

# MAYOR AND COUNCIL – STUDY SESSION

## ADMINISTRATIVE ACTION REPORT AND SUMMARY

JUNE 14, 2004

FROM: CITY MANAGER



Mayor Robert E. Walkup called the Study Session to order at 12:39 P.M. at the Tucson Convention Center in the Ballroom, Tucson, Arizona.

COUNCIL MEMBERS PRESENT: Mayor Robert E. Walkup  
Vice-Mayor Fred Ronstadt, (Ward 6)  
Council Member Jose J. Ibarra, (Ward 1)  
Council Member Carol West, (Ward 2)  
Council Member Kathleen Dunbar, (Ward 3)  
Council Member Shirley C. Scott, (Ward 4)  
Council Member Steve Leal, (Ward 5)

STAFF: James Keene, City Manager  
Mike Letcher, Deputy City Manager  
Mike Rankin, City Attorney  
Roger Randolph, City Clerk Administrator

AGENDA ITEM/MAYOR AND COUNCIL ACTION	STAFF ACTION
<p>1. Thrifty Block Redevelopment Project Selection of Preferred Development Team Acceptance of Offer to Purchase (Ward 6) SS/JUNE14-04-179</p> <p>Vice Mayor Ronstadt MOVED, SECONDED by Council Member West to approve the City Manager's recommendation to approve the sale of 26-72 East Congress Street to Bourn Projects, Inc., or assigns, in accordance with the deal points outlined.</p> <p>Motion PASSED by a 6 to 1 vote (Council Member Leal dissenting).</p> <p>Formal action taken as part of Regular Agenda Consent Item 6-C.</p> <p>Council Member West requested that staff locate the list of buildings created in 1983 by the Downtown Preservation Strategy Subcommittee and currently exists in the City's Development Standards. Assistant City Manager Karen Thoreson noted the list is currently being updated with input from various stakeholders.</p>	<p><u>DIR. OF RIO NUEVO</u> Is informed</p> <p><u>KAREN THORESON</u> Is responsible</p>

AGENDA ITEM/MAYOR AND COUNCIL ACTION

STAFF ACTION

2. Continued Budget Discussion (City-Wide) SS/JUNE14-04-178

Vice Mayor Ronstadt MOVED, SECONDED by Council Member Dunbar to approve the FY 2005 Budget as follows:

Starting with the projected deficit for a "Status Quo Budget" 11.2

**Additional Enhancements**

71 Police Officers and related staff for Tucson Police Department	5.1
Staffing for two New Fire Stations	1.8
40 miles of Street Repair	20.0
Sidewalks & Landscaping, which includes lighting	5.0
Development Services	1.3
Debt Service on Certificates of Participation (COPs)	1.3
Parks and Recreation	3.7
Adaptive Rec Center	.7
Udall Center Expansion	.2
Other O&M (centers, etc.)	.7
Maintenance	1.1
Furniture/Equipment	.7
Parks and Recreation Scholarship (low income assistance)	.4
Neighborhoods	.5
Environmental Services (groundwater protection/enhanced customer service)	3.3
Technology	.5
BusinessLINK	.2
Environmental Services Assistance Fund (low income assistance)	.6
<b>TOTAL REVENUE NEEDED</b>	<b>54.9</b>

**Potential New Revenues/Reductions**

Environmental Services Fee (@ \$12/month start 8/1/04)	18.2
Primary Property Tax	3.8
COPs for Streets, Sidewalks & Landscaping	25.0
Court Fines	.4
Fire Safety Inspection	.4
Parks and Recreation Fees	.6
Development Fees	1.3
Lease Purchase/Debt Service (Corrected)	4.9
ACCESS Tucson Reduction	.3
<b>TOTAL NEW REVENUE/REDUCTIONS</b>	<b>54.9</b>

ALL DEPARTMENTS  
Are informed  
DIR. OF BUDGET &  
RESEARCH  
Is responsible

AGENDA ITEM/MAYOR AND COUNCIL ACTION

STAFF ACTION

2. Continued Budget Discussion (City-Wide) SS/JUNE14-04-178  
(Continued from the previous page)

Council Member Dunbar offered the following amendment to the motion regarding Environmental Services:

1. Establish a low-income protection program for garbage fee
2. Address special concerns of Mobile Home parks
3. Improve the management of Environmental Services as they transition into an Enterprise Department
4. Increase customer services for citizens, by tracking complaints and developing a two-year plan to reduce complaints.
5. Citizen Oversight of Environmental Services (similar to CWAC) and should include annual reports from ESAC to the Council on how well the enterprise is operating.
6. Return to the Council with a plan for a "Pay As You Throw" program within the next year, if not sooner.

Amendments to the motion regarding Environmental Services were accepted.

Council Member Dunbar offered additional amendments for the FY 2005 budget.

