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## MAYOR AND COUNCIL Study Session Minutes

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Approved by Mayor and Council  
on June 4, 2024.

Date of Meeting: January 23, 2024

The Mayor and Council of the City of Tucson met in study session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona at 12:42 p.m., on Tuesday, January 23, 2024, all members having been notified of the time and place thereof.

### OFFICIAL MEMBERS

#### PRESENT:

Mayor Regina Romero  
Council Member Cunningham (Ward 2)  
Vice Mayor Kevin Dahl (Ward 3)  
Council Member Nikki Lee (Ward 4)  
Council Member Richard G. Fimbres (Ward 5)

### OFFICIAL MEMBERS

#### ABSENT:

Council Member Lane Santa Cruz (Ward 1)  
Council Member Steve Kozachik (Ward 6)

#### STAFF:

Michael J. Ortega, City Manager  
Mike Rankin, City Attorney  
Suzanne Mesich, City Clerk

Mayor Romero announced that Council Member Fimbres would be participating electronically through Microsoft TEAMS.

**(NOTE: Minutes for Study Session are transcribed in verbatim format.)**

1. **Executive Session: Performance Review of City Clerk (City Wide) SS/JAN23-24-17 (City Wide)**
3. **Executive Session: Legal Limitations under Arizona Revised Statutes Section 16-204 on the Scheduling of Local Elections for Referred Ballot Measures (City Wide) SS/JAN23-24-22**

(This item was taken out of order.)

It was moved by Vice Mayor Dahl, duly seconded, and carried by a voice vote of 5 to 0 (Council Members Santa Cruz and Kozachik were absent/excused), to enter into executive session as noticed on the agenda.

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**Mayor Romero:** Items 1 through 4 are Executive Sessions and direction to staff. Ms. Clerk?

**Clerk:** First, I would like to add that Council Members Santa Cruz and Kozachik are absent/excused

The first executive session is noticed as Item #1, Executive Session Performance Review of City Clerk and is being held pursuant to ARS Section 38-431.03(A)(3) and (A)(4).

The second executive session is noticed as item 3 Legal Limitations under Arizona Revised Statute Section 16-204 on the Scheduling of Local Elections for Referred Ballot Measures and is being held pursuant to ARS Section 38-431.03 (A)(3) and (A)(4).

**Mayor Romero:** May have a motion to go into executive session.

**Vice Mayor Dahl:** So, moved.

**Council Member Fimbres:** Second.

**Mayor Romero:** There's a motion in a couple of seconds. All those in favor of the motion, please indicate by saying.

**All:** Aye

**Mayor Romero:** Any against? Motion carries. We will take about an hour, right, Mr. Rankin?

**Mike Rankin, City Attorney:** Mayor, Mayor, I think that's a good estimate. I would wanna, just for the record, note that Executive Session Item #1, the performance review of the City Clerk is also being heard pursuant to ARS 38-433.03(A)(1).

**Mayor:** Thank you, Mr. Rankin. Alrighty. We'll see you out here in about an hour. Thank you all.

RECESS: 12:43 p.m.

RECONVENE: 1:55 p.m.

MAYOR & COUNCIL: All present

STAFF: All present

Executive Session was held from 12:51 p.m. to 1:45 p.m.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 5 to 0 (Council Members Santa Cruz and Kozachik were absent/excused), to return to open session.

**Mayor Romero:** So, Mayor and Council is back in session regular session, actually I need a motion to return back to study session.

**Council Member Fimbres:** So, moved.

**Vice Mayor Dahl:** Second.

**Mayor:** So, there's a motion in a second. All those in favor of the motion signify by saying aye.

**All:** Aye

**2. Mayor and Council Direction Regarding Executive Session: Performance Review of City Clerk (City Wide) SS/JAN23-24-18**

(No formal action was taken.)

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**Mayor:** What is the Council's pleasure for item 2

**Mike Rankin, City Attorney:** Honorable Mayor with respect to the review of the performance of the city clerk? This item is actually scheduled on tonight's regular agenda for action by the Mayor and Council. It is a numbered item for the adoption of the ordinance renewing the term of the city clerk.

**3. Executive Session: Legal Limitations under Arizona Revised Statutes Section 16-204 on the Scheduling of Local Elections for Referred Ballot Measures (City Wide) SS/JAN23-24-22**

(This item was taken out of order and considered after Item #1.)

**4. Mayor and Council Direction Relating to Executive Session: Legal Limitations under Arizona Revised Statutes Section 16-204 on the Scheduling of Local Elections for Referred Ballot Measures (City Wide) SS/JAN23-24-23**

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 5 to 0 (Council Members Santa Cruz and Kozachik were absent/excused), to direct the City Attorney to proceed as discussed in Executive Session; and to schedule an item for the February 6, 2024 Regular Meeting to call a Special Election for August, 2024 to refer a ballot measure to Tucson's voters that would amend the Tucson Charter to authorize a transaction privilege tax to fund community investments to promote quality of life.

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**Mayor:** Thank you, council, umm, Thank you, Mr. Rankin. What is the Council's pleasure for item 4?



**Mike Rankin, City Attorney:** Honorable Mayor, I would ask that for the following motion to move that the Mayor and Council direct the city attorney to proceed as discussed in executive session and to schedule an item for the February 6, 2024 regular meeting to call a special election for August 2024 to refer a ballot measure to Tucson's voters that would amend the Tucson Charter to authorize a transaction privilege tax to fund community investments to promote quality of life.

**Council Member Cunningham:** Your Honor, we need that quality of life as we are always keeping our options open to find ways to improve the quality of life of Tucson I'd like to make that motion.

**Council Member Lee:** Second

**Mayor:** There is a motion and a second. Any further discussion on this item? Hearing none, all those in favor of the item of the motion signify by saying aye.

**All:** Aye. Any against? Motion carries. Thank you, Mr. Rankin.

**5. Staff Update on Strategic Initiatives Related to Unsheltered Homelessness and Transition Center (City Wide) SS/JAN23-24-20**

(Discussion held; no formal action was taken.)

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**Mayor Romero:** We move on to item 5. I have scheduled...requested this time for the staff to provide an update on the efforts to support housing and sheltered persons and how the city is addressing the concerns expressed by residents and business owners in Tucson with that Mr. Manager, I know that this is an update and you usually schedule the speakers.

**Michael J. Ortega, City Manager:** Thank you, Mayor. I do you have some folks I don't...out here, but we'll get him out here. I think up here and join me here in a minute. So, Mayor, this is a...this is an ongoing effort to really keep you up to date on what we are doing. And again, the leadership that you all provided in this space is really...been the key here. And so, the conversations that we've had over the years, and you've seen now the evolution when we established the...we called it the task force initially. Now it's a cooperative effort between Pima County and the City of Tucson. So, the staff has, as we break these down into two different conversations. One is for the Housing First effort as well as another with the conversation around community safety and some of the more call...it conversations around enforcement and some other pieces that are important as well. So, with that, I'll turn it over to Chief Kasmar to...to kick us off. Thanks.

**Chad Kasmar, Chief of Police:** Members of the Council, Honorable Mayor, thank you for having us back to give you an update. It's hard to believe that we're here in the new year and almost through the first month of the year. I'd like to start off just from the TPD perspective and



everybody received our...our two-page memo. So, I'd just like to highlight the philosophy of putting the right work in the right hands continues to work. As you, city leadership continues to expand and scale investment and community safety, health and wellness. Just like we expected, it's allowed me, as umm chief of police, to reorganize resources and commit them to other areas of responsibility for the city, although be available to support other community safe efforts as we expand nontraditional services throughout the city.

One of the things that I want to draw attention to is really a point for us at TPD of reflection. So what we recognize and looking at some of our preliminary data sets from the end of the year as we get our annual report completed, as we're proud to say that through the proactive effort of your patrol officers out in the street and be responsive to complaints coming through Council, through the mayor's office, and city leadership, they're out there and they...they affected over 5,000 narcotics arrests last year in over 200 deflections. And those sound...like impressive numbers, but the stage we're at now is really diving in and evaluating what does that data mean? And what happened with those cases? And so really, following those through the judicial system and better understanding how those cases really impacted our community. So what I'd like to tease is for our my next update is I should have that evaluation completed where I can come back to city leadership and say, here's what worked, here's what didn't work, here's what partners I'm working with, and as we can hope to have be very intentional in maximize impact of the staff's efforts out there in the street.

The the other update I'd like to provide is you've heard this number from me before and that...in 2022 and 2023 were pretty consistent years with over 50% of the fentanyl seized in the US being seized here in our state and Arizona. And what we saw in in towards the end of 2023 was a 61% that that number from 50% rose to to 61%. So again, 11% maybe not be something to be alarmed of, but it's still a really outrageous number and something we should be focused on. And what I can tell you is the affordability of fentanyl continues to get cheaper and cheaper and cheaper, and that has a direct impact out in our community when when we can buy that. I won't give the...I won't give the prices of publicly here today, but it's pretty shocking how affordable and how cheap it is and the amount of high that that provides to somebody who's struggling with this substance misuse disorder.

So, in October, November alone, of of last year, we saw 171% increase in in fentanyl seizures compared to prior months and that went up from 302 pounds to 818 pounds. And so again very concerning and while we we talk a lot about fentanyl, I want to continue to remind our community and city leadership that most of our folks that are struggling with substance misuse disorders are dependent on more than one drug and their polydrug users. And so, what we've also seen in that same time period as seizures and methamphetamine jumping up 553% and that's up from 100 pounds to 653 pounds. So, while we continue to work with our local, state and federal partners to maximize impact, their certainly connections to our public public Safety Partnership technical grant that we're in the midst of and a lot of the other evidence-based strategies that we're committed to. And with that, I'm going to hand it over to my partner.

**Sarah Launius, Director of Community Safety, Health & Wellness:** Thank you very much. Apologies for my delay, the rain is messing with our roads. Umm thank you, Mayor and Council, for the opportunity to present today the New Year gives us an opportunity to reflect on the policy

impact stemming from this Mayor and Council's vision and direction. Your leadership to establish the Community Safety, Health and Wellness program has set the stage for the impacts achieved in this first full year of our program's existence.

In 2023, Uh, we were able to support the Tucson Police Department through focus community safety efforts, with emphasis on violence prevention in our PNI and thrive zones. Through this effort, our three community enrichment coordinators engaged over 1300 residents to advance their vision for safety and thriving communities. Our care coordinators fielded 922 311 calls for social service support connecting over 1300 individuals to services such as eviction prevention, rental and utility assistance and shelter. Care coordinators helped over 250 people to recover from or avoid crisis through more involved service and economic mobility, navigation work and our care coordinators helped 75 individuals and households be rehoused or avoid homelessness by providing more involved housing stability support.

I should say too, if we include the work of our housing first program, this number exceeds 600 for the last year. Umm, definitely an important achievement. All of these efforts are possible thanks to Mayor and Council support of the Community Safety, Health and Wellness framework, to breakdown silos across city departments and teams, and to strengthen strategic partnerships with community-based organizations and residents. This last year we further developed a strong foundation to produce better outcomes regarding mental health, substance use and housing. There is much more to do and in the coming year we will continue to focus on achieving improved outcomes, reviewing our work and adapting and innovative innovating as needed.

Through strategic partnerships, we can more effectively tackle big challenges we face as a city and some of the work that we are prioritizing at this time include working with key stakeholders to better track and measure our impact related to community safety efforts, particularly in the PNI and thrive zones as well as service outcomes for 311 callers and those receiving more involved care coordination support. We are working to coordinate across sectors to approach to be able to address the growing emergency assistance needs that we're observing in our community while pairing those assistance opportunities with economic mobility and financial Wellness support.

So that's a priority for us, our community enrichment coordinators are developing and preparing to implement Community safety leadership institutes in the place network investigation locations and to support and this is part of an effort to support sustained violence prevention work happening there. Along similar lines, we are in the process of establishing Community safety, working groups and the Thrive zones, and I should say, you know, broadly as it relates to the work in, in the thrive zones and in PNI, we're continuing to innovate in how we can bring other service providers into those priority areas and to build off and expand the resource events and on site educational offerings that we were able to coordinate last year and the place network investigation locations

We are working on implementing a pilot and partnership with Housing First and the mental health support team along with private sector partners to expand the services available to unsheltered individuals with highly acute mental health needs who are largely falling through the



cracks right now. So, I think that's going to be a really important innovative approach for us. I don't expect it's going to be easy so, but an important and right partnership working on that.

We look forward to coordinating with partners like Solari and 211 to find additional efficiencies and improved outcomes for residents seeking social service information and making sure that we're coordinating effectively through the 311 social service side. There's great...opportunity to improve outcomes and expand reach through smart partnerships with both formal organizations and neighborhood groups. We look forward to moving the dial on this further in 2024 and in partnership with our public safety partners, especially the the core and Mist and TC three teams and with ongoing strong collaboration from housing and community development or housing first program and various service partners. Thank you.

**Mayor Romero:** Thank you so much both Chief and Sarah for your presentations. I'm really happy about the incredible collaboration that is happening through community safety, health and Wellness, and with TPD in its entirety, I I I believe that is not just core that's cooperating Umm and really bringing down the silos, but it's the entire Police Department that is effectively umm really collaborating with all departments within the City of Tucson. But especially Community, Safety, Health and Wellness, and looking forward to this year and what other innovations we can do to collaborate and interdepartmentally to be able to move forward for the quality of life, we just talked about quality of life, and being able to seek possibilities of investment to continue investing in ourselves as a community. Umm, I just want to really thank you both for keeping that spirit alive and believing in it and distributing it throughout your teams and and your department so that we can really put the right work in the right hands and actually get some really important work done.

For me, my question is how do we continue helping define community-based violence in interruption and as programs, how do we do that internally? And then how do we coordinate and organize without site nonprofit organizations as we move forward with, umm, the work that is being done in terms of violence interruption that was proven to work with PNI?

**Chief Kazmar:** Honorable Mayor, members of the Council, thank you for that question. Community based violence interruption is really our our city's commitment to evidence-based strategies and that's the evolution. So, I think community, I think Council are comfortable with some of the ongoing projects such as place network investigations such as hotspotting, it really allows, not just a Police Department, but as you stated Mayor other city a resources that are directly committed to ensuring that we have a safe community to be laser focused with where they go, invest resources or where we from a PD perspective also going and invest in enforcement activities and allows us to really act with surgical precision when we lean on data and we commit to evidence based strategies.

