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## Minutes of SPECIAL MAYOR AND COUNCIL Meeting

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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 special session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 8:18 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  
Paul Cunningham  
Karin Uhlich  
Shirley C. Scott  
Richard G. Fimbres  
Steve Kozachik  
Jonathan Rothschild

Council Member Ward 1  
Vice Mayor, Council Member Ward 2  
Council Member Ward 3  
Council Member Ward 4  
Council Member Ward 5  
Council Member Ward 6  
Mayor

Absent/Excused:

None

Staff Members Present:

Richard Miranda  
Michael Rankin  
Roger W. Randolph

City Manager  
City Attorney  
City Clerk

## 2. FINANCE FINAL BUDGET ADOPTION FOR FISCAL YEAR 2015

Mayor Rothschild announced City Manager's communication number 180 dated June 3, 2014, was received into and made part of the record. He asked the City Clerk to read Resolution 22221 by number and title only.

Resolution No. 22221 relating to Finance; finally determining and adopting estimates of proposed expenditures by the City of Tucson for the Fiscal Year beginning July 1, 2014, and ending June 30, 2015; declaring that together said expenditures shall constitute the budget of the City of Tucson for such fiscal year; and declaring that the Five-Year Capital Improvement Program (CIP) has been approved with the first year of the CIP being adopted as part of the aforementioned budget.

Council Member Uhlich made a motion for reconsideration of the workforce and economic development pot and explained by not hearing from any of the stakeholders in that process, she felt it needed to be reconsidered. She stated last year there was six hundred thousand dollars as a combined pool for economic and workforce development, and roughly one hundred thousand dollars went to economic development and five hundred thousand dollars went to workforce and civic events. Her motion to acknowledge cutting the pot by one hundred thousand dollars and recognized that the talent was a key driver for success of the economy. She felt folks had been very compelling this evening in reminding that talent does include workforce development and clearly the kind of small business development that had been spoken about.

It was moved by Council Member Uhlich, duly seconded, and passed by a roll call vote of 7 to 0, to reconsider the Workforce and Economic Development to only Workforce Development.

Council Member Uhlich stated the idea was to restore the priority if it was a value as noted. She asked how funding could be restored. She stated she had a conversation with the Manager's Office in Finance; and wanted to look into lobby contracts as one potential source. She stated as they get closer to July 1<sup>st</sup>, there were modest adjustments and asked staff to highlight other areas, in the final stages, to identify one hundred thousand dollars to restore that pot of money.

Kelly Gottschalk, Assistant City Manager/Chief Financial Officer, responded by expressing they had taken a look at all the estimates throughout the budget. They had about 8.5 million dollars they had set aside annually for retiree's medical insurance. They also estimated that pretty early on in the process and took a look at where they were to date, and how many people were rolling off into the lower City contribution amount, she thought there was roughly one hundred thousand dollars they could take out of that account and move.

It was moved by Vice Mayor Cunningham, duly seconded, to move the one hundred thousand dollars of actualize savings from the retiree copayment savings to restore AWDC funding to six hundred thousand dollars and disseminated to the same Fiscal Year 2014 proportion of approximately seventy percent to Workforce

Development, twenty percent for small business Economic Development and ten percent to events.

Council Member Kozachik wanted clarification on the Fiscal Year 2014; the percentages would grow sixty-six percent, twenty-two percent, and twelve percent or was it seventy percent, twenty percent, and ten percent

Vice Mayor Cunningham responded he actually calculated at seventy-one percent, nineteen percent, and ten percent for last year.

Council Member Kozachik asked what the figures were last year. So they could send back to the committee to let the RFP process play it's self out.

Council Member Fimbres asked staff if this was doable.

Ms. Gottschalk responded yes.

Council Member Kozachik commented if they could get another one hundred thousand dollars somewhere else because they would ask for that too and also stated it was bullshit for them to come up with one hundred thousand dollars for these guys so they can come up with one hundred thousand dollars for those guys.

It was moved by Vice Mayor Cunningham, duly seconded, passed by a roll call vote of 7 to 0, to utilize the one hundred thousand dollars from Retiree Health savings to restore funding to Workforce and Economic Development with seventy going to workforce development, twenty percent to small business development, and ten percent to events.

Council Member Scott commented as someone who started a business at zero, and made it a success for over thirty years with the help of her husband and many people who worked for her. She wanted to ask those who got startup money from the government if there was an opportunity to stand on their own. She congratulated those who were starting new businesses and she would hope it would be seed money for them to be successful as a stand-alone, so that others may have an opportunity.

