez

Mayor Rothschild asked the City Manager to provide a status report on the alarm ordinance.

Council Member Uhlich asked the City Manager to request follow up from the Water Department regarding commercial deposits.

A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

7. CONSENT AGENDA – ITEMS A THROUGH L

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

a. APPROVAL OF MINUTES

1. Report from City Manager JUN03-14-166 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of November 6, 2013
3. Mayor and Council Study Session Legal Action Report and Summary Minutes of November 6, 2013
4. Mayor and Council Regular Meeting Minutes of November 13, 2013
5. Mayor and Council Study Session Legal Action Report and Summary Minutes of November 13, 2013

b. CITY VEHICLES: ANNUAL APPROVAL OF EXEMPTION OF CERTAIN CITY VEHICLES FROM BEARING IDENTIFYING MARKINGS

1. Report from City Manager JUN03-14-168 CITY WIDE
2. Resolution No. 22236 relating to City Vehicles; pursuant to A.R.S. Section 38-538.03(B), exempting certain City motor vehicles from the requirement that they bear markings identifying them as City vehicles; making this exemption effective from July 1, 2014 through and including June 30, 2015; and declaring an emergency.

c. EMERGENCY PLANNING AND PREPAREDNESS: APPROVING THE CITY OF TUCSON'S EMERGENCY OPERATIONS PLAN (CONTINUED FROM THE MEETING OF MAY 20, 2014)

1. Report from City Manager JUN03-14-165 CITY WIDE
2. Ordinance No. 11170 relating to Emergency Planning and Preparedness; approving the City of Tucson's Emergency Operations Plan (EOP); pending legal authority for all actions or duties under the EOP; authorizing necessary administrative changes to the EOP; requiring Mayor and Council approval every four years after the date of approval of this ordinance; and declaring an emergency.

d. TUCSON CODE: AMENDING (CHAPTER 22) RELATING TO THE SICK LEAVE INCENTIVE PROGRAM

1. Report from City Manager JUN03-14-161 CITY WIDE
2. Ordinance No. 11176 relating to Leave and Other Benefits: the Tucson Code, Chapter 22, Pensions, Retirement, Group Insurance, Leave Benefits and Other Insurance Benefits, Article V, Leave Benefit Plan, Section 22-95 Sick leave incentive program providing for incentive payment and personal leave days; amending Section 22-95 Subsections (a) through (e), and declaring an emergency.

(This item was considered separately at the request of Council Member Kozachik.)

e. INTERGOVERNMENTAL AGREEMENT: WITH THE ARIZONA GAME AND FISH DEPARTMENT FOR THE COMMUNITY FISHING PROGRAM

1. Report from City Manager JUN03-14-170 CITY WIDE
2. Resolution No. 22239 relating to Parks and Recreation; authorizing and approving the execution of an Intergovernmental Agreement between the City of Tucson and the Arizona Game and Fish Department for the continuation of the Community (formerly Urban) Fishing Program; and declaring an emergency.

f. ZONING: SENTINEL PEAK RV PARK, WAIVER OF MINIMUM ACREAGE REQUIREMENT FOR PAD DISTRICT

1. Report from City Manager JUN03-14-157 WARD 1
2. This is a request by Todd Spencer of Ventana Capital Investments LLC on behalf of H & F Resources, for a waiver of the forty acre minimum land area required for Planned Area Development (PAD) districts to allow the redevelopment of a 1.38 acre site located at 450 North Grande Avenue for a recreational vehicle park.

Staff recommends approval of this request for authorization of a Planned Area Development District (PAD) for a 1.38 acre site located at 450 North Grande Avenue, located between St. Mary's Road and Congress Street. This will allow the applicant to proceed in the rezoning process and submit a rezoning application for PAD zoning.

g. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY FOR THE FURNISHING OF TALL POTTED REPLACEMENT TREES

1. Report from City Manager JUN03-14-173 CITY WIDE

2. Resolution No. 22240 relating to Intergovernmental Agreements (IGA); approving Amendment No. 1 to the Intergovernmental Agreement between Pima County and the City of Tucson (City) for furnishing of tall pots; and declaring an emergency.
- h. REAL PROPERTY: VACATION AND SALE OF KINO PARKWAY AND 22ND STREET SURPLUS RIGHT OF WAY
1. Report from City Manager JUN03-14-174 WARD 5
 2. Ordinance No. 11179 relating to Real Property; vacating and declaring property and rights of way at Kino Parkway and 22nd Street to be surplus property; authorizing the sale thereof to Union Pacific Railroad Company (UPRR); and declaring an emergency.
- i. TRANSPORTATION: AQUISITION OF RIGHT OF WAY FOR THE TUCSON MODERN STREETCAR PROJECT AND AMENDING RESOLUTION NO. 21616
1. Report from City Manager JUN03-14-167 WARD 6
 2. Resolution No. 22237 relating to Transportation; authorizing the City Manager to acquire by negotiation, and the City Attorney to condemn if necessary, certain real properties needed as rights-of-way for the Tucson Modern Streetcar Project (the "Project") along 2nd Street between Park Avenue and Warren Avenue; and amending Resolution No. 21616 adopted September 8, 2010; and declaring an emergency.
- j. INTERGOVERNMENTAL AGREEMENT: WITH PIMA COUNTY FOR WASTEWATER BILLING SERVICES
1. Report from City Manager JUN03-14-169 CITY WIDE AND OUTSIDE CITY
 2. Resolution No. 22238 relating to Water; authorizing and approving the Intergovernmental Agreement with Pima County for Wastewater Billing Services; and declaring an emergency.
- k. LICENSE AGREEMENT: WITH UTILITY SERVICE PARTNERS PRIVATE LABEL, INC FOR A SEWER AND WATER LINE WARRANTY PROGRAM
1. Report from City Manager JUN03-14-178 CITY WIDE
 2. Resolution No. 22242 relating to Water; authorizing and approving Sewer and Water Line Marketing License Agreement between the City of Tucson and Utility Service Partners Private Label, Inc., trading and doing business as Service Line Warranties of America to implement the City-sponsored water and sewer line warranty program; and declaring an emergency.

1. **INDUSTRIAL DEVELOPMENT AUTHORITY: APPOINTMENT TO THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON**

1. Report from City Manager JUN03-14-160 CITY WIDE
2. Resolution No. 22235 relating to the Industrial Development Authority of the City of Tucson (IDA); appointing Lawrence T. Lucero to the Board of Directors of the IDA; and declaring an emergency.

It was moved by Council Member Fimbres, duly seconded, and passed by a roll call vote of 7 to 0, that Consent Agenda Items a - 1, with the exception of item d, which was considered separately, be passed and adopted and the proper action taken.

7. CONSENT AGENDA – ITEM D

d. **TUCSON CODE: AMENDING (CHAPTER 22) RELATING TO THE SICK LEAVE INCENTIVE PROGRAM**

1. Report from City Manager JUN03-14-161 CITY WIDE
2. Ordinance No. 11176 relating to Leave and Other Benefits: the Tucson Code, Chapter 22, Pensions, Retirement, Group Insurance, Leave Benefits and Other Insurance Benefits, Article V, Leave Benefit Plan, Section 22-95 Sick leave incentive program providing for incentive payment and personal leave days; amending Section 22-95 Subsections (a) through (e), and declaring an emergency.

Roger W. Randolph, City Clerk, announced the item to be considered separately was Consent Agenda Item d, at the request of Council Member Kozachik.

Council Member Kozachik stated concerns were involved regarding section 3 Tucson Police Officers Association (TPOA) benefit allowed the accrual of three personal leave days plus banking three personal leave days for not using sick leave. He also stated selling back you would be selling back the time you used to bank the hours you were accruing. He stated it was a clear double dip. He stated concerns with the whole transparency of the package and the goal was a competitive base pay for the Tucson Police Department. Also the non-base items had to be a part of the conversation or the full index of the compensation package was not being addressed.

Council Member Kozachik stated he pulled the item from consent agenda to heighten the need to fully address the full index of total compensation.

Council Member Uhlich stated she was in agreement regarding looking at the whole compensation package and they had historically done that in recent years. Looking at other cities in Arizona, she recognized a strict base pay comparison would not be complete. She also stated, at one point, there were spreadsheets that outlined the base pay

comparison plus what had come to be known as premium pay or other items like this. She also stated it was important to note they planned on opening up all labor agreements in the coming year. She felt the best opportunity for the Council in good faith and fairness to deal with any and all issues that needed to be addressed and this would be one topic of discussion. She supported moving forward and keeping the existing agreements with the comprehensive package that had been approved year after year. She preferred it being discussed in the context of good faith labor conversation.

