



Minutes of MAYOR AND COUNCIL Meeting

Approved by Mayor and Council
on November 6, 2013.

Date of Meeting: May 7, 2013

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:36 p.m., on Tuesday, May 7, 2013, all members having been notified of the time and place thereof.

1. ROLL CALL

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

Present:

Regina Romero
Paul Cunningham
Karin Uhlich
Shirley C. Scott
Richard G. Fimbres
Steve Kozachik
Jonathan Rothschild

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

Absent/Excused:

None

Staff Members Present:

Michael Rankin
Roger W. Randolph
Liz R. Miller

City Attorney
City Clerk
Deputy City Manager

2. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Missionary Cherry Jackson, Church of God in Christ, after which the Pledge of Allegiance was led by the American Legion Auxiliary Memorial Poppy Princesses Ashlyn Ware and Shayna Goodrich.

Presentations:

- a. Mayor Rothschild proclaimed May 1st and 2nd to be “American Legion Auxiliary Memorial Poppy Days.” Karen Broth accepted the proclamation.
- b. Mayor Rothschild introduced the Tucson Young Professionals, who presented the “Be Kind” Tree Challenge Awards.

3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS

Mayor Rothschild announced City Manager’s communication number 149, dated May 7, 2013, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

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

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

Mayor Rothschild announced City Manager’s communication number 150, dated May 7, 2013, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

No report was given.

5. LIQUOR LICENSE APPLICATIONS

Mayor Rothschild announced City Manager’s communication number 154, dated May 7, 2013, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

- b. Liquor License Application(s)

New License(s)

NOTE: There are no application(s) for new licenses scheduled for this meeting.

Person Transfer(s)

NOTE: There are no application(s) for person transfers scheduled for this meeting.

c. Special Event(s)

1. Kings & Queens Car Club, Ward 1
3700 S. La Cholla Blvd.
Applicant: Grace N. Soto
City T60-13
Date of Event: May 11, 2013
(Fundraiser)

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

2. 2nd Saturdays, Inc., Ward 6
110 E. Pennington St.
Applicant: Fletcher F. McCusker
City T61-13
Date of Event: May 11, 2013
(Music Festival)

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

3. Humane Society of Southern Arizona, Ward 3
2702 N. Flowing Wells Rd.
Applicant: Sara Ann Gromley
City T64-13
Date of Event: May 10, 2013 - May 11, 2013
(Fundraiser)

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

d. Agent Change/Acquisition of Control

1. Taco Giro Mexican Grill, Ward 1
610 N. Grande Ave.
Applicant: Javier Ramos Mora
Series 12, City AC3-13
Action must be taken by: May 13, 2013

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

NOTE: The local governing body of the city, town or county may protest the acquisition of control within sixty days based on the capability, reliability and qualification of the person acquiring control. (A.R.S. Section 4-203.F)

It was moved by Council Member Uhlich, duly seconded and carried by a voice vote of 7 to 0, to forward liquor license applications 5c1 through 5c3 and 5d1 to the Arizona State Liquor Board with a recommendation for approval.

6. CALL TO THE AUDIENCE

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

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

Comments were made by:

Zach Yentzer
Robert Clark
Chris Deile
Susan Willis

Roger D. Score
Keith Van Heyningen
Billy Lolos
Kyle Catlin

David Sygall
Mary DeCamp
Corie Stamatelatos

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

7. CONSENT AGENDA – ITEMS A THROUGH E

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

a. APPROVAL OF MINUTES

1. Report from City Manager MAY07-13-151 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of September 19, 2012
3. Mayor and Council Study Session Legal Action Report and Summary Minutes of September 19, 2012

b. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH THE UNIVERSITY OF ARIZONA FOR "PROJECT WET" YOUTH EDUCATION PROGRAMS

1. Report from City Manager MAY07-13-152 CITY WIDE AND OUTSIDE CITY
2. Resolution No. 22036 relating to Intergovernmental Agreements; authorizing the execution of Amendment Number 2 to the Intergovernmental Agreement between the City of Tucson and the Arizona Board of Regents on behalf of the University of Arizona's Water Resources Research Center to continue Water Education for Teachers (Project WET); and declaring an emergency.

c. WATER: FIRST AMENDMENT TO THE AGREEMENT WITH SRWA, L.L.C. FOR DESIGN AND CONSTRUCTION OF THE SANTA RITA BEL AIR INTERCONNECTION FACILITIES

1. Report from City Manager MAY07-13-163 CITY WIDE AND OUTSIDE CITY
2. Resolution No. 22043 relating to Water; authorizing and approving the execution of first amendment to the agreement for design and construction of the Santa Rita Bel Air Interconnection Facilities between the City of Tucson and SRWA, L.L.C.; and declaring an emergency.

