



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on October 9, 2018.

Date of Meeting: March 6, 2018

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 5:42 p.m., on Tuesday, March 6, 2018, 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
Steve Kozachik	Council Member Ward 6
Jonathan Rothschild	Mayor

Absent/Excused: None

Richard G. Fimbres Council Member Ward 5

Staff Members Present:

Michael J. Ortega	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk

2. INVOCATION AND PLEDGE OF ALLEGIANCE

a. INVOCATION

The invocation was given by Rabbi Yehuda Ceitlin Chadbad of Tucson.

b. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the entire assembly.

c. PRESENTATIONS:

Mayor Rothschild proclaimed March to be “Tanque Verde Ranch Month.” Terry Hanley, General Manager and Rita Cote, Owner accepted the proclamation.

d. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager’s communication number 79, dated March 6, 2018, 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 6 to 0 (Council Member Fimbres absent), to approve the appointment of Damon Turner to the West University Historic Zone Advisory Board (WUHZAB); and the reappointments of Robert Fleming to the West University Historic Zone Advisory Board (WUHZAB); and Susan Aiken, Halley Eisner Freitas, Barbara Grygutis, Johna Cronk, Christopher Domin, Charles Pifer, David Wald-Hopkins and Joseph Wilder to the El Presidio Historic Zone Advisory Board (EPHZAB).

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

There were none.

3. MAYOR AND COUNCIL/CITY MANGER’S REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 66, dated March 6, 2018, 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 Romero, Durham, and Scott.

Current event report was given by Michael J. Ortega, City Manager

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

4. BOARDS, COMMITTEES AND COMMISSIONS: REPORTS TO MAYOR AND COUNCIL

Mayor Rothschild announced City Manager’s communication number 67, dated March 6, 2018, was received into and made part of the record. He stated this was the time scheduled to allow a Board, Committee or Commission to report on their activities during the past year as well as anticipated future activities.

Reports were given by Jackie Lyle, Landscape Advisory Committee (LAC) Chair, and James Fullin, City Magistrates Merit Selection Commission (CMMSC) Chair.

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

5. LIQUOR LICENSE APPLICATIONS

Mayor Rothschild announced City Manager’s communication number 68, dated March 6, 2018, 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. Seoul Kitchen Korean BBQ, Ward 4
6255 E. Golf Links Rd.
Applicant: Yeon Suk Choi
Series 12, City 3-18
Action must be taken by: March 11, 2018

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)

Person/Location Transfer(s)

2. Tucson Improv Movement, Ward 6
414 E. 9th St.
Applicant: April Santangelo McMahan
Series 7, City 4-18
Action must be taken by: March 17, 2018

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 both the applicant's capability qualifications reliability and location issues. (A.R.S. Section 4-203; R19-1-102)

c. Special Event(s)

1. Santa Cruz Roman Catholic Parish, Ward 5
1220 S. 6th Ave.
Applicant: Rebecca Marie Lujan
City T20-18
Date of Event: May 19, 2018 - May 20, 2018
(Fiesta de la Familia)

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

2. St. Patrick's Day Parade of Tucson, Ward 6
220 S. 5th Ave.
Applicant: John Murphy
City T21-18
Date of Event: March 17, 2018
(Celebration of Irish Culture & Heritage)

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

3. Living Streets Alliance, Ward 5
S. Park Ave. between E. Miles & E. 13th St.
Applicant: Kylie M. Walzak
City T22-18
Date of Event: April 8, 2018
(Cyclovia)

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

4. Coyote TaskForce, Ward 6
54-66 E. Pennington St.
Applicant: Mindy Bernstein
City T23-18
Date of Event: April 21, 2018
(2018 Block Party)

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

5. Arizona Craft Brewers Guild, Inc, Ward 6
220 S. 5th Ave.
Applicant: Robert J. Fullmer
City T24-18
Date of Event: April 7, 2018
(Baja Beer Fest)

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

6. El Grupo Youth Cycling, Ward 1
610 N. 9th Ave.
Applicant: Daniela N. Diamente
City T25-18
Date of Event: April 7, 2018
(Bicycle Scavenger Hunt)