So, CBBI, as we refer to it is really the extension of that. And so we have a couple ongoing programs I'd actually ask for a little bit of time to have that be a standalone topic, because I think we could spend 20 or 30 minutes on that conversation alone because I think we all believe that that's the future of of our strategy development and it's underway as we speak in our community, thanks to the Department of Justice and and the grant dollars that we've received to build out those programs and the idea in a simplistic form is that you're putting a cohort of resources



together, be it city resources, community resources, with lived experiences that can go out in a nonenforcement way and make connections when we identify people who are either have a high risk of potential to be the next victim or the next suspect of a violent crime or a gun crime. And that's really the focus. So, I'm, you know, it all ties into our commitment to reduce gun violence in our community through the public Safety Partnership, in fact we have Department of Justice folks out this week within the department, and they've been meeting with city leadership as well. And it's really through that commitment that...where we've seen some really impressive numbers an over 20% reduction in homicides last year, year to date and over 30% reduction over the last two years.

And that wasn't by happenstance. That was through against a lot of collective effort throughout the city of Tucson, throughout the community and all of us working together to make these things happen. So, I'd really be excited to bring the team, assistant Chief Kevin Hall, our program developer Brittany Peterson and some of our community leaders who are joining the board to actually make this an effective program here in the City of Tucson.

**Mayor Romero:** So, a question for Sarah in terms of how is the Community Safety, Health and Wellness team working with Housing Central Command team that's working with housing community development? How are you all relevantly working together and in that in that planning?

**Ms. Launius:** Yeah, Thank you, Madam Mayor. We are participating in the housing Central Command effort, which includes many meetings right now, but part of that is, you know, supporting some of the areas of that collective work that are kind of most relevant for Community safety, health and Wellness. So, specifically I'm I'm working with a partner in the housing first program to Co-lead one of the specialty teams that's really looking at long term stability for folks that we are going to be working alongside through the HCC effort and part of that also looking at neighborhood impact. So how are we really engaging surrounding neighbors and also thinking about some of the tools that we draw upon very heavily amongst my team, which is really activating spaces, creating opportunity for bringing people together to be part of that solution, right? It takes many hands here.

So though that work is ongoing, it is a really massive undertaking. So, there's a lot of players involved and so part of it is us continuing to try and think through who's not in the room, who needs to be there and helping to bring them in.

**Mayor Romero:** As we continue developing together with Mayor and Council's vision to make sure that we're, umm, putting the responsibility of Community safety in all of us, right traditionally and for many decades, the responsibility of safety of our Community was laid squarely on the shoulders of police and with a much more holistic and layered approach, we have been, here in Tucson, AZ, have been able to put together a strategy that shares the responsibility of safety of our Community with Community Safety, Health and Wellness, with Housing First, with all of these other departments that have been meeting in the last three and a half, four years to really spread the wealth spread, spread the responsibility of safety and quality of life for all of us, while at the same time taking some of those responsibilities off the shoulders of our police officers with innovative ways of providing professional help, community safety officers,

community safety, health and wellness care coordinators and enrichment coordinators with our housing first team, I know that you mentioned Chief in the memo that umm, core didn't have to. I mean, it wouldn't radically low calls for core to attend to, can't clean ups, and that we're sharing that responsibility with Environmental Services Department. So that is, that is a wonderful thing as we continue to think about quality of life and safety, community safety in our city.

One of the issues that we just passionately talked a lot about in my week in DC with our congressional delegation is that prosperity initiative that both the Board of Supervisors and Mayor and Council passed. I see the prosperity initiative as being part of all this amazing work that we're doing regarding Community safety, health and Wellness, and those numbers that you just shared with us leave the 30% reduction in homicides unbelievable. We should absolutely be celebrating that work umm and I, and I think that part of that, that success in those numbers and that reduction in homicides is because of your incredible team at TPD. but also, yeah, breaking those silos would through PNI and community safety and all of the work that we're doing together, it just excites me umm and as we look forward in 2024.

I really want to make sure that all of us understand what the prosperity native is and what it means and how we can expand it through policy to get to the root of the issues. The root of the problems, which in many cases are poverty, neglect, mental health and you know the lack of investment in those areas, but by many different levels of government and how we can change that story together. So, thank you so much for your work. Incredible work, we should all be proud of. I appreciate it. We don't, we don't have any action in this, but I appreciate the work and let us know how we can we, the Mayor and Council, can help. Any other questions, comments, observations Council Member Cunningham?

**Council Member Cunningham:** Few things again. One of the things I'm gonna continue to to talk about with this group is I'm looking for bridge gap for families that are kind of holding that are on the climb, that are holding it down. They're coming out. They're they get to this critical point where they're three or four months off the streets and that's where we're kind of getting that revolving door effect. We really have to have that bridge piece. We also have a lot of families where we've got a lot of programs out there that are helping folks that are that are totally and completely unsheltered and uh, when they're willing to take this step forward, we're gonna be there for him and we...we concentrated on that. We have to be able to be there for families that where there is actually incoming the home and they're facing eviction and facing other things. I think it's a 2-sided piece.

A few things though. That being said, that isn't to say we're not doing anything. We've actually been very successful. I've got a few notes. It's great to come out with statistics. We do it all the time. It's great to hear all the good things, but let's talk about some stories. One of the things is that we've distributed through our office over 700 different coats, blankets and socks to anybody who's walked in. We're also really excited. We had a couple that was in a house and living on the streets near a school. They were discovered after they were filmed on social media during an encounter with law enforcement. Uh, we engaged them three different times before they moved to transitional housing housing. Seven months later, they're in permanent housing.



We had a single parent with a young child go through our emergency eviction program. Umm. She was, she went, she ended up in our shelter. Uh, we got a social worker through the TUSD. Set her up for transportation for a child at school, and ultimately, we helped her find a job. Uh, we had another parent of multiple children where their lives were affected by unspeakable domestic violence issues. They were on the streets for three or four days, living in their vehicle. They were discovered by our street outreach folks placed in shelter and had been now permanently placed.

And finally, this young person, uh went through all kinds of different things through going back to when they were seven years old, in and out of different systems, uh, and they we went through our donation drive, different programs that we've had to find housing and I'm happy to say that young person is enrolled back in college. So, I wanted to tell those stories today and tell you that your efforts mean a lot, they certainly mean a lot to the people. I just described and what's crazy is there's 150 stories more like them.

**Mayor Romero:** Thank you, councilmember. Any others, Vice Mayor Dahl.

**Vice Mayor Dahl:** Thank you, mayor. I'm very grateful and want to express my thanks to both of you and both of your agencies from the point of view of ward three this last year, you have been tremendously responsive. Ward three, as we know from your statistics, has the highest number of encampments in the city. I'm not bragging. It's...it's not something that we're fond of, but for the geographic circumstances and the level of economic people's economics there and having washes and safer places for homeless to to encamp. Um, it's the connection and non connection between homelessness and fentanyl is confounding, I think to the public and both of them are horrible problems that we're not gonna easily correct. But we're making a really good try and I want to commend both of your teams for for what you're doing and it's not that you've been responsive just to Ward three, but to the residents of Ward 3 and we see that out in the field in the, in the environment of there being lots of complaints and problems. Thank you for your work.

**Mayor Romero:** Thank you, Vice Mayor. Council Woman Lee

**Council Member Lee:** I also want to thank you all in your teams for all the work that you're doing. To the police chief, I'm really eager to hear that report on the 5000 arrests and what happened with those, because I know our officers are out there working hard every day to enforce the laws that are on the books, and it will be really interesting to see where those where those lands. So, thank you for your leadership on that.

I know we've talked often about kind of the gap between where people are at and getting them to permanent supportive housing, and I know Council Member Kozachik and the Ward 6 Office have done a lot with nonprofits and faith-based organizations. I don't want to steal Council Member Kozachik's projects, thunder. It'd be great for him to talk about some of that work when, when he is back at the table.

But I know that that that a lot of folks are doing a lot of things to try to help bridge that gap. Umm I was out with code enforcement about two weeks ago visiting with them, doing a ride



along and they shared and it's something that I've heard from others in the space who are working with folks who are experiencing homelessness. If folks are trespassing and they have to enforce something, they say you can't be here, but then the question is, were we supposed to go?

So, I'm curious on 2 fronts. One is we had talked about how we can help add shelter bed capacity, maybe that is a answer that we can provide to folks when they say where can we go. So, I don't know if you have any update on where we're at with that now or if it can be a memo later. And I'm also curious with the work we've done around zoning for the kind of micro shelter pilot, and I know that it's possibly going to be a year, but it'd be really great to get an update on that too, because that sounds like it could be another really important part of the solution.

**Mr. Ortega:** Mayor, Council Member Lee, so thank you. I think that that that's an ongoing conversation and I'll get you a an off agenda memo just very quickly and high level, I believe the last meeting the mayor mentioned, we are looking at a congregate shelter and have been exploring that there is a location we've identified. We're working to try to get through some of the logistics of that. It does look like it could be viable, and if that becomes the case, then we'll know very shortly. And I can report that. With regard to on a on a more macro scale, the key is the location and and really looking not only for call it a warehouse type facility that's already built versus a place that you know would be a vacant property that would have to be developed. So, both of those are...are options that we've looked at and are looking at. But right now, we do have an opportunity in the very near future that I think could come come into play as a gap to...to filling some of these issues. But I'll get you something offline as well.

**Mayor Romero:** That's great news. And how do we know or do these are logistics that we'll learn later just to follow up on Council Woman Lee's question, the number of possible beds in the low barrier shelter space that we are working on?

**Mr. Ortega:** Sure, sure, Mayor, I'd, I'd rather refrain from speculating at this point. I can tell you that it it will be a fairly large number we're shooting for excess of 50, but we think it might even be higher. A lot of it'll just depend on the...logistics. This is the area that you spoke with the the mayor of South Tucson. And so, we're really looking at what that can ultimately translate to. We do think we have a line on some funding for that, which would be huge and moving that that conversation forward. So, I'll get you a more up to date in terms of real time update and I'll give you an off-Agenda memo for that.

**Mayor Romero:** That would be great, and I do see that Council Member Fimbres has his hand up, Council Member Fimbres:

**Council Member Fimbres:** Thank you, Madam Mayor, I want to thank Chad, and everybody's been working on his projects. You know, we've been doing a lot of work in Ward 5 too. We had the Tucson program with great the Donovan Durband and then also we also have homeless work program which got recognized that mayor recognized last week for the same thing, and also CHERPA, ICA and with Maria Cardenas. We're trying to do what we can probably look for all our citizens. I'm also interested in looking at the report, Chad, also, thank you.

**Mayor Romero:** Thank you, councilmember. We appreciate you. I think that will be. That brings us to the conclusion of this item. Really appreciate the incredible work you're doing and looking forward to see...what's next and what's in store for this year.

We are gonna move on to item 6 and I think Chief is gonna stay here, correct.

**6. Update on Prevalence of and Response to Sex Trafficking (City Wide) SS/JAN23-24-21 (City Wide)**

(Discussion held; no formal action was taken.)

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**Mayor Romero:** OK, so item 6 Council Member Kozachik has requested that this time be dedicated for an update on the prevalence of sex trafficking in Tucson and Pima County. And the TPD responses to the issue. Today we're hearing from Chief Kasmer and Doctor Dominic, wrote sewitsky from the sex Trafficking Intervention program at Arizona State University. I want to personally thank Council Member Kozachik for bringing this pressing issue to Mayor and Council. As a matter of fact, he's absent/excused, couldn't make it to today's meeting, but did not want to delay the item. So, he wanted Mayor and Council to be aware of the work that we're doing, and the facts involved on this issue. So, with that Mister manager.

**Michael J. Ortega, City Manager:** Thank you. You...you've introduced the item very accurately and good. I'll just turn it over to the chief and he can introduce our guests as well. Thank you, Mayor.

**Chad Kasmar, Chief of Police:** Honorable Mayor, Mr. City Manager, Members of Council, on behalf of Council Member Kozachik, I I wanna start with saying he I can tell you he's super disappointed that he couldn't be here for today's conversation because this has been months in the working and really today this isn't just a Ward 6 request for an update for a study agenda item, but this is an absolute passion point and I've certainly been on on the receiving end of that passion and inspiration and really trying to challenge me as chief and really to to set a vision for how we can impact this tragic crime in our community. So, I'm excited to be here with my partner here. Dr. Roe-Sepowitz to tell you but a little bit about, you know, who I am. So, I'm gonna...I'm gonna brag on her for a moment, but before I start, I want to remind everybody that January is national human trafficking Prevention Month Awareness Month, so it's a perfect opportunity. That was not happenstance, again with the with the vision of Ward 6 to have this conversation today.

So, with that, you know, we hope we can really wear a raise awareness about human sex trafficking. We can educate the public on how to identify this crime. We can protect and empower survivors to pursue and pursue traffickers and really highlight that why does this crime occur, because it's \$150 billion, illegal profits are made with this lucrative criminal activities worldwide, so the expert to my right, and he was really been responsible for really helping us as we restructured and reorganized, umm we had dedicated staff before the folks behind me took over and I'm going to brag on them here in a minute too, but it was really our ongoing evaluation



and structuring of the department to put the right resources in the right places to have the most impact with the, with the expansion of professional staff resources that Mayor and Council have been able to provide me has allowed me to do some of these things.

So, Dr. Roe-Sepowitz is an associate professor from the School of Social Work at the...Arizona State University. I don't normally brag about ASU, but I am today. So...good thing it's on public record. She is the director of the ASU Office of Sex Trafficking Intervention Research. She has her Masters degree in doctorate in social work and is a researcher and a professor in forensic, social work, practitioner and it's really important that you understand her bio because it will increase the impact of the statements that she's going to make to you and our community. She teaches at clinical track of the master social Work program as well as provides clinical intervention groups focus on abuse, trauma and the committee to women and men exiting prostitution.

