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## Minutes of MAYOR AND COUNCIL Meeting

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Approved by Mayor and Council  
on August 8, 2006

Date of Meeting: June 13, 2006

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 5:45 p.m. on Tuesday, June 13, 2006 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:

José J. Ibarra	Council Member Ward 1
Carol W. West	Council Member Ward 2
Karin Uhlich	Council Member Ward 3
Shirley C. Scott	Council Member Ward 4
Steve Leal	Vice Mayor, Council Member Ward 5
Nina J. Trasoff	Council Member Ward 6
Robert E. Walkup	Mayor

Absent:

None

Staff Members Present:

Mike Hein	City Manager
Michael Rankin	City Attorney
Kathleen S. Detrick	City Clerk
Mike Letcher	Deputy City Manager

Kathleen S. Detrick, City Clerk, announced Susie Rogers, interpreter, would be assisting with anyone in the audience needing Spanish language translation for items listed on the agenda.

**2. INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was given by Pastor Steven Main, Northwest Community Friends Church, after which the pledge of allegiance was presented by the entire assembly.

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

Mayor Walkup announced City Manager's communication number 287, dated June 13, 2006 would be received into and made a part of the record. He also announced this was the time scheduled to allow members of the Council to report on current events and asked if there were any reports.

- a. Council Member Scott announced the sixth annual "Back to School Bash" would be held August 12, 2006 at the Clements Recreation Center.
- b. Council Member Trasoff announced Ward 6 would be hosting "Go Green," an open house on the environment on June 22, 2006. It would consist of alternative travel, resource conservation, solar, green building techniques and biological preservation and also the Arizona Jazz Academy youth organization would be performing. Council Member Trasoff announced Ward 6 was supporting the Tucson Heat Girls Basketball Team by providing new uniforms. Also, Ward 6 would be supporting students by providing sponsorship to the group "Harmonia Fiesta Concerts." Council Member Trasoff invited the public to Ballet Tucson's Summer Dance Workshop that provides youth ballet training to be held June 24, 2006.

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

Mayor Walkup announced City Manager's communication number 288, dated June 13, 2006, would be 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.

There was no report.

## 5. LIQUOR LICENSE APPLICATIONS

Mayor Walkup announced City Manager's Communication number 289, dated June 13, 2006, would be received into and made a part of the record. He asked the City Clerk to read the Liquor License Agenda.

Kathleen S. Detrick, City Clerk, announced that liquor license applications 5b1, and 5b2 had received protests and would be considered separately.

### b. New License

1. Chill at the Seasons, Ward 3  
811 E. Wetmore  
Applicant: Timothy Earl Hibsman  
Series 12, City 43-06  
Action must be taken by: June 19, 2006  
Public Opinion: Protests Filed  
Staff has indicated the applicant is in compliance with city requirements.  
Considered separately.

2. Market Basket, Ward 1  
5242 S. 12th Ave.  
Applicant: Kyu Hee Lee  
Series 10, City 45-06  
Action must be taken by: June 25, 2006  
Public Opinion: Protest Filed  
Staff has indicated the applicant is in compliance with city requirements.  
Considered separately.

3. Stopani's, Ward 4  
5754 E. 22nd St.  
Applicant: Mariela Quinteros-Alger  
Series 12, City 46-06  
Action must be taken by: June 26, 2006  
Staff has indicated the applicant is in compliance with city requirements.

### Person Transfer

4. Garrett's #139, Ward 1  
1740 W. Ajo Way  
Applicant: Michael Joseph Basha  
Series 09, City 48-06  
Action must be taken by: June 26, 2006  
Staff has indicated the applicant is in compliance with city requirements.

c. Special Event

There are no applications for special events scheduled for this meeting.

d. Agent Change

There are no agent changes scheduled for this meeting.

It was moved by Council Member Ibarra, duly seconded, and carried by a voice vote of 7 to 0, that Liquor License Applications 5b3 and 5b4 be forwarded to the Arizona State Liquor Board with a recommendation for approval.