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

7. St. Cyril of Alexandria Roman Catholic Parish/School, Ward 6
4725 E. Pima St.
Applicant: Gwendolyn Rene Kurtin
City T26-18
Date of Event: March 17, 2018
(School Fundraiser)

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

d. Agent Change/Acquisition of Control/Restructure

1. G&L Import-Export Corporation, Ward 4
4828 E. 22nd St.
Applicant: Xuan Thank Ngo
Series 10, City AC1-18
Action must be taken by: March 17, 2018

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 Scott, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to forward liquor license applications 5b1, 5b2, 5c1 – 5c7, and 5d1 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:

Edward Cizek
Kathleen Erickson

Paul Parisi

Tony Archibald

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 D

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 MAR06-18-69 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of August 8, 2017
3. Mayor and Council Study Session Legal Action Report and Minutes of August 8, 2017

b. REAL PROPERTY: VACATION AND SALE OF SURPLUS PROPERTY AND RIGHT OF WAY AT BROADWAY BOULEVARD AND CAMPBELL AVENUE

1. Report from City Manager MAR06-18-74 WARD 6
2. Ordinance No. 11532 relating to Transportation and Real Property; vacating and declaring alley Right of Way (ROW) located at the northeast corner of Broadway Boulevard and Campbell Avenue to be surplus City-owned property; authorizing the sale thereof together with adjacent surplus City-owned property; and declaring an emergency.

c. REAL PROPERTY: THIRD AMENDMENT TO THE TEMPLE OF MUSIC AND ART MANAGEMENT AGREEMENT

1. Report from City Manager MAR06-18-75 WARD 6

2. Resolution No. 22870 relating to Real Property; authorizing and approving the Third Amendment to the Management Agreement dated February 1, 1988, by and between the City of Tucson and Arizona Theatre Company; and declaring an emergency.
- d. FINAL PLAT: (S17-041) ALAMO VISTA SUBDIVISION, LOTS 1-5, AND COMMON AREAS "A" AND "B"
1. Report from City Manager MAR06-18-70 WARD 6
 2. Staff recommends that the Mayor and Council approve the plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.

It was moved by Council Member Romero, duly seconded, to pass and adopted Consent Agenda Items a – d, and the proper action taken.

Council Member Kozachik asked for clarification on Item b, vacating the surplus property on Broadway and Campbell. He said this was vacation of the property and wanted confirmation that the rezoning conversation was yet to come.

Albert Elias, Assistant City Manager, stated Council Member Kozachik was correct and that the rezoning would return to the Mayor and Council as a separate matter and they could choose to act on it as they wished.

The motion to pass and adopt Consent Agenda Items a – d and the proper action taken was passed by a roll call vote of 6 to 0 (Council Member Fimbres absent/excused).

8. PUBLIC HEARING: RESULTS OF BIENNIAL AUDIT OF DEVELOPMENT IMPACT FEES

Mayor Rothschild announced City Manager's communication number 76, dated March 6, 2018, 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 an independent audit of Development Impact Fees. He stated that the public hearing is scheduled to last no more than one hour and speakers are limited to five-minute presentations.

Mayor Rothschild asked the City Attorney, before beginning the public hearing, to set a context for the Mayor and Council.

Mike Rankin, City Attorney, stated that back in 2011, the Arizona Legislature fundamentally revised the impact fees in state law. Part of that legislation required that a city that imposed impact fees through ordinance was required to provide for ongoing mentoring of the impact fee program by one of two different methods. He said the Mayor

and Council could establish an ongoing advisory committee that reviews the land assumptions and fees or a city could have a bi-annual certified independent audit.

Mr. Rankin stated that when the Mayor and Council approved the City of Tucson's statutorily compliant impact fee ordinance in 2014; the choice was made at that time to go with the biannual audit as a means of monitoring compliance with the statutory requirements. He said in order to comply with state law on the evening's agenda this item had been scheduled for a discussion and presentation of the findings of that audit. He commented that the materials related to the audit, where included with the agenda materials and separately posted on the City's website for public review.

