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## Minutes of MAYOR AND COUNCIL Meeting

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Approved by Mayor and Council  
on September 23, 2008

Date of Meeting: June 3, 2008

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 5:43 p.m., on Tuesday, June 3, 2008, all members having been notified of the time and place thereof.

### 1. ROLL CALL

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

Present:

Regina Romero	Council Member Ward 1
Rodney Glassman	Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Steve Leal	Council Member Ward 5
Robert E. Walkup	Mayor

Absent/Excused:

Nina J. Trasoff	Vice Mayor, Council Member Ward 6
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Staff Members Present:

Mike Hein	City Manager
Michael Rankin	City Attorney
Roger W. Randolph	City Clerk
Mike Letcher	Deputy City Manager

## **2. INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was given by Pastor Roy Tullgreen, Gospel Rescue Mission. Mayor Walkup asked the audience to join the Council in a moment of silence for fallen Officer Hite and his family, and to offer a prayer for the recovery of the two sheriff's deputies injured in the same incident. The Pledge of Allegiance was led by the entire assembly.

Presentations:

- a. Mayor Walkup presented a Copper Plaque to Manny Herrera for his outstanding contributions to the City of Tucson.
- b. Mayor Walkup presented certificates to Steven Meyeroff, Emila Sutton and Karla Wildberger, United Way Volunteers.
- c. Mayor Walkup presented certificates to students from San Miguel High School for their outstanding achievements.

Roger W. Randolph, City Clerk, announced Susie Rogers would be assisting with anyone in the audience needing Spanish language translation for items listed on the agenda.

## **3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS**

Mayor Walkup announced City Manager's communication number 248, dated June 3, 2008, was received into and made a 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.

- a. Council Member Romero invited everyone to the annual celebration of El Dia de San Juan that would take place on June 24, 2008. The historical festival was a call for summer rains to bring life to the desert. She said it would include a ribbon-cutting ceremony for the Avenida Del Convento. She also invited anyone wishing to participate to call the Ward 1 Council Office.
- b. Council Member Glassman offered his condolences to the family and friends of Officer Erik Hite and to the Police Department for the tragic loss. He thanked all public safety employees and their families for their efforts to keep the community safe.

#### **4. CITY MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS**

Mayor Walkup announced City Manager's communication number 249, dated June 3, 2008, was received into and made a 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.

Mike Hein, City Manager, allowed the newly appointed City Clerk to speak.

Roger W. Randolph, City Clerk, thanked the Mayor and Council for selecting him as the new City Clerk and for allowing him and his staff to serve the Council and the public.

#### **5. LIQUOR LICENSE APPLICATIONS**

Mayor Walkup announced City Manager's communication number 251, dated June 3, 2008, was received into and made a part of the record. He asked the City Clerk to read the Liquor License Agenda.

##### **b. Liquor License Applications**

###### **New License(s)**

1. Maynards' Trackside Market & Eatery, Ward 6  
400 N. Toole Avenue  
Applicant: Richard Samuel Oseran  
Series 12, City 32-08  
Action must be taken by: June 12, 2008  
Staff has indicated the applicant is in compliance with city requirements.
2. Guadalajara Grill, Ward 3  
1220 E. Prince Rd.  
Applicant: Emma Yolanda Holzman  
Series 12, City 33-08  
Action must be taken by: June 9, 2008  
Tucson Police Department and Development Services have indicated the applicant is in compliance with city requirements.  
Revenue has indicated the applicant is not in compliance with city requirements.  
Public Opinion: Written Arguments Opposed Filed.

This item was considered separately.

##### **c. Special Event(s)**

NOTE: There are no special events scheduled for this meeting.

- d. Agent Change/Acquisition of Control

NOTE: There are no agent changes scheduled for this meeting.

It was moved by Council Member Glassman, duly seconded, and carried by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused), to forward liquor license application 5b1 to the Arizona State Liquor Board with a recommendation for approval.

## 5. LIQUOR LICENSE APPLICATIONS

- b. Liquor License Applications

New License(s)

- 2. Guadalajara Grill, Ward 3  
1220 E. Prince Rd.  
Applicant: Emma Yolanda Holzman  
Series 12, City 33-08  
Action must be taken by: June 9, 2008  
Tucson Police Department and Development Services have indicated the applicant is in compliance with city requirements.  
Revenue has indicated the applicant is not in compliance with city requirements.  
Public Opinion: Written Arguments Opposed Filed.

Roger W. Randolph, City Clerk, announced the application to be considered separately was item 5b2, Guadalajara Grill, located in Ward 3. The Revenue Department indicated the applicant was now in compliance, but there were written arguments filed.

Council Member Uhlich asked if the applicant or representative was present and would like to make any comments. She asked that they state their name and address for the record.

Seth Holzman, representative for the applicant, stated the written oppositions had taken him by surprise. He did not know what they contained, but he could speak about the location. Mr. Holzman said Guadalajara Grill located at 1730 E. Prince Road had been in business for six years. They had purchased the new building just a block away and that the new location had also been a well-established family business for the last twenty-two years. He said Guadalajara Grill had been a responsible family dining location for the past six years and they planned on operating the restaurant at 1220 E. Prince the same way as they had at the old location.

Council Member Uhlich asked if anyone who had written a protest letter was in the audience.

No one came forward.

Council Member Uhlich said that she knew one statement of opposition was from an adjacent property owner who had experienced problems in the past, such as litter being thrown over their fence, patio wall damage, and loud music. She asked Mr. Holzman to comment on his management practices and how those issues would be addressed.

Mr. Holzman said the complaints had been with the past tenet in that location. He said he had spoken to the apartment complex manager to the back of the location and met with neighbors directly west of the building. At a neighbor's request, they had fixed a light that been shining in one of the backyards. He stated they had also cleaned up the location, repaired walls that had been in disrepair for the last two years, and addressed parking issues. He said he knew of no immediate neighbor problems still existing.

Council Member Uhlich said she heard in his comments a commitment to continue a proactive engagement with his neighbors should any problems re-surface. She said because the applicant was in compliance, she didn't think the Tucson Police Department representative needed to speak unless he had comments. She then asked David Cormier, Finance Director, to come forward because Council had an initial report that the applicant was not in compliance but then Council received a late delivery stating the applicant was now in compliance. She asked for a clarification.

David Cormier, Finance Director, said the applicant had been delinquent but was now fully paid and there were no longer delinquency issues.

Council Member Uhlich announced she had gone to the Guadalajara Grill. She said it was a fabulous location and a really great restaurant. She said she appreciated that the applicant had come current with his taxes, but given his tax history she would forward the application with a neutral recommendation, unless he had further comments.

Mr. Holzman said he had spent a great deal of time with the Revenue Department and they had been very helpful. One problem dealt with another company, and did not apply. He said Council Member Uhlich was probably aware of the new system being used and that there was a problem in that his payments made in April were not yet applied, thus showing his account delinquent. He said after he showed payment had been made but was not posted, it cleared up most of the problem.

Council Member Uhlich said she would give him the benefit of the doubt as it sounded like he was making a good faith effort. She emphasized how important it was to stay current and to have the good relationships he had demonstrated.

It was moved by Council Member Uhlich, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to forward Item 5b2 to the Arizona State Liquor Board with a recommendation for approval.

## **6. CALL TO THE AUDIENCE**

Mayor Walkup 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.

- a. Robert Reus asked Mayor and Council to give raises to City employees, especially those making under sixty thousand dollars.
- b. Michael Toney spoke in favor of funding law enforcement.
- c. Richard Radinsky, Treasurer of the Tucson Police Officers Association, asked for proper funding for the Police Department to maintain the safety of the community. He thanked Council Member Scott for her support.
- d. Ken Scoville thanked Rebecca Roof and members of the Tucson Urban Planning and Design Department for their help with the recent history open house held May 24. He also advocated for a plaza park to be added to the land at the Oracle Road and Drachman Road area.
- e. Mike Gurr, of the Tucson Police Officers Association and on behalf of the Hite family, thanked the Mayor and Council for their kind words.
- f. Larry Lopez, President of the Tucson Police Officers Association, spoke on Police Department staffing issues and also requested an outside audit be conducted on the Rio Nuevo project.
- g. John Strader, a Tucson Police Officer Association member representative, asked that differences be put aside and mutual goals set to make the City safer.
- h. Isabel Doe, a Menlo Park resident, asked that the West Side Rio Nuevo project be completed and not put aside as had been suggested.
- i. Roy Warden spoke in support of funding for community safety.
- j. Joe Sweeney spoke about illegal immigration and its negative impact on the City.
- k. Jan Blazer-Upchurch (accompanied by Sherry Graham), of the Arizona Concerns of Police Survivors, said the cost, to the community, of losing a law enforcement officer was greater than the cost of additional officers.
- l. Lori Oien, of the Bear Canyon Neighborhood Association, said she knew there was money in the budget for law enforcement.