Dominick's research focuses on women and violence, with the focus on prostitution and the therapeutic needs for exiting. Her expertise includes sex trafficking profiles, establishing the prevalence of sex buyers and sex trafficking, victim prevention and intervention design, and it really does coincide as you're going to hear from our presentation on our unsheltered population and how that impacts vulnerable population. She works very closely with community groups, including the Phoenix Police Department, Phoenix Prosecutor's office and the Catholic Charities dignity programs. Her research work expands the prevention, detection, identification and trauma focused treatment of sex trafficking victims and at this point she's probably trying to elbow me to stop. But there's a few more things. Locally, she is a locally she's a colleague and a friend and a supported Ward 6, TPD and our family used services.

Her recent projects include stations of online sex buying demand, estimating the prevalence of sex trafficking victims within the juvenile delinquency, an adult probation system in Arizona, again tied to our previous conversation, and really looking about surveying and evaluating Arizona's homeless young adults about their sex trafficking experiences. So, we can learn, and we can collectively do better through our Youth Experiences survey. She studies patterns within arrest cases of traffickers exploring sex ads and demand response around the Super Bowl in 2014 and 15, and also evaluating interventions that are effective for sex trafficking victims. But in closing of my bragging on the Dr. Community, partnerships for developing new knowledge around sex traffic lean include Las Vegas, Metropolitan Police Department. Huge problem with with their community, the Phoenix Police Department and of course here at TPD. And with that, I'm going to hand it over.

**Dr. Roe-Sepowitz, Associate Professor, School of Social Work, Arizona State University:**

Thank you so much. Thank you so much. Umm we I have a a married to a Wildcat. We have double cat...children and they are awfully cute, so I can recommend it. I am pleased to present in front of you Mayor and Council. Thank you for having me. And we've been working with Word 6 and TPD for probably the last 10 years and seeing some very different iterations of how human trafficking has been addressed and we're really excited about the the movement of law enforcement in the last six months, and some really increased attention.



One of the most important pieces is, of course, that human trafficking is a Poly offense. Our clients are sexually assaulted, parts of domestic violence relationships. They're participating by being forced by their traffickers into many different crimes, bank robbery, drug trafficking, cross border trafficking, lots of other things, so it's not just one crime. It's surrounded by other things. So, let's see if my there goes PhD. Affords me with those towns. We also just add that was not in my bio and I don't wanna go over it, but we do also have a housing program specifically for sex trafficked women in their minor children in Phoenix called Phoenix Starfish Place if anybody ever wants to tour. It's a partnership with the City of Phoenix. General funds are paying the rent now. We were HUD funded and we moved over, so we had a little bit more flexibility about programming. Thank you.

And so, we are as innovative as we can be. We're trying to...to address this problem from many different lenses. We do outreach on the streets, we work with farm workers, we kind of do all of it. I have a team of...of 18 people that work with me. Please don't think I do all of this by myself. So, what I thought we could do is just do a quick background of where we find sex trafficking victims in Pima County in Tucson. So, because you don't have a track or a prostitution stroll like we have in Phoenix on 27th Ave and Van Buren, here your strolls are different. You're in low, low rent hotels, but you're also online. You're on specifically mega personals. My bed page in escort alligators. So, if you went on...those, make sure that your city computers let you. I would not advise that ASU was like you're going to what?

Umm, but what we find on there of course, our children and adults who are being trafficked by someone else, being forced and coerced into exchanging sex for something of value when we do our research on those websites, we we flag them. It goes to the National Center for Missing and Exploited Children, and then, of course, Chief Kasmer is very excited that the...that alert then comes to his team. We also know of cases in Pima County that have been...originated on Snapchat. Many of our children I'm including mine, are on Snapchat, on discord, discords of a meeting site for gaming. All you have to do is put in there your name and your phone number. It's not. We don't have protections that don't allow that sharing Tinder. I just worked on a case of an 18-year-old who was trafficked. She met a guy on Tinder for a hookup and he trafficked her for two weeks and then committed a very violent crime with her. He forced her to participate, and she is now in prison for six years, 18 years old, just about started ASU.

Grinder, Facebook and Ax are all places where victims are...have been identified and and are are part of your community. We know that the illicit massage parlors in America, in Pima County, specifically in the City of Tucson, is of great concern. There are 80 ads for different illicit massage parlors in Tucson. There are three research-based recommendations we have for that that are that are non targeted to anyone except for making those businesses see for for the people who work inside the first recommendation is to have everyone who comes in give a photo of their driver's license. The second one is to make sure all of the obfuscations of the owners are...is...is unallowed. If you own an illicit massage parlor, then you have to be named as an owner, which is possible, and the third is to make sure that there's signage within the break rooms and areas of that massage parlor where the massage therapists or people working in there could access support services. They can call our statewide hotline. They can call the national hotline.

We also have identified victims of trafficking in jails, people who have been victimized in other ways. There are also identified we have a group right now that we're running in the women's jail in Phoenix, Estrella, of a program of 18, 15 women of a substance abuse program, 15 women identified as being trafficked and are attending our group. We're very excited to offer that group. You'd be happy to offer it in your Pima County jails as well. We just have to make those relationships and offer those supports. We know that if we ask the right questions and domestic violence shelters, we're gonna find people whose whose partner battered them, strangled them, was violent against them and also forced them to have sex for money for them. We just have to ask those right questions. We know that in our homeless support systems, I'm here in Arizona, we're seeing a lot of trafficking and actually have some data from some some Tucson specific programs. And we know that victims are also in drug treatment programs having a substance use addiction and needing the money to feed that addiction is part of how people are forced into and coerced and tricked into prostituting and exchanging sex for that drug.

So we conduct youth experiences survey last summer, we asked Youth who are unsheltered in your programs here in Pima County to ask to answer a 6 page question, including a questions about their aces, about their vulnerabilities, about their where their family is, where they kicked out, where they identified as LGBTQ, lots and lots of great questions and we found that 28% of the people who completed that survey here, there were 66 with Safe and our Family Services, 28% said that they were trafficked. It's almost one out of three, and...it statewide, the numbers actually little closer to 36%. So, a little over one out of three unsheltered youth between 18 and 24 have been identified as being trafficked.

We also have a study with Mercy Care. Who is the regional behavioral health, behavioral health and medical provider for children who are in DCS custody, and we have surveyed that those youth and we've been working with their collaborative and there were 309 youth in Arizona who were trafficked and put into this collaborative that is 6 school buses full of children in 2 1/2 years trafficked in Arizona. And we had 21% of them...were in Pima County. So that means that they have to be screened and identified and put into a system. And we know that our systems and screenings are not really flagging them. We have a validated screening in juvenile corrections. They've screened up positively one person in the last year, so we just know it's not the right net. No criticism. It's my screening, but it's just not the right net.

So, some of the things that we've been doing in Pima County is we have a shoe card that you all were given that is a very specific shoe card, we've created it all over the state and it's a very gentle way of giving information to people who may be affected by this crime. I've worked with hundreds of people who, over the conversation, said I just didn't define myself that way. I knew I had to do these things right. I knew my boyfriend made me do those things, but I just never put this name on myself. And so, what this card does is it really gives that information to people quite gently on the back is a little checklist they can fill out and what we want in our in our women's jail up in Phoenix, in our community, what we want is people to call our statewide hotline, and we want them to engage with services. We can get them into sheltered housing. We can get them into safe therapeutic services. We can get them into targeted counseling services with what we know is what gets a person out of this situation.



On October 23rd, we had a great Pima County sex trafficking summit. I'm Steve K and Ward 6 supported it. We had 141 attendees, oops, almost 100% of them were Pima County service providers. So now we have lots of new connections and lots of new people talking to each other. We still are limited to less than 10 beds for adults in Pima County, but we are working on that. We're...we're building those relationships and continuing last night we did an awareness training, a very successful about 40 people come to Ward 6. So, we know that that awareness needs to start with the community, people looking around. Someone asked me what if I see a young person panhandling, but I have a suspicion if you see something, say something, but they need to know where to go and what to do. So, we want them to call our statewide hotline and of course that will end up in your local Police Department.

Other new activities. We started last year a new quarterly meeting led by our Family Services. Our Family Services works with unsheltered youth who are 18 to 24. I have a number of grants with them on some of their housing and transitional housing, and they're a natural leader in this work to coordinate, collaborate to work with the different organizations doing this work. And in that new coalition, we're really trying to make sure that people are educated, we're still running into people who think that this happens, these are, you know, foreign born victims coming here, being held in a basement. Almost 100% of those 309 young people in Arizona that are being trafficked, those children, only four of them were from other states. They are our kids. They are in our communities, and they're being trafficked here by our customers or locals, traffickers or locals. And we really want to build more collaborations. I think in the previous conversation it's all about collaboration. It's all about relationships and working together.

So, this is the shoe card that you have in front of you. We have it in English and Spanish. We are distributing, we're in the thousands in your community now. We're really proud of that and really excited. So, we know that at the juvenile probation and detention centers, there are screenings that are happening. Those questions are valid and very good. What's in their pocket, what do you see, what are some of the behaviors, what is law enforcement reporting? We have some great providers that we're partnering with our Family Services, the Dream Center just opened down here in Tucson, and they have somewhere between four and six beds. And then I'm going to hand this over to TPD and talk about some of the cases that they're working on and the investigation. So, thank you so much.

**Chief Kasmar:** Thank you. What, What I really wanna highlight for Mayor and Council and our community through our two-page memo, Mayor, was the reality that this wouldn't have been possible without the commitment of our professional staff resource expansion effort that that we again made this this current fiscal year. So that you know when when we think about what investment or return do we get on community service officers and when we expand those in our our professional staff investigators, it really again the philosophy of putting the right work in the right hands is allowed. My team and I'm going to brag on my team here in a minute to really rethink where we can use our our Commission resources and get the most impact from those. And that's exactly what we've done here. So, this transition wouldn't have been possible with the commitment of the team. That's historically been responsible for doing these investigations and helped with the transition.



And then, I wanna brag on...some of the leadership behind me. Sgt. Lorence Jove, Lt. Ray Mechtel, Captain Doug Foster and and Assistant Chief Kristinsson, if they can just raise their hand, umm again they they lead it an amazing, dedicated team. This is tough work. This is really you have to be committed, you have to be passionate about it, the types of things that they see within the Internet, crimes against children and run-away missing juveniles and now are expanded, committed to sex trafficking, is really tough content. And so, it wouldn't be possible without amazing partners like Dominique and her team and in our regional effort and really you know it's a good start, but I'll tell you it's not enough. Uh, so I have committed to the team and Sgt. Hover is gonna hold me to it. You know, an evaluation of a of...ongoing commitment of Commission resources, but how do we expand our professional staff supported that as well?

Our regional effort and that means at a public safety law enforcement effort that means are not just having cross trained TPD officers as federal partners which give us some some different abilities and responsibilities to include Homeland Security, FBI and some of our other partners, but also looking at regional efforts and and you know I'll be leaning on my my, my colleagues and my peers and the sheriff in this region to really challenge them and I think they're gonna be up for it to to tackle because when we talk about sex trafficking and human trafficking, it doesn't stop when it goes north of river. It doesn't stop when it goes South of golf links or 20 9th St or and other jurisdictions, and so we really need to take a regional approach and effort to this.

I did bring my entire team. I think it's important for them to be here. So, you can see them and put faces with names, but it's the dedication of the team behind me that is actually in their detectives that are making this work possible. The shift all closed is really also having enough committed resources to be proactive in this space and not just reactive. You've heard me talk a lot about that with different aspects of the work that we do. We don't just get ahead in this community by responding to call and I don't want calls for service, but really when we think about root cause solutions, evidence based practices and again celebrating this leadership teams commitment to that because it doesn't always mean it's the quick solution, but it means it's the right solution and sometimes it's it takes all of us here at this table to weather the storm when the community doesn't understand. I'm not seeing the immediate impact, but, but this is the right way to do it, and it's absolutely going to make the best impact. So, we...we can certainly get into to case specifics and I have the team to support me behind that or but there's there's no question that's often that for either of us.

**Mayor Romero:** Thank you, Chief, and thank you, Dr. Roe-Sepowitz. I really appreciate the work that you're doing and I wanna thank Council Member Kozachik for his years and years and years of work and dedication, to this work and chief, you were just mentioning that it takes a lot of time and resources to be able to do this work, right? I just want to see if there's any state or federal possibility of bringing in funds to the City of Tucson so we can continue to maintain and expand the work that you're all doing at TPD. Is there anything that we can go after to to help.

**Chief Kasmar:** Honorable mayor, members of the Council? Thank you for that question we have, state funds, state grant dollars have played a critical role in the expansion of our efforts in this area, and Dr. Roe-Sepowitz, if not only helped us submit a recent grant for over \$200,000. But we're in the process of developing another local state grant for the requests of could be up to half \$1,000,000. So, again, that's a collaboration and partnership along with local nonprofit so we

can have holistic impact. And so, we're certainly absolutely looking at local, state and federal dollars, which will also look through PSP, because there is a direct correlation of the violent crime, gun crime and all the conversations we've been having today to include human and sex trafficking. The other thing that I'd like to mention in is having the right tools and something that certainly that Captain Frank can, and Council member Kozachik had been working on for several years is an evaluation of the massage City establishment license and operating practice.

And I think there's some work that we can do to upgrade that and updated it and not just for a tool for public safety, but really for for a tool, for a variety of city departments that could go in and have a responsibility to make sure that one we're protecting law abiding establishments like we heard from last night at our forum, that's been many years, their life's work on their craft and the massage and holistic medicine. But also help us target much like we do through our other evidence-based strategies like PNI on locations where we know eighty of them, like we've just heard that our illicit massage parlors where they are trafficking humans and and people in those are are being basically held hostage to do that type of work.

And so, I think there's an evaluation and and my my request to all of you is just to make time in the next few weeks to follow that my team and I will be coming by to all Mayor and Council offices to talk about what those updates to that ordinance could look like.

**Mayor Romero:** Thank you. Well, just let me know how we...what we can do at the mayor and Council level to help support those grant applications so that we can bring the funds that we can do the work that you've been doing so well, and Dr. Roe-Sepowitz, we've talked at this table. Uh, created a task force on missing and murdered indigenous women and what is the data telling you? I mean, what, what's what's is there any connection there? Would that work throughout this day.