Council Member Uhlich commented she had been in close communication with Access Tucson and other stakeholders and suggested an update from Access Tucson in August. She stated hearing from partner entities that were really in earnest looking at the concept of community media center, and retaining the important access that had been discussed. She thought they would all be working through this budget year even if they adopt the cap in the budget cap as it was. She also suggested a contingency fund for Mayor and Council so when they heard from Access Tucson about their plan and see progress towards that plan they had options. She further suggested cutting their lobbying contract at the State level. She stated the City had one and half-staff people dedicated to lobbying the State Legislator, and have one hundred eleven thousand dollars in General Fund dollars not even counting what was spent out at Tucson Water to lobby the State Legislator. She also stated having a membership with the Arizona League of Cities which costs one hundred thousand dollars, it was a lot of money and if she believed hiring a

lobbyist was the way to gain success at the State Legislator maybe there would be a case to be made.

It was moved by Council Member Uhlich, duly seconded, to cut resources allocated out of the General Fund any amount delineate by sixty-two thousand dollars as a starting point and have that held aside for allocation in the future, and renegotiate the state lobbying contract and relook at our Intergovernmental Agreement operations with regards to state government.

Council Member Scott liked the idea of a Media Center and believed Tucson High, University of Arizona, Pima Community College and the Public Library System, as well as Access, had some form of a program that taught people skill sets that were within those organizations. She suggested those organization get together on a regular basis and talk about consolidation or use of facilities they each had and also share funding, so the burden was not on one particular organization, and make it easy for all who were interested in this line of work to move forward together. She stated it was important to take a look at other things in the community and work together and create a centralize venue to learn these life and communication skills.

Council Member Kozachik stated he was opposed to cutting lobbyist function allocation in half, but was in favor of setting aside a contingency fund. He also commented on the budget cycle and how we dipped into one pocket and come up with one hundred thousand dollars, and dipped into another pocket and come up with another one hundred thousand dollars, and then talked about two and half million dollars in sick leave sell back for Public Safety and no one had the guts to stand up. There was two and half million dollars they could use to more than adequately fund these guys because we have to negotiate it. He was convinced once they take a look in August they would find that money.

Mayor Rothschild responded by saying a review was fine, but it was a transition year and the full funding was not really telling of the progress. He stated they built into the capacity of this budget the extra one hundred fifty thousand dollars already and he was willing to review the structure of the lobbying efforts. He was not going to vote to cut the lobbying effort, but he would vote to bring it back for review in August or September, along with Access Tucson.

Council Member Romero agreed and wished they had more money to give Start Up Tucson, and fully fund Access Tucson. She stated if they looked, they could come up with the sixty two thousand dollars and suggested they give the direction and do not pin point one particular need the City of Tucson had. She also wanted to look into the lobbying contracts and what the State lobbyist were doing. She did not want to put two positions within the City of Tucson that she thought were important, Intergovernmental Relations position that work with State Legislators and it was not just working with State Legislators as a whole, it was working with our delegation of the State and federal elected officials. She wanted to put that contingency aside and did not want to cut it from the Intergovernmental Relations office or the lobby firm. She wanted to suggest restating the motion.

Council Member Uhlich stated she was willing to say cut it out of the State Lobbying allocation or if other sources could be identified. She also commented that having a lobbyist on our own staff at the State to state our position to the extent of one hundred eleven thousand dollars just out of the General Fund, plus one hundred eleven thousand dollars from Tucson Water, plus 1.5 staff positions was excessive. She stated the State Legislator was in session for six months at the most and she was willing to open the motion enough to establish sixty two thousand dollars contingency and if we did not identify other sources, which the lobbying contract would be on the table to renegotiate. She agreed this would be a starting point to look at other areas and continue as this budget year unfolds, to identify resources because they have not been able to hit the mark. She stated as Council Member Kozachik noted it was a fluid process and need to stay on top of it every time one hundred thousand dollars was up on the table.

Michael Rankin, City Attorney, stated there cannot be a motion that increased the expenditures without reducing somewhere else.

Council Member Uhlich responded by saying to put it out of the lobbying contract and if they could find other sources that was fine. If they find another source they can retain the money in the lobbying and use the other source. She agreed they had to have it somewhere.