**7. CONSENT AGENDA – ITEMS A THROUGH O**

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

**A. FINANCE: COMMUNITY SUPPORT FUND TRANSFER TO THE SAHUARO HIGH SCHOOL COUGAR CLASSIC GOLF TOURNAMENT**

1. Report from City Manager JUNE3-08-260 WARD 2
2. Resolution No. 20957 relating to Finance; approving and authorizing the allocation of Two Hundred Dollars (\$200) from Ward 2 Community Support Fund, Account No. 001-183-1898-268, to the Sahuaro High School Cougar Classic Golf Tournament to support the Sahuaro Football Booster Club; and declaring an emergency.

This is a request by Council Member Glassman. Allocation of funds is as follows: Council Member Glassman - \$200.00

**B. FINANCE: COMMUNITY SUPPORT FUND TRANSFER TO THE SAHUARO HIGH SCHOOL BAND PROGRAM**

1. Report from City Manager JUNE3-08-259 WARD 2
2. Resolution No. 20958 relating to Finance; approving and authorizing the allocation of One Hundred Fifty Dollars (\$150) from Ward 2 Community Support Fund, Account No. 001-183-1898-268, to support the Sahuaro High School Band Program; and declaring an emergency.

This is a request by Council Member Glassman. Allocation of funds is as follows: Council Member Glassman - \$150.00

**C. FINANCE: COMMUNITY SUPPORT FUND TRANSFER TO THE SOUTHERN ARIZONA AIDS FOUNDATION FOR AIDS WALK 2008**

1. Report from City Manager JUNE3-08-265 WARD 2
2. Resolution No. 20959 relating to Finance; approving and authorizing the allocation of One Thousand Dollars (\$1000) from the Ward 2 Office Community Support Fund, Account No. 001-183-1898-268, to the Southern Arizona AIDS Foundation for the AIDS Walk 2008; and declaring an emergency.

This is a request by Council Member Glassman. Allocation of funds is as follows: Council Member Glassman - \$1,000.00

- D. FINAL PLAT: (S06-209) HALCYON ROAD CONDOMINIUM, UNITS 1 TO 8 AND COMMON ELEMENTS “A”, “B”, AND “C”
1. Report from City Manager JUNE3-08-252 WARD 3
  2. Staff recommends that the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- E. ASSURANCE AGREEMENT: (S05-244) 4TH STREET RCP, AN RCP SUBDIVISION, LOTS 1 TO 6 AND COMMON AREA “A”
1. Report from City Manager JUNE3-08-257 WARD 6
  2. Resolution No. 20961 relating to planning: authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements required in connection with the approval in Case No. S05-244 of a final plat for the 4<sup>h</sup> Street RCP, an RCP Subdivision, Lots 1 through 6 and Common Area “A” and declaring an emergency.
- F. FINAL PLAT: (S05-244) 4TH STREET RCP, AN RCP SUBDIVISION, LOTS 1 TO 6 AND COMMON AREA “A”
1. Report from City Manager JUNE3-08-258 WARD 6
  2. Staff recommends that, after approval of the assurance agreement, the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- G. ASSURANCE AGREEMENT: (S06-196) FAIRVIEW PROPERTY, LOTS 1 TO 9
1. Report from City Manager JUNE3-08-253 WARD 3
  2. Resolution No. 20962 relating to planning: authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements required in connection with the approval in Case No. S06-196 of a final plat for the Fairview Property, Lots 1 through 9 and declaring an emergency.
- H. FINAL PLAT: (S06-196) FAIRVIEW PROPERTY, LOTS 1 TO 9
1. Report from City Manager JUNE3-08-254 WARD 3



2. Staff recommends that, after approval of the assurance agreement, the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- I. TUCSON CODE: AMENDING (CHAPTER 10) RELATING TO THE MANDATORY RETIREMENT AGE FOR FIRE PERSONNEL NOT ENGAGED IN FIRE SUPPRESSION
1. Report from City Manager JUNE3-08-267 CITY-WIDE
  2. Ordinance No. 10538 relating to Civil Service-Human Resources; amending the Tucson Code, Chapter 10, Civil Service-Human Resources, Article I, in general, Section 10-3, Definition, and Section 10-15, Retirement Ages; and declaring an emergency.
- J. REAL PROPERTY: SECOND AMENDMENT TO THE LEASE AGREEMENT WITH ST. JOHN THE EVANGELIST PARISH FOR THE DEVELOPMENT OF ST. JOHN'S PARK
1. Report from City Manager JUNE3-08-262 WARD 1
  2. Resolution No. 20964 relating to real property; authorizing and approving the second amendment to the Lease Agreement between the City of Tucson and St. John the Evangelist Roman Catholic Parish; and declaring an emergency.
- K. APPROVAL OF MINUTES
1. Report from City Manager JUNE3-08-269 CITY-WIDE
  2. Approval of minutes for the regular meetings of the Mayor and Council held on January 8, 2008 and February 26, 2008.
- L. ASSURANCE AGREEMENT: (S05-211) CAMINO SECO VILLAGE (RCP), LOTS 1 TO 35 AND COMMON AREAS "A", "B", AND "C"
1. Report from City Manager JUNE3-08-255 WARD 2
  2. Resolution No. 20963 relating to planning; authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements required in connection with the approval in Case No. S05-211 of a final plat for the Camino Seco Village, Lots 1 through 35 and Common Areas "A", "B", and "C" and declaring an emergency.

- M. FINAL PLAT: (S05-211) CAMINO SECO VILLAGE (RCP), LOTS 1 TO 35 AND COMMON AREAS “A”, “B”, AND “C”
1. Report from City Manager JUNE3-08-256 WARD 2
  2. Staff recommends that, after approval of the assurance agreement, the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- N. INDUSTRIAL DEVELOPMENT AUTHORITY: APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON
1. Report from City Manager JUNE3-08-270 CITY-WIDE
  2. Resolution No. 20965 relating to the Industrial Development Authority of the City of Tucson; appointing Maggie Amado-Tellez to the Board of Directors of the Industrial Development Authority for a term expiring on March 12, 2009; appointing Carl W. Maass to the Board of Directors of the Industrial Development Authority for a term expiring on March 12, 2013; and declaring an emergency.
- O. FINANCE: REALLOCATION OF FUNDS FROM THE WARD 2 COUNCIL OFFICE BUDGET SURPLUS AND CARRY FORWARD OF YOUTH ENRICHMENT FUNDS
1. Report from City Manager JUNE3-08-272(2) WARD 2
  2. Resolution No. 20967 relating to finance; authorizing and approving a reallocation to the Community Support Fund from the Ward 2 Council Office surplus budget of Two Thousand Dollars (\$2,000) to support funding the Educational Enrichment Foundation and Twenty-Five Thousand Dollars (\$25,000) to the Tucson Parks Foundation for the Palo Verde Dog Park Expansion, and approving a carry forward of Five Thousand Dollars (\$5,000) of Ward 2 Youth Enrichment Funds to support the Case Garden Program; and declaring an emergency.
- P. ASSURANCE AGREEMENT: (S08-021) PUENTE NUEVO PLAZA CONDOMINIUMS, UNITS 101 TO 115, 201 TO 206 AND 209 TO 212, COMMON ELEMENT “A”, LIMITED COMMON ELEMENTS “B-1” TO “B-11”, AND “C-1” TO “C-7”
1. Report from City Manager JUNE3-08-273 WARD 2

2. Resolution No. 20966 relating to planning: authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements required in connection with the approval in Case No. S08-021 of a final plat for the Puente Nuevo Plaza Condominiums, Units 101 through 115, 201 through 206 and 209 through 212, Common Element “A,” Limited Common Elements “B-1” through “B-11,” and Limited Common Elements “C-1” through “C-7”; and declaring an emergency.

Considered separately at the request of Council Member Romero.

**Q. FINAL PLAT: (S08-021) PUENTE NUEVO PLAZA CONDOMINIUMS, UNITS 101 TO 115, 201 TO 206 AND 209 TO 212, COMMON ELEMENT “A”, LIMITED COMMON ELEMENTS “B-1” TO “B-11”, AND “C-1” TO “C-7”**

1. Report from City Manager JUNE3-08-274 WARD 2
2. Staff recommends that, after approval of the assurance agreement, the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.

It was moved by Council Member Uhlich, duly seconded, that Consent Agenda Items A through Q, with the exception of Item P which would be considered separately, be passed and adopted and the proper action taken.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Scott, Leal;  
and Mayor Walkup

Nay: None

Absent/Excused: Vice Mayor Trasoff

Consent Agenda Items A through Q, with the exception of Item P, which would be considered separately were declared passed and adopted by a roll call vote of 6 to 0.