Council Member Romero stated the benefits were agreed to and had to be voted on as these conversations had happened in negotiations. She said they could not at the click of the finger just tell different labor groups within the City the benefits were going away. She also agreed the conversation of the negotiations had to happen and had to be completely fair.

It was moved by Council Member Romero, duly seconded, to pass and adopt Ordinance 11176.

Vice Mayor Cunningham stated Council Member Kozachik brought up a good point about some of the things talked about but they needed to honor agreements they had made. He also stated it was not the time to make changes on the fly and as negotiations progressed he would like to trade in some of the benefits so the base pay goes up. He stated that whatever discussion occurred, in regards to negotiations, should be tied into pension reform and pension stability.

Council Member Romero reiterated by saying you cannot take away benefits without having a negotiation process and that had not happened and it was not the proper way to treat our employees.

Council Member Kozachik commented sick leave sell back was added as a one off deal, gave a holiday one off deal and gave a pay increase as a one off deal and he also respected the meet and confer process.

Mayor Rothschild explained he would vote for this item to be passed and he respected the meet and confer, and it was his understanding that next year the entire compensation system would be open to negotiation and his goal was to have a compensation plan that was competitive and fairly compensated workers in a straight forward manner. He also stated it may look different from what they have in place now. He stated he would do his best to assure both administration and labor negotiate in good faith and they were at a point where they need to look at things differently. That did not mean people would make less money, but the system we had needed to be looked at.

Ordinance 11176 was declared passed and adopted by a roll call vote of 6 to 1 (Council Member Kozachik dissenting).

8. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 3) SIGN CODE, RELATING TO FREEWAY SIGNS AND MENU BOARDS

Mayor Rothschild announced City Manager's communication number 158, dated June 3, 2014, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed amendments to the sign code to allow freeway signs and menu boards in the planned area development district. He said staff would make a brief presentation before beginning the public hearing.

Ernie Duarte, Planning and Development Services Department (PDS) Director, stated the public hearing was for proposed amendments to the Tucson City Sign Code, specifically to the proposed amendments reestablished freeway and menu board signs in the Planned Area Development (PAD) of the sign code. He stated the proposed amendments had been discussed and reviewed by the Citizen Sign Code Committee who also conducted a public hearing on this matter. The committee and staff recommended Mayor and Council adopt these amendments.

Mayor Rothschild announced the public hearing was scheduled to last no more than one hour and speakers were limited to five-minute presentations.

Mark Mayer, Scenic Arizona, spoke opposing the item and suggested continuing the item to research the limitations regarding electronic signage to extend into another district, and be consistent with the visual quality of the community.

John O'Dowd, Sam Hughes Neighborhood Association and Sign Code Committee, spoke opposing the item and suggested further study regarding the code.

Marc Simon, Snell & Wilmer, spoke in support of the amendments to the sign code, and explained the amendment was created to correct errors in the code.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11175 by number and title only.

Ordinance No. 11175 related to Planning and Zoning: amending certain portions of the Sign Code, Sections 3-62 and 3-78 to allow Freeway Signs and Menu Boards in the Planned Area Development (PAD) District; and setting an effective date.

It was moved by Council Member Fimbres, duly seconded, to pass and adopt Ordinance 11175.

Vice Mayor Cunningham asked if the height limit and the limit were at eighteen feet higher than the freeway grade. Did this mean a sign could be as high as seventy two feet tall.

Glen Moyer, Sign Code Administrator, replied the freeway signs were allowed to be forty eight feet in height. Sign height was measured from street grade or freeway grade. If the freeway was at grade level it would be forty eight feet, if it was elevated it would be forty eight feet above the height of the freeway itself.

Vice Mayor Cunningham asked about the highest grade level allowed under the proposed PAD.

Mr. Moyer answered the limit varied and he had heard it was eighteen feet.

Vice Mayor Cunningham asked where the sign placement would be and if it would be where the grade is elevated or not. He also stated other businesses in the freeway district were limited to a single sign and a business in this PAD could have multiple signs.

Mr. Moyer stated the limit for business signs on the assigned premises are different than the PAD district. The PAD district was the entire district regardless of how many premises were in it. If this development which would have several retail establishments in it was developed without the PAD, it would have multiple premises and any of those premises within 250 feet of the freeway could have a freeway sign. So it could be six or ten, fifteen or twenty. He further stated this ordinance would limit this because it had about a mile of freeway frontage. It would allow two on the north side and one on the south side.

Vice Mayor Cunningham further commented the list of PAD's were in different areas and some were not in the freeway district, how would the ordinance affect the PAD's.