Mr. Rankin said the purpose of the public hearing was for the Mayor and Council to hear any public comment on those audit findings. If the Mayor and Council wanted to have any discussion relating to any issues with regards to the City's impact fee program that could be scheduled for a future meeting of the Mayor and Council, but no formal action was required at this time.

Mayor Rothschild asked if there was anyone wishing to speak on this item.

There was no one.

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

Vice Mayor Cunningham stated he had formally requested staff to schedule a future Study Session item to discuss impact fees and the alignment of different service sectors. He said the biggest issue the Mayor and Council faced when it came to impact fees was that the City was a little bit cut-off as to what they could do for Fire, Police and Parks. He explained how he envisioned Tucson with its Ward Offices, four law enforcement teams, five park districts, three environmental service sectors, and service areas for water. He stated nothing lined up and was compromising the City's service delivery for everything.

Vice Mayor Cunningham stated that in some cases, things could not be lined up just right and in some cases the State mandated how things were going to be done. He said he wanted to know how the City could get a better unified organization. He said he wanted that to be part of the discussion at the Study Session not just the impact fees.

Council Member Romero indicated she thought Council Member Fimbres would have some questions and would be in favor of having a study session to discuss impact fees.

Council Member Scott pointed out that within the document they received it stated that City staff was going to update the report with current data prior to 2019. She asked what would be the appropriate time to review the item in a study session. She asked for clarification.

Michael J. Ortega, City Manager, stated he was not sure if there was ever a perfect time for discussion on the item simply because there was opportunity to have a dialogue now. He suggested having that discussion within the next 45 days, and rather than Vice Mayor Cunningham having to draft a memo requesting it, he would take the current discussion as a directive from the Mayor and Council to bring this item back for discussion at a Study Session. He said he suspected it would be late April or early May.

Mr. Ortega stated it did not change much of what they were currently doing, but it was a robust conversation leading to potentially changing districts and/or boundaries. He stated he wanted to get something to the Mayor and Council in writing first that outlined the basis for the impact fees, the boundaries and the decisions that were made that connected the boundary lines. He said then he could schedule a meeting probably within the May time frame.

Vice Mayor Cunningham stated he had already looked into some of those issues and quite frankly, he preferred giving staff until the end of the summer to really look at this and have conversations. He said his reasoning was because there was a budget needing to be looked at in April and May that included the Police compensation package and making sure a retention plan was in place.

Mr. Ortega apologized and stated he meant at the end of September not May.

Council Member Kozachik requested staff to provide information on which service areas were regulated by statute and which could be adjusted by the Mayor and Council.

Mr. Rankin stated he would get in touch with the Mayor and Council offices to get there particular questions and address them all at the same time.

9. ZONING: (SE-17-109) T-MOBILE – 1ST AVENUE, C-2 ZONE, WIRELESS COMMUNICATION FACILITY, SPECIAL EXCEPTION LAND USE, ORDINANCE ADOPTION

Mayor Rothschild announced City Manager's communication number 71, dated March 6, 2018, was received into and made part of the record. He said this was a special exception land use request for property located approximately 300 feet west of 1st Avenue and 300 feet north of Prince Road. He stated the Zoning Examiner and staff recommend approval of the special exception land use with conditions.

Mayor Rothschild asked if the applicant or representative of the land owner was present and agreeable to the proposed requirements.

Nancy Smith, Crown Castle and T-Mobile representative stated they were agreeable to the proposed requirements.

Mayor Rothschild requested the City Clerk to read Ordinance 11531 by number and title only.

Ordinance No. 11531 relating to Zoning; a special exception land use - Wireless Communications Facility - SE-17-109 T-Mobile - 1st Avenue -located approximately 300 feet west of 1st Avenue and 300 feet north of Prince Road; approving with conditions the construction of a Wireless Communication Tower with nine antenna panels concealed within an artificial palm tree, 72 feet in height, within an approximately 527 square foot lease area in the southwest corner of the storage facility portion of the .60 acre site in the C-2 zone; and setting an effective date.

It was moved by Council Member Durham, duly seconded, and passed by a roll call vote of 6 to 0 (Council Member Fimbres absent/excused), to approve the request as presented and passed and adopted Ordinance 11531.