**7. CONSENT AGENDA – ITEM P**

**P. ASSURANCE AGREEMENT: (S08-021) PUENTE NUEVO PLAZA CONDOMINIUMS, UNITS 101 TO 115, 201 TO 206 AND 209 TO 212, COMMON ELEMENT “A”, LIMITED COMMON ELEMENTS “B-1” TO “B-11”, AND “C-1” TO “C-7”**

1. Report from City Manager JUNE3-08-273 WARD 2
2. Resolution No. 20966 relating to planning: authorizing the Mayor to execute an Assurance Agreement securing the completion of improvements required in connection with the approval in Case No. S08-021 of a final plat for the Puente Nuevo Plaza Condominiums, Units 101 through 115, 201 through 206 and 209 through 212, Common Element "A," Limited Common Elements "B-1" through "B-11," and Limited Common Elements "C-1" through "C-7"; and declaring an emergency.

Roger W. Randolph, City Clerk, announced this item was being considered separately at the request of Council Member Romero for Council Member Glassman.

Council Member Glassman asked if the applicant was present. He said it was actually a project that was happening prior to his becoming the Ward 2 Council Member and involved land exchanges with the schools. He said he wanted to thank the developer for agreeing to continue the theme they were beginning to create in Ward 2 by adding saguaros to the project. He said this item was put on the agenda rather late and wanted to thank staff for expediting the item and getting it before Mayor and Council.

It was moved by Council Member Glassman, duly seconded, that Consent Agenda Item P be passed and adopted and the proper action taken.

Mayor Walkup asked if there was any discussion. Hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Scott, Leal;  
and Mayor Walkup

Nay: None

Absent/Excused: Vice Mayor Trasoff

Consent Agenda Item P was declared passed and adopted by a roll call vote of 6 to 0.

**8. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 15) ENVIRONMENTAL SERVICES COMMERCIAL REFUSE COLLECTION AND LOS REALES LANDFILL DISPOSAL FEE INCREASE**

Mayor Walkup announced City Manager's communication number 271, dated June 3, 2008, was received into and made a part of the record. He also announced it was the time and place legally advertised for a public hearing on an Environmental Services Commercial Refuse Collection and Los Reales Landfill Disposal Fee Increase. He said the public hearing was scheduled to last no more than one hour and speakers would be limited to five-minute presentations.

Roger Watson, Chair of the Environmental Services Advisory Committee, said that a couple of months ago he thought he would be out of the job, but he was just appointed for two more years. He thanked the Mayor and Council for the opportunity to serve on the Environmental Services Advisory Committee. He said it was a very strong committee and he wanted to acknowledge the members. He announced the appointment from Ward 1 was Maria Borbon, from Ward 2 John Hingle, from Ward 3 Joe Higgins, from Ward 4 Michael Block. He said there was currently a vacancy in the Ward 5 position and he told Council Member Leal they would certainly like an appointment if he had a chance to give them one. He announced the appointment from Ward 6 was Edella Schlager and from the City Manager's Office were Judy Burns, Margot Garcia who was the Vice Chair, Gurumeet Khalsa, Margaret Bowman, Tina Cook and himself. He stated the committee represented a wide range of experiences and was providing a great deal of aid to helping with policy decisions along with the new director, Andy Quigley, who had been providing great leadership.

Mr. Watson said the Council should have a letter sent May 29, 2008, from Andy Quigley's Office, and though he did not want to go through it in detail, he wanted to recognize part of the changes to Chapter Fifteen of the Code. He said there were some changes the committee wanted to emphasize. The first change was regarding the landfill rates. He said starting on June 3, 2008, the Environmental Services Advisory Committee was requesting the Mayor and Council support a new rate of thirty dollars per ton effective July 2008 and a rate of thirty-two dollars per ton effective July 2010. He said there were other changes they were recommending as well, but he said he wanted to emphasize the last paragraph, which stated there had not been an increase since 2000. He said they were looking at both fiscal years 2009 and 2010, and it was not unusual for businesses, and they were a business enterprise now, to see adjustments to cost of service to relatively small accounts. He stated they had done some focus group studies and found that commercial customers preferred a smaller periodic increase instead of a large increase at longer intervals. He said it helped them to project expenses in the business cycle.

Mr. Watson summarized by saying he hoped Mayor and Council supported the increase in the fees per ton for the Los Reales Landfill and requested they move in the recommended segments in those fiscal years. He offered to answer any questions the Mayor and Council might have.

Susan Brenton, Executive Director of the Manufactured Housing Communities of Arizona, said they were a non-profit organization representing the owners of manufactured home communities, mobile home communities and recreational vehicle parks throughout the state. She stated in 1975, the Arizona State Legislature realized there was a unique relationship between a resident living in a mobile home park or manufactured home community and their landlord because the residents were in fact homeowners who happened to live on someone else's land. She said the Arizona State Legislature recognizing that relationship passed the Mobile Home Parks Residential Landlord Tenant Act. She stated in 2004, the City of Tucson also recognized the unique relationship between the residents and the landlords, when the City first adopted the ordinance Council saw before them, which included charges for residential solid waste services. She pointed out in the current ordinance, there was a definition for commercial residential property, which had been added at the request of the Manufactured Housing Communities of Arizona because they wanted to make sure the unique relationship was understood. She said though it might be a commercial property, they were actually people's homes, they were residences. She said now the City of Tucson apparently no longer wanted to recognize manufactured home owners as homeowners. She said under the proposal, submitted by Environmental Services, in Section 15-1A9, they would delete the definition of commercial residential property altogether and that included twenty-five or more dwellings on one lot. She said instead Environmental Services had gone to redefining what a mobile home park, a name that had not been used since 1976, was. She said, under the proposed change, their parks would be considered commercial properties and, under the new fees proposed, the homeowners that had the standard automated plastic container service, would pay eighteen dollars a month. She said that would be for the exact same service as someone who happened to live in a site built home across the street, paid only fourteen dollars a month. She said they believed that was discrimination against a distinct group of homeowners and Tucson citizens. She stated they did not think it was fair at all. She hoped that the Mayor and Council recognized the problem and corrected it before the proposed changes were adopted. Ms. Brenton said she would be happy to answer any questions.

Council Member Uhlich said she was hoping they could get a response from staff on that particular issued raised.

Andrew Quigley, Director of Environmental Services, said the issue as defined in the 2004 and the current ordinance the commercial residential definition enabled those parks and property owners to select their own hauler, and they had a choice of haulers. He said that was the difference between the definition in the current code and the resident across the street. He stated that was why they had defined it as a commercial property to get rid the commercial residential definition. Mr. Quigley repeated that they had the opportunity today to select their own waste hauler.

Council Member Scott asked if the park selected the City of Tucson, would they then pay eighteen dollars or fourteen dollars.

Mr. Quigley said that under this proposed ordinance, if they selected the City of Tucson, they would pay eighteen as commercial customers.

Council Member Leal said when he looked at the situation, he was less concerned as to whether the property owner had to have a license making them commercial, as to the nature of the activity that was on the property. He said the activity on the property was residences and that should be how the City interpreted and engaged those people instead of whether the larger property owner had a business license. He said he thought they should be charged fourteen dollars instead of eighteen. He mentioned they had a reverse situation for years where the City had six thousand, green, ninety-two gallon containers they gave to businesses for free because they were residential containers, even though the activity for which the containers were used was business activity. He said the City realized they were looking through the telescope backwards, and they should be looking at the nature of the activity, not what the container was. He said unless he heard a reason otherwise, he hoped when Council passed the ordinance they had those homeowners pay the same as other homeowners in Tucson at the fourteen-dollar rate. He said otherwise, Ms. Brenton was right, the City would be discriminating against them.

Council Member Scott asked if that was possible.

Mr. Quigley said in 2004, the association came forward to ask for choice and he said they were given choice. He stated, at that time, the residential and commercial automated plastic container (APC) rate was the same, but now there was a new rate for commercial APC service. Mr. Quigley said the way Council Member Leal's request could be implemented, was for Council to get rid of the possibility for the parks to choose a hauler and make them all residents. He said if the parks used another hauler at this time, they would have to drop those services and allow the City of Tucson to provide the service.

Ms. Brenton said, at that time, approximately sixty percent of the association's members used a private service but the reason why they wanted the commercial residential designation and the right to choose was there were some communities that used the automated plastic containers (APCs). She said for those communities, they were residential. She said for the other properties that used the larger containers and the rollaway containers, that was definitely a commercial activity.

Council Member Leal asked Mr. Quigley, if for those locations that had individual containers, could the City treat them as residential and charge the fourteen-dollar rate and for those locations that had the larger containers could the City treat those as commercial and charge eighteen dollars. He said if they were different locations, not mixed in one location.