1. Employee efficiency review – report to council employees ideas on how to save money and make government more efficient – **by December 2004**
2. Hire an independent auditor to review city finances and report to council - **by December 2004**
3. Report on opportunities to expand the Sun Tran and Van Tran advertising program with smaller side panels - **by December 2004**
4. Staff should generate a report **by October 2004**, outlining a plan to share increases in health care benefits with employees and look at Tucson as compared to benchmark markets for 2006. This report should include comparisons with the Phoenix market and other local public employer
5. Report **next week** (off agenda) on the opportunity to prepare a November 2004 ballot referendum that would "uncap" or "raise the cap" of the property tax and present G.O. bond packages for Parks and Recreation, public safety, groundwater remediation and transportation infrastructure – and possibly Revenue Bonds for Environmental Services.

DIR. OF ENVIRONMENTAL SERVICES

Is responsible

CITY MANAGER

Is responsible

DIR. OF FINANCE

Is responsible

DIR. OF TRANS.

Is responsible

DIR. OF FINANCE

Is responsible

DIR. OF FINANCE

Is responsible

AGENDA ITEM/MAYOR AND COUNCIL ACTION

STAFF ACTION

2. Continued Budget Discussion (City-Wide) SS/JUNE14-04-178  
(Continued from the previous page)

6. Begin discussions with Pima County and other jurisdictions on the future of the Library system **immediately**.
7. Discuss with the County the formation of a joint city-county "Local Government Efficiency Task Force". This task force will work with the Citizens' Finance and Services committee to develop recommendations on efficiencies, departmental consolidations and other ideas to help local government become more regional in its focus and more efficient and cost-effective in its operations.
8. Any last-minute ideas by council members or city staff to raise revenues that are reasonable and easy to implement should be brought to the council immediately following staff review.

Additional amendments to the motion for the FY 2005 budget were accepted.

Motion as amended PASSED by a 4 to 3 vote (Council Members Ibarra, Scott and Leal dissenting).

In addition to the formal motion, Council Member West offered the following suggestions:

- Improve operations of City by asking City employees what can be done to save money in their departments. To do this we must create a system and an environment that protects employees and at the same time encourages them to share their ideas,
- Establish an independent audit function, under the Mayor, to review City spending and show the public that there is a system in place to ensure their taxes are being spent appropriately.
- Change the budget process to not penalize departments who don't spend all of their allocation understanding some funds must be carried forward for grants or capital projects.
- Look at property tax cap and sales tax cap in the Charter. Continue to look for way to diversify revenues.

Additionally, in Solid Waste, consider changing over the next year or two:

- Move away from Saturday service and toward M-F collections
- Move away from Sunday landfill operation.

DIR. OF LIBRARY

Is responsible

CITY MANAGER

Is responsible

DIR. OF BUDGET &  
RESEARCH

Is informed

CITY MANAGER'S OFFICE

Is informed

DIR. OF FINANCE

Is informed

DIR. OF BUDGET &  
RESEARCH

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DIR. OF ENV. SERVICES &  
CITY MANAGER'S OFFICE

Are informed

AGENDA ITEM/MAYOR AND COUNCIL ACTION	STAFF ACTION
<p>2. Continued Budget Discussion (City-Wide) SS/JUNE14-04-178 (Continued from the previous page)</p> <p>Finally, Council Member West noted that she would like staff to consider reducing the cut to Access Tucson from \$300,000 to \$150,000.</p> <p>Council Member Ibarra offered the following:</p> <ul style="list-style-type: none"><li>• Any plan to decrease the Employee Benefits package should be off the table</li><li>• Expressed opposition to the Environmental Services Fee</li><li>• Would like to see how the increase in property tax could be a dedicated funding source for Police and Fire</li></ul> <p>Council Member Scott expressed her opposition to the Environmental Services Fee and noted her position is consistent with her campaign.</p> <p>Council Member Leal expressed his opposition to the Environmental Services Fee.</p>	<p><u>DIR. OF BUDGET &amp; RESEARCH</u> Is informed</p> <p><u>DIR. OF FINANCE</u> Is informed</p> <p><u>DIR. OF FINANCE</u> Is informed</p>
<p>3. Mayor and Council Subcommittee Reports (City-Wide) SS/JUNE14-04-180</p> <p>There were no reports at this time.</p>	
<p>4. Mayor and Council Discussion of Regular Agenda SS/JUNE14-04-181</p> <p>There were no items removed from the Consent Agenda.</p>	
<p>5. Mayor and Council Discussion of Future Agendas SS/JUNE14-04-182</p> <p>There were no future agenda items at this time.</p>	
<p>ADJOURNMENT: 3:43 P.M.</p> <p><i>VERBATIM TAPE RECORD AVAILABLE UPON REQUEST FROM THE CITY CLERK'S OFFICE.</i></p>	