Roger W. Randolph, City Clerk, announced that the City Attorney had a correction to read on Item c.

Michael Rankin, City Attorney, read the following corrections to the First Amendment (Exhibit A to Resolution No. 22043):

- On Page 2, paragraph 7, the first line was changed to read “Tucson Water and Applicant desire to amend the Agreement in order to increase EDUs from 3,650...”
- On Page 4, in the first line, reference to “38,000 EDUs” was corrected to read “3,500 EDUs.”
- On Page 4, under II. Recovery of Stranded Costs, Paragraph A was revised to read “Tucson Water and Applicant agree that in order to recover the Stranded Capital Costs, the Isolation System fee shall continue beyond 3,500 EDUs for the purpose of Tucson Water to recover the stranded capital costs.”

d. REAL PROPERTY: ACQUISITION OF RIGHT OF WAY FOR WELLS NEAR SAHUARITA ROAD AND NOGALES HIGHWAY (CONTINUED FROM THE MEETING OF APRIL 23, 2013)

1. Report from City Manager MAY07-13-153 OUTSIDE CITY
2. Resolution No. 22037 relating to Water and Real Property; authorizing and directing City staff to negotiate and acquire right of way from the Arizona State Land Department needed for access to Tucson Water wells SC-023A and SC-024A, near Sahuarita Road and Nogales Highway; authorizing and directing the City Manager or his designee to execute any and all documents needed to complete the transaction; and declaring an emergency.

e. REAL PROPERTY: AMENDMENT TO LEASE AGREEMENT WITH THE TUCSON RODEO COMMITTEE FOR THE PROPERTY LOCATED AT 4823 S. 6TH AVENUE

1. Report from City Manager MAY07-13-161 WARD 5
2. Ordinance No. 11053 relating to Parks and Recreation; authorizing and approving Amendment One to the Lease Agreement between the City of Tucson and the Tucson Rodeo Committee for the property located at 4823 S. 6th Avenue, Tucson, Arizona and declaring an emergency.

It was moved by Council Member Scott, duly seconded, and passed by a roll call vote of 7 to 0, that Consent Agenda Items a – e, with the corrections to Item c, be passed and adopted and the proper action taken.

8. **PUBLIC HEARING: APPROVING THE FISCAL YEAR 2014 AND HUD FISCAL YEAR 2013 ANNUAL ACTION PLAN**

Mayor Rothschild announced City Manager's communication number 159, dated May 7, 2013, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing to consider the City of Tucson's Fiscal Year 2014 and HUD Fiscal Year 2013 Annual Action Plan. He asked if staff would like to make a brief presentation.

Sally Stand, Deputy Director, Housing and Community Development, gave a brief statement to approve the City of Tucson's Fiscal Year 2014 and HUD Fiscal Year 2013 Annual Action Plan.

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

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

Mayor Rothschild asked the City Clerk to read Resolution 22042 by number and title only.

Resolution No. 22042 relating to Public Housing; approving the City of Tucson Annual Action Plan for City Fiscal Year 2014 (City FY 2014) and HUD Fiscal Year 2013 (HUD FY 2013); authorizing and directing submittal of that plan to the United States Department of Housing and Urban Development (HUD); and declaring an emergency.

It was moved by Council Member Kozachik, duly seconded, to pass and adopt Resolution 22042.

Council Member Cunningham asked what portion of the funds used for the Street Outreach and Homeless Prevention Programs would go to youth oriented street

homelessness. He wanted to make sure youth homelessness was addressed in the package.

Anna Sanchez, Community Development Administrator, stated the Emergency Solutions Grant Program (ESG) addresses homelessness at every level. Therefore, it does include some youth components. Ms. Sanchez notified the Mayor and Council that she did not have the proposal in front of her, but assured Mr. Cunningham that a portion of the funds were directed towards programs for homeless youth. Ms. Sanchez offered to send Mr. Cunningham information regarding the youth components of the program.

Mr. Cunningham stated he was comfortable with Item 8 moving forward, but reiterated that teen homelessness needed to be addressed.