Mr. Moyer stated the ordinance would allow PAD's that have freeway frontage to have freeway signs for commercial or industrial uses. This was similar to the way commercial and industrial uses in zoning would be allowed with the exception of more restrictive numbers.

Vice Mayor Cunningham stated moving PAD's to the C-1 was going to apply to C-1, C-2, and C-3 zones, all PAD's would apply to that zone, and inquired if there were limitation placed on PAD's previously for signs.

Mr. Moyer stated the Sign Code was a separate code from the Uniform Development Code. So the PAD could limit or further limit the number of signs, including freeway signs, within the PAD, but it could not increase the number.

Ordinance 11175 was declared passed and adopted by a roll call vote of 7 to 0.

9. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 27) RELATING TO AN INCREASE IN WATER RATES FOR FISCAL YEAR 2015

Mayor Rothschild announced City Manager's communication number 171, dated June 3, 2014, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed increase in water rates.

Mayor Rothschild announced the public hearing was scheduled to last no more than one hour and speakers were limited to five-minute presentations.

Ken Taylor spoke in support of Option B of the increase in water rates.

Mark Day had a handout to present to Mayor and Council and spoke in support of Option A of the increase in water rates.

Miguel Ortega spoke in opposition to the increase in water rates.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11177 by number and title only.

Ordinance No. 11177 relating to water; amending certain portions of the Tucson Code, Chapter 27, Water, Article II, Rates and Charges; Section 27-32.1, Monthly reclaimed water service charges; Section 27-33, Monthly potable water service charges; Section 27-34, Charges for fire protection service; and Section 27-35, Charges for installation of water service connections; and setting an effective date.

Vice Mayor Cunningham stated he would like to have a cycle with rate stability so staff would not have to do an eight percent rate increase every year. It did not make sense that every year they have to readjust the rates when there were several different City functions that do not raise their rates at all. He understood they needed to protect the water supply and that raising the rates or using the rates to their advantage assisted in promoting conservation. They should not have to rely on it to meet revenue. He also stated on Options A and B, the issue at hand was rate stability. He felt with the rate meter change, even though it was above the thirty percent, they needed to get more rate stability. He did not want to make a habit of raising rates. Setting it at an even eleven dollars meant they would not have to raise that part of the meter charge for a while or at least he hoped not. He suggested having a more progressive rate, at least for this year, where the lowest water users would experience the least increase as far as water use goes with Option B. Though there was a \$1.32 tacked on they are also looking at .09 cents per CCF so they were also talking about \$2.22 where if they were doing ten at \$2.50 plus the other \$1.12 and it would be at \$3.52 so that was why Option B worked for the ten CCF users a little less on their actual monthly bill.

It was moved by Vice Mayor Cunningham, duly seconded, to pass and adopt Ordinance 11177, Option B.

Council Member Kozachik added the need for stability was driven by the high fixed cost as a result of the expenses within the Tucson Water that guarantee delivery of the commodity to people's homes and businesses. He also stated, with the respect to the comments of Miguel Ortega, on the budget and the comparison of the nickel and diming, he stated it was an enterprise fund and they needed to run as a business and any decisions made with respect to the budget were an irrelevancy as far as water department was a separate and distinct unit and handled their own budget within their own budget confines. He also commented both staff and Citizen Water Advisory Committee (CWAC) were in support of Option B.

Council Member Uhlich commented on the importance of the challenges and also successes that Tucson Water had accomplished or experienced in the last few years. She stated they were pulling down the full Central Arizona Project (CAP) water allocation and everyone was paying more for water in order to make sure they drew down the full supply. In addition, they now have wheeling agreements with other water utilities in the region, so that Oro Valley, Vail, Tohono O'odham and every entity can have infrastructure available that they pay for to use the our infrastructure to make sure every drop of CAP water they had available to them got drawn into the region, stored in our facilities, and delivered on a whole sale delivery into their system. So in terms of water security, the City will be paying for something but have made key achievements. She also stated they had a threat to the water quality, 1 4 Dioxide, and because of sound stewardship of the utility and were able to give immediate direction to build the treatment plant needed even though it may take a few years to negotiate from the responsible parties' reimbursement for that water plant and the cost of operating it. She expressed the need for that type of water utility in the region, and in fact we stand out. Cities in Maricopa County including Phoenix may be looking to our City for opportunities to partner in order to achieve better stability in the northern region of the state. She stated these are challenging issues that they had navigated responsibly. She also wanted to highlight the recommendation of the tiers and really liked the idea of looking at a 1 through 8, and 8 through 12, and breaking it down in a more refined way. They do not want to over burden people who were being good stewards of their own water use and average families who were struggling to make ends meet; she would be supporting the motion on the table.