Mr. Quigley said the issue was the fact of choice. He said if they choose APC service then they could not have another service provider. He said there were park owners right now that had APC service provided by Saguaro and Waste Management and those park owners under the new proposal would have the opportunity to choose that

option. He said if the Council was to change the option, those park owners who had Saguaro and Waste Management would have to eliminate that service. He said there was APC service at that time at those mobile home parks provided by Waste Management and Saguaro.

Council Member Leal apologized and said perhaps they were talking past each other. He said they would forget about the properties that did not have the big containers and that were using other commercial haulers. He asked if they only looked at the locations that wanted to have the small stand-alone containers homeowners used, could the City charge them fourteen dollars like other homeowners, without destroying the rest of reality.

Mr. Quigley said, at that time, service providers Waste Management, Saguaro and Tucson Recycles provided the APC service to the park owners under the 2004 definition. He said if Council was to change it and allow everybody that had a small container, which would include those parks, then they would have to be treated as...

Council Member Scott asked if she could intervene. She said if a park owner and the park constituency wanted to use only the City of Tucson and to have APCs and pick up, could the City arrange, in this ordinance, to have those people pay fourteen dollars.

Mr. Quigley asked Council Member Scott if that meant those people could never change service providers again. He asked if Council would eliminate the park's right to choose.

Council Member Scott said that made it unduly complicated to her. She said if a person had a City container, they paid City fees, and if a person had another provider, then they paid that provider's fees. She said there should not be a mix and match. She said she thought Mr. Quigley was saying that within a park, he was hoping there would not be a mix and match, that it would be unified. She gave the scenario that if the park constituents wanted to have the City of Tucson as their only provider, wanted to be treated as a home and therefore be charged fourteen dollars, and asked if that was what Ms. Brenton was driving at.

Ms. Brenton said she thought what they needed to do was leave that commercial residential property definition in the ordinance. She said that then Council would have to add what the APC rates were for commercial residential properties and for what rates were for residential properties. She said that would take care of the problem.

Council Member Scott said the City of Tucson could not regulate the APC rates of private haulers.

Ms. Brenton said she understood, she meant only the City's rates.



Council Member Scott said it was logical that the park homeowners would pay a fourteen-dollar fee and not a different fee. She said she thought that was all Council was asking at that time. She asked if there was still confusion about what they were asking.

Mr. Quigley stated, as he understood it, people that currently got City of Tucson service would be treated as residential customers and pay the residential rate. He said that in the future, perhaps a year later, they could not opt out, they had to continue to receive City of Tucson service.

Council Member Scott said she did not understand why they were dwelling on the options. She said when she moved into her stick built house she was a City resident, therefore she got City services, one of which was Environmental Services. She asked why it would be different if she moved down the street to a manufactured home complex. She asked why she would be treated differently if she had a manufactured home, she still had City of Tucson service, and the entire park had City of Tucson service. She asked if ABC Company came a year later and offered service and the park decided as a unit to go with that service would Environmental Services not allow that.

Mr. Quigley said it was the definition of the term residential that was the issue. Residents could not opt out of City of Tucson services. Residents were required to have the City's service. He said that was the big difference. Park owners and their members could choose to select a different service provider. He said under the commercial rules proposed they received other benefits that other City residents did not get. He stated one example was the park could stop their service for the summer, Environmental Services was not able to do that for residents, unless they stopped water service. He said there were a number of things involved in this issue. He said he recognized the Council's point was to treat everyone equally.

Mike Hein, City Manager, said it came down to price and choice. He said subdivision by subdivision were not allowed to have that option and there were economies of scale and built in schedules. He said he thought the association was asking for both. They wanted the freedom of choice, and the reduced residential rate. He stated it was a policy decision the Mayor and Council could make. He said they could calculate the potential cost differential of the four dollars for the service, but then there was the inherent benefit with the commercial service that allowed choice, it allowed stoppage, it allowed things the normal residential customer did not have.

Mayor Walkup asked if they could take this item out. He said this was where they could make mistakes by making judgement on what they did not fully understand. He said there were other members of the Council that had weighed in on this.

Mr. Hein said he would restate what the chairperson of the Environmental Services Advisory Committee (ESAC) stated. They had reviewed all of the issues and it had been vetted. They could certainly continue the item and bring more information in on behalf of the association.

Council Member Glassman said, he wanted to make sure he understood, if you lived in the City of Tucson in a home, you received residential service and paid fourteen dollars a month for that service. He said there was a different classification for manufactured homes, which fell under the City's commercial category. He said if he lived in a manufactured home in a neighborhood of one hundred eighty homes, they were all commercial, so they each could choose, just like a business, which provider they would like to use. He said if he was a resident of Tucson, and lived in the Vista Del Saguaro Neighborhood or Hacienda Del Rio, he would pay fourteen dollars, would receive residential service, and he would not have a choice of provider.

Council Member Glassman thanked Ms. Brenton for coming down from Phoenix to talk about this issue and to talk about equity. He said he thought anything away from the recommendation as it was written and as was made by the citizens' committee would fly in the face of providing equity to the residents of Tucson who lived in neighborhoods, had residential service, and did not have a choice. He said it was a system, a policy that the City had here. He said personally, that if they had the opportunity to continue with the public hearing and perhaps had a motion, he was prepared to vote that day based on the recommendation.

Mayor Walkup reminded Council they were still in the public hearing from the audience.

Ms. Brenton wanted to make one comment. She said she wanted to make sure Council Member Glassman understood that if you lived in a manufactured housing rental community with two hundred spaces, you personally would not be allowed to change your provider, it was the community as a whole that did it.

Council Member Scott restated that regular residences could not change their service, and that was the difference they were getting to.

Ms. Brenton said the reason, the communities had the ability to choose providers, was because some communities had found they started with one type of container, and it was not what they needed, so they would go to bigger containers, and thus they needed the option to change. She said some communities had found that with the automated plastic containers (APCs) many of the residences used, one container per two households was plenty.

Council Member Leal said since they had had that conversation, what it came down to for him was, that if you wanted to pay fourteen dollars, you needed to be with the City services forever or forget it. He said that was where it was. He said if they wanted to be treated equally, what came with that was they were like all other Tucson neighborhoods. He said other Tucson neighborhoods could not opt out, then neither could manufactured home communities. He asked which of the horses the association wanted to ride.

Mayor Walkup thanked Ms. Brenton for her input. He said there were more speakers to be heard.

Michael Toney said it was getting quite interesting. He said it was too bad he could not ask Michael Rankin some questions, because he said he thought Mr. Rankin would probably eliminate this rather rapidly. He said, according to what Mr. Hein stated, it was a policy decision. He stated that if it was something that involved the CC&Rs in the manufactured homes that would be a CC&R situation. He said that because they were including these homes, these mass manufactured homes, in a commercial category, he thought Mayor Walkup had the right idea and Council should get more information. He said according to what Mr. Hein said, he had gone over it, in terms of the legality of it, and he said Council could do whatever they wanted. He said he did not know where they wrote the code, he said he was sure the State did not compel the City to have the citizens of Tucson opt for the trash container given by the city and in perpetuity. He asked if that meant that if someone sold their house and their children lived there, did that mean their children would also have to opt into it. He stated that was not freedom and he did not think that needed to be done. He said he thought that they could give them the choice of either/or and not as you want to either this and not that, not and. He asked if anyone was a computer engineer and knew Boolean algebra. He said as it was, Council was upping all those fees, and he was not sure how the Los Reales Landfill was set up and if Council could take general fund monies to put in there. He said prices were going up on everything. He said the City could not keep hitting the citizens to fill the general plan coffers. He said he thought there was about fifty million dollars Council could cut out of future projects, which would allow for even insertion of general fund monies in these things. He said he was not sure how it was set up and he wished Michael would elucidate the situation a little bit, it was their policy decision to do that. He said they had fought the trash fee, it got tough for them because they had the two hundred fifty million to waste on the UASC (University of Arizona Science Center). He said there was some sixty million in the Rio Nuevo budget and that the Director of Rio Nuevo did not even have correct financial figures. He said, as he looked at the statutes, the director was supposed to have those figures and have them open to the public. He said that had not occurred, plus the board of directors had not met for about ten or eleven months and they were supposed to meet twice a year. He said it was in their charter. He said he did not know, because he could not ask anybody any questions, so he did not know where they were going to take it.

Joan Lionetti, Executive Director of Tucson Clean and Beautiful, said the organization had worked and interfaced with both the City and the County on issues of solid waste, waste reduction and recycling. She said she had been the Executive Director for twenty-two years and had long acknowledged the need for raising landfill fees to reinforce recycling and waste reduction. She stated the commercial sector had also been subsidized by taxpayers. She said for years there had been several directives by different councils and mayors for full cost recovery and they were finally moving in that direction. She applauded anyone who had participated in that effort to move it forward. She pointed out that Council had received a letter of unanimous support from the Tucson Clean and Beautiful Board of Directors.