**5. LIQUOR LICENSE APPLICATIONS**

b. New License

1. Chill at the Seasons, Ward 3  
811 E. Wetmore  
Applicant: Timothy Earl Hibsman  
Series 12, City 43-06  
Action must be taken by: June 19, 2006

Kathleen Detrick, City Clerk, announced the first license to be considered separately was Item 5b1, Chill at the Seasons, a request for new license. Staff indicated the applicant was in compliance, however, the Police Department did have concerns. Additionally, protests had been filed and the license is located in Ward 3.

Mayor Walkup asked Council Member Uhlich to try to limit the speakers to three-minute presentations.

Council Member Uhlich said she wanted to note for the record that she had met with representatives from the project three times, but she did want to allow them the opportunity to speak. She said she had three speaker cards from representatives of the applicant. She noted that Heather Gains, Tim Hibsman, and Thomas Aguilera were present and invited them forward.

Thomas Aguilera, Law Offices of Thomas Aguilera, stated that he represented Tim Hibsman, LLC, who was the applicant for the series 12 license. He said that the applicant would do business as Chill at the Seasons. He reiterated that it was a series 12 license that was being applied for. Mr. Aguilera asked the Mayor and Council to indulge him in a procedural shift. He stated he was coming in a little late on this matter. He had spoken with the applicant a couple of weeks past over the phone, but he had not been privileged to view the actual protest letter from the neighborhood association. He wanted to take a look at the letter and requested that the protestors be allowed to speak first.

Council Member Uhlich called Mr. Hibsman to come forward. She informed Mr. Aguilera it would give him the opportunity to review the letter.

Mr. Aguilera asked if it would be okay if the protestors spoke first then they would put their case on in its entirety. He said they would call Mr. Hibsman and Mr. Fina.

Council Member Uhlich reminded him of the Mayors request for time and in their meetings they had outlined some specific things.

Mr. Aguilera said it was his understanding that the protestors were going to speak no matter what.

Council Member Uhlich said that was right and she would note for the record the other protest and would come back to him.

Bonnie Poulos, representing the Campus Farm Neighborhood Association, stated the association sent the Council a letter outlining their concerns in regards to the liquor license. The neighborhood received approximately six to eight liquor license requests every year and had never seen reason to protest a liquor license application. She said she was a founding member of the neighborhood association since 1983, so she could say that with a lot of experience behind her. She noted the neighborhood association had a reputation for supporting new development even if it was something they would really not like to have. Ms. Poulos said one of those had been the advent of student dormitory apartments, North Point Apartments, which opened in the year 2000. She said that Park Place opened the following year. During the year 2001, the number of police calls in that area increased dramatically. The calls were a direct result of noise, parties, and underage drinking. She said the police calls pertained to behavior that was not in keeping with the neighborhood.

Ms. Poulos said the North Point Apartments, formerly known as Jefferson Commons, hired new management. Rick Markwell had been the manager for two years and he turned the complex around, including fewer police calls. Ms. Poulos stated the residence no longer posed the kind of problem it had when it opened. She remarked The Seasons apartments opened last fall and again, the number of police calls increased in the neighborhood. The Campus Farm Neighborhood Association saw the liquor license application as something that could be a detriment to the progress that had been made at North Point Apartments and at the student housing project. Ms. Poulos said the restaurant would act as a magnet for underage drinking and for students who wanted to party. Ms. Poulos described the letter including attachments that were sent to the Council. The letter clearly indicated that marketing to the students was one of the methods the new liquor license and restaurant would use to generate their funds.

Ms. Poulos stated the Campus Farm Neighborhood Association did not believe the mixed use at the location was appropriate. They felt it would be harmful to the neighborhood. She thanked the Council and requested they deny the liquor license.

Mr. Aguilera asked if the protest letter was timely filed.

Michael Rankin, City Attorney, responded that the letter was timely filed.

Mr. Aguilera stated the mixed used of the property at 811 E. Wetmore would include high-end retail shops and a spa/gym. He said there was significant effort made by the applicant to bear full knowledge of what would occur with the mixed-used project. Mr. Aguilera viewed similar projects in Scottsdale, Phoenix, Los Angeles, and Chicago and reported that not only students would rent at those properties. Mr. Aguilera stated David Fina worked closely with DeConcini-McDonald regarding issues that had arisen at the project. He noted the Chill at the Seasons restaurant was not yet built, however, the lease was signed. Mr. Aguilera was not aware of problems and commented that the Tucson Police Department made no recommendation other than they found no reason to protest.