**Dr. Roe-Sepowitz:** Mayor and Council, that's a great question and I do want to just go back to the last question is I write for state grants quite often and I just received a small stop grant and we included Tucson trainings to make sure that we're doing more statewide. I do want to challenge this Council, the City of Phoenix, and I wanna get a little competition going, the City of Phoenix is committed to training 60% of their employees on human trafficking, and that means people who are checking meters in someones property can look around and look for what they should and know who to call. That means people who are getting, you know, filing for divorce, all of those documents, those people coming in, maybe they're looking and seeing some red flags, maybe someone speaking for someone else or or any type of licensing. So, we think that the city can do not only us go look for money together and try to bring more resources here, but there are things that exist. We have a 15-minute online training people can take. We have a commitment with the Police Department that we will train anyone virtually or in person over the next year to try to bring...that.

So that's something to consider. Making a a commitment. It doesn't have to be, you know, a written number, but thinking about how to how to be a city where that says that that, that sex and labor trafficking cannot happen here about missing and murdered indigenous persons. We did a study on with Navajo Nation, the best database that we have is a Facebook page called uh "Navajo Nation Missing Persons Update" which...is really speaks to the quality of the the data



that we have, which is a very low quality. So, we tracked all of the missing and indigenous persons from Navajo Nation starting in 1956 and ending in the year 2000. And there was one case that was accurately linked to some form of sex trafficking. The problem...being is when a person disappears rarely is there the information about what they were doing while they were disappeared right, where they prostituting in a hotel, where they being trafficked, where they being beaten by a partner? It's very difficult to get information from that goes back to law enforcement on tribal nations, there's lots of reasons that that data isn't very helpful.

What we know from a separate study that I did at the Phoenix prostitution diversion and one question I have to this Council, is that in your city code and your city statutes, there are diversion programs both for sex sellers and sex buyers, and we just can't seem to figure out if that exists. If those judges are sending people to those diversions...so that's a question that would be helpful for us to know the answer. We have a very active prostitution diversion for both sexes, sellers and sex buyers in Phoenix and now Mesa, Scottsdale and other cities are sending offenders both for prostitution charges and from buying to that diversion. The sex seller diversion is, of course, holistic. It's provided by survivors of trafficking who are incredibly loving and kind and thoughtful, and the sex buyer diversion is a one-day course, it's \$1000 and it's filled with people coming in from public health and law enforcement and talking about the the dangerousness of what they're doing and also that they could have or may have bought a child and sort of the severity of it.

The study that we did at prostitution diversion in in Phoenix about native women was really heartbreaking. Many of them were sent off, we had 47 cases. Many of them had been sent off of their tribal community to go make money for their father, their boyfriend, a person in their life who had power over them, sometimes a parent. It looked a little bit different than what we see traditionally in St prostitution, where those relationships they were much more familial oriented. They were much more umm led by desperation, the person that taught them how to prostitute was more likely to be a friend's mom. So, we had some really confusing information about missing murdered persons. Many of those were identified as missing, of course, right. Their family maybe didn't know where they were, what they were doing.

So those were two answers. One of our systematic data did not show the link, but that's because the data didn't really exist. Our smaller data shows that the prostitution and trafficking of indigenous women is real in our communities and something we should pay a little more attention to, and maybe do some more research on.

**Mayor Romero:** Thank you so much. I really appreciate that. Any questions or observations? Council Woman Lee.

**Council Woman Lee:** I just want to thank Council Member Kozachik and the Ward 6 Office for your leadership, and it sounds like it's a decade in the making. So just so grateful for the leadership from that group. And also, from TPD and from you all. I can't even imagine what you were exposed to on a daily basis, and so I'm I'm grateful that each of you have...the capacity to do this really difficult work. So, thank you for...for being able to do that. I look forward to you all making your rounds, Chief, to let us know what we can do from a policy standpoint. I know you pointed out those three things that seem like easy things that we could implement for

pictures of people's licenses is just whatever we can do from a licensing standpoint to help like you say, solidify the legitimate professionals in this space and the legitimate businesses, and then make it really hard for these folks to operate in our city. So just really grateful for all of all of the leadership in this space from Ward 6 and the work that y'all do.

**Mayor Romero:** Any others? Alrighty. We are out of time for this item. Thank you all so much, Dr. Roe-Sepowitz. Thank you for your work. Incredibly valuable work and thank you for joining us today, Chief. Thank you so much.

Alrighty. So, we're moving on to item seven.

**7. Fiscal Year 2024 (FY24) Budget Update and Fiscal Year 2025 (FY25) Budget Discussion (City Wide) SS/JAN23-24-19**

(Discussion held; no formal action was taken.)

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**Mayor Romero:** Time has been set aside for a presentation on the fiscal year 2024 budget status and preliminary fiscal year 2025 budget development information Mr. Manager.

**Michael J. Ortega, City Manager:** Thank you, Mayor. I do have Anna Rosenberry and Angele here, and they will take the lead and make their presentation as you go through this, no directions needed today. It's really just an update. What I'd like to get you thinking about though, is as we embark on the budget process, it really will be important to think long term. I think as you hear some of the the numbers and some of the things that we've looked at that the long-term thinking is the reason we are in a position of...of confidence and also flexibility, which in my opinion gives you ultimate success moving forward. So, with that, I'll turn it over to Anna.

**Anna Rosenberry, Assistant City Manager/Chief Financial Officer:** Thank you, Mayor and Council members, we are happy here this afternoon with two items to discuss. First off, we'll give you a budget status update now that we're halfway through fiscal year 2024. As you recall, in November, we were tracking particularly on our sales and use tax revenues and had committed to report to you guys monthly on that. That information is contained here for discussion and then just wanna give you a budget status, particularly on where we are with the General Fund now that we've got 50% of the year under our belt.

The other item that we want to discuss is really kicking off our FY25 budget development conversation, un in earnest, basically. We've got placeholders for a budget conversation on every study session from here until June until we get adoption of the budget, and we think that we'll be using all of those opportunities to have good conversations about developing the spending plan and our five year forecast. So with that, I'll turn it over to director Ozoemelum to go through our status for FY24.

**Angele Ozoemelum, Business Services Department Director:** Good afternoon, Mayor and Council, with 6 months of budget activities on the way, the City is meeting its budget



expectations. If you look at the the chart on here, we're showing 51% of revenues having been collected in November. At the November study session, we provided Mayor and Council with an update on sales and use tax collections and at that point we had collected \$118.1 million, which made up about 2.85% year over year between 23 and 24 as of the end of November, we had collected \$183.3 million that took us up slightly to 2.86. However, we're happy to report in December we collected to date \$204.3 million, which made up 3.41% compared year over year compared to our 3% growth that we had originally and and projected.

BSD is, we are monitoring the the numbers weekly, and we'll provide you updates monthly. So, we keep you abreast of what is happening in sales tax and use tax collections. On other other revenues, we have received 49% of the estimated state shared revenues and revenues from other sources are also meeting our expectations and the other sources of revenue include permits, fees and forfeiture charges for services et cetera. On the expenditure, if you notice, we have spent 47% of our projected expenditure levels. We have a budget of \$730 million, we have expended \$340 million up to December 31st, 2023. We are on track with spending on personnel costs, supplies and contractual services and we're also monitoring personnel cost weekly for vacancy and overtime activities. We have also exhausted budget both for capital outlay and capital projects, which is kind of interesting for me because in my experience normally that's the last budget to be touched because we have so many activities but not so with the City of Tucson, we have expended all their resources earmarked for capital projects and capital outlay only unrestricted general fund categories.

Also on the spending, the investment plan spending, we have spent 24% of the allocated funding. I want to note here that we're making progress on the purchasing of nonpublic safety vehicles despite the supply chain challenges. Also, the collector streets we have not expanded resources from the general fund. However, we are spending down the allocations from the HURF budget, so we have the the resources in the General Fund on spent. However, that does not mean that work is not being done under this program. Overall revenues and expenditures, we are tracking that pretty, pretty, pretty well and we're making progress in both categories. I'll turn it over to.

**Council Member Cunningham:** So go back one more please. I'm so sorry. Can't see anything here.

**Mayor Romero:** OK, go ahead.

**Ms. Rosenberry:** Moving into looking towards developing the FY25 budget, within the memo, we talked about a number of the kind of big picture issues, items that were aware of at this point that we wanted to bring to your attention and we're beginning, we're really in the beginning stages for developing this budget that will start on July 1<sup>st</sup>. Umm, on the revenue side, we talked a little bit about how we've been tracking...on sales tax revenues. We are hitting the mark in the current year's budget. We're meeting that, you know, slightly exceeding that 3% estimate that we've made, but we...we know that projecting this for the coming year, old just continue to be difficult. All of those conversations that we hear about nationally, about recession or economic slowdown, we really expect to see that first within the sales and use tax revenues. And you know, thankfully, knock on wood, the the recessions that have been predicted haven't come to

bear yet. Ohh, I think those predictions still are out there though, and we pay a lot of attention to what's being said about economic outlook and forecast at the state and national level.

So, we've still got that challenge of, OK, when we get into FY25, what are we going to estimate the...our sales and use tax revenues to be and how much of a growth factor? On this, on the revenue side as well, within the memo, we talk about some very recent information that we've gotten from the State of Arizona from the League. Actually, regarding our income tax collections, as it relates to the flat tax and if you recall last year as we ended budget development and even this fall, we knew that there was gonna be a budget impact to the city because of the implementation of the flat tax and we were expecting to see a \$13 million reduction in income tax collections for FY25 followed by an additional \$13 million reduction in income tax collections in FY26. So, we this was gonna be the step down in income tax collections and then things would kind of stabilize in that new new lower level.

We've gotten information that our reduction might actually be much larger than that, and so we had, we had baked these \$13 million reductions into our five-year forecast. It's great that we've got that tool, and we can really use that to plan indications that we've gotten though is that we might have an additional \$17 million, seventeen and a half, \$1,000,000 reduction to income tax in in the coming year and 13 + 17. That is what we understand now. We wanna get this corrected. We wanna understand the estimate more and Angeel and her team have a call tomorrow. I'll be on that call as well with the league to better understand their estimates. We want to get the timing right. They've always told us that, you know, this was going to be a two-year impact. We wanna make sure that we're understanding that correctly so that we can get FY25 budget developed correctly and understand what might be coming for effort and six.

So that's a that's a a larger concern. That's very recently developed. On the expenditure side for budget development, the first stop is always personnel cost. It's the, It's the largest portion or largest category of the general fund budget making up over, I think 60% of our expenditures are related to personnel in the general Fund. We've got positive news. We've really been improving our ability to fill vacancies and retain employees. I think since the the numbers track that since June, we are to the plus side 100 positions were not having so much turnover. We're not losing as fast as we gain employees. We're able to retain more and we're to the positive about 100 feeling about 100 vacancies. The impact that that'll have on the budget means that we will see lower vacancy savings within budgets. It will lower the kind of cash carryover budget savings projections that we have and as we get into future years, what we budget for as a...vacancy credit, sort of how much vacancy we plan on having might be reducing. And so, we'll have larger just by virtue of the fact that we're able to keep and retain employees in positions, we'll have larger personnel expenses.

So, we're working through those estimates. Another item on the personnel side, of course, is...for compensation changes. Compensation increases our five-year forecast. That model does include a modest amount for compensation increases. Those are the plans for that is expected to come in the form of the recommended compensation plan and, umm, the memo includes some of the dates related to that plan. I think I really the...want you and everyone in the organization to know that that will track with budget development. So, on the days that we're bringing the recommended budget to you, you will also be seeing the recommended comp plan. There are



scheduled time frames for disputes, dispute resolution and then on at the time that we're adopting the final budget, we'll be adopting the comp plan. That's what we've put together for this year and I think it tracks very closely with what's been done in the past.

Other specific big picture items? Umm. As we discuss the fare free transit program, there are those issues that operational issues, financial issues we have been working through those in FY24 and we have updated this five-year forecast for the \$13.1 million full year impact of no fares in FY24. That is one change that we've made to this forecast for today, but we know you've got a February 6th study session to continue to discuss. I'm I'm this issue in the future of the program and partnerships. So, based on that conversation, we'll be making adjustments to the recommended budget and the and the future year forecast.

Another item that we need to address this year is the TSRS pension system and the employee contributions. For a number of years, we've not had an increase in the employee contributions to this pension system and this is the system that covers all of our employees who are not members of the public safety pension system. Our most recent actuarial reports that we received this winter show that we're backsliding just a little bit on...on our funding level. We've gone from what was a 76 1/2% funded status within the plan to 75% and we know that now is the time that we're going to need to increase the employee contribution rate. So, we're recommending, and we'll be recommending that the the employee contribution rates for Tier 1 and Tier 2 benefits participants in those plans go up by half a percent. The rate increased by half a percent, so for tier one benefit they're currently contributing at 6.75% rates that would go up to 7.25% and the Tier 2 benefit participants are currently contributing at a 5.25% rate and that would go up to 5.75%.

**Council Member Cunningham:** To do that, because haven't we? I thought...I thought we went through litigation on the 80-point plans that we couldn't increase the the employee contributions. What...What am I missing something here?

**Mike Rankin, City Attorney:** So, it depends on what to your employee you are there. Arizona law treats the the pension calculations as quasi contractual, but for certain employees it was established at the time of their hire that their contribution rates could be increased over time. So, we can make those adjustments with respect to those employees,

**Mr. Ortega:** Mayor, Council Member Cunningham, to add to that. So, what we would be recommending is if you were hired before 06, since July 1st of 06, there would not be a change to your contribution rate per the, I believe the the case of the the litigation after that would be those the employees hired after 06 would would see a .5% increase. To you it's it...it's. This is no no, it's this is TSRS only. Not PSPRS RER.

**Mayor Romero:** There are certain amount of I call them five percenters which are supposed to stay at the 5% and those are the ones that were hired before 2006. Umm, OK, alright. How many are left?

**Ms. Rosenberry:** I I don't have that number, but I can get it for you. OK. Yes, yes. And so, the those hired prior to July 1st, 2006 would not see a change in that contribution as well as our

employer contribution for all of the participants would remain at its current level, which is 27.5%. OK.