Margot Garcia, a member of the Environmental Services Advisory Committee, wanted to continue the support and perhaps summarize some of the statements. She said one of the things the Council heard was really important. She reported when Environmental Services did a cost of service study and saw how the different components, residential service with brush and bulky, commercial service, and the landfill, were each supporting their own costs through their own revenue, it was then they realized commercial was not pulling its full weight. She said that was why it was one of the first areas they had begun to tackle in looking at the associated costs. She stated, that as an enterprise fund, they could only spend the money that was collected from the services they provided and so it was important those components contributed to that revenue. She said she thought Council finally understood the commercial nature of the mobile home park or manufactured home park. She said the fact that one person owned all the land and rented it out meant they had control over that land and they were the ones that got to decide who had access onto that land. If the owner made a commercial contract with Waste Management, then they had given them permission to go onto the land and collect the waste, if the contract was with the City of Tucson then the City had that permission. She said the parks opted in to be commercial so they would have that kind of choice, and now they were saying maybe they did not want that choice because the rates were going up. She said she thought Council needed to look at it in the longer term, that in fact, commercial services needed the rate increases in order to cover the full cost of service and that when compared the cost the City of Tucson charged was under almost all the commercial haulers. She said they needed to bring those costs in so residential was not supporting commercial, and landfill was not supporting commercial, but that commercial was pulling its full weight. She said she thought that was very important.

Ms. Garcia said she had been a big bug about the problems of fuel increases. She said, as we all knew, gasoline prices had just gone up, and up, and up and it was the same for the City too. She said when the committee started the budgeting process for this year, the cost of bio-diesel was in the three-dollar range, and just last month, it was four dollars and twenty-five cents. She said there was no give in this kind of a budget, to somehow magically come up with the extra money for the fuel increase. She said Environmental Services did not have any entertainment to cut, they did not go out to dinner, it was a business that collected garbage and trash, took it to the landfill and had to dispose of it properly according to state and federal standards, and there were no short cuts out of that. She said she thought something that was very appropriate was the fuel surcharge component, so that as fuel increased and decreased the budgeting process could be more responsive to what was happening. She said they could just project a higher gasoline fee at the beginning of the year, but if prices did not go up, then the customer would not have the benefit of the amount going down. She said fuel surcharges were present everywhere. She said the City was only thinking of going up four or five percent, unlike United Parcel Service who had sixteen to twenty percent increases in fuel surcharges. She said the Post Office just added one cent to cover fuel. She stated it was just a fact of reality, and there was not much they could do about the price of fuel at the City. Ms. Garcia restated that the committee had worked very carefully on this item, that Mr. Quigley had done a

tremendous outreach program to various groups and prepared them for the increase, thus she urged Council to support it.

Mayor Walkup asked if anyone else wished to speak on this subject at this time.

Cindy Edwards, of Busy D Pumping, said they had been dumping at the Los Reales Landfill since 1999. She said the waste was generated by both residential and commercial customers, and that on the commercial end, their customer base included restaurants, grocery stores, military bases, automotive dealerships, real estate agents, and car wash owners. She said Busy D also accepted and processed waste from other pumping companies. The waste drained from the generators was categorized as non-hazardous liquid waste and the waste water was pumped and transported to their pre-treatment wastewater facility then the solid waste was transported to Los Reales landfill at least once a day. She reported that last year they paid approximately fifty five thousand one hundred dollars in tipping fees to the City of Tucson, at the twenty three-dollar per ton rate. If the proposed tipping fee increased to thirty dollars per ton their cost would be seventy one thousand eight hundred dollars, which was a difference of sixteen thousand seven hundred dollars. She said she was concerned that such a dramatic increase would adversely affect their company and their customers, and with the current economic slowdown she said she believed that raising their customers' disposal fees would be yet another burden on the consumer's pocket book. She stated, as a business owner, she understood the necessity of increasing fees to cover increasing expenses, however she said she believed the increases should be moderate. She thanked the Mayor and Council for considering her comments when they made their decision.

It was moved by Council Member Glassman, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to close the public hearing.

Mayor Walkup asked the City Clerk to read the ordinance by number and title only.

Ordinance No. 10539 relating to environmental services; approving new fees and charges for commercial collection and landfill disposal services; codifying those new fees, as well as residential collections fees, in Tucson Code Chapter 15; consolidating other provisions regulating Solid Waste, and previously contained in rate resolutions or departmental rules and regulations, into Chapter 15; reorganizing and modernizing Chapter 15; adopting new and updating existing Definitions; amending Tucson Code, Chapter 15 by retitling and amending Articles I and II, by repealing existing Articles III, IV and V, by adding new Articles III and IV, and by renumbering Articles VI and VII as Articles V and VI, respectively, and retitling and amending same; providing an effective date of July 1, 2008 for all amendments; providing that this Ordinance, and the amendments to Chapter 15 that it enacts, control the City's Solid Waste Management Activities, and supersede any conflicting or inconsistent provisions of Resolutions 19848 and 19850; and declaring an emergency.

Council Member Scott said she really appreciated the clarification discussion they had, and because it was her understanding that individual streets served by the City of Tucson could not opt out and yet a manufactured housing complex could, she moved, and was duly seconded, to pass and adopt Ordinance 10539.

Mayor Walkup asked if there was any discussion.

Council Member Uhlich said earlier in study session she had raised a point, and she would like to raise it again, though not as a part of the motion. She said they needed to do more to index City fees so businesses budgeting for those kinds of costs did not get hit every five or ten years with large increases, but that the City incrementally adjusted fees as was justified by the associated costs. She said that rather than try, at the table, to construct something for this specific fee, she suggested, and she did not know if it could be done in the next couple of weeks, that they review the City's fees. She stated they needed to come up with some kind of an indexing policy. Whether it was tied to the CPI or some other reasonable measure, they could begin to adjust their fees at a two or three percent rate which was reasonable and anticipated as cost of doing business. She said she also thought it would help Council with their struggles during budget time. She said she would support the motion as it stood, but she hoped they could work on that together. She asked Mr. Hein if he thought it was something they could work toward and not affect the 2009 budget, but could affect the 2010 budget.

Council Member Leal said, as they brought the indexing fees item forward, staff needed to find the city policy and mechanism created where cost of service delivery was looked at as something that benefited the user group or something that benefited the individual. He said there might be something in that policy that would help Council. He said he did not think it had been utilized. He said it was something they should bring forward together.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Scott, Leal;  
and Mayor Walkup

Nay: None

Absent/Excused: Vice Mayor Trasoff

Ordinance 10539 was declared passed and adopted by a roll call vote of 6 to 0.

**9. PUBLIC HEARING: FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA GRANT APPLICATION FOR FEDERAL FISCAL YEAR 2008**

Mayor Walkup announced City Manager's communication number 261, dated June 3, 2008, was received into and made a part of the record. He also announced it was the time and place legally advertised for a public hearing for a Federal Transit Administration grant application. He said the public hearing was scheduled to last no more than one hour and speakers would be limited to five-minute presentations.

Michael Toney said he had tried to speak to Council Member Romero at Ward 1 about the stripping of the vegetation on Grande and Congress on the Southeast corner. He said a sign there says "No Trespassing, City Property," and that they took about two hundred feet of bush out of the area. He said they were nice big bushes and the City chopped them down to the roots. He explained they tore out the bus bench because they did not like the guy sitting there with his beer can. He said he understood that, but said he thought there was a better way to take care of the problem. He asked if Council was allowed to get the grant money and then rip out the bus benches under color of doing some kind of maintenance work, because that was what he was told, that it was a maintenance operation. He said Jose Ibarra, the previous Council Member, told him the neighbors did not like it, so they ripped all those bushes and the bus bench out. He said this was not the only place this had happened either. He continued by saying he knew there were some strict guidelines on the federal monies that were going into the trolley business, etc. He said he thought it would be strange. He said if Council Member Romero did not want to deal with it, she did not have to deal with it, but she would face the fire when she was up for re-election. He said incidentally, it was not all over with, because the Tucson Police Department had enough police officers to fill out one page of a recall petition, and recall anyone they wanted to. He said the same thing could happen with these kinds of things and others, if Council just kept jacking everything up.

Mayor Walkup asked if anyone else in the audience wished to speak on the item at that time. No one came forward.

It was moved by Council Member Scott, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to close the public hearing.

Mayor Walkup asked the City Clerk to read Resolution 20956 by number and title only.

Resolution No. 20956 relating to transportation; authorizing and approving the execution of a Federal Transit Administration (FTA) Section 5307 Formula Grant Application for Federal Fiscal Year 2008 Grant AZ-90-X093 in the amount of \$11,241,976; and declaring an emergency.