Mr. Aguilera stated the revenue department recommended moving forward and Development Services had a positive report. He acknowledged the protestor was present at the June 13, 2006 Mayor and Council meeting, however, the many supporters did not attend. Mr. Aguilera said the applicant's personal qualifications were not in question. The applicant had managed six different liquor licenses in the State of Arizona. He proved to be a good taxpayer and businessman. Mr. Aguilera stated law enforcement and Title IV readily and well addressed the issues regarding underage drinking. Mr. Aguilera pointed out that underage drinkers were unknown at any facility until an incident occurred. He said the restaurant was not aimed toward students. It would be a mixed-use urban property predominantly seen in major cities throughout the county. He declared Tucson should not be left behind out of the movement for fear. Mr. Aguilera noted it would be an asset to the community and a project the Ward would be well served by and proud of. He requested the council recommend approval. Mr. Aguilera added there could be security issues, unrelated to Chill at the Seasons, that might be more global and he said Mr. Fina hired the Rankin Group for security. The security was onsite and they could step up efforts as needed because they were on site. He said Mr. Hibsman could address the Council and answer questions about particularities and what he had planned. He said Mr. Fina was available for questions, too.

Tim Hibsman stated he was the owner of Coach's Deli at River and Campbell. He said he had been in business in Tucson for twenty-three years. He was in the restaurant business for thirty-seven years and has held six liquor licenses in Tucson with no violations. Mr. Hibsman said he read the protest letter and it was mainly in reference to the apartment complex. He stated he wanted to open an upscale restaurant in the apartment complex. He commented that the underage drinking was an issue for any restaurant. If there was underage drinking at the proposed restaurant, in a student population, they would be out business within a month.

Mr. Hibsman noted the liquor board would be watching closely as well as the City Council and the Tucson Police Department. He said the restaurant would be a Series 12, upscale restaurant, and not a bar. He mentioned with the upscale menu they have, they would need a liquor license to fulfill that menu. Mr. Hibsman stated most patrons would not pay thirty to forty dollars for dinner without being able to have a drink.

Mr. Hibsman said in regards to security, they would hire off-duty, uniformed officers to patrol the parking area, as they anticipate staying open late on Thursdays, Fridays and Saturdays. Mr. Hibsman said there would be an off duty officer in the parking lot to make sure everything stayed under control. He said inside there would be security people. He mentioned that he had chosen a security company that had been in the business for a long time. He said he did not want young muscled up guys who wanted to confront people because that was how you get problems. He anticipated the clientele as being twenty-five to thirty years in age. He said they would be customers from Sullivan's and North's. The décor would be upscale to include couches and oversized booths. He stated the menu would be pricey and unaffordable for most college students.

Mr. Hibsman said, as far as security went, he did not want to get young guys who gave favors to other young people trying to get in. He said things would be handled very low key. He said people would be escorted out and asked to leave the property if it was needed. He said he had liquor licenses and knew how to handle them. Mr. Hibsman stated the employees would be trained on alcohol handling and would be provided a twenty-five dollar bonus for discovering fraudulent identification. Technology would be installed for reading identification bar codes. He said there would not be underage drinking at the restaurant.

Mr. Hibsman said his brother had been in business for thirty-three years and was currently managing a hotel in Cedar Point. He said his brother was coming to Tucson to operate the night operation for him and his expertise was with bars and lounges.

Council Member Uhlich thanked Mr. Hibsman and called Heather Gains.

Ms. Gains declined to address the council.

Mr. Aguilera stated Mr. Fina would be able to answer questions in regards to the mixed-use of the restaurant.

Council Member Uhlich requested that a member of the Tucson Police Department comment on the recommendation and the observations that were included in the packet.