Another item that we have been discussing and have spent considerable time through the Employee Benefits program is changes to our employee health insurance. We have identified for a couple of years now that our current insurance program is growing at an unsustainable rate. The rate that we have factored into the forecast frankly is 8.5% per year and that's almost three times any other component of the budget's growth rate. So, we've been working with members of the committee over the last six months to explore ways that we can improve the financial sustainability of the plans. That group recently met and had a conversation with the city manager and the city manager will be bringing forward a recommendation on health benefits changes in February. Recall that the timing, with our timing of open enrollment for health benefits, which needs to occur in May at least decisions about what we're doing with the health insurance program have to be made before the budget is anywhere close to being adopted. I think we all went through that timeframe last spring, especially as we were trying to make changes to the program. We're in the same situation. We will always need to be...making these changes before final budget and that's why you'll be hearing more about this very quickly as we continue budget conversations in February.

Supplemental budget requests from departments within the memo you hear us talk about the fact that we've really asked departments to consider limiting the amount of supplemental budget requests that they develop. And that's just based on what we...we know right now about the budget picture. We know that we were coming into this budget with the structural deficit that we needed to solve for, and we've also been tracking...on the issue of the fair free program and now we've gotten this information about income tax reductions as well. And so, with all of that in the picture, at this point, we just anticipate that we frankly won't have a lot of funds available for additions to the budget, especially ongoing additions. We intend to meet with department directors to discuss their base budgets and discuss their needs so that we do have a clear picture of what departments need to function and function well. We've just asked that at this point they're not invest a lot of effort in detailing supplemental requests that aren't for items that mayor and Council have indicated preference for and that we might not be able to put in the budget.

And then the community engagement piece, we are on track. We've kind of discussed this a bit this fall, to open up...up our...an online budget exercise for community members and an opportunity for them to weigh in on city funding priorities and we intend to use this online tool to gather feedback in February. We'll be sharing that information with the ward offices and the mayor's office as well, but we also want to get on your calendars for any outreach events that you would like within your wards or. And Angele and her budget team will be double checking with you to make sure that we arrange those as you would like. We had originally thought out the this idea that certainly we would come and do in person presentation of the manager's recommendation in between recommendation and final budget. Some offices I think had asked us to come before then and really talk before the recommendation is made. We're open to doing either. We just need to be setting some specific dates and times and we're and we want to get with you and meet your needs there. So, Angele will be...will be reaching out to your offices, and if you would like us to plan those activities, we're happy to do so.



The last thing that I wanted to talk about is this spreadsheet. It's our five-year projection and investment plan and just remind everybody, this is a really great tool for us, for our office and for you all. We use it to take a look at our current budget and how and to project our spending for for the next five years. We look at how our base budget budget balances, is it structurally balanced? We use it to track one time spending items and the investment plan, which is makes up the kind of the middle of this sheet. Umm the bottom line on this tool is I'm tracking on our ending available fund balance in the general fund and this bottom line it's important to remember is above what we hold in policy reserves. This bottom-line tracks on what's available to be spent.

In addition to these amounts, at this point in FY24, we've got approximately \$130,000,000 that we're also holding in policy reserves. So, this sheet again is really meant to represent what is available to be spent prudently. You know that can be invested in the community prudently knowing that we have, we have additional reserves beyond what's shown on this sheet. Since you saw this sheet last November, we have added the full amount of fare free funding for FY24. We just added it in the current year, and we have adjusted the Affordable Housing project money from \$13 million to \$17 million. Again, that was a one-time amount. In FY24, we still have that structural deficit for the four years of the plan. That's that yellow line where we knew that we had some budget solving to do within the base budget because base budgets as we were projecting, we're going to be a bit over, over estimated revenues, we knew that we had to, we would be needing to solve for some of those expenditure amounts. And that'll be a challenge. We knew that that would be a challenge as we update this sheet, umm, especially with the impact of ink, potentially income tax, that becomes even even more challenging.

The next time you...you will see this sheet; it will look a lot different. We will be loading our projections for how we, our estimating, we're going to end FY24 and we're also going to start then working on what the actual FY25 budget looks like. So, it's very much a live document and you'll see it every time we come back and we're looking at a number of things on this sheet, again, do we have a structural deficit and then bottom line, how are we looking with these total available reserves?

Although we have challenges, I think we're in a very good position. You're you're in a very good position. We have resources, we have strong policy reserves, and we have levers that we can adjust to keep us on track with funding both our base budget and investing what's available in the Community. We need to keep an eye on that structural balance, though. That's what...where we're going to have a challenge as especially when we see ongoing revenues declining or taking reductions. So, that's, that's where we are with the five-year forecast and again it...it'll look a lot different here when we bring it back again.

**Mayor Romero:** Questions or observations? Council Member Cunningham.

**Council Member Cunningham:** Both of you. Well, done. I mean, it's good to know that we've got competence as far as ensuring both financial accountability and efficiency, you guys are doing the for a lot of folks, it's not, it's not fun part because you guys have to sit there and count. And like when I was in 4th grade, I hated doing all that counting. But I...we appreciate, but there's some stuff. So, one of the things is, is that I've got a question really quick about 25. We

don't have the fair investment in there and that could add to that 18 million. The second question I have for 25 is on that 18 million, does that include the 17 we don't think we're gonna get.

**Ms. Rosenberry:** That \$18 million structural deficit does not include fair, free for next year or the additional income tax reductions.

**Council Member Cunningham:** OK. So that was my first question. My second question is, does it take into effect? We just, we did. We just adjusted some fees and some fee structures. Does that is that taking into this part.

**Ms. Rosenberry:** It doesn't, at this point that the FY25 projection looks very much like where we were projecting when we ended last year's budget. It hasn't been updated...it yet updated yet for what we know. And so, we'll be making those updates and bringing those changes back as we go forward.

**Council Member Cunningham:** OK. Because I think we can cut into this 18 million pretty easily. I mean, I'm not easily there's work to be done. The other thing that vexes me was that we had a or alarm me was that we had a...we had a discussion right now about a vacancy savings, how we're not going to save and what I'm thinking, what I'm thinking about is we've got 27 listings online right now. I know we've been really struggling to get people. I'm glad that we're it's great that we're keeping people. That's a good thing, but I can't imagine that we're not gonna save them, everything is always fluid, so I think there's a way we can I. I almost want to call the Alamo option like it's the last piece, but I want to have that in our back pocket like I want to be able to say if we need to not make a hiring for hiring freezes don't work. Hiring freezes always backfires because there's always a job that you need. But if if we can make an abbreviated like a like a hiring, abbreviated a slowdown, hiring slowdown and have that in our back pocket in case it's needed, I think we really need to do that.

Finally, the last piece was when we're talking about increases in the employee contributions for retirement and what happens with the, the the health insurance contributions from the employee side. I think the biggest thing, but but having some built-in small colas in there as well, I think the biggest thing we need to keep apprised of is that take home pay. We really wanna be, we really want to be well versed in how does...it affects take home pay because that's the money that, that, that we want to make sure our folks don't take a hit on. So, my ask is, is that look one of the things that came back last year was that we had. I didn't think we were aggressive enough in in, in in bridging that gap and making that gap wider for the Cadillac plan and the HSA plan. And now that I am on the HSA plan and by the way couple of things that happened on the HSA plan, I chopped off my finger, I broke my leg or broke my ankle, my wife broke her leg. I got pneumonia. I mean, all this stuff happened while I was on the HSA plan and you ohh and my son got a concussion.

You'd think that, you know, we were out of money and all this stuff happened like 5 months totally didn't totally work out. So, for me, I'm a big, strong supporter of the HSA plan and also not only does it keep putting some money in your pocket, you're in control of that money. The one mistake I made is I didn't voluntarily take more money out or take more money out of my check. Totally learned on that one, but the bottom line is, is that our employee, our employer



contribution goes down for each employee that moves over to that. And I wanna be. I think we should urge our partners at Cigna to promote that piece. So, I think we can actualize some savings in that shift and make...maybe cut into that 8.5% you guys were talking about. So those are the pieces that I've got. That's my input for today I guess, but I think that's important stuff and and as I said, we've got one of the best budget teams in the country. I look around at the different I look around at the different entities around the state, whether it's towns, counties, universities, whatever, and they're going through around the country and they're going through this post, post post, COVID transition and everybody's starting to see some deficits and stuff like that. We're pretty stable, all things considered, so real proud of the work y'all are doing, and let's make this. Let's make the the Swan song budget of our beloved manager the best budget ever written.

**Mayor Romero:** Council Member Lee

**Council Member Lee:** Thank you, mayor. I would 2nd that I think you all are amazing and I'm a nerd, so this I live for budget season too, city manager has definitely influenced my thoughts around budget season. So, this is just kind of a random question, probably more for the mayor. I know last year the legislature we received kind of a bulk of money to help offset the flat tax. And I know I think there's still dropping bills, and I know the league does a really good job of advocating. But one of my questions is, is there any room for advocacy, especially if we're looking at significantly more than we thought? So that's kind of any thoughts, mayor?

**Mayor Romero:** Yes, Council Woman, I that was the first thing that I thought when I heard the 13 plus 17 possible deficits in our budget and the flat tax is really costing the the deficits and it's causing the deficits for all cities and towns that receive state shared revenue. And the League actually was very active in trying to persuade the state legislature to not go in that route, and then found a solution in terms of budgeting. The budget would reflect more funds into cities and towns, but there's bad math there and one of the issues with the flat tax is that it benefits the wealthy more than the working families of Arizona. And so, I believe there's still some advocacy we can do. I'm not sure if we have a state legislature that will really listen to reason, so we have an incredible delegation in both House and Senate in the state legislature that will go to bat for the City of Tucson. So, it's just a matter of having this conversation about what the flat tax is doing umm to the City of Tucson and then having them pursue possibly a bill to repeal, but I'm not sure if we have any luck with the legislature that we have now.

**Council Member Lee:** And it sounded like from the I think you won't possibly have those numbers until the end of March or something. OK, so that is concerning, but thank you mayor for your input on that. I know we have the February 6th Transit conversation and I know the last time we talked about it, I had specifically said I would love to in that conversation know what cost and timeline would be associated. Because it looks like there is an assumption built in here that 25 and beyond, we're not allocating general fund dollars to cover fair free transit. So, I'm just curious what you know, just to make sure that we have that information. Going into that conversation on the 6th, so we know the full picture of that.

Supplemental request. Appreciate that you still will be gathering some of those because I know I really like to know the full needs of our organization or as much as we can. I would just ask City

manager. I know I shared...with you. Debriefing on my code enforcement right along just anything safety related, I really if it comes in the form of a supplemental that's going to be something important that I'll be championing because I want our employees to have everything, they need to do their job safely. So that's something I'll specifically be looking for when those opportunities are there and then just completely, well, somewhat random, but it has to do with money impact fees. I know we you had mentioned that you were kind of looking at impact fees and filling gaps and whatnot. I don't want to speak for Council Member Cunningham, but I know both of our offices for the past eight or nine months have asked for the impact fee report that shows how much impact dollars have been generated in the region that Council Member Cunningham and I share, and I would like to request that we get that data, especially as we're looking at money, so that is all I have, Mayor.

**Mayor Romero:** thank you, Council Woman, Any others? Council Member Fimbres, OK. I...I do. I...I want to. I really wanna reflect the same thoughts that Council Member Cunningham. Really talked about earlier in terms of the team. We have an incredible team, well prepared and I too want to be able to, you know, say goodbye to the city manager with the, with the good budget in front of us and the Community of Tucson. And I know that you've said it set us up. Set us the City of Tucson and the residents of Tucson in a really healthy place. I think we are in a really healthy place. Of course, we get passed off to learn at what the state is trying to do and is doing to cities like Tucson across Arizona, for their failed plans. And so we've talked about evidence based. We need to make sure that we work on our end to have a balanced budget that will treat our employees kindly, umm and the Community investments that we're seeing through the investment plan continue. They're important and I wanna make sure that we...as we move through the budget process that we do this together and we do this with employees.

I'm I, you know, helping us through this because I think that having a a benefits committee and having conversations with our employees about contributions to their pension systems etcetera only gets us to the best, umm possible outcome when when we do it together. The other thing I wanted to talk about is the engagement with the community. Back in 2021, I believe we and your teams did an excellent job, to help our residents reflect on what their priorities were and we presented what we currently invest in and then gave and all of this done was done mostly virtually at the time and we had an online survey that people could as submit and then we had town halls, virtual town halls, throughout the community and accessible days during the day, during lunch, during the night. So, it was something that we coordinated. I would love to be able to help coordinate that again so that we can have access for the Community to participate in...in the budget process. It's...it's really the best way to figure out where are the residents of Tucson when it comes to their budget priorities. What do they want us to invest in? And it's a perfect way to be able to understand as we move forward. Umm, where are the investment wants and needs that we have to procure for the residents of Tucson? So good job. Thank you so much. I know that we will continue having this item on our study sessions until we get something passed. So, thank you, Anna, Angele, Good job. Thank you, Mr. Manager.

**8. Transportation and Mobility: Update on Tucson Rapid Transit Project and Endorsement of Locally Preferred Alternative (City Wide) SS/JAN23-24-15**

(Note: Council Member Lee departed at 3:32 PM and returned at 3:35 PM).



It was moved by Vice Mayor Dahl, duly seconded, and CARRIED by a voice vote of 5 to 0 (Council Members Santa Cruz and Kozachik were absent/excused), to endorse Stone Ave. as a locally preferred alternative LPA, for the north segment of Tucson Rapid Transit.

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**Mayor Romero:** We move on to item 8, Mayor and Council approval is requested for the recommended locally preferred alternative, or LPA, for the Tucson Bus Rapid transit system on Stone Ave, we've selected. So, I'm Mr. Manager, I know that you have a presentation on this.

**Michael J. Ortega, City Manager:** We do, Mayor. Thank you. So, this is an opportunity for you to really weigh in, but also provided some direction on the...what we would call the locally preferred alternative that is a requirement as we go down this path of not only identifying the location, but then going after funding. There is a process that we followed. I'll turn it over to Sam Credio, our director, to go over the details.

**Sam Credio, Department of Transportation and Mobility Director:** So, thank you, Mr. Manager, and good afternoon, Madam Mayor, members of the Council. I do have a brief presentation and then I'll be happy to answer any questions either during or after the presentation. So, what I'd like to do is just give you a quick overview of Tucson's first bus rapid transit project called Tucson Rapid Transit. But before doing so, I just kind of want to level set where we're at in this process.