10. ZONING: (C9-17-07) OFFICES AT THE LOOP - BROADWAY BOULEVARD, O-3 TO C-1, CITY MANAGER'S REPORT

Mayor Rothschild announced City Manager's communication number 77, dated March 6, 2018, was received into and made part of the record. He said this was a request to rezone approximately 4.61 acres from O-3 to C-1 zoning, located on the south side of Broadway Boulevard and east side of the Pantano Wash, approximately 1,200 feet west of the intersection of Pantano Road and Broadway Boulevard. He said the Zoning Examiner and staff recommend authorization of C-1 zoning subject to certain conditions.

Mayor Rothschild asked if the applicant or a representative present was present and agreeable to the proposed requirements.

Gene Goldstein, Bramic Design Group representing Eddie Turnicki was present and stated they were agreeable to the proposed requirements.

Vice Mayor Cunningham stated this was a former state building which was not being used because of post-recession. He said the rezoning was going to create store front or commercial front actually on the loop and was excited that it was taking place in Ward 2.

It was moved by Vice Mayor Cunningham, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to authorize the request for rezoning as recommended by the Zoning Examiner.

11. WATER: NOTICE OF INTENTION TO INCREASE CERTAIN TUCSON WATER RATES AND FEES AND SCHEDULING A PUBLIC HEARING FOR MAY 22, 2018

Mayor Rothschild announced City Manager's communication number 82, dated March 6, 2018, was received into and made part of the record. He asked the City Clerk to read Resolution 22872 by number and title only.

Resolution No. 22872 relating to Water; approving the publication of a notice of intention to increase FY 2019 through FY 2022 water rates and fees and scheduling a public hearing; and declaring an emergency.

It was moved by Council Member Scott, duly seconded to pass and adopt Resolution 22872, and direct staff to file the proposed fee schedule with the City Clerk's Office and set May 5, 2018 for the Public Hearing regarding the proposed rates and fees.

Mayor Rothschild asked the City Clerk to verify the date.

Roger W. Randolph, City Clerk, stated the date had been moved to May 22, 2018.

Council Member Scott stated she was amending her motion accordingly.

Council Member Romero stated she had expressed concerns about having a five-year water rate increase plan and was concerned about the unprecedented process to determine the consecutive 6.8 %, 6.5%, 6% and 5% increases in the next five years. She said she was also concerned about the fixed fees, administrative fees, because it could dilute the conservation message sent by the progressive rate structure and because of the regressive nature of high utility fixed fees, which effected certain communities especially the poor and vulnerable with bigger increases.

Council Member Romero said she appreciated how the water department was thinking differently in terms of how to use the low income programs. She stated if the City was moving towards higher fixed fees, she would rather have the Tucson Water Department have a two year process as in previous years, because of the potential of the five-year increases affecting the community differently. She commented that she would appreciate more regular public updates on the good work that the City's conservation fund at the Tucson Water Department was doing.

Council Member Romero indicated she believed everyone needed to continue to push harder, especially in the conservation fund, to address justice and equality issues in the community. She said she wanted to know where the conservation fund was being used within the areas of higher need and how they were putting the conservation programs that were successfully managed to work in areas of the City that had been historically underserved and underrepresented.

Council Member Romero stated she was having a hard time with not saying anything about the water rate increases, especially this multi-year approach the Tucson Water Department was taking. She said she was concerned that the City was passing these water rate increases or at least opening the door for these water rates to be increased to the face of a \$2.5 million a year subsidy to companies coming to the City of Tucson and believed it was unfair to charge a 27.2% increase to water rate payers for corporations and companies to come to Tucson.

Council Member Romero stated she hoped there would be a different approach to how water usage was charged and strongly believed the administrative fees and other set fees were regressive and hurt the poorest water rate payers of the City of Tucson.

Council Member Romero also desired to talk about the low income program and how slow the program was moving forward. She said she noticed that between 2015 and 2016, the program grew by only thirty-nine new participants. She said she believed there needed to be more community engagement on the ground, bilingual community engagement to the residents of Tucson to let them know about this program. She specified that 25% of the population in Tucson lived in poverty and the program only covered 4% and that was unacceptable. She stated she would continue to express her concern of her issues.