Michael Garrigan, Tucson Police Department, Special Investigations Division Captain, stated they had a liquor license officer review the liquor license application. Captain Garrigan reported they had no baseline to work with because it was a new complex. Instead, they reviewed previous activity at the location and attempted to look at the number of times they responded to the location. They reviewed the types of calls, which were problematic to the Tucson Police Department. The calls reviewed were public disorder, red tags and violent offenses, which were traditionally assaults. The Tucson Police Department responded to the location one hundred thirteen times through the end of May 2006. They reviewed those calls and approximately thirty percent of the calls were public disorder, red tags and violent offenses. The Tucson Police Department, specifically Captain Rodriguez, spoke with the owners and managers, and attempted to gather additional information in order to make an informed decision. The Tucson Police Department's recommendation was neutral at this point. Captain Garrigan said, to his knowledge, they had supplied information that was relative to this hearing and if they had questions he would attempt to answer them.

Council Member Uhlich said it was her understanding that the basis for the neutral position was the research on the holder of the liquor licenses, Mr. Hibsman, did not reveal any previous violations and that was typically the basis for a TPD position on a liquor license.

Captain Garrigan said that was correct.

Council Member Uhlich thanked him and said she appreciated the supplemental information regarding calls to the property. She asked to make some comments and see if there were any questions from her colleagues.

Council Member Uhlich stated she met three times with representatives of the applicant. She requested that Mr. Fina come forward and speak before the Council.

David Fina said his company specialized in mixed-use developments. He mentioned he met with all the Council Members, except Council Member Ibarra, regarding bringing in mixed-use projects. Mr. Fina stated he studied mixed-use throughout California and he saw the expansion in San Diego. He said Kathleen Dunbar was supportive of mixing in retail with condo-quarters above. Mr. Fina stated Ms. Dunbar pushed them in that direction knowing it would help clean up crime in the neighborhood and also bring in shops similar to those in the La Encantada shopping center. He stated he was working on the condominiums being developed along Stone Avenue. He said the construction did not get completed on time due to cost increases and since October they had been in litigation with their ex-partners. He said they had bought them out in March and now the project would be completed in a week. Mr. Fina reported the nearest neighborhood to the proposed restaurant was at least one and a half miles away. The business would be located in a business district, not a residential district.



Council Member Uhlich clarified that the proximity of the business to the North Point Apartment complex was within the one and half mile area. She asked if Mr. Fina was describing the neighborhood as a single-family residential.

Mr. Fina referred to the single-family residential neighborhood as being quite far.

Council Member Uhlich stated as a result of three meetings with staff and representatives from the development company and the restaurant, they explored and discussed a great deal of information. They discussed the possibility that the City could somehow have some legal enforceable agreement in order to provide a trial run as well as observing the security measures. Council Member Uhlich stated that was simply not an option.

Mr. Rankin declared that was correct. He stated members of the Council have long expressed a desire to have more local control once the license was issued, however, under Arizona State law, the State retains exclusive authority over the liquor license upon its issuance.

Council Member Uhlich stated that she wanted the restaurant in Ward 3. She believed there was value to both the housing component and the restaurant component. Council Member Uhlich remarked it would require her to overlook the initial marketing for this property, where the club was to be called, "The Blur" and was specifically marketed to people who currently reside at the property. She stated one-third of the residents were underage.

Council Member Uhlich noted the initial marketing for the property lead current residents to believe that a club would be opening. She would also be required to overlook the information provided by the Tucson Police Department related to the volume of calls including disorderly conduct and red tags. She stated she would be asked to overlook the pool party that occurred just three weeks ago where it was clear people were drinking in and around the pool without having been subjected to an identification check. She acknowledged the Tucson Police Department experienced difficulty during that event.

Council Member Uhlich said she sat through three meetings trying to find a solution in order to support the license. She mentioned it was her responsibility to not only look at the saturation in the area, but the compatibility of the proposed use with the property itself. Council Member Uhlich said it was her view, given what was outlined, as well as the proximity to such a high density of student housing, that she does not believe an artificial firewall can be put up between the young residents and the people who would patronize the establishment. She stated due to the information provided and the filed protest, she would offer a motion to deny the liquor application.

Vice Mayor Leal stated it was a surprise to hear the call load at the location. He recognized the work Mr. Fina contributed to the community as admirable.