It was moved by Council Member Leal, duly seconded, to pass and adopt Resolution 20956.

Mayor Walkup asked if there was any discussion.

Council Member Uhlich asked Jim Glock to clarify for the record, that the matching funds provided from the RTA (Regional Transportation Authority), were not funds that would have been used for, or otherwise available for, operation costs.

Jim Glock, Transportation Director, said those funds were built into the RTA's line item for service enhancements, to include not only the support of the department's operating expenses, but also the needed capital investment to allow for the expansion of department services, which would require additional vehicles. He said they were able to convince the RTA to help them with the replacement of some of the department's vehicles that might otherwise have been considered a local expense. He said yes it was built into the line item and it would not impact the RTA's ability to continue to fund the operating enhancements they committed to the voters.

Council Member Uhlich clarified that it would not reduce the funds the City got from the RTA for operations. She asked if it would effect the time lines for the funds from the RTA for operations.

Mr. Glock said it might actually help things. He said it allowed the RTA to help the City access federal funds that we might otherwise have had to wait for as we looked toward accumulating enough general funds to provide the local match.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Scott, Leal;  
and Mayor Walkup

Nay: None

Absent/Excused: Vice Mayor Trasoff

Resolution 20956 was declared passed and adopted by a roll call vote of 6 to 0.

#### **10. FINANCE: TENTATIVE ADOPTION OF FISCAL YEAR 2009 BUDGET**

Mayor Walkup announced City Manager's communication number 268, dated June 3, 2008, was received into and made a part of the record.

Mayor Walkup asked the City Clerk to read Resolution No. 20950 by number and title only.

Roger W. Randolph, City Clerk, announced the City Attorney had three scrivener's errors that needed to be read into the record.



Michael Rankin, City Attorney, explained it had come to their attention there were three typos that needed to be corrected and he would read those corrections into the record. He said on Schedule D, under the Special Revenue Funds Category, the Public Safety Academy Fund should, in fact, read the Tucson Convention Center Fund and the Tucson Convention Center Fund, should read the Mass Transit Fund. He said on Schedule E, the second column heading should identify fiscal year 2008 instead of 2006-2007. He confirmed those changes had been made on the final versions in the Clerk's record.

Resolution No. 20950 relating to finance; adopting a tentative budget for the 2009 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.

Council Member Uhlich said it was her understanding that Council Member Scott had some questions on capacity that she preferred were addressed before she made a motion.

Council Member Scott asked if there was capacity in the budget for any kind of settlement that was going to be required, that may not have been settled yet, for all public safety personnel.

Council Member Leal asked what that meant.

Council Member Scott asked if there was capacity to address the issues as presented by public safety.

Mike Letcher, Deputy City Manager, said there was capacity in the budget to address any issues related to negotiations at the table, as long as it was a reallocation of funds that were currently in the budget. He said that in some of their other labor discussions, departments had been able, in their existing budget, to figure out how they could make some adjustments. He said there was no capacity for a salary adjustment or any other large increase, but if there was a trade off or something along those lines, then there was capacity to do that.

Council Member Scott asked if the Manager's Office was still in negotiations with public safety personnel.

Mr. Letcher said they were still in negotiations.

Council Member Scott asked what if they passed and adopted that particular presentation of the budget and there were adjustments that needed to be made and reallocations to be made at that point.

Mr. Letcher said if they needed to make adjustments at that point, depending on the amount of funds, and if it was something that could be reallocated within the budget, then it could be handled that way. He said if they had to make cuts in other departments, they would have to make those cuts depending on the amount of the settlement that would come from TPOA (Tucson Police Officers Association).

Council Member Scott asked that if public safety needed an extra class to graduate new recruits, to keep the city current and as much ahead of the curve as was possible, was there capacity in the budget for that.

Mr. Letcher said they were asking the Council to approve the tentative budget based upon the cap that was a reality of the City's revenue in the current economic situation. He said if the Council decided to have an extra class and add additional officers, they would have the departments do as they did with the increase in the public safety pension. They would have to reduce the City's operating budget to do it, or find revenues from the outside that had not been anticipated. He said there was no capacity to add another class within this budget.

Council Member Scott restated there was no capacity in this budget without reallocation.

Mr. Letcher confirmed there was no capacity without reallocation or cutting.

Mike Hein, City Manager, asked if Council Member Scott meant in addition to what was already budgeted.

Council Member Scott said she was sorry, but she did not hear Mr. Hein's question.

Mr. Hein asked if her question was to add a fourth class.

Council Member Scott said she thought they had four classes this past year. She was just asking if there was capacity built into the budget to allow for four classes this year and next year and so forth.

Mr. Hein stated, as they had explained before, there were typically three classes and one that had been added the last couple of years for sustainability. He said, to answer her direct question, "was there capacity to keep up and add officers?", yes, there were three classes. He said as to the question, "was there capacity to add an additional class", a tentative budget set the upper threshold of expenses and revenues, and they did not anticipate any additional revenue source outside of the adoption of the tentative budget. He explained that any extra expense had to be reallocated within the upper threshold of the revenue estimates.

Council Member Scott then asked if it was possible to reallocate general fund money that did not have strings attached, was unspoken for, or was unrestricted. She

asked if they could at some point, in the future, reallocate those particular funds for that particular purpose.

Mr. Hein answered yes.

Council Member Scott asked what the number of unrestricted funds was in the general fund. She asked if it was five dollars, four hundred twenty seven thousand, or a couple million. She asked if there was any ballpark figure for unrestricted general fund money.

David Cormier, Finance Director, said that was a very, very difficult question. He said the general purpose funds were around four hundred ninety two million, but what was available for reallocation depended on the priority and value the Council put on the line items for which that money was being spent. He said, as they knew, the budget presented required all non-public safety departments to contribute to an 8.2 million-dollar reduction. He said those departments were working to determine how best to do that. He said to say what amount was available to reallocate...

Council Member Scott said she understood it was a difficult question, and she did not mean to be hostile, however, four hundred ninety two million was not just for general redistribution, there were restrictions on some of those dollars.

Mr. Hein said that general fund was discretionary. He said that was the four hundred ninety million that Mr. Cormier referred to. He said he thought what Council Member Scott was asking about was what was not obligated. He said all the funds were basically accounted for in the budget that had been presented over the last couple of months. He said they could lay people off, or they could ask them to cut deeper into the eight million in cuts to non-public safety departments.

Council Member Leal told Mr. Hein he had been working with staff around a couple of revenue sources, some significant and some small. He announced they would be bringing forward a proposal to raise the renewal costs for liquor licenses, which would yield a hundred thirty or a hundred forty thousand dollars. He said it was not enough to hire thirty police officers, but enough to do something with. He asked how they accounted for it in the budget to have disposal of the funds after they had voted on it. He said they were working with the City Attorney on some irregularities on how billboards were taxed and that could yield significant amounts of money. He asked how they would make room in the budget so the Council and staff had discretion over it. Thirdly, and on the heels of a comment made in Call to the Audience regarding revenues loaned to Rio Nuevo, he said he had separately been in communication with Mr. Letcher and Mr. Cormier about the status of those funds. He asked if there was a hole or vacancy in the existing budget that would catch those monies when the City got them back. He asked if the City had gotten anything back and if the City had accepted payments instead of a lump sum, etc.

Mr. Hein said typically those items were brought up prior to the tentative budget adoption. He said in regard to the scale of their potential alternative revenue sources, there were a couple of ways to answer that. He said they could amend the tentative budget adoption, and they would have to change all the forms, and they could put in a whole number for potential alternative revenues. He said the other answer was, the tentative budget set the upper threshold and they were not allowed to adopt the final budget over that amount. He said every year they did not spend every penny that was budgeted, neither did they gain revenue for every penny budgeted. He said what he was saying was there was always capacity and there was always carry forward, projects did not always get done that were in the budget. He said there was built in capacity more on the revenue side than typically on the expense side, therefore, they could end up funding a new revenue source and then trying to obligate it in the middle of the year, but it was a little awkward depending upon the scale. He said in regard to the repayment of the Rio Nuevo loans, if they remembered two years ago, and he said he thought Council Member Scott led that charge, those monies were used to fund public safety capital improvements. The repayment funded new facilities over the last couple of years and he said that was how those funds had been used and how they would continue to be used.

Council Member Leal asked if it was paid in a lump or did the City bond for the facility and were they then accepting payments from Rio Nuevo to pay for it.

Mr. Cormier told the Mayor and Council that the funding for the police evidence facility was done through COP's (Certificates of Participation) financing, so that was being repaid over the next twenty years. He said, likewise, the repayment of the loan from Rio Nuevo was also approximately a twenty-year repayment.

Council Member Leal asked how that was decided.