Resolution 22042 passed by a roll call vote of 7 to 0.

9. PUBLIC HEARING: AMENDMENT TO THE PIMA COUNTY BOND ORDINANCE FOR EXTENSION OF THE BOND IMPLEMENTATION PERIOD FOR ARROYO CHICO WASH IMPROVEMENTS

Mayor Rothschild announced City Manager's communication number 158, dated May 7, 2013, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the Extension of the Bond Implementation Period for the Arroyo Chico Wash Improvements. He said the public hearing was scheduled to last for no more than one hour and speakers were limited to five minute presentations. He asked if anyone wanted to speak on the subject.

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

Mayor Rothschild asked the City Clerk to read Resolution 22041 by number and title only.

Resolution No. 22041 relating to Parks and Recreation; requesting an amendment of the 2004 Pima County General Obligation Bond Ordinance 2004-18 to modify the Arroyo Chico Wash Improvement Project; and declaring an emergency.

It was moved by Council Member Kozachik, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22041.

10. PUBLIC HEARING: INTERGOVERNMENTAL AGREEMENT AMENDMENT WITH PIMA COUNTY FOR THE JULIAN WASH LINEAR PARK

Mayor Rothschild announced City Manager's communication number 157, dated May 7, 2013, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on a change to the project scope for the Julian Wash Linear Park. He said the public hearing was scheduled to last for no

more than one hour and speakers were limited to five minute presentations. He asked if anyone wanted to speak on the subject.

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

Mayor Rothschild asked the City Clerk to read Resolution 22040 by number and title only.

Resolution No. 22040 relating to Parks and Recreation; requesting an amendment of the 2004 Pima County General Obligation Bond Implementation to change the scope of the project for the Julian Wash Linear Park; and amendment and termination of the 2006 Intergovernmental Agreement with Pima County; and declaring an emergency.

It was moved by Council Member Scott, duly seconded, and passed by a roll vote of 7 to 0, to pass and adopt Resolution 22040.

11. FINANCE: TENTATIVE ADOPTION OF FISCAL YEAR 2014 BUDGET

Mayor Rothschild announced City Manager's communication number 162, dated May 7, 2013, was received into and made part of the record.

Mayor Rothschild asked the City Clerk to read Resolution 22032 by number and title only.

Resolution No. 22032 relating to Finance; adopting a tentative budget for the 2014 Fiscal Year and fixing times and places; confirming time and place to conduct a truth in taxation public hearing and to conduct a public hearing on said budget; to adopt the final budget in a special meeting; to fix time and place to determine the primary and secondary tax levies for said fiscal year.

Roger W. Randolph, City Clerk, announced there was a correction to the amounts listed for the General Fund on page 1 of Attachment A to the Communication, as discussed during Study Session, and indicated on the revised material that was distributed.

It was moved by Vice Mayor Romero, duly seconded, to pass and adopt Resolution 22032.

Council Member Cunningham thanked the City of Tucson Finance Department and the Finance Director on their outstanding work with the budget. He stated that in his opinion, the budget was based off of thorough research. However, he noted that without knowing the Transaction Privilege Tax (TPT) the only way he would be comfortable moving the budget forward was if some of the compensation plan was removed. He stated in the event the TPT passes there could be an unforeseeable 4 million dollar hit to the City's budget. Mr. Cunningham said 99 percent of the budget was sound, but at the

end of the day there were 13 million dollars being pushed off and another 4 million dollars that could be lost as well. In addition, he noted that the 4 million dollars continued to increase. He recognized that it was not part of the general fund, but that regardless he was still not comfortable passing the budget. He said that if the City receives Local Technical Assistance (LTAP) funds next year or if the TPT fails then he could move the budget forward.

Council Member Kozachik stated that with the change in the Convention and Visitor's Bureau (CVB) or "Visit Tucson," and the City's improved relationship with Rio Nuevo, at what point in the conversation they would want to address moving some funds back from the Tucson Convention Center (TCC) to the Metropolitan Tucson Convention and Visitors Bureau (MTCVB).

Kelly Gottschalk, Assistant City Manager, stated that they did fund the MTCVB at the full 33 percent that year. Therefore, the funds were moved back from the TCC to the MTCVB.

Council Member Kozachik said he was unaware of the transfer and was uncomfortable agreeing to the ceiling. He asked the Mayor and Council to consider how they would have accumulated this year's 15 million dollar deficit if they had not delayed the debt. Mr. Kozachik stated that anything they had in excess should go to reserves for the challenges they had going forward.