Vice Mayor Leal spoke of a significant problem with Shamrock Bar located on South Sixth Avenue back in 1994. He stated there were one hundred forty three police calls in a six-month period and the Arizona State Liquor Board pulled the license. Vice Mayor Leal stated he did not expect to hear those statistics for the proposed restaurant.

It was moved by Council Member Uhlich, duly seconded, and carried by a vote of 7 to 0, to forward liquor license application 5b1 to the Arizona State Liquor Board with a recommendation for denial.

## **5. LIQUOR LICENSE APPLICATIONS**

### **b. New License**

2. Market Basket, Ward 1  
5242 S. 12th Ave.  
Applicant: Kyu Hee Lee  
Series 10, City 45-06  
Action must be taken by: June 25, 2006  
Public Opinion: Protest Filed  
Staff has indicated the applicant is in compliance with city requirements.

Kathleen S. Detrick, City Clerk, announced the final liquor license application to be considered separately was Item 5b2, Market Basket. Staff indicated the applicant was in compliance, however a protest had been filed. The license is located in Ward 1.

Council Member Ibarra asked if the protestor was present. There was no one.

It was moved by Council Member Ibarra, duly seconded, and carried by a voice vote of 7 to 0, that liquor license application 5b2 be forwarded to the Arizona State Liquor Board with a recommendation for approval.

## **6. CONSENT AGENDA – ITEMS A THROUGH E**

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

### **A. REAL PROPERTY: VACATION AND CONVEYANCE OF SURPLUS PROPERTY KNOWN AS RUSSELL AVENUE AND PORTIONS OF SCOTT AVENUE TO THE HOTEL CORPORATION OF DOWNTOWN TUCSON**

1. Report from City Manager JUNE13-06-286 WARD 6

2. Ordinance No. 10286 relating to real property; vacating and declaring the north/south alley known as Russell Avenue and certain portions of Scott Avenue to be surplus, and authorizing the no cost conveyance thereof to the Hotel Corporation of Downtown Tucson, an Arizona corporation, and declaring an emergency.

B. APPROVAL OF MINUTES

1. Report from City Manager JUNE13-06-290 CITY-WIDE
2. Approval of minutes for the regular meeting of the Mayor and Council held on May 9, 2006.

C. INTERGOVERNMENTAL AGREEMENT: WITH PIMA COUNTY FOR LOW-INCOME UTILITY SERVICES BILL ASSISTANCE AND AMENDING THE TUCSON CODE: (CHAPTER 2) ESTABLISHING A VIOLATION FOR PROVIDING FALSE INFORMATION TO OBTAIN LOW-INCOME ASSISTANCE

1. Report from City Manager JUNE13-06-293 CITY-WIDE & OUTSIDE CITY
2. Resolution No. 20358 relating to Intergovernmental Agreements; authorizing and approving the execution of an Intergovernmental Agreement between the City of Tucson and Pima County to provide Low-Income Water Bill and Environmental Service Bill Assistance for Fiscal Years 2006 and 2007; and declaring an emergency.
3. Ordinance No. 10288 relating to low income assistance; establishing a civil violation for providing false information or refusing to provide information upon request in order to obtain or retain low income assistance by Amending Chapter 2, Article I by adding section 2-22.1 to the Tucson Code; and declaring an emergency.