Ordinance 11177, Option B, was declared passed and adopted by a roll call vote of 7 to 0.

10. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 15) RELATING TO CHANGES IN RESIDENTIAL AND COMMERCIAL COLLECTION AND DISPOSAL FEES AND SERVICES

(NOTE: Council Member Kozachik departed at 7:04 p.m. and returned at 7:07 p.m.)

Mayor Rothschild announced City Manager's communication number 172, dated June 3, 2014, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed Ordinance to change Environmental Services practices and fees including commercial recycle-only rates, and Household Hazardous Waste home pick up fees. He asked staff if they wanted to make a brief presentation before beginning the public hearing.

Andrew Quigley, Environmental Services Director, gave an overview of key changes in the Ordinance that would be considered. He spoke about the change in the Ordinance which talked about reporting. He stated they would be working with waste haulers and recyclers within the City to report the tonnages they were managing. He would get the information through December 2013, if the Ordinance passed, and report back to Mayor and Council about waste diversion. This information would show how much waste we were generating in the City. The fee that was being raised or established was a non-city fee for people who wanted to pick up paint because Pima County had left the program. Non-City residents may want to purchase paint and compensate the City for the revenue lost from Pima County leaving the program.

Mayor Rothschild announced the public hearing was scheduled to last no more than one hour and speakers were limited to five minute presentations. Mayor Rothschild stated there were no cards from anyone to speak. He asked if anyone wished to speak on that matter. There were no speakers.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11178 by number and title only.

Ordinance No. 11178 relating to Environmental Services; amending Chapter 15 of the Tucson City Code; amending existing fees and services and updating a cost of service plan in regards to commercial, residential refuse collection, disposal and groundwater protection by amending Tucson Code Article 1, Definitions, Section 15-1; Article IV, City Residential And Commercial Collection Services, Section 15-16.6, Neighborhood cleanup service; Article V, City Fees And Charges For Residential Collection, Commercial Collection And Disposal Services, Section 15-31, Declaration Of Purpose; Intent Of Mayor And Council; Section 15-33.2, Commercial fee schedules; Section 15-33.3, Commercial fuel surcharge; Section 15-34.3, Commercial haulers; Section 15-34.7, Disposal services fee schedule; Article VII, Plastic Bag Recycling, Section 15-60; Article VIII, Litter Fee, Section 15-70, Refuse Collection Permit; and Adding Article IX, Waste Diversion Reporting, Section 15-80, Refuse and Recyclable Material Collection Permit; and setting an effective date.

Council Member Uhlich asked about the striker language for 15-31 in regards to deposit collection having had an issue with water deposits and policy that govern or lack of policies that govern our deposit policy. She stated it looked like they were striking the language that prescribed how deposits were to be handled by Environmental Services.

She was concerned about what was left, and that the policy of not collecting deposits was open to possible problems similar to those had with Tucson Water as far as public input and noticing.

Mr. Quigley stated section 15-31 regarding deposit collection was basically cleaning up the language which mirrors what was in the Tucson Water Policy.

Council Member Uhlich voiced concern about the change. She said if she was reading it correctly, when a deposit would be collected, it would be terminated and refunded with added interest computed, minus whatever was still owed. It gave the clarity the Tucson Water customers including the business owner that had spoken during call to the audience were pleading for, so she was concerned about a change to deposit practices.

Mr. Quigley responded it mirrored what Tucson Water did.

Council Member Uhlich reiterated the Tucson Water policy states the Director may, at their discretion, impose deposits and refunds. She said she would prefer not to take that step with an additional department until they had worked with Tucson Water, and Finance to really deal with the issue.

It was moved by Council Member Uhlich, duly seconded, to pass and adopt Ordinance No. 11178 with the exception of Section 15-31.

Council Member Fimbres asked for an explanation on special handling waste and the proposed reduction for that fee.

Mr. Quigley explained the idea was to simplify the process and effectively reduce the special handling. He stated special handling provisions occurred when there was waste they have to take special care to secure a location for it in the landfill, or it had certain chemical characteristics that needed examining.

Council Member Uhlich complimented staff on establishing the new recycling program for commercial accounts.

Vice Mayor Cunningham congratulated staff on lowering rates and running a good ship.