Mayor Rothschild disagreed and stated they put the one hundred fifty thousand dollars capacity in Access Tucson so were not increasing our expenditures source.

Ms. Gottschalk, stated as long as we did not increase our total expenditures, and for Access Tucson they have three hundred thousand dollars on the expenditure side and three hundred thousand dollars on the revenue side already were in the budget and half were one time money because it was transitional money and the other half was restricted revenue in case revenue comes in from these other sources. She also stated there was the capacities on the expenditures side to spend up to that but had to have the matching revenue and somewhere they were going to have to cut sixty two thousand dollars if they ended up increasing on the expenditure side.

Vice Mayor Cunningham agreed with Council Member Uhlich's statement and it was the bigger scope. He also stated the statement of values was discussed and he understood they didn't want to lose their seat at the table with lobbying but it was considered spending north of four hundred thousand dollars on Phoenix lobbying total, they can consider total of what they are paying to be in the league, of what is paid of Water, what is paid out of the General Funds and what was paid to staffer which was north of four hundred thousand dollars and it was unacceptable. He questioned what should come first was willing to set aside the sixty two hundred thousand dollars because it was General Fund Lobbying that doesn't include employee cuts but on the other side they should look at the whole thing which was about four hundred fifty thousand dollars. He questioned on the other piece of discussion was if they rebid the contract will they be spending more money on rebidding the contract. They were at a two year deal and he was concerned if it was renewable and how it worked with the lobbyist.

Ms. Gottschalk responded saying the lobbyist contract with Andrew Greenhill had been extended this year and was renewable on an annual basis. She also commented this decision did not have to be made tonight, what needed to be done tonight was adopting the total budget and knew what the total expenditures were. So if the desire was to have a more through conversation about the lobbyist in August, it could certainly come back then and have that conversation, and if at that time it was decided to do something different with that, they could redirect at that point, because it did not change the total underlying budget.

Mayor Rothschild stated they would review the Access operations in August or September to see if progress was being made in the transition. If they needed help to get through the rest of the year, and also review the structure of the lobbying efforts with a little more thought or anything else then it was all they would have to do tonight.

Council Member Uhlich responded saying anything else was the key and she thought Council Member Kozachik just said the goal was clear. They would review in August about community partnership and the plan for Access Tucson and scrubbing this budget because she agreed with Vice Mayor Cunningham that four hundred thousand dollars was excessive. It was one area they would look at and make sure it was placed on a future agenda in a manner that we relook at other areas that we may have identified between now and then to be able to fulfill this notion.

Council Member Uhlich withdrew her motion for the time being in terms of a formal vote.

Council Member Scott responded the Arizona Leagues of Cities and Towns was an organization of all the cities and town of the State of Arizona and they have their own priorities, and it does not follow that they have the interest of the City of Tucson in specific when something comes up. Now let's assume the City of Tucson, as a Charter City, certain issues that were required by law and the Charter to be viewed in a certain way and that was not true of other Cities. When they have a lobbyist who was their lobbyist they would make sure the point of view was actually at the fore front when they walk into the offices of those legislator's. She also stated it was true that the legislators was supposed to represent all and could tell if there were always questions when they hear what the State Legislator had done and that they did not in every case reflect what the City of Tucson or Pima County had as its priority. So, they have to give some pause and she was glad to review some of these expenditures but to count on the Arizona Leagues of Cities and Town to be an active partner to put at their fore front the City of

Tucson issues would be asking more of them then they would provide. They provide service to the entire State and all their membership and thought they were paying dues to them to help represent, and join in with other cities and towns when they have issues but the City of Tucson's issues were not always a hundred percent of what their issues were.

Mayor Rothschild stated we had made one amendment to the budget this evening and asked what the council's pleasure was.

Vice Mayor Cunningham asked if this included the one hundred thousand dollars they had just discussed.

Mayor Rothschild and Council Member Fimbres responded yes.

Council Member Fimbres also stated if they would need a motion to look at August for a Study Session item for lobbying.

Mayor Rothschild responded that Council Member Uhlich expressed it was something to not lose track of and to be put on a future Study Session.

It was moved by Council Member Fimbres, duly seconded, and passed by a roll call vote of 6 to 1 (Council Member Kozachik dissenting), to pass and adopt Resolution 22221 as amended.

**3. ADJOURNMENT: 8:45 p.m.**

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

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MAYOR

ATTEST:

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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 1st day of August 2014, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

RWR:amf:sn