So, many of you know that we've been working on a plan called the Tucson Norte Sur, which is a land use planning and policy development plan that has been ongoing for some time now. That plan is really focused on high-capacity transit corridors related to affordable housing, multimodal connectivity, cultural preservation and equitable policy development. What we're looking at is having draft recommendations in that plan this spring and following up in the summer with the final report and final recommendations that we will bring to the Mayor and Council for your consideration. Running concurrent to that plan, we are also working on the Tucson Rapid Transit Project, which is really the identification and implementation of a specific bus rapid transit corridor.

Now, why are we...have we selected bus rapid transit for this this implementation? Well, it's...it can be planned, designed and implemented at a much lower cost than other high-capacity transit projects such as light rail or streetcar. It does provide mobility solutions that address as capacity for our growing population. It can improve transit reliability, especial especially in this study area, and it contributes to the advancement of a more equitable transit system. So just to give you a quick overview of what we're talking about here, the five-mile alignment options that we have been studying include Oracle and Stone. That is from the Ronstadt Transit Center, all the way up to Tohono Todai transit center.

Towards the end of last year, between October and December, we had several outreach events related to this project, including a pop-up event, community canvassing, and public meetings.

We held over 20 events, and we received feedback through many different ways, including surveys, interactive banners and general comments. And so, to give you an idea of what we heard from the public, the survey which we had nearly 750 responses did favor Stone Ave as a preferred alternative for the BRT corridor. The banners, which were in person banners that allowed people to place dots and provide comments, also favored Stone Ave and lastly, we received general comments from the public about whether or not which quarter are they preferred or just general comments about the project. We did...receive 17 comments regarding the Stone Ave alignment, including support from the Tucson Transit Advisory Committee.

So today, I come...before you to tell you that the most preferred corridor is Stone Avenue based on all the feedback that we received from the public. We also conducted technical analysis and our findings included that Stone Avenue has a...greater travel time savings. It is a more direct connection between destinations. It's has...a more transformative impact on multimodal safety along this corridor. The existing route performance of is significant for Stone Ave in its current transit service. There are lower traffic volumes on Stone Avenue, which will allow us to use a lane for BRT only on Stone Avenue and lastly, based on our analysis of vacant parcels along Stone Ave, we believe that it may have higher reinvestment potential.

And so, with that, I bring you to the next steps. Today is a critical step in the process because we are coming before you to ask you to endorse Stone Avenue as the locally preferred alternative LPA, and that language is very specific because of Federal Transit Administration is looking for support from our governing body on the locally preferred alternative, which will then allow us to continue the work that we have to do on our environmental analysis, our technical design, ultimately leading to applying for a capital investment grant with the federal government.

And so with that mayor, I'd be happy to answer any questions. Thank you.

**Mayor Romero:** Thank you. Really appreciate the incredible work being done on both in Norte Sur, which is the planning element an...this particular locally preferred alternative work, lots of outreach, engagement and very, very, very exciting to me. UM, we are really, as a city moving forward, with a a transit element that we had not looked into before the bus rapid transit systems exist throughout the country and as you said Sam, it is much less expensive than a rail transit system, but I I really believe that it also brings the benefits of economic development benefits, redevelopment benefits and I'm excited to also create a transit corridor for the City of Tucson, something that I don't think we have enough experience of, but it could possibly be good for our environment, our economy and. You know, for the area that we're investing in. So, thank you so much for bringing this. I really appreciate it. I know that we looked at both Oracle Road and Stone and at the beginning I really felt as...that Oracle made the most sense only because it's three lanes on on both directions. But Oracle is a state route and would...that would complicate things and then of course stone, as you said, is less traveled. There's less vehicular traffic, so we can absolutely dedicatedly for our bus. The only way, as I've heard from other mayors throughout the country, the only way that bus rapid transit systems are successful is that if they have a dedicated lane and so, umm, I know I told you all about my experiencing Guadalajara when I went to visit Guadalajara and their bus rapid transit system, their stations first class, 1st class stations for bus rapid transit and so that there's some key elements that we have to follow for for our bus rapid transit system to be successful.



So very excited. Thank you for all of the work that you're doing and looking forward to the next to the next step of our developing this system for the benefit of our community. I know the vice mayor has a interest, a little bit of interest in this in this route and then this project. So, Vice Mayor, go ahead.

**Vice Mayor Dahl:** Thank you, Mayor Sam. Great work. Both routes made sense to me and I'm glad we did the outreach because it there's a clear winner. I think it's important to remember that there's resources along Oracle. We have Tucson House, Wildcat Inn and a lot of other housing, Milagro on Oracle and if in the planning and I'm looking at some of the planners over there to think about how we can make it easy for people in those situations who may not have cars to access the bus rapid transit. Umm, one quick question in the general comments, the Tucson, Pima County Historical Commission preferred Oracle Rd. Could you explain for me, was it because there were a lot of historical sites along Oracle or because they were afraid of distraction of historical sites along Stone?

**Mr. Credio:** Yeah, Mayor, Council Member Dahl, thank you for that question and the the reason why we believe that the preference was for Oracle is that it is already, as the Mayor mentioned, three lanes in each direction. And so, you would essentially just take one of those lanes for the VRT, and it's already built out. And so, I think the concern about Stone Ave is the potential impact of historic structures now. Stone the the concern is about the impact to impacts, I'm sorry the impact to historical structures along stone, so therefore Oracle was a preferred alternative from that group.

However, I will tell you that as we go down our technical analysis, we are looking for every way to decrease the impact of historical structures along Stone Avenue right of way is very expensive to buy and so we are going to do everything we can to use the existing road prism as much as we can through this process.

**Council Member Dahl:** Thanks Sam. That makes sense. Mayor would be appropriate for me to make a motion.

**Mayor Romero:** Yes.

**Vice Mayor Dahl:** Thank you. I move that we endorse Stone Avenue as a locally preferred alternative LPA, for the North segment of Tucson Rapid Transit.

**Council Member Fimbres:** Second

**Mayor Romero:** There's a motion and there is a second. Any further discussion on this item? Hearing none.

Congratulations, Sam. This is an incredible step and an important step, and now we you have your marching orders in terms of what we have to do, I know that I have been advocating for the bus rapid transit system with the Department of Transportation. Umm, in Washington and we

will continue to do that with our congressional delegation and our federal partners on this. And what's the timeline and next steps?

**Mr. Credio:** Thank you, mayor. I thought you might ask that, so the timeline and next steps are now that we have selected Stone Avenue, and we will complete our environmental analysis. That's a very important step. We will also begin to progress our technical design plans towards 30% and all of this is working towards building an application to our capital investment grant program. That application we were trying to make application later this spring. Some of that is dependent...on the next conversation we're going to have. So in the meantime, we're going to put all the pieces in place so that we have a very competitive application that we can take up to Washington and tell them we're ready for BRT here in Tucson.

**Mayor Romero:** And with that, just one last comment, I know that, umm in my visioning sessions with you and the city manager, we've talked about, this is Norte Sur, right? And so, Norte, which is the northern part of the conversation we've been having about bus rapid transit, there's a southern segment that I know we started with the intention of doing similar outreach efforts and. And I know that it is important for our community, for our city to have a south route for either bus rapid transit or streetcar expansion. My personal vision for this City is to have a connection from Ronstadt or downtown into the airport as other metropolitan cities have, so that conversation remains on the table. I don't think it is dead, but there are plenty of steps that need to be taken for...in order for that conversation to continue.

So, I just wanted to make sure that I put that on the record that. We are not forgetting about it or not doing anything about it, but it it really is coming at a later date and one of the reasons why we wanted to go with this Northern piece first was because this particular piece was moving faster with that, we have a motion on the floor. If there are no other questions, then all those in favor of the motion, please indicate by saying aye.

**All:** Aye, aye.

**Mayor Romero:** Any against motion passes. Thank you so much. We move on to the next item, which is item nine.

**9. Continued Discussion and Direction on RTA Next Plan Development (City Wide)  
SS/JAN23-24-24**

(Discussion ensued; no formal action was taken.)

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**Mayor Romero:** Time has been set aside to continue the discussion on the development of the RTA Next plans, Mr. Manager.

**Michael J. Ortega, City Manager:** Thank you, Mayor and members of the Council. This is the ongoing conversation regarding the uh RTA and I'll call it the RTA Next Development Plan. This meeting is particularly important because on the 25th on Thursday, the Mayor will be



representing the city on the RTA Board. At that time, the RTA Board is expected to give a general direction on the plan for the future ballot initiative or ballot referendum. The reason that this conversation I think is...has evolved the way it has is because of your engagement. And last week we did have a Technical Management Committee. I'll let Sam go into the detail there.

I think the the key pieces are there that we basically got everything that was on your list that I presented to you at the last meeting with a couple of exceptions that I want to just outline important for you to think about. When the vote was taken by the TMC, what I did is expressed, although I supported the motion to approve the recommendations going to the RTA board, I did express concern about the lack of pavement rehabilitation. Those were issues that was an issue that came from you very directly as I had mentioned to you and at least two of the previous meetings, there was no support on the RTA board or, excuse me, the jurisdictional members for inclusion. But I did voice that because I know that that was important to you...and you had provided me direction on that in the past. So, I just wanted to make sure that was clear.

The other piece is because of our lack of receiving some information about the transit components that are outside of the city limits, it was difficult for us to identify the specific composition of a potential expansion, and so you can see there is a a drop, if you will, in the city of Tucson, cost associated with providing existing service. We had made assumptions, we actually think that our assumptions are accurate, but without getting into all of the detail, the bottom line was there's \$610 million for the transit component or element, a component of which is expected to be existing services across the entirety of the region, the BRT, which Sam just discussed here a bit ago as well as expansion. The details of that have not been worked out, but obviously will have to have a conversation around that at the very last minute there was conversation about dollars and trying to get to a balanced presentation or budget to the RTA Board.

I owe Council Member Lee and apology because there was conversation about potentially rescoping MaryAnne Cleveland Way. I had not circled back with the Council Member in doing so. I have come to understand how important that piece is. Our initial thought was because Pima County was not going to expand their component. It might make sense to rescope that we will look elsewhere for an opportunity to rescope some projects, so I wanted to reinforce that and thank you, Council Member Lee, for your patience as you have gone down that process. So, we do have some maps and I will turn it over to Sam to go into some of the detail on those.

**Sam Credio, Department of Transportation and Mobility Director:** Thank you, Mr. Manager and Mayor, Members of the Council. I do have a few maps on the screen and I'll go through these rather briefly and we can obviously flip back and forth between them as necessary. The first map on the screen here is just a reminder of what the investment in the City of Tucson was with the 2006 RTA Plan, which we're calling RTA One for this. The case of this graphic representation, these are the roadway element projects that were captured in RTA One. What's missing from this map, obviously, is the transit service and some of the categorical projects. But by and large, these are the major investments that were made in the city of Tucson as part of the 2006 Plan.

So, if you look to this next one that I just flipped to, this is a graphical representation of the plan that the manager and I have been sharing with you over the last several council meetings and ultimately was included in the RTA Next Plan that was adopted by the TMC last week. One thing to note is the two orange lines are the high-capacity transit alignments. We didn't want to presume that one or the other would be approved today. Obviously now Oracle will drop off the map and Stone will move forward as the preferred alignment, but this is what that investment looks like across the city as part of the RTA next map,

**Mayor Romero:** Sam, the yellow lines are kind of very hard to see, but yellow lines, what do they represent?

**Mr. Credio:** So yeah, let me walk you through the legend really quickly. So, the the orange alignments there are the Oracle and Stone BRT represent the high-capacity transit project. And as I'm doing this, the managers passing...out some hard copies of the map, so you can see it a little little closer up. So OK, the the yellow are the roadway projects along with. I'm sorry the the safety and active transportation elements, along with two Greenway projects that we have included. Absolutely. So, safety and active transportation are going to primarily be our modernization projects. It's going to include adding sidewalks, St lighting, upgrading the traffic signal cabinets. We have many projects on there and if you remember we had a category that was just labeled safety and active transportation and several meetings ago we now started to provide that specificity for you. And so those projects are now named within the safety and active transportation elements and those are shown on the map.

And then last but not least, we have our true roadway element projects which are in most cases either going to be some sort of widening reconstruction of the roadway or a major improvement to those specific roadway elements. And then if I could go to the last one, I'll see if I can do this without screwing this up too much. Maybe staff can help me go to the last map we have. There we go. The last map overlays the first two on top of one another, and so what you see there is a graphical representation of the entirety of the RTA's investment, inclusive of RTA One and RTA Next, as it's currently included in the, the TMC approved plan and we thought it was helpful to show that so that we can understand what that that investment looks like across our our city

**Mr. Ortega:** Mayor, if I can just draw your attention, if if the staff, if you can zoom out on that map a little bit, I don't know if you can or not, but not perfect. I...I think that this particular map shows a few things that are important to highlight. So, if you remember when we started this discussion, we really were focused because of the...of the direction we received from the RTA on roadway projects because in the RTA One of the 2006 RTA plan, that was the focal point. And so, if you look at the blue lines on this map, you can see the investment and how much more significant the roadway element was in that RTA one project. So, you...you look at that and that and then it it and then you compare that to the purple and you can see how little there is in the RTA Next.

Now, if you recall a I'd suggested, let's not get too excited about that right out of the shoot, because we are going to look at the safety elements and the active transportation elements as a way to accomplish more investment within the city. And so, all we did was we started looking at saying, OK, fine, not a lot of we'll call roadway elements, but look at the safety investments and



the active transportation investments which now have become named. So, we've actually listed them so that we then as the City of Tucson can show the voter what that return on investment is for them. And that's really important piece there.OK.

Now ultimately, I think it's again the holistic picture of the investment within the within the city of Tucson to include all elements including transit and and some of the things we've already talked about. So, I wanted to point that out because I think that graphic representation not only demonstrates where the improvements were made, but the magnitude of the...of the improvement from RTA One to the RTA Next. It gives you a really good comparison of where the the investment was made, and you can see the needs were very high on the east side and RTA One the needs are elsewhere on on RTA Next. I think that's just a function of what the capacity was as well as the need at that time. So again, it's just an ongoing conversation as our systems are much more mature. You know today that in some of the other jurisdictional areas. So, Mayor, happy to answer questions. Just wanted to point that out. I think there's a story there.