D. TUCSON CODE: ADOPTION OF THE ANNUAL COMPENSATION PLAN FOR EMPLOYEES OF THE CITY OF TUCSON FISCAL YEAR 2007

1. Report from City Manager JUNE13-06-294 CITY-WIDE

2. Ordinance No. 10289 relating to Compensation Plan: Tucson Code Chapter 10, Article II, Section 10-31, continuing the FY 2006 Compensation Plan schedules and ordinances through July 8, 2006, adopting salary schedules for Fiscal Year 2007; implementing Section 10-31; ratifying, reaffirming and reenacting Sections 10-31(7), providing percentages for calculation of compensation from salary schedules for employees in specified assignment positions; Section 10-33, Language Communication compensation; Section 10-33.1, providing for proficiency pay for commissioned police personnel certified as bilingual users of American Sign Language (ASL) or Spanish; Section 10-34, incentive pay for fire prevention inspectors; Section 10-35, Fire battalion chief call back shift pay; Section 10-47, recruiting referral compensation for police officer applicants' program; Section 10-48, supplement to military pay; Section 10-49, Holiday and BOI pay for Commissioned Officers of the Tucson Police Department of the position of Lieutenant and assignment positions of Captain and Assistant Chief; Section 10-53, Pipeline protection program; compensation; Section 10-53.1, Permanent and probationary city civil service employees and elected officials and appointed employees downtown allowance; Section 10-53.2, Maintenance Management Program, assignment and incentive pay compensation; Section 10-53.3, Career Enhancement Program (CEP) incentive pay for commissioned Police personnel through the rank of Captain; amending Sections 10-34.1, assignment and incentive pay for maintaining paramedic certification and working as paramedics, providing revised eligibility standards; adding Section 10-53.4, providing additional compensation for public safety command staff; adding Section 10-53.5, providing for Honor Guard assignment compensation; adding Section 10-53.6 providing for fuel cost allowance, all as part of implementation of the Annual Compensation Plan for Fiscal Year 2007; and declaring an emergency.

As discussed in Study Session, Item D was continued for one week.

E. FINANCE: TRANSFER OF FUNDS FROM THE MAYOR'S BUDGET TO THE TUCSON FIRE DEPARTMENT FOR SENIOR ASSISTANCE PROGRAM, MOBILE MEALS OF TUCSON, AND PIMA COUNCIL ON AGING FOR MINOR SENIOR HOME REPAIRS

1. Report from City Manager JUNE13-06-295 CITY-WIDE
2. Resolution No. 20359 relating to Finance; authorizing and approving the transfer of nine thousand dollars (\$9,000) from the Mayor's Office budget to the Community Support Fund, Account No. 001-183-1898-268 to be disbursed to the Tucson Fire Department for the Senior Assistance Program, Mobile Meals of Tucson to be used to provide meals for low income seniors and to Pima Council on Aging to be used for minor senior home repairs; and declaring an emergency.

It was moved by Council Member West, duly seconded, that Consent Agenda Items A through E, with the exception of Item D, which would be continued for one week, be passed and adopted and the proper action taken.

Mayor Walkup asked if there was further discussion. Upon hearing none, he asked for a roll call vote.

Upon roll call, the results were:

Aye: Council Members Ibarra, West, Uhlich, Scott, and Trasoff;  
Vice Mayor Leal and Mayor Walkup

Nay: None

Consent Agenda Items A through E, with the exception of Item D, which would be continued for one week, were declared passed and adopted by a roll call vote of 7 to 0.

## **7. 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 any items scheduled for a public hearing. Speakers would be limited to three-minute presentations and the Call to the Audience was scheduled to last for thirty minutes.

- a. Michael Toney spoke about trees that were cut down in the downtown area. He also suggested the Thrifty Block Project be redesigned to use red brick and cream colors so it would be compatible with the Rialto Block.
- b. Russ Dove spoke about the events of April 10, 2006, and said the Tucson Police Department acted appropriately.
- c. Roy Warden spoke about the legal charges he was facing regarding the events of April 10, 2006. He said he did not know why he was not provided public counsel or a jury trial for those charges.
- d. Dorothy Jill Moreno spoke about the recommended City of Tucson Compensation Plan process and timeline. She requested that the City frequently re-benchmark positions and also use the Consumer Price Index (CPI) when determining salary adjustments.
- e. James Diller spoke about the lack of maintenance on a City owned wash that ran outside his property at West University and Fourth Avenue. He said that the Transportation Department damaged his property while attempting to backhoe the wash and blade the wash of all vegetation.

- f. Shiela Diller also spoke about the lack of maintenance on a City owned wash that ran outside her property at West University and Fourth Avenue and her neighbor's retaining wall that was torn down, which resulted in the property being flooded during the monsoon season.
- g. David B. Sherlock spoke about a microwave relay station, dual use tower, constructed on the Sahuaro High School Football field light system operated by Verizon. He stated the existing tower had three violations it could be cited for and he was concerned about a second tower going up on that location. He requested additional information on these towers that Tucson Unified School District should have, but did not.