Mayor Rothschild asked the Tucson Water Department Director to come forward. He stated, as he understood it, they were asking staff to file the proposed fee schedule and set a public hearing with the City Clerk's Office. He asked if there would be opportunities for the public to give input on any issue that would be open regarding the water rates.

Timothy Thomure, Tucson Water (TW) Department Director, stated that was correct; it was a notice of intent and there would be three public town halls, advertised on Tucson Water's website, that were scheduled for March 29, April 5 and April 10. He stated that included in the Mayor and Council's materials were some responses to questions from Ward 5. He said TW was planning a meeting with Reclaimed Water Stakeholders and all of that was to gather input to assist the Mayor and Council at the May hearing about whether to raise rates, and whether to do it for one, two or four years. He said this did not lock in the four year plan but this decision would set up the conversation.

Mayor Rothschild stated, as he understood it from the last study session, one of the issues that they would be looking hard at was whether or not they did these for one, two or four years. He said there would be a discussion on the structure of the fees and the fixed part of the fees and asked Mr. Thomure to make those items part of the discussion that would be affirmatively raised at the public hearing.

Mr. Thomure stated that was correct.

Council Member Romero asked if water sales went up or down last year.

Mr. Thomure stated in calendar year 2017, water sales were slightly higher than in the calendar year 2016; that was the first time in several years that had occurred. He said the ten plus year trend had been a gradual decline in water sales.

Council Member Romero asked what the percentage was that it went up.

Mr. Thomure said he was not sure but it was in the single digits about three to four percent, but he could get her that answer.

Council Member Romero stated it was an important fact to know because of the trend in water sales going down which was a signal in conservation and was one of the reasons why TW was coming to the Mayor and Council every year to charge more administrative fees and increase water rates. She stated her second question was how TW did community engagement to inform the community about the low income program, what was their method, did they contract with someone, and did they do it bilingually.

Mr. Thomure stated they did it bilingually and had used various media outlets that included both English and Spanish radio, advertisement in the mass transit system at bus shelters and inside of the buses. He said they also had quite a bit of social media that brought forward the opportunities to enroll in the limited low income program. He said in addition to participating in the Ward Offices' direct outreach resource fairs and the low income fairs he made it a priority for TW to participate so that they could enroll people that qualified.

Council Member Romero said what she could gather from the information was that the percentage increase that TW wanted to put forward for the next four years had an increase of 27.2% within the next 4 years. She asked staff to make that calculation for the community and the Mayor and Council so they could know exactly what the rate increase was for the next four years She said she wanted the calculation to include the administrative charges. She said she had previously spoken about this in a study session and wanted both Mayor and Council and the community to understand the advantages of the increases including the administrative fees that TW wanted to charge.

Mr. Thomure said the 27.2% was correct, and included the administrative charges. He said that was the total revenue increase compounded over the 4 years and for perspective, the previous four years that were just completed; that four year compounded rate increase was at 33%.

Council Member Romero commented that on the outreach and engagement to participants in the low income program, in FY 2015-2016, the program had only grown by thirty-nine participants. She said this past year, FY 2016-2017; it grew by one hundred seventy-eight participants. She indicated that one of the things her office did to help engage the community was to have resource fairs. They had them in Barrio Anita and Menlo Park.

Council Member Romero stated that in Barrio Anita alone, they signed up forty-five people. She said Environmental Services, as well as, Sun Tran, TEP, and Southwest Gas were included in the fair. She highly encouraged TW to have this discussion with the Mayor and Council and other community stake holders to hold the resource fair with the goal of adding more people to the low income program.

Council Member Scott stated the City in general looked at long range planning when looking at land use, or any other uses. She said there was merit in discussion that the public should have with regard to long range planning on rates and use of water in the community and any long range planning that might come about as a vote from the Mayor and Council to perhaps be longer than a year or two at a time. She asked if those decisions, if something occurred or altered that plan at any time, could be revisited or reviewed.

Mr. Thomure stated the Mayor and Council always had that opportunity even if they adopted two or four years' worth of rates approval. He said if something happened, either significant revenue that was unforeseen or significant cost, they could come back to the Mayor and Council for review.