**Mayor Romero:** Any of my colleagues want to comment, Council Member Cunningham?

**Council Member Cunningham:** Yeah, a few things and this is. All respect to the RTA Board, this is a...this is a tough thing. You're bringing in a bunch of jurisdictions, you're trying to do all the right things. There're a couple things that I've kind of brought to this table multiple times where I said, look, we're making progress, we're in the right direction, but it kind of kind of plateaued a little bit. You plateaued on what that ask is. You go back to that blue slide, the RTA One slide. We still want some type of modernization. The other piece is is that I'm looking at my, I'm assuming that's a Camino Seco, but I don't think it is. It looks more like it's closer to Brown Rd. Uh. Say again.

**Mr. Ortega:** Council, Council Member, are you talking about the yellow line?

**Council Member Cunningham:** Yeah,

**Mr. Ortega:** I believe that's Camino Seco.

**Council Member Cunningham:** But my question is, is that on that on that the the safety and expectation elements. First of all, I've got some things that at Camino Seco that I already go through. But the other piece is is that, is that going to include some pavement monitorization in that process, and so we talked about for a while, taking a look at this RTA One piece. We talked about looking at these projects that we did and saying, hey, isn't there a way we can get a little, a little money to help us with the modernization piece, uh, on some of the roads that we've already done and we wanted that built in and we've asked multiple times, multiple people at this in pavement preservation.

Yeah, pavement. Not. Not really. Pavement preservation. It's pavement modernization because look, one of the things in the RTA's mission is they can't ask us to do maintenance. What they can do is when we go in and we want reflective landlines that are a big safety piece, we have to put the right surface down to do that. So, we get a little 2 for one action, but those modernization projects can be in there. It's a very modest amount. It's not like we're asking them to build an

engineer, new roads. We're asking them to help us with that sealant and surface surface model so that we've got the safest roads possible. It gives us the opportunity to augment bike lanes and when you're doing that, you want to make the ride a little smoother. That's all-real easy stuff to ask for. That, and I think that's the piece that's missing right now. Look, I like...that the RTA is working with us. We all know that we're partners. We've used words like we're going to go it alone if we don't get it right. And you know, we've got that in our back pocket right now. But the bottom line is, is that ultimately, we want to be good partners.

The one thing that I'm very encouraged in is I don't see any when I call CNC's. That's...Those are the projects that I call city, not city. Those are the projects where they call it a city project in which 90% of the people who drive it don't live in the city. And so, I used to. I was like, well, that's kind of not really a Tucson project, to be fair, not a lot of CMCs on here. Each of these projects are bonafide city projects that are gonna that are gonna help out bonafide city residents. So, we're on the right track. Yeah, they've done. They've done the right thing on that piece. This it's...this one little capstone that needs to be there. You know, we took on all that new infrastructure and we maintained it, but they've gotta they've gotta pitch in a little bit and I think that's only fair. So that's my my piece on this.

Look, I think we're right there, but the bottom line is, is that we first of all really the other thing that's a little thought on this map is that you can take this 22nd thing off because they didn't build it yet. You can take this Houghton thing off because they didn't build it yet and you can take this 22nd piece off because even though it's allegedly fully funded, they haven't built that yet either. And I get calls in my office every single day about it. So, before we start talking about this, that and this I'm saying, hey, you gotta help us keep up with what you've already invested in. And we've been asking for, I've been asking for that for a year, man. Like so, I'm not frustrated. It's not that I think that the intention of the RTA is good, and I think they are negotiating with us in good faith. Let's get over this one thing that we've talked about over and over modernizing several of projects from RTA One at pretty much pennies on the dollar for what they cost is a good investment by the RTA. It'll help it...get it get through to the voters. It'll be a good move on. It'll be a smooth move on their part too, so that's what I think we should ask for.

**Mayor Romero:** Alright. Any others, Council Member Lee.

**Council Member Lee:** Thank you, mayor. Just in looking at the materials, I'm curious if we could get some context for City of Tucson agrees to cut from the above list \$20 million. There's another line. I'm guessing that's Pima County agreed to cut \$20 million. And then there's a \$75 million cut here for the region, dedicated regional funding. Can you all explain kind of what that's about and how we got to these commitments?

**Mr. Ortega:** Sure, Mayor, Council Member Lee. So as the as the TMC was working towards balancing the budget and coming coming really to an agreement over how the funding would all work, all of those things that are listed and don't have them right here in handy, but I will find them, basically outline where the dollars would come from to balance the budget. So there the \$75 million is a future revenue stream that would otherwise come to the region, not for RTA, but has been pledged. And that's really where all of the regions can compete. And quite frankly, many of the smaller jurisdictions receive safety money and receive other projects for that for



their needs. So, the group decided we would take \$75 million, that future funding stream, \$25 million was recommended from a but for the interchange in Marana. So that's the those are the big chunks.

The other pieces are \$40 million from the debt service as I mentioned and presented to you before was something that I I believe very strongly that should be a conversation of the future, not today, because if we can't afford to to put the debt in that left about 40 million and there was \$10 million from the City of South Tucson as well. The left about \$40 million. So, the Pima County representatives said in the spirit of let's try to get to a a, an A balanced budget, we'll put \$20 million, If you put \$20 million and I said that...I would consider that.

And so that's how we came about with that. And as I mentioned initially, it was at least in our heads, a recopying of that one project. We're scaling that back, that discussion back, and I do have an expectation that as we are successful in future grant money, those would go towards that \$20 million shortfall.

**Council Member Lee:** Well, thank you for the explanation. Just cause in looking at this I didn't see any other jurisdiction that had agreed to reduce their portion of RTA Next projects, and I know that's been something we've talked about a lot is the fact that city of Tucson taxpayers are...paying, what about 60% of the bill for this entire package? And I know I'm still very much committed to making sure that they receive that level of investment back into the City of Tucson. So that's something that I really feel passionately about sticking to our position on. So, I'm not sure where that puts us from an overall percentage standpoint. While they're balancing things out, but that's something I'm curious about and I wanna make sure we, we stick to it.

With respect to Maryanne Cleveland. Yes. Thank you for sharing the ideas around that. Just to be clear, that's a project that I have heard as the representative out there over and over, that it's important for the folks who live there, their schools, there's housing, we're looking at H2K. If the county wants to not listen to the residents out there and they don't want to do their portion, at least we can fulfill our commitment to the City of Tucson residents and have a great experience and safe, safe journey for folks on Maryanne Cleveland there. So that's definitely our number one. We have two projects above the line and that's the number one, and that's really important that we continue that.

And then the last question I have...or comment is kind of just around this whole process and timeline. I know we've talked about this simple much and Council Member Santa Cruz had a great analogy of acrobatics last time, and that's what this continues to feel like. And so, for me, I'm kind of of the mindset of what are our hard lines like our non negotiables and how can we define those as a team and be really clear on that.

So, Mayor, as you go to your table and have conversations, at least we can say here's where we're not going to budge, whether it's 60%, whether it's pavement preservation, and then I know at one point we put a timeline on ourselves and said we need to have a decision by this day and I just feel like if the team feels that might be helpful, this just feels like the never a ending story, and I'm hoping maybe we can get some clarity around what exactly we want and by when. Otherwise umm, I just feel like we're not getting traction and I know Council Member Cunningham, I'm

feels differently, but it just feels like we're not getting, we're kind of losing traction if we're losing \$20 million.

And so those are my concerns and those are my priorities heading into continued discussion.

**Mayor Romero:** I think it's important that you know, we do say umm, state for the record, what exactly are our non negotiables, right? If you, Councilwoman Lee, do not wanna negotiate Maryanne Cleveland way from \$60 to \$40 million because that's, that's the \$20 million that was projected to come off because of the lack of commitment from Pima County to build up Maryanne Cleveland Way on the county side. And so that's what I want to hear. I wanna hear my colleagues tell me like I know that Council Member Cunningham for a year or more has been saying we need pavement preservation, umm, in order for us to be able to upkeep and maintain the RTA One investments. For me, you know, I I appreciate Pima County for coming to the table with a proposal. I know that we had gone to the table with our own proposal based on the needs of our community and based on the input that the residents gave us during Move Tucson process. I'm...I know that the sales tax generated inside the City of Tucson are at least 60% of what is generated for the RTA. Based on the numbers that we have now, that percentage committed to the city is 50.8%. So, for me, it's going to be what can I tell the residents and taxpayers of the City of Tucson that will benefit them, right? It's all about return...on investment to the taxpayers of the City of Tucson and that I I would be able to when I go on Thursday and commence the conversation of finalizing a plan. That's the question that I'm going to ask my colleagues in other jurisdictions at the table, will you be able to go back to Marana residents, Oro Valley residents, Sahuarita residents and see your residents in the eye and say this is a good deal? I don't know if we're gonna be able to do that as the City of Tucson.

So, I appreciate the work that is being done by our colleagues in Pima County. I know that as Council Member Santa Cruz says, we've gone through acrobatics to play nice and be good regional partners, but at the end of the day, we all, this Mayor and Council, as policymakers and elected officials representing the taxpayers of the City of Tucson, will have to make the call in terms of is this a good deal for our resident and what are our non negotiables? I think pavement preservation, we have been clear for the last year, as a Mayor and Council at this table and at the table of the RTA that we need some money for pavement preservation. Umm. So anyway, I'll continue opening up for comments from my colleagues, Vice Mayor Dahl.

**Vice Mayor Dahl:** Thank you, Mayor. That's a stark number. Uh, you think it's 10%, but it's not a 16%, so of tax money from the City of Tucson. 16% are going for great streets outside of Tucson. Umm. People who live outside of Tucson often come into Tucson. I very seldom go to Sahuarita, Marana occasionally, but I'm not getting a whole lot of value for 16% of my sales tax going outside for transportation when we have such needs in Tucson. So, I hope mayor that we can negotiate a higher percentage.

Bottom line for me is I have not been impressed in my 2 years here with the leadership at RTA and I think that's gonna be a great detriment to passing. Umm, you know, the voters are going to have to decide and we're going to have to be confident when we make our presentation to voters. And at this point I don't. So, I'm looking very closely at the direction of leadership. I've been very disappointed with the communication with my office, with what I'm hearing back from the



citizens who volunteered their times and Citizen Advisory Committees, and we're very frustrated with almost illegal interpretations of the open meetings law, which prevented all sorts of discussions and just wasted people's time. So, I just mentioned this because we're talking bottom lines. Like my colleagues, I really hope we can do regional participation, but we can't get the short end of the stick. Thank you.

**Mayor Romero:** So, for me, my question is we've reduced our main, multimodal roadway corridor projects at every turn to be able to accommodate. Umm and now we're offering an additional \$20 million to cut from our projects at this point, how confident do we feel that the cost estimates included in this latest proposal will get us complete projects?

**Mr. Ortega:** So, Mayor, that that is one of the concerns that I have and I've continued to express the the bottom line is these costs are now a little dated. They have been reviewed, at least at least twice, once by us, double-checking them as well as by the...the consultants that are that are charged with that. I think that as this moves forward in the not-too-distant future, like within the next short, you know, maybe a few months, all of those costs have to be scrubbed again because it concerns me that there are costs out there that, that again, I...I've got confidence based on the time when they were done. I don't know that...I could tell you with absolute confidence today that they're that they're still good or valid. I think they need to be rechecked. That will then potentially upset the apple cart again and have to we'll have to go through the gyrations again. So, I...I can't give you right this second a high level of confidence, but I do know that that is something needs to happen fairly quickly, and the RTA would take the lead on that.

**Mayor Romero:** Well in just last lastly, I think we have progressed unfortunately because of obstruction umm, we wasted a whole year and a half or two and because of the work that this Mayor and Council have done in our city manager and and we our transportation and mobility director and his team, Sam Credio, we went ahead and said Hey this is what we want. We put our own plan together and...that mobilized the conversation at the table, both at the at the RTA Board and the TMC, the CAC.

So, I see that there is progress. I have a concern regarding the return on on investment of our taxpayer and there's still some gaps in the plan that we have in front of us. I appreciate your input and we have an RTA meeting on Thursday. This team is going to be at that table and so any further Input we're available to you all the way up until 11:00 on Thursday.

Any others? Alrighty. Thank you so much Sam for your work. Thank you, Mr Manager, for your work. Really appreciate what you do. We move on to item 10.

#### **10. Poverty and Urban Stress Report Update (City Wide)**

(This item was continued to a future meeting.)

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**Mayor Romero:** Item 10 has been continued at the request of Housing Community Development, and umm Council Member Richard Fimbres. Item 11.

## 11. Updates on State and National Legislation and Regional Committees (City Wide) SS/JAN23-24-12

(Discussion was held; no formal action was taken.)

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**Mayor Romero:** Time has been set aside for Mayor and Council to receive an update on state and national legislation and regional committees. We do have Kathy Senseman on Teams available via Teams. Before I give the mic over to Kathy, I know that a session at the state legislature has started, and there's bills being dropped fast and furiously. But I do want to take this moment this opportunity because this is state and national reports to talk about my recent trip to Washington, DC on behalf of you all and the residents of the City of Tucson.

First and foremost, today we had the...we hosted Arizona Governor Katie Hobbs at the Tucson Convention Center as she gave her annual report to Arizonans. It was wonderful to hear her share her priorities for 2024 and I continue to be grateful for her engagement and willingness to invest in Tucson and southern Arizona from investing in our infrastructure through her budget process, umm budgeting for Drexel Road Bridge, to her incredible investments, millions of dollars invested into our unsheltered homelessness and affordable housing crisis, to her, making sure that our children have high quality public schools. All of the partnership with the Governor is appreciated and I was happy to host her at our very own TCC.

I also want to thank the Biden Harris administration in our Congressional allegory delegation for bringing in \$95 million investment that will expand the final 26 miles of I-10 between Tucson and Phoenix into a three-lane freeway on both sides. And that was, umm, many many people working to make that happen, including the governor, our senators and our congressional delegation. I even put in a couple of calls to Secretary Buttigieg in our congressional delegation. It really took many people to bring that \$95 million into Arizona and I-10. Yes, and that's where really where we get the delays on I-10.

And so, I'm happy to report that I spent the last week in Washington, DC working on behalf of the residents of the City of Tucson. Drey Thompson, CEO and President of the Tucson Industrial Development Authority, and Francisco Villegas, the City of Tucson Small business program manager, came along with with me while in DC with we met with Senator Kelly, Representative Kitty Halva, Representative Gallego Representative Stanton, and Representative Ciscomani. I provided each of them the updates about the work we are doing here in Tucson. We were able to talk about our prosperity initiative and the way it underlines our holistic and layered approach to reducing poverty and increasing investments in our neighborhoods and our residents.