**8. PUBLIC HEARING: TUCSON CODE (CHAPTER 19) AMENDING THE MODEL CITY TAX CODE**

Mayor Walkup announced City Manager's communication number 283, dated June 13, 2006 would be received into and made a part of the record. He also announced this was the time and place legally advertised for a public hearing on amendments to the Model City Tax Code. Mayor Walkup announced the public hearing was scheduled to last for no more than one hour, and speakers would be limited to five-minute presentations. He asked if there was anyone in the audience wishing to be heard on this item.

Hearing no one, he asked for a motion to close the public hearing.

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

Mayor Walkup asked the City Clerk to read Ordinance 10287 by number and title only.

Ordinance No. 10287 relating to the Business Privilege Tax; amending Sections 19-540, 542, and 560 and Regulation Section 19-250.1 relating to interest assessed on tax assessments and refunds; amending Section 19-445 exempting income from the rental of low income housing; and declaring an emergency.

It was moved by Council Member Ibarra, duly seconded, to pass and adopt Ordinance 10287.

Mayor Walkup asked if there was any discussion.

Council Member Uhlich asked for clarification that the ordinance would exempt income from the rental of low income units, where the actual collection would bump a tenant's expense above the income that initially qualified them for that unit. She asked which low-income units they were talking about and how that determination would be made and managed.

Scott Douthitt, Finance Director, explained the exemption would go to units rented to low income citizens.

Council Member Uhlich asked if those would be individuals certified by Community Services.

Mr. Douthitt replied the individual who qualified would have to meet the same criteria as those who qualified for Section 8 housing.

Council Member Uhlich asked if that would be incumbent on the landlord to certify that they had ascertained the tenant's income in order to get their units exempted.

Mr. Douthitt said the landlord would need to verify the income in order to receive the tax credit.

Council Member Uhlich confirmed that it would only be for projects that had qualified for low income tax credits.

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

Upon roll call, the results were:

Aye: Council Members Ibarra, West, Uhlich, Scott, Trasoff;  
Vice Mayor Leal and Mayor Walkup

Nay: None

Ordinance 10287 was declared passed and adopted by a roll call vote of 7 to 0.

**9. PUBLIC HEARING: TRUTH IN TAXATION HEARING FOR THE PRIMARY PROPERTY TAX; NOTICE OF PRIMARY PROPERTY TAX INCREASE**

Mayor Walkup announced City Manager's communication number 284, dated June 13, 2006 would be received into and made a part of the record. He also announced this was the time and place legally advertised for a truth in property taxation public hearing. The public hearing was scheduled to last for no more than one hour, and speakers would be limited to five-minute presentations. He asked if there was anyone in the audience wishing to be heard on this item.

Hearing no one, he asked for a motion to close the public hearing.

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

Mayor Walkup verified the date scheduled for the adoption of the ordinance was June 27, 2006.

Kathleen S. Detrick, City Clerk, announced that the City Manager's recommendation included direction to staff to perform all the functions required by Arizona Revised Statutes, section 42-17107.A.

Vice Mayor Leal referred to information in the write up and verified that it would result in a seventy-one cent increase in the property taxes of a one hundred thousand-dollar house.

Jim Cameron, Budget and Research Director, said that was correct.

Mayor Walkup asked if there was any further discussion.

Council Member Uhlich referred to the phrase in the support materials, "exclusive of increased property taxes on new construction". She wanted to clarify that the projected revenues of two hundred and two thousand was what was being alluded to and new construction would not be exempted.

Jim Cameron, Budget and Research Director explained the purpose of truth in property taxation was to address the issue of existing property owners. The increase for new construction would be collected as part of the tax, but this would address everything except new construction. That was why this was referenced.

It was moved by Vice Mayor Leal, duly seconded, and carried by a voice vote of 7 to 0, to direct staff to perform all functions required by Arizona Revised Statutes (A.R.S.) Section 42-17107.A.

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

Mayor Walkup announced City Manager's Communication number 281, dated June 13, 2006 would be received into and made a part of the record. He asked for a motion to approve the appointments in the report.

It was moved by Council Member Uhlich, duly seconded, and carried by a voice vote of 7 to 0, to approve the reappointment of Leigh M. Robinson as the Environment Representative to the Sign Code Advisory and Appeals Board.