Council Member Scott stated it was an important piece no matter what plan they chose after the public had given their ideas, the plan could be revisited and altered as needed. She said it offered certainty for the department, the utility and also provided certainty for the customer so they knew what to expect over a period of time and were not shocked. She said there was merit in that and wanted to hear what the public had to say.

Council Member Scott said the city's population had grown and she imagined the use of water should have increased greater than the percentage stated. She said, apparently, usage versus conservation efforts were pretty much in line with each other in a way that was unusual. She asked if staff could you describe what usage versus conservation had done with the population explosion/increase.

Mr. Thomure said generally the trend over the last ten years, even though the population had increased, total water use had been relatively constant. Conservation had more than kept up with the additional population, in fact, when you just look at total water sales, even with growing population, the total water sales had trended downward. He said the year 2016 to 2017 was the one year exception to that, but they were not certain about whether that was a trend that was going to reverse itself or a trend that would actually continue. He said TW knew that 2017 was an exceptionally hot and dry year relative to even the years that surrounded it. He stated it was not shocking they had higher water sales in 2017 than 2016. He said the real uncertainty was what that looked like moving forward, but the general trend had been downward.

Council Member Scott stated that was what she applauded him and his department for because they looked at the long range view, kept up and paid attention to those details that could affect rates, usage and conservation. She said she thought it would be interesting to hear what the public had to say with regard to all of those points.

Vice Mayor Cunningham asked what the current water bill was for the average residential user.

Mr. Thomure said the residential water usage bill was around thirty-three dollars per month.

Vice Mayor Cunningham stated 5% on average represented about one dollar and fifteen cents per month.

Mr. Thomure responded that when TW actually looked at the 6.8% they were purposing, it was around three dollars per month.

Vice Mayor Cunningham inquired if that was their target number. He also asked how many people used the correct tier, from eight to ten that came in below twenty-five dollars.

Mr. Thomure stated that was their target number. He said most of their customers were in the seven or eight ccf or lower water usage rate. He corrected his earlier comment that the thirty-three dollars per month was for next year and currently it was lower than that. He said as it stood they were looking at a water bill of about two dollars and forty-five cents higher than the current year and it was a bit lower than what he indicated before. He said the vast majority of customers fell into the seven to nine ccf frame.

Vice Mayor Cunningham stated, if he remembered correctly, the way the rates had been structured the last couple of years was that the more you used, the more someone would be affected. He said it was his understanding that 70% of TW's customers were in the seven to nine ccf range. He commented that that was the group that they needed to look out for and there was some merit to building into a financial model a five percent increase a year for five years. He said he agreed with Ward One that locking that in might be a heavier lift, but he understood that as this discussion evolved, they needed to be sure that if someone was conserving water, they would be rewarded and that was one of the things that needed to be built in to the model.

Council Member Kozachik clarified that nothing was being locked in at the evening's meeting, all the Mayor and Council was doing was procedural by agreeing to go through the public process and conducting three town halls. He encouraged staff to make it clear in the town halls that in discussing the two and/or four-year models, they were also talking about reducing debt within the department, revenue stability, and long term health of the utility going forward. He said none of these were locked in even if they voted for the increase in a subsequent meeting.

Council Member Kozachik said, in addition, he would be happy to participate in resource fairs with TW and other utilities. He suggested that TW ensure, while making their presentations to the public, that they understand what costs were locked in verses discretionary spending, and also make clear what TW expected to see happen with respect to the increase in CAP water cost, how the rate increase was being smoothed out and what was happening with the reclaimed water rates.

Council Member Kozachik specified one of the things he mentioned at the study session regarding conservation was that it sent out the wrong message to say the City was going to give away two hundred cubic feet (2 ccf) of water to people for free. He said

there were other ways low income users could be addressed without sending the message that water was free in the desert and he asked that they make that conversation part of the discussion with the public.

The motion to pass and adopt Resolution 22872, was passed and adopted by a roll call vote of 6 to 0 (Council Member Fimbres absent/excused), and direct staff to file the proposed fee schedule with the City Clerk's Office and set May 22, 2018 for the Public Hearing.