Mr. Hein said they could pull the specifics, but he said he recalled the study session when they talked about marrying the sources and uses for the funds and tied the repayment of the Rio Nuevo loan to capital improvements for the police department.

Council Member Leal understood that the police facility was some fourteen to sixteen million and the amount owed was fourteen to sixteen million. He said it seemed questionable to him that the City would not take money they had in hand and pay for it with cash as opposed to bonding it and having fourteen million cost twenty eight million at the end of twenty years. He asked Mr. Hein if that was what they did.

Mr. Hein said they could examine the history but he did not think they had fourteen million in Rio Nuevo funds sitting around to repay the general fund. He said, therefore, they married the sources.

Council Member Leal asked Mr. Hein to send him some information, as he was suppose to have a meeting with Mr. Letcher and Mr. Cormier about that. He said he was sorry to hear that was how it was financed, as it just seemed better to him if they had just paid for it in a lump and not gone into debt and paid twice as much money. He said they

did Rio Nuevo to help the city, but now they were compromising the city to help Rio Nuevo, if they were allowing Rio Nuevo to make payments instead of getting the fourteen million all at once from them.

Mr. Cormier said one way to look at the deal with Rio Neuvo was that money loaned to Rio Nuevo was being repaid with interest. He said it was much the same as if the City invested that in their cash account. The financing of the evidence facility under Certificates of Participation also had an interest component and in a way the interest was a wash between what the City was paying on the debt and what the City was being paid by Rio Nuevo.

Council Member Leal said the City was still paying twice as much money over twenty years. He then returned to the first question of how they could make use of the liquor license fees. He asked if it was necessary to wait a whole year in order to use those funds or could they be used sooner considering the funds were currently needed.

Mr. Hein said Mr. Leal described those funds in a ballpark figure of one hundred thousand to two hundred thousand dollars. He reminded Council that in a budget not every penny was spent that was budgeted for.

Council Member Leal said he understood, but there might be some things Council would like to spend more on and these funds would give them the ability to spend more.

Mr. Hein stated in theory that was correct.

Council Member Uhlich said she was interested in further comments. She said she was hearing that there were thoughts and ideas Council wanted to make sure the budget could accommodate. She said they understood they could not wave a wand and meet needs. She stated they understood there must be concrete numbers behind any decisions they made whether it was to add a safety class or any of the other things. She said they wanted to make sure they were not tying their hands, so that if they did identify additional revenue sources they could be designated to those things. She said she heard Mr. Hein when he said that sometimes capital projects shift in time lines and that there was an assumed capacity in the budget. She asked what the process was once the tentative budget was adopted and once the final budget was adopted for adjustments to be made as either Council identified solutions or as real numbers come in versus projected numbers.

Mr. Hein said he imagined the Mayor and Council would call a study session to discuss the potential new revenue source. They would ask questions of staff about how much the new source would generate, then they would say how they wished to spend it, and staff would find capacity in the budget. He said Budget staff had informed him there was two million of contingent revenue and two million in contingent expense built into the budget. So, he said, if Council found two million dollars it would be contingently expended as they wished.

Council Member Uhlich said they did not know how much some things cost. She asked if the two million dollars was magic, or was it typical to build in contingency funds based on a percent of general fund dollars. She said they just wanted to make sure they were being responsible and recognizing that there was still dialogue going on around a number of issues that had been at the study session table and in Call to the Audience.

Mr. Cormier stated his coworker Cathy Shirley was present to speak to Council on the ability for that increase. He said he wanted to add one important note, and that was staff would be looking at revenues very closely month to month, not just on a quarterly basis. He said, as Council was aware, there was great attention on the revenue shortfall this year, and Finance would be monitoring it very very closely each month as they went through the next fiscal year.

Cathy Shirley, Budget Administrator, said Budget had put two million dollars in contingent capacity in the budget for the last several years. She said maybe five or six years ago it was four million, but there was nothing magic about the amount.

Council Member Uhlich asked if it was best to have that number settled at that stage in the process or if they were able to identify resources would they amend the budget to amend the capacity. She asked what the best approach was if they were hoping to build in greater capacity.

Mr. Letcher said one possibility might be if the Council had before them for consideration twenty five million for bond refunding, and the interest rates were favorable where the City could save money, they might not use all of the twenty five million budgeted. He said there was enough capacity that if there were new revenue sources, and they had to be new sources or they would have to have cuts, there was enough flexibility in the presented budget to do that.

Council Member Romero wanted to ask if the conversations between staff and TPOA included a future game plan so that every two years they did not have to talk about new revenue sources.

Mr. Hein said he himself had not had constructive conversations with TPOA and he said he would not limit it just to TPOA because he said he thought they were asking about all employee groups, about department heads, and others. He said he certainly had had conversations about potential alternative revenue sources currently and in the future with other departments, with department heads, with staff, with other labor groups but not specifically with TPOA.

Council Member Romero asked if Mr. Hein would keep Mayor and Council apprised of those conversations and plans with other departments and employee groups. She said Council Member Uhlich said it best when she said they did not want their hands to be tied with the adoption of the tentative budget when moving forward in researching and looking at tentative revenue streams. She said Mayor and Council were struggling to find the capacity in the budget to add more police officers and to give all employees a

raise. She said she thought it limited Council when they did not talk about potential revenue streams and diversifying the City's revenue streams. She said if they needed to have a presentation in a study session, then they should do that in the future.

Mr. Hein said he had forwarded to Mayor and Council all the studies that had been done by previous committees, given the limitations of the Charter, regarding potential alternative revenue sources. He said he appreciated the support of the Council earlier on commercial refuse and the nice study session about potential transit increases, because it all related to the general fund. He said he thought one of the Council Members or Mr. Glock had mentioned that Sun Tran's general fund subsidy was around twenty nine million dollars. He said, as they had so acutely pointed out earlier, it all had ramifications in other parts of the community. He said they were more than happy to discuss with anyone potential revenue increases and he looked forward to doing so over the next year.

Council Member Scott said she thought there were two burning issues. One, she said, was they were required by law to finish discussions on the budget and have things in place by June thirtieth, and that was pretty close. The second thing was she understood there were ongoing discussions with TPOA and perhaps others and that numbers were still not agreed upon. She said she was deeply concerned about that. She said at that late stage, with just three more meetings left, there should be some sense that Council could say the amount of that budget was a good cap. She said to her knowledge ongoing discussions were not apparently close to coming to consensus and it should be that the numbers that everybody was talking about were agreed upon, and that they could move from there. She asked if there were still disputes about if person A's numbers agreed with person B's numbers. She questioned if that was at the heart of what was going on there.

Mr. Hein answered that he did not know if that was at the heart of it. He said actually by law they had until, he said he thought it was, the third Monday in July. He said it had been years since he had researched that.

Mr. Rankin said that was correct, by state law the Council could go into July with budget discussions, but it was best practice to have the budget in place before the fiscal year began.

Mr. Hein said it would be impractical to prolong it. He said he thought it did not come down to whether his office was going to agree on budget numbers with union groups, it came down to the fact it was a tough budget year. He said there were not increased revenues and there were increased expenses so it could not be business as usual. He said something had to give. They had transmitted the tentative budget, they had a couple of study sessions, they visited all the offices, they had solicited input, and they had provided answers to all the questions that were asked of his office. He said it was a good budget, it was a good capacity, they were not going to spend everything in the budget, they would not make revenue off everything expected to make revenue, so there was room to negotiate. He said it was just a difficult time and a difficult budget. He

applauded the Budget staff, who not very happily met in his office many times, and to whom he said here is the deal, Council did not want the employees to go backwards. He said the increase in pension costs and the increase in health insurance would not be passed on to the employees and they needed to keep the staffing levels where they were in public safety. He said that required the shift in the cost to the support divisions. He said he thought that was what was at the heart of the budget discussion, if they were all honest about it. He stated staff was recommending what he thought was a sound budget. He said the tentative budget had the capacity for Council to discuss, in the future, potential revenues. He said that outside of a major sales tax increase, nothing major, in his opinion and in his fifteen to eighteen years of experience, would be done in a calendar or a fiscal year in government. He said they were just not that nimble to change paradigms that quickly. He repeated that it was a good budget and it was very adoptable.

Council Member Uhlich said having heard that the capacity was sufficient, short of adopting a new sales tax, which was not an idea she had heard for this fiscal year, she would make a motion.

It was moved by Council Member Uhlich, duly seconded, to pass and adopt Resolution 20950.

Mayor Walkup asked if there was further discussion.