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

Council Member Uhlich announced her personal appointment of Joe Higgins to the Environmental Services Advisory Committee.



**11. PUBLIC HEARING: 2007 BUDGET AS TENTATIVELY ADOPTED ON MAY 16, 2006**

Mayor Walkup announced City Manager's communication number 285, dated June 13, 2006 would be received into and made a part of the record. He also announced this was the time and place legally advertised for the final public hearing on the 2007 Budget. The public hearing was scheduled to last for no more than one hour, and speakers would be limited to five-minute presentations. Mayor Walkup asked if there was anyone in the audience wishing to be heard on this item.

James Griffith spoke on behalf of Tucson Meet Yourself, its volunteer staff and the Cultural Exchange Council. He thanked the Mayor and Council for their support by allowing various City services to be used without charge and adjusting the vender fees for public events. He requested a raise in the amount of City support to include all the funds that would be charged by the City of Tucson, but not to exceed twenty thousand dollars. He said they were not asking for cash, but simply forgiveness of charges, up to the total of twenty thousand dollars.

Mr. Griffith said Tucson Meet Yourself was a volunteer organization in existence for thirty-three years with an excellent track record of community service by bringing variety of ethnic groups together in mutual respect and enjoyment. They raised upwards of fifty thousand dollars a year. Any money saved by the City's action would be used to put on a better City festival. He thanked the Council for their support.

Michael Toney said the City of Tucson budget could not be compared to budgets from other jurisdictions. He spoke about funds relating to police officers, Rio Nuevo and Tucson Water. He suggested that any extra funds should be directed to the zoo for the maintenance of the elephants. He added that the Budget Director and the City Manager did a good job regarding the budget.

Roger Watson, representing the Environmental Services Advisory Committee, said he supported the proposed budget for Environmental Services. He thanked the Council Members, the City Manager and the Budget Director for doing a good job on the budget. He referred to a letter they sent to Karen Masbruch, Assistant City Manager, stating the Environmental Services Advisory Committee supported the proposed forty-two million, three hundred sixty-four thousand, two hundred forty dollar budget for Environmental Services. He requested additional funds to cover the cost of increased fuel, but said they since learned they could not increase the budget. Their concern was that they felt it would be useful to have another five hundred thousand dollars to handle the costs of increased fuel. He acknowledged that increased fuel costs was obviously affecting all departments.

Mr. Watson said they realized they could not increase the budget at this point. He said they were now aware that as an enterprise account, they could shift items as far as their needs were concerned. He thanked Karen Masbruch for clarifying that issue. He introduced Margot Garcia who would speak about the public outreach part of the budget.

Margo Garcia, representing the Environmental Services Advisory Committee, said according to the June 1, 2006 article in the Tucson Citizen, the City of Tucson was ranked number twenty in terms of sustainability and the lowest area was in recycling. She said even though they ranked better in a number of items, the place they ranked lowest was in recycling, and that was forty-first. The reason for such a low ranking was because the City of Tucson had less than ten percent of the population recycling. She acknowledged Environmental Services staff working on public outreach, but unfortunately they had no budget to work with. The only way information could be printed was to ask other areas of Environmental Services to fund outreach.

Ms. Garcia said there had been a request in the budget for ninety-eight thousand, six hundred dollars, but that was removed. She understood that could not be put back in. However, she wanted to bring to the Council's attention the need to emphasize the importance of recycling, noting that recycling brought money back into the budget from materials sold. She said recycling would help prolong how long the landfill would last, which in the long run would be a tremendous savings to the City. They were delighted to be allowed by the State to continue to increase the size of the existing landfill.

Ms. Garcia added that anything the City could do to help prolong the life of that landfill through better recycling was very important. She said the only way to get the message out would be through public outreach, such as pamphlets, public service announcements, benches at the bus stops, and taking leadership and getting out there. She said the City should be ashamed of being forty-first. She said she would like to see the City getting back up to at least twenty, or number one. She told the Council there was good competition ahead. San Francisco had set their goal at ninety-percent recycling, and other communities were looking at twenty five to forty five percent recycling. Ms. Garcia said she recently moved back from Virginia where recycling was mandated twenty-five percent by