Ordinance 11178, with the exception of Section 15-31, was declared passed and adopted by a roll call vote of 7 to 0.

11. PUBLIC HEARING: 2015 BUDGET AS TENTATIVELY ADOPTED ON MAY 20, 2014

(NOTE: Council Member Fimbres departed at 7:15 p.m. and returned at 7:18 p.m.)

Mayor Rothschild announced City Manager's communication number 177, dated June 3, 2014, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the City's Fiscal Year 2015 Budget. Mayor Rothschild announced the public hearing was scheduled to last no more than one hour and speakers were limited to five minute presentations.

Dan Linhart, spoke on behalf of employees for Sun Tran and Teamster opposing the Budget Adoption and suggested changing the City Charter.

Council Member Uhlich directed staff to look into the concerns that had been raised as an independent oversight body.

Bill Leedy, Executive Director of Micro Business Advancement Center (MAC), expressed his views to restore economic development funding.

Scott Parr, Independent Film Maker, spoke in support of continued funding for Access Tucson.

Justin Williams, CEO and Founder of Start Up Tucson, spoke in support of work force development and economic development funding.

Edgar Zotov spoke in support of continued funding for Access Tucson.

Curtis Gunn, spoke on behalf of the Desert Angels, in support for economic development funding.

Lisa Horner spoke in support of restoring funding to Access Tucson.

Lea Márquez Peterson, Tucson Hispanic Chamber of Commerce, spoke in support of restoring funding for Economic Development.

Stuart Thomas spoke in support of continued funding for Access Tucson.

Tony Ford, Director of Downtown Innovation District, spoke in support of Economic Workforce Development and Economic Development funding.

Libby Hubbard, Producer at Access Tucson, spoke in support of continued funding for Access Tucson.

Miguel Ortega spoke in support of continued funding for Access Tucson and more importantly in support of an open and transparent government.

Steve Delgado, Metropia Inc, spoke in support of economic workforce development funding.

It was moved by Council Member Romero, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild announced the Council would stand recessed and convene a special meeting for the adoption of the budget.

RECESS: 8:18 p.m.

RECONVENE: 8:45 p.m.

(Note: See minutes of the Special Mayor and Council Meeting of June 3, 2014 regarding the Final Budget Adoption for Fiscal Year 2015.)

The meeting was called to order by Mayor Rothschild and upon roll call, those present and absent were:

Present:

Regina Romero	Council Member Ward 1
Paul Cunningham	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
Jonathan Rothschild	Mayor

Absent/Excused:

None

Staff Members Present:

Richard Miranda	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

**12. TUCSON CODE: AMENDING (CHAPTER 10) FISCAL YEAR 2015
COMPENSATION PLAN SCHEDULES**

Mayor Rothschild announced City Manager's communication number 179, dated June 3, 2014, was received into and made part of the record. He asked the City Clerk to read Ordinance 11180 by number and title only.

Ordinance No. 11180 relating to Compensation Plan; Tucson Code Chapter 10, Civil Service--Human Resources, Article II, Compensation Plan, Section 10-31, Adopting salary schedules for fiscal year 2015; implementing Section 10-31; ratifying, reaffirming and reenacting Sections 10-31(7), Providing percentages for calculation of compensation from salary schedules for employees in specified assignment positions; Section 10-31(8), Payment for uniform maintenance; Section 10-33, Language communication compensation; Section 10-33.1, Proficiency pay for commissioned police personnel certified as bilingual users of American Sign Language (ASL) or Spanish; Section 10-34, Incentive pay for fire prevention inspectors; Section 10-34.1, Assignment and incentive pay for maintaining paramedic certification and working as paramedics; Section 10-35, Fire battalion chief call back shift pay; Section 10-48, Supplement to military pay; Section 10-49, Holiday and BOI pay for commissioned officers of the Tucson Police Department for the position of Lieutenant and assignment positions of Captain and Assistant Chief; Section 10-52, Longevity Compensation Plan; Section 10-53, Pipeline protection program; compensation; Section 10-53.1, Permanent and probationary city civil service employees and elected officials and appointed employees downtown allowance; Section 10-53.2, Maintenance Management Program, assignment and incentive pay compensation; Section 10-53.3, Career Enhancement Program (CEP) incentive pay for commissioned Police personnel through rank of Captain; Section 10-53.4, Additional Compensation for certain public safety command staff; and Section 10-53.5, Honor Guard assignment pay for Fire Commissioned personnel; all as part of implementation of the Annual Compensation Plan for fiscal year 2015; and declaring an emergency.