Council Member Glassman wanted to thank staff. He said they had visited his Ward Office and been very responsive to his questions. He said Council Member Romero and he, who had been elected in the fall, had picked an interesting time to run for office because for all they knew, they were at the verge of a recession. He said people in the community were losing their homes. He said people in the community were coming to the City Council upset and scared about getting to work because Council was contemplating raising bus fares by ten cents. He said that was the reality they were in as a community. He said that just like businesses in the community, just like the working families in the community, just like everyone in the community, they needed to be tightening their belts. He said they were seeing that happen across the board with the Communication Workers of America, with AFSCME (American Federation of State, County, and Municipal Employees), with the Teamsters, with TPOA, with the firefighters, with all the employees of the city and all the residents of Tucson. He said as important as it was to look at upwards capacity issues, he understood the tentative budget was to pick that top number. He stated that just like any family in the community or any business in the community, if a windfall occurred during the year, Council could come back together and amend anything they liked. He said he thought they all should acknowledge the reality that was going on in the community which was everyone was facing tough times and the idea of increasing the burdens on working families or anyone in the community was going to be difficult if not unrealistic. He wanted to thank staff again for being responsive to all the questions they had and for allowing them to learn through the process, since it was the first budget that his office would be voting on.



Mayor Walkup commented that he thought Council Member Uhlich's motion was justified. He said that having been around for awhile, he could guarantee that if some revenue showed up as a surprise, they would jump on it. He said he also thought they had a commitment to the public safety, and wanted to continue to expand their numbers. He said there were some decisions they would have to make, but the great horror of where they stood today was that the guys up in Phoenix were still struggling with the state budget. He said that they had put into the budget an assumption on state shared revenues. He said the longer the state legislature met the greater the threat was to cities in the state. He said he thought they had done a noble job of understanding they did have the capacity for revenues on the plus side, but that they needed to be lobbying to make sure the state did not touch the state shared revenues coming to the cities. He said it was the cities that were the places that created the revenues that drove the state. He said it was a tough budget year, but they had some vigilance to do, starting then and through the whole year. He said they all had the same passion for the City's public safety officers to keep the ranks up. The Mayor stated the thought they should move forward. He then asked for further comments.

Council Member Uhlich thanked the Mayor. She said there was not a person on the Council or staff that did not recognize how difficult the times were and that they could not be cavalier about even opening the possibility of revenues because times were so tight. She said she was very sincere in saying that she did not want to raise hopes by raising the questions, but the questions did need to be raised. She said she did not think they might face the situation where they needed to look at new revenues simply to break even. She said she did not want to be in a situation where they received word from the legislature and found that the city was six months behind where they should have been because Council was afraid to talk about diversifying revenues. Or, the city was afraid to talk about indexing as many fees and things that they could reasonably ask the city's public to pay, because it was a part of reality. She said none of those decisions would be made lightly. She said she hoped that staff understood the questions being asked were really in the spirit of understanding the challenge and wanting to make sure Council was not shying away from what they were facing and not thinking that one budget number was going to make it all go away.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Leal; and Mayor Walkup

Nay: Council Member Scott

Absent/Excused: Vice Mayor Trasoff

Council Member Scott explained her vote by saying she thought they would have difficult times ahead and she was still wondering whether or not there was going to be

consensus and a final agreement with all of the questions that had been raised at the table. She said she was willing to talk about reallocation rather than new revenues because the term new revenues was a euphemism for new taxes. She said, although she, herself, had suggested a small new tax, she thought the reallocation of some of the funding the City was doing, that was not by Charter, was another way for them to look at enhancing the funding available to the City and reallocating it for another purpose. She said, not to be contrary or to pander, she simply wanted to say she would support a budget in the end and she complemented the Budget people for doing very diligent work, but she was going to say no at that point.

Resolution 20950 was passed by a roll call vote of 5 to 1

**11. CITY MAGISTRATES: APPOINTING NIKKI A. CHAYET AS A CITY MAGISTRATE AND FIXING COMPENSATION**

Mayor Walkup announced City Manager's communication number 263, dated June 3, 2008, was received into and made a part of the record. He asked the City Clerk to read the Ordinance 10537 by number and title only.

Ordinance No. 10537 relating to City Magistrates; appointing a City Magistrate of the City of Tucson; fixing compensation and declaring an emergency.

It was moved by Council Member Leal, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to continue the item.

**12. RECONSIDERATION OF ORDINANCES 10520, 10528, 10529, 10530, 10531, 10532, 10533, 10534, 10535, AND 10536 AND RESOLUTIONS 20951, 20953, 20954, AND 20955**

Mayor Walkup announced City Manager's communication number 264, dated June 3, 2008, was received into and made a part of the record.

Roger W. Randolph, City Clerk, said a motion to reconsider the ordinances and resolutions would be needed, and if that motion passed then a motion would be needed to pass and adopt the ordinances and resolutions.

Council Member Scott asked to consider Ordinance 10536 separately.

It was moved by Council Member Romero, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to reconsider Ordinances 10520, 10528, 10529, 10530, 10531, 10532, 10533, 10534, 10535 and Resolutions 20951, 20953, 20954, and 20955 to enable an earlier effective date.

It was moved by Council Member Romero, duly seconded, and passed by a voice vote of 6 to 0 (Vice Mayor Trasoff absent/excused) to pass and adopt Ordinances 10520,

10528, 10529, 10530, 10531, 10532, 10533, 10534, 10535 and Resolutions 20951, 20953, 20954, and 20955 with the emergency clause.

Mr. Randolph said Ordinance 10536 was to be considered separately at the request of Council Member Scott.

Council Member Scott said any council member who wished to make a positive motion to reconsider Ordinance 10536 could please do so, as she would be voting against it.

Mike Hein, City Manager, suggested Council not make that motion.

Council Member Scott said she thought if Council went forward with the motion, it would just delay the effective date of the Ordinance for thirty days.

Mike Rankin, City Attorney, stated the Council had two options. They could vote to reconsider the ordinance and then vote to adopt it with the emergency clause. If the motion failed, which appeared to be the case, then it would be the same result as the second option, which was to choose not to reconsider the ordinance at all.

Mayor Walkup suggested they move on to Agenda Item 13.

Mr. Rankin said, just to clarify for the record, Ordinance 10536 was not reconsidered for the addition of the emergency clause and would go into effect thirty days from the date of the initial adoption.

**13. ZONING: (C9-08-01) FORT LOWELL PARK, LLC – FORT LOWELL ROAD, R-3 AND MH-1 TO O-3, CITY MANAGER’S REPORT**

Mayor Walkup announced City Manager's communication number 266, dated June 3, 2008, was received into and made a part of the record. He announced this was a request to rezone property located on the south side of Fort Lowell Road east of Alvernon Way. The Zoning Examiner and staff recommend authorization of the rezoning subject to certain conditions. He asked if the applicant or representative was present. He asked that they state their name and address for the record and if they were agreeable to the proposed requirements.

Mike Grassinger, of The Planning Center, was present and stated that he was agreeable to the proposed requirements.

Council Member Glassman, thanked Mr. Grassinger, a Ward 2 resident, for waiting so long and said he wanted to point out a few highlights of this great rezoning, an infill project located off of Fort Lowell. He said the applicant had agreed to follow many of the wonderful things Council was working on with Development Services to put into ordinances in the future, hopefully by August. He said these included increasing the number of trees to be planted to reduce the urban heat island impact and, consistent with other rezonings, agreeing to plant saguaros on the site, adding to the nature of Ward 2.

He said he thought the most powerful highlight, was the water harvesting, something the Council had demonstrated a commitment to. He said the developer had chosen not to use potable water after the two-year period in which the trees were taking root. He added they had also made the commitment to utilize high efficiency toilets on the site and, because it was a commercial site, there were quite a few. Council Member Glassman thanked Mr. Grassinger again for working with staff and being so proactive as Council worked toward making those things the rules instead of the exception.

Council Member Glassman said he wanted to mention one other thing. The developer had done something extra special, as they had also worked with renters in the area. The requirements were the developer only needed to notify property owners in the area, but this particular land owner also took the time to work with some renters in the area, which was not required, and was something really going above and beyond.

It was moved by Council Member Glassman, duly seconded, to authorize the request for rezoning as recommended by the Zoning Examiner.

Mayor Walkup asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Romero, Glassman, Uhlich, Scott, Leal;  
and Mayor Walkup

Nay: None

Absent/Excused: Vice Mayor Trasoff

The motion to authorize the request for rezoning as recommended by the Zoning Examiner was declared passed and adopted by a roll call vote of 6 to 0.

#### **14. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS**

Mayor Walkup announced City Manager's communication number 250, dated June 3, 2008, was received into and made a part of the record.

There were no appointments.

**15. ADJOURNMENT: 8:14 p.m.**

Mayor Walkup announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, June 10, 2008, at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

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MAYOR

ATTEST:

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CITY CLERK

**CERTIFICATE OF AUTHENTICITY**

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 3rd day of June 2008, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

RWR:jr:dp