12. BOARDS, COMMITTEES AND COMMISSIONS: APPOINTMENT TO THE CIVIL SERVICE COMMISSION

Mayor Rothschild announced City Manager's communication number 78, dated March 6, 2018, was received into and made part of the record. He asked the City Clerk to read Resolution 22871 by number and title only.

Resolution No. 22871 relating to the Civil Service Commission; reappointing Malcom Pavey as a Civil Service Commissioner; fixing annual compensation; and declaring an emergency.

It was moved by Council Member Durham, duly seconded, and passed by a roll call vote of 6 to 0 (Council Member Fimbres absent/excused), to pass and adopt Resolution 22871.

13. ECONOMIC INITIATIVES: RENEWAL OF THE BUSINESS IMPROVEMENT DISTRICT

Mayor Rothschild announced City Manager's communication number 83, dated March 6, 2018, was received into and made part of the record.

Council Member Kozachik clarified that what the Mayor and Council were doing at the evening's meeting was to begin the process of outreach, surveying the merchants, along with conversation about renewal and terms of the Enhanced Services Agreement (ESA). He asked, with that clarification, when staff expected to have the results of the survey so they could move forward.

Council Member Romero asked for a brief summary of the item.

Nick Ross, Economic Development Specialist, stated this item was to issue a notice of intent to renew the district and they would be bringing back to the Mayor and Council a separate item for the ESA at a later date.

Michael Rankin, City Attorney, commented that the notice of intent would be provided to the property owners within the boundaries of the existing Business Improvement District (BID) and given a 30 day period in which to protest or not. He said if there was not a protest level, as described in the Mayor and Council communication, of

50% or more, then they were able to renew the BID under the terms of the Resolution as the Mayor and Council originally created it.

Mr. Rankin stated that, as Council Member Kozachik explained, after that process was complete, but before June 30th, which was when the existing service agreement expired, as well as the BID itself, staff would bring back those items for Mayor and Council's consideration and approval.

Council Member Kozachik said assuming if by April 15 the City did not get 50% of people protesting the item, then the City could move forward with the negotiation of the ESA.

Mr. Ross responded that was correct.

It was moved by Council Member Kozachik, duly seconded, to direct staff to proceed with the renewal of the Business Improvement District.

Council Member Romero asked whether the current map that was received was a map up for consideration or was it the BID boundary that would be presented and discussed for the continuation of the BID.

Mr. Ross stated the district boundary would not be changing.

Council Member Romero asked how was that decided.

Mr. Rankin stated there was a separate statutory process that they would have to engage in to change the boundaries of an enhanced services district, a BID of this type. He said that required a separate conversation among the Mayor and Council. He stated there were procedures for expanding the boundaries and there were some procedures that exist in the Statutes where properties could be carved out if it was determined that those properties no longer benefited from the services provided in the district. He said he could provide the Mayor and Council with information about what those processes would look like if there was a desire to change the boundaries of the BID.

Council Member Romero asked if this current map was decided upon, how many years would the City be locked into. She asked if there was any consideration by the City Manager or the Downtown Tucson Partnership to take a look at the growth that the City had been going through the last four to five years and reconsidering the map.

Mr. Ross stated the renewal would last for five years. He said he believed that they could grow the district at any time, but currently, today, the item was just to lock in place the district as it currently was. He said they could have conversations of growing it after the district had been locked in place.

Council Member Romero asked how this was considered and who had made the decision of keeping as it was and not considering some change.

Mayor Rothschild asked Kathleen Eriksen, Downtown Tucson Partnership, Chief Executive Officer, to come forward.

Mr. Rankin stated that if it was ultimately renewed for another five-year period that did not preclude, during that five-year period, an adjustment to the boundaries of the BID but it would trigger a set of compliance with statutory requirements for expanding or contracting what the BID might look like. He said the idea was, because when the Mayor and Council adopted this particular type of improvement district, the Resolution self-imposed this five-year expiration and the Mayor and Council had to go through this exercise if they wanted to keep the BID alive.

Council Member Romero reiterated that her initial question was how the conversation happened, how did it evolve. Was it the Tucson Downtown Partnership that decided to keep the item as is and use the same map. She said upon receiving the materials, it was her first time hearing about it.