It was moved by Council Member Romero, duly seconded, to pass and adopt Ordinance 11180.

Council Member Uhlich asked if this continued the Computation and Practices currently in place with our Compensation Plans.

Martha Durkin, Assistant City Manager, agreed that it was the same as the recommended plan presented on April 23rd with the exception of the Fire suppression payout rate, which has been adjusted to 1.5.

Council Member Uhlich stated, just for the record, the premium pay issues had been negotiated. They had been in the Compensation Plans and Contracts back to 2005 and had unanimous votes in support of the Compensation Plans and sick leave buy back as one of the premiums pays the Mayor and Council instituted in order to bring ourselves within ninety percent of competitive cities. She also stated she had no problem putting that back on the table but wanted to do it in good faith and not pit our employees against others in the community but rather in a good faith negotiating process.

Council Member Fimbres asked why the building inspector, lead building inspector and medical leave specialists had a change in their grade number.

Ms. Durkin answered it would have been done by a study by the Human Resources Department, just to address a miss calculation to the pay grade.

Ron Webb, Lead Human Resources Analyst stated the building inspector was a result from a question from the hiring department. Building inspectors had individual skills like plumbing, electrical and what the department did was cross train them so they could work across all disciplines and that resulted in a pay grade increase.

Vice Mayor Cunningham commented that Mr. Curry and his staff had done a really great job.

Council Member Scott wanted to make clear to the public the Mayor and Council did not negotiate any of the contracts directly with anyone. She thought it may have come somewhat blurred as conversations occurred at the table, and wanted to clarify this body did not sit with any negotiation in mind with any of the unions in the City.

Mayor Rothschild stated he was standing by his comments made early in the night, needing to see a new system and it could not be one that had twenty seven different pay options. He also stated it was true they did not negotiate but ultimately was their decision and their responsibility and if the negotiation did not go with what was fiscally responsible they can send it back. He did notice the representatives in the audience tonight and asked when starting the negotiations, to keep a very open mind and try to be flexible on both sides, and to try and look for ideas which gets fairness, certainty, and which gets certain rates of pay that are satisfactory given the market. Everyone needed to take a harder look at it, and make it work out to a win-win for everyone.

Ordinance 11180, was declared passed and adopted by a roll call vote of 6 to 1 (Council Member Kozachik dissenting).

13. ECONOMIC DEVELOPMENT: NOTICE OF INTENT TO ENTER INTO A RETAIL TAX INCENTIVE DEVELOPMENT AGREEMENT FOR THE FIFTH AND CONGRESS AC MARRIOTT PROJECT

Mayor Rothschild announced City Manager's communication number 159, dated June 3, 2014, was received into and made part of the record. Mayor Rothschild asked the City Clerk to read Resolution 22234 by number and title only.

Resolution No. 22234 relating to Economic Development; approving a Notice of Intent to enter into a Retail Tax Incentive Development Agreement ("Agreement") with 5 North Fifth Hotel LLC for the Fifth and Congress, AC Marriott Project ("Project"); making certain findings with respect to that Agreement; and adopting an independent economic analysis relating to the Agreement.

It was moved by Council Member Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22234.

**14. DEVELOPMENT AND PURCHASE AGREEMENT AMENDMENT:
APPROVING THE RESTATED AGREEMENT WITH THE GADSDEN
COMPANY FOR THE CITY-OWNED MISSION DISTRICT PARCELS**

Mayor Rothschild announced City Manager's communication number 175, dated June 3, 2014, was received into and made part of the record. Mayor Rothschild asked the City Clerk to read Resolution 22241 by number and title only.

Resolution No. 22241 relating to Development; authorizing and approving a First Amendment to the Amended and Restated Development and Real Estate Purchase Agreement with the Gadsden Company for the City-owned Mission District Parcels south of Congress Street, west of the Santa Cruz River; and declaring an emergency.

It was moved by Council Member Romero, duly seconded, to pass and adopt Resolution 22241.

Council Member Fimbres asked how the proposal would benefit the General Fund and would this all apply towards the Fiscal Year 2015 Budget.

Michael Rankin, City Attorney, stated these particle funds were ear marked for the Streetcar Budget, so there would not be a direct impact on the General Fund Budget.

Council Member Kozachik stated it would move the date back to June 30, and what happens on June 30.