Council Member Uhlich asked where they landed at the end of 2012 and what the estimates were for 2013.

Ms. Gottschalk inquired if Ms. Uhlich was asking where they landed with respect to the fund balance or revenues.

Council Member Uhlich clarified that she was referring to the fund balance.

Ms. Gottschalk responded that the Fiscal Year (FY) 2012 fund balance was comparable to the end of the FY 2011 fund balance. She stated that they added a little over a million dollars to the FY 2012 fund balance, but it was not used. The combined fund balance was a little over \$50 million, with \$22.8 million in the sinking fund and in the committed fund balance, and \$8 million or 2.3 percent in the unassigned fund balance going into FY 2013. She noted that the projected FY 2013 numbers would end roughly at the same level, probably a little bit higher, prior to paying the debt. Ms. Gottschalk said the assigned fund balance would go away once the debt was paid.

Resolution 22032 passed by a roll call vote of 5 to 2 (Council Members Cunningham and Kozachik dissenting).

Mayor Rothschild stated that the final hearing on the budget was scheduled for May 21, 2013.

12. ECONOMIC DEVELOPMENT: NOTICE OF INTENT TO ENTER INTO A RETAIL DEVELOPMENT TAX INCENTIVE AGREEMENT FOR THE FIFTH AND CONGRESS HOTEL AND RIALTO BLOCK

(This item was continued at the request of Staff).

13. BOARDS, COMMITTEES AND COMMISSIONS: CREATING THE BOND PROJECT ADVISORY COMMITTEE

Mayor Rothschild announced City Manager's communication number 155, dated May 7, 2013, was received into and made part of the record.

Mayor Rothschild asked the City Clerk to read Resolution 22039 by number and title only.

Resolution No. 22039 relating to Boards and Commissions; creating the Bond Project Advisory Committee; and declaring an emergency.

It was moved by Council Member Cunningham, duly seconded, to pass and adopt Resolution 22039.

Council Member Fimbres inquired why the Bond Project Advisory Committee (BPAC) consists of eleven members.

Michael Rankin, City Attorney, responded that there were no stipulations to the number requirement so long as the Mayor and Council and the City Manager were each allowed an appointee.

Council Member Fimbres asked if it could be nine instead of eleven.

Mr. Michael Rankin, City Attorney, responded that it could.

Vice Mayor Romero asked Council Member Fimbres if he would like to change the number from an eleven to a nine member board.

Council Member Fimbres stated that a nine member board was favorable over an eleven member board in terms of practicality and impartiality.

Council Member Fimbres offered an amendment, accepted by the motion-maker, to reduce the number of City Manager appointees from four to two. This would reduce the total number of members from eleven to nine.

Michael Rankin, City Attorney, stated the language in the Resolution would need to be adjusted as a result of the amendment. In the original Resolution there was specification of what type of expertise the four City Manager appointees would have. If the four appointees are reduced to two then they would lose some of the member

expertise. He announced that at least two shall possess expertise in facilities infrastructure management and at least one should possess expertise in information technology infrastructure management.

Mayor Rothschild offered to appoint the remaining area of expertise after the City Manager makes his two appointments.

Vice Mayor Romero asked if the Mayor would appoint one specific position to the Bond Project Advisory Committee (BPAC).

Mr. Rankin suggested the Mayor and Council reduce two appointees with expertise in facilities infrastructure to one and maintain at least one appointee with expertise in technology infrastructure management.

Council Member Cunningham asked if Mr. Rankin's proposal would eliminate the "at-large" member to the Committee.

Mr. Rankin clarified each member of Council would have one appointee and the City Manager would have two, one of each of his appointee's would fulfill those roles of expertise outlined in the Resolution.

Council Member Cunningham consented to the change.

Resolution 22039, as amended, passed by a roll call vote of 7 to 0.

Mr. Rankin said they would adjust the quorum requirement to five members instead of six.

14. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS

Mayor Rothschild announced City Manager's communication number 160, dated May 7, 2013, was received into and made part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to approve the appointments in the report.

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

There were none.

15. ADJOURNMENT: 6:55 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, May 14, 2013, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 7th day of May 2013, and do hereby certify that it is an accurate transcription.

DEPUTY CITY CLERK

RWR:lmo:ags