Ms. Eriksen stated that every five years this item came up for renewal and they were responding to that timeline. She said, to answer Council Member Romero's first question about the BID boundaries, the renewal was for the exact same boundaries. What they were working towards doing was renewing the BID so that they could retain the company and services currently in place.

Ms. Eriksen said right after the BID was renewed, they would look at expanding the boundaries, which were two separate actions requiring two separate processes and approval processes as well.

Council Member Romero stated she still had not received the answer to her question about keeping the current map, how the conversation happened, was it the Downtown Tucson Partnership that was discussed keeping the current map and then discuss where they had to expand or was it at the City Manager's level or the Mayor's Office where this was discussed. She stated she wanted more information before proceeding.

Michael J. Ortega, City Manager, stated he did not know if this was ever discussed. He said the reaction was to the expiration or renewal of BID itself; there was not a topic about leaving the boundary alone. He said he thought, as outlined by Ms. Eriksen, there was conversation around expanding which was on a separate track and making sure all the stakeholders had an opportunity to weigh in. He commented this track was simply to renew what was in place and as the City Attorney mentioned, it did not preclude the Mayor and Council from expanding in the future which was a separate process. He said once the stakeholders had conversations, obviously including the ward offices, a recommendation to that effect could be brought back.

Council Member Kozachik asked staff to describe the process by which the BID was expanded, contracted or carved out because there was conversations that Fourth Avenue Merchants' Association (FAMA) was interested in being included, and if there

were other businesses that might be incorporated into this, they would have a right to vote themselves in or out. He said it was not simply of an action of the Mayor and Council; they would go through another very similar outreach process where people would be able to vote on a proposed boundary change.

Mr. Rankin stated that was correct.

The motion to direct staff to proceed with the renewal of the Business Improvement District was carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused).

14. UPDATES ON STATE AND NATIONAL LEGISLATION AND REGIONAL COMMITTEES

Mayor Rothschild announced City Manager's communication number 80, dated March 6, 2018, was received into and made part of the record. He asked if there were any updates on state and national legislation or regional committees.

Andrew Greenhill, Intergovernmental Relations Manager, stated he provided the report regarding State and Federal legislation similar to what he had distributed on Friday.

Mayor Rothschild asked if there was anything new that Mr. Greenhill wanted Mayor and Council to make a recommendation to approve.

Mr. Greenhill stated that there were six new bills and the rest were updates that had been requested by the Mayor and Council. He asked for a recommendation to support the report.

It was moved by Council Member Kozachik, duly seconded and carried by a voice vote of 6 to 0 (Council Member Fimbres absent/excused), to support the recommendations presented in the handout material, as well as those requested by Council Member Fimbres.

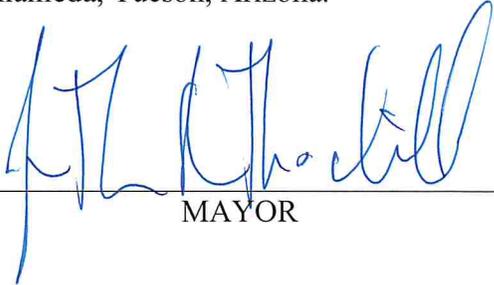
15. MAYOR AND COUNCIL DISCUSSION OF FUTURE AGENDAS

Mayor Rothschild announced City Manager's communication number 81, dated March 6, 2018, was received into and made part of the record. He asked if anyone had any further items for future agendas.

No items were identified for future agendas.

16. **ADJOURNMENT:** 7:04 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, March 20, 2018, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.



MAYOR

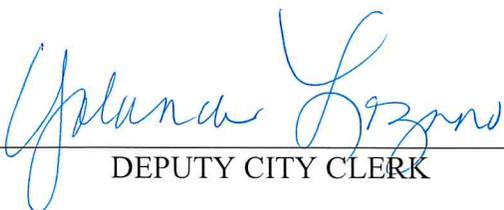
ATTEST:



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 6th day of March, 2018, and do hereby certify that it is an accurate transcription.



DEPUTY CITY CLERK

RWR:agj:tg