Mr. Rankin answered June 30 was established as the deadline to close on the purchase by Gadsden of phase three of this property, which meant we would open prior to that, probably June 14 date, which was the date of the early agreement and would receive the payment of \$2.348 million on that date. If for some reason Gadsden was unable to proceed to close and pay as required then under the terms of agreement including this proposed amendment, the City would be able to act and call upon the Bonds that had already been posted in the amount of \$1 million and terminate the agreement in which instance we would not convey any additional property to them.

Council Member Kozachik asked what prevented us pushing the date back yet again on June 30.

Mr. Rankin stated the Mayor and Council had the legislative authority to amend the agreement as needed or not.

Council Member Uhlich stated in the budget we authorized Certificates of Participation (COP's) issuance, she wanted to be reminded how much was in the budget for the Streetcar.

Kelly Gottschalk, Assistant City Manager/Chief Financial Officer, answered there was \$13 million dollars in the budget. The COP's would be more than that but it had to do with the timing of the invoices for the Streetcar were being paid, some would be paid

in Fiscal Year 2014. As soon as they close on the COP's the City would be reimbursed the money they had paid up front, so that money would go out Fiscal Year 2014 and the remainder of the money would go out in Fiscal Year 2015.

Council Member Uhlich wanted to know what level of debt service was budgeted for Fiscal Year 2015 for the Streetcar COP's.

Mrs. Gottschalk stated she believed it was \$1.2 million for the COP's. They were going to issue the \$20 million dollars of COP's, for the Streetcar portion and part of it was paid out in Fiscal Year 2014, the Fiscal Year 2015 budget showed the remainder of the \$13 million.

Council Member Uhlich stated it should reduce the debt service amount.

Mrs. Gottschalk stated the debt service in the budget was built on an estimate for approximately \$18 million worth of COP's which assumed they were getting \$2.3 million dollars for the Gadsden. However, they were still not in the final process of closing out the Streetcar cost, so they would like to issue the \$20 million worth of COP's. That protects the City for two things; one if the Gadsden money, for some reason, did not come and two, if the final closing out of the claims and change orders or other cost came in higher than they were anticipating at this time it would give the additional cushion. If it did come in and only \$18million was actually needed, this would allow extra money to be paid for debt service, so it should even out.

Council Member Uhlich stated this was one of the line items that the budget assumed this income even in the debt service line. She also stated that was one area, as they talked about these one hundred thousand dollars adjustments, that would be tracked together to see how they are doing with regard to General Fund impact.

Mayor Rothschild commented on going out on the \$20 million and \$2.3 million came in you had the right to pay down \$2.3 million to take us to \$17.7 million.

Mrs. Gottschalk replied they could call the bonds or could take the additional proceeds and pay the debt service that they were going to pay in Fiscal Year 2015 which would free up additional cash on the front end.

Resolution 22241 was declared passed and adopted by a roll call vote of 6 to 1 (Council Member Kozachik dissenting).

15. REAL PROPERTY: APPROVING THE FIRST AMENDMENT TO THE LEASE WITH THE MUSEUM OF CONTEMPORARY ART FOR PROPERTY LOCATED AT 265 S. CHURCH AVENUE

(NOTE: This item has been continued at the request of staff. Michael Rankin, City Attorney, noted for the record it was for some final revisions that were brought to their attention that needed to be made. The item would be on the following week's agenda.)

16. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 176, dated June 3, 2014, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Kozachik, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointments of Daniel Benitez to the Environmental Services Advisory Committee, Rand S. Carlson to the Armory Park Historic Zone Advisory Board, Julie Culver, Alonza G. Morado and Jesus Mora to the Metropolitan Housing Commission.

Mayor Rothschild asked if there were any personal appointments to be made.

Vice Mayor Cunningham announced his personal appointments of Tom Prezelski to the Economic and Workforce Development Selection Committee, Tom Prezelski to the Charter Review Committee, Jerry Anderson to the Greens Committee, and Barbara Brookhart to the ParkWise Commission.

Council Member Uhlich announced her personal appointments of Tannya Gaxiola and Bonnie Poulos to the Charter Review Committee.

Council Member Scott announced her personal appointments of Dr. Charles Ford and Joe Yee to the Charter Review Committee.

Council Member Fimbres announced his personal appointments of Randy Dorman and Pastor D. Grady Scott to the Charter Review Committee.

17. ADJOURNMENT: 9:02 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, June 17, 2014, 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 3rd day of June 2014, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR:amf:sn