We were able to share information about the implementation of Tucson rezoning together our climate action plan, as well as our housing affordability strategy for Tucson and our work and our incredible work with unsheltered homelessness. I continue to seek support for infrastructure projects in affordable housing projects that are important to us here in Tucson. We shared updates about our work to put the right work in the right hands, including the work of our public



safety and community safety teams, Housing First, 311 and more. I was able to share about our Transform Tucson initiative, along with Drey Thompson and Francisca Villegas, especially the Avanza fund at the Latino alliance session. Uh, which, by the way, at the I'm the chair of the Latino Alliance of the US Conference of Mayors.

We invited Health and Human Services Secretary Javiera Becerra, Acting Secretary of Labor Sue, and Tom Pettis, senior advisor to President Biden, and they said yes. They came and presented to our Latino alliance session, and I really presented all of the programs that are available for cities. Umm, but we use Avanza Fund as a best practices example for other cities that have growing Latino populations in their community. We also stopped with a small business administration, Administrators Isabel Guzman and her team. We have unique opportunities to collaborate together as we expand the impactful work throughout Tucson and southern Arizona in small businesses.

We bragged about Tucson having the first and only green bank and the opportunities that the Green Bank can create for businesses to access capital, mortgage support and more. We were also able to spend some time with a team from the Environmental Protection Agency and a team from the Department of Transportation. We're making sure that they know our priorities here in Tucson and how important it is for us to work together to be able to identify it, continued opportunities for funding support.

I was fortunate enough and I was one of four mayors throughout the country, that was invited to speak directly with President Biden at the Oval Office. That made my 30-hour trip to Washington, DC, uh, all worth it. And during my visit with him at the Oval Office, I was able to share information about our Tucson Million Trees Initiative and the way the investments of the bipartisan infrastructure law and the Inflation Reduction Act are helping us mitigate the effects of climate change here in Tucson, talk to him about the \$5 million Tucson received at the Urban Forestry grant, talked to him about the \$21 million that we received for our low to no emission electric buses in the City of Tucson. He was absolutely, the president was absolutely really very happy to see how we will transform our streets with our green infrastructure and water, our trees with storm water.

We went through all of it and as a point of personal privilege, I did talk to the President about how my mother prayed for him every day and he called my mother. He called my mom. While my visit, I spent about 20 minutes with the President and talked to him about what Tucson was doing and really highlighted what we've done together as a team, the Mayor and Council and our city manager and our city department directors on what we're doing. It was an incredible visit. Umm, I really appreciate the work that our federal lobbyists do for us in in DC. Tracy Tucker of Tucker Tracy, Tucker Valenzano our incredible advocate for the City of Tucson, and they really make me work when I'm. We have a full agenda from 7:15 in the morning to 10:00 PM at night when we're done with our sessions and all of the work that we're doing with a different cabinet secretary over there, we and we tracked more than 90 hours of work while we were there and that week.

So, we...we really do work for the residents of Tucson and so just wanted to make sure that I gave you all a report of the work that we did while there before we started our conversation of

the state and the and the work that Kathy and our state lobbyists are doing for, for us up in the capital. So, with that, Kathy, I know you have a lot to report. Please share with us what...what you know so far.

**Kathy Senseman:** Thank you, Mayor. I... wish I was coming to you with something cool. Like I got to meet the President, but I got. I got nothing. I did see the governor the other day. That's about. That's about it. But I was in town last Thursday and so really wanna thank Lane for sitting down with me. Uh, and then also got to see Mike Ortega for for a few minutes. And so, it was good to be in town and kind of talk a little bit about what we got going on at the Capitol.

Really quick, we're on day 16, our legislative session. As you may know, is usually calendar for 100 days. But we haven't done 100 days in I don't know how long. Last, last legislative session it was the longest legislative session in history of the state. So, everyone kind of jokes that it'll hopefully be shorter this year, typically in election years it is a shorter session, but but we are just getting started. Usually, they introduce about 1600 bills in a session. We're just a little over 900 bills. UM, it introduced, the Senate has until January 29th and the House has until February 5th to continue to introduce bills. So, we are on track to have 1600 bills.

I and lane and and Charlene Mendoza in the in the Mayor's office, we've been pouring over bills and trying to synthesize those and hope maybe for your next study session will be bringing a list of bills for the the mayor and Council to consider taking positions on. I did wanna share with you just a couple quick things. There is a system called the request to speak system where you can sign in to support a bill. You do have to be physically at the capital to register to want first time registration and then after that you can register a position. So, if any of the Council members would like to take advantage of being able to weigh in on bills, I can certainly get you registered when next time I'm at the capital. Just let Lane or Charlene know and we can, we can help you with that.

UM, the next big deadline just to be aware of is February 16th. That's the first committee deadline, so those 1600 bills I talked about, if they are not out of all of their assigned committees. So, if it was assigned to education or government, if it hasn't passed those committees by February 16th, then the bill is dead in the process. So, we'll go from 1600 to a much more manageable number pretty quickly. UM, the other thing I just wanted to share really quick is we've got some great Tucson delegation members that are on some key committees. You know, starting with Representative Stahl Hamilton, who's on the Appropriations Committee, is, as you guys know, you were talking about budget today, how important that committee is. She's also on the Natural Resources Committee. You know, we've also Representative Christopher Mathis, who's on the Health Committee and on the Natural Resources Committee. Consuelo Hernandez is on the Transportation Committee and also in the Lands Committee. And then Representative Gutierrez is on the Regulatory Committee as well as the Education Committee.

And then in the Senate we have Senator Sundareshen who's on the Government Committee, and Natural Resources, and then Senator Gabaldon, who's in Military Affairs and Transportation. So, we've got some great access into these committees to be able to communicate our messages, and I've been talking with Lane and Charlene about, you know, when...when...when, bills or when things arise so that we can have those communications. I think earlier in your agenda you guys



talked a little bit about kind of what's going on with the state budget with the income tax, and so I won't belabor that, but suffice it to say, in the current fiscal year up here, we have about a \$420 million state deficit with a \$450 million projected deficit for next next fiscal year. And so, what a lot of folks think, so there's kind of a tale of two cities.

So, if you talk to Republicans, you know, they'll tell you that, you know, we're going to be able to claw back some some funding, because as you know, we've had a billion plus surplus like the last three fiscal years, so there's a lot of money on the books of projects of things that haven't come to fruition. And so, they think that they're gonna be able to kind of claw back or put out capital projects into the into the future to solve that problem without having to do too many budget cuts. The governor's budget, you know, talked about some of those clawbacks as well as kind of rating some of the funds within the agencies, but no cuts. And so, we're keeping a very close eye on this situation just because state shared revenue always seems to be on the chopping block, you know, first out of the gate. So, we're...we're watching all of that very, very closely and you know that that's probably going to be one of the major issues of the session.

I am expecting, we are expecting a special session this coming up very soon. If you guys haven't heard when the legislature made changes to the, if there's a recall or not a recall, there's a required recount of a election. So, before it was within 2%, now it's within 1%. And if you remember the last presidential election where President Biden won by 10,000 votes, it would have triggered an automatic recount at the 1%. And so, because we changed that, it puts the recount period past when we would have to certify the election to the feds, to...to the Electoral College. So, we are anticipating a special session in probably maybe start talking about it next week to resolve that situation that we have with the the automatic recount in the statutes.

I have heard that things are going well between the governor and the legislature and negotiating what that bill would look like, but we'll see what the Devils in the details look like. Umm. And so, I will pause there, if there are any questions anyone has, and I'd also just say, you know, we'd love to have anyone that wants to come up to the capital to meet, you know, any of our delegations spend 1/2 day or whatever, you know, talking about Tucson issues, talking with our delegation. They love to see you guys and since we are without an inner Gov, we would really welcome the opportunity to really stay front and center with our Tucson delegation. So, I will pause. There are. Are there any questions Mayor or Council Members be happy to answer any questions?

**Mayor Romero:** Thank you, Kathy. Really appreciate your work up there for us. Any questions, comments, concerns that Kathy should carry with her as she looks at the bills that are being funneled through.

Kathy, there's no questions for my colleagues, but I I do, I do. I have to ask because we're just talking about budget in that flat tax is really beating us up. What are, what are other cities and towns in Arizona experiencing? We just heard from our Business Services and Budgeting office that we thought we would have a what was it, UM, \$13 million hit. It's really \$13 million plus \$17, which is more like \$30 million. Any chance that the League of Cities and Towns of their cities and towns will push back against this flat tax?

**Ms. Senseman:** You know, I because we have a 2/3 majority requirement to raise taxes it's it's very difficult to...I think address that immediately you can cut taxes with just a simple majority. But in order to raise taxes, it requires a 2/3 majority. So, given the political makeup of this legislature, I don't think they're going to make any changes there. I will say that when they did the flat tax, they did increase our state shared revenue to try to offset some of that. But what I'm hearing from most cities is that's not even adequate for for what it is, we are. Tucson is lucky in the sense that we don't have a rental tax, so a lot of cities are actually looking at kind of down the road into FY25, even a bigger impact to their city budgets because of, you know, not only is the the flat tax, umm, you know, less revenues coming in, but now they're also going to lose the rental tax.

And as you know, for City of Phoenix, you know that's like I think it's like \$90 million for like City of Phoenix for like Scottsdale and Tempe and others it's in the \$10 to \$15 even, \$18 million range for them. So, so, so we're so we may be hurting with the income tax, but other cities are actually looking at a much bigger mountain in front of them that they're trying to solve for in their budgets. But I you know, no one's happy with it. Everyone's talking about it, but there's just not the revenues there to do much about it, unfortunately, and with that 2/3 requirement to raise taxes, you know, I'm sorry to be the, you know, kind of the the Debbie Downer, you know on this. But I I just don't know if there's gonna be a lot that that's going to be done to address it.

The economists do predict that by I think FY26, maybe 27, which is not any great news, but then all of this should kind of flatten out and the economy should be back on track, which isn't great news, but at least hopefully there's some end insight.

**Mayor Romero:** Well, it'll be back on track because we're going to have to cut so many primary services that, I mean, that's the only way to be by contract and cities and towns have to pass a balanced budget. So we don't have you know any other choice than to cut. So, if you hear of any willingness from either the League of Cities and Towns or other cities and towns across outside of the league that are willing to maybe sign on a letter just so that we can put into the record our concern and dissatisfaction with these two issues. I mean, we don't have a rental tax or a food tax in Tucson, but I was always very supportive with other cities and towns across Arizona that did have that do, did have the rental tax.

And so, umm, I'm just wonder...Kathy, if you can kind of, you know, figure out what's what's what's happening, what are other cities wanting to do about this particular issue that would be great.

**Ms. Senseman:** Absolutely. And both lane and I, with two separate meetings, but we we meet with the league on a weekly basis on Friday afternoons. And so, I will absolutely bring that up in my meeting with them. And I know it's a concern for every city, but again, it's just where we're at in the budget. Yeah, that's a tough...it's a toughy. It's just not...we don't have the same dollars available as we had before, yeah.

**Mayor Romero:** Any others? Alrighty. Thank you so much, Kathy. Looking forward to continuing our work, I know that you really wanna make sure that we hire someone soon and they're even intergovernmental office, but I know that lane Mandel has been doing great work as



well as Charlene has been stepping in and and and having a, you know, putting together a strategy and a plan with you. So, appreciate your presence. Anything else that you wanted to mention to us before we let you go?

**Ms. Senseman:** No, I just said thank you for that shout out to lane and to Charlene. They have really stepped up and are probably sick of my emails, my phone calls and my text messages, but it just please know...how appreciative I am and how hard they're working right now to kind of synthesize everything. You know the next first month, two months of the session is really kind of crazy. And I'm just so appreciative, Mayor, that you would kind of lend, lend Charlene on this, since so really, really appreciate all of that and appreciate you and it everyone. If you need anything, just just give me a holler. We are here to support you and help you and we love you to come up sometime if you ever...are ever interested. So, thank you, mayor. Thank you, council.

**Mayor Romero:** I agree. Thank you so much, Kathy and I, I agree. My colleagues on the Council, it's really powerful to have Council, Mayor and Council show up and visit our our delegation up in the state ledge, meet with other representatives and senators from southern Arizona and into the Phoenix Valley. They really appreciate hearing from us, so I really invite you all to...to attend. Kathy, Thank you. Thank you for your time. Really appreciate you.

**Ms. Senseman:** Appreciate you, thank you so much. Bye bye.

**Mayor Romero:** So, we move on to item 12.

**12. Mayor and Council Discussion of Regular Agenda (City Wide) SS/JAN23-24-13**

(No items were identified.)

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**Mayor Romero:** Does anyone have any items to remove from the consent agenda in the regular agenda? Alrighty, hearing none, we move on to item 13.

**13. Mayor and Council Discussion of Future Agendas (City Wide) SS/JAN23-24-14**

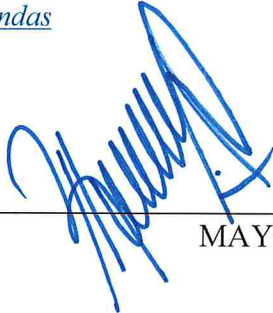
(No items were identified.)

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**Mayor Romero:** Does anyone have any future agenda items? Alrighty, hearing none, study session is adjourned. The regular session begins, let me see at 5:30 PM. The next study session will be Tuesday, February 6, 2024. Thank you all so much. We have a little bit of a break. Hopefully you could...take a little walk and we'll see you here at 5:30.

**ADJOURNMENT:** 4:35 p.m.

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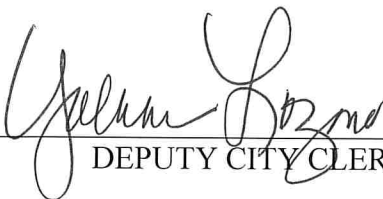
  
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MAYOR

ATTEST:

  
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CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the study session meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 23rd day of January 2024 and do hereby certify that it is an accurate transcription.

  
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DEPUTY CITY CLERK

SM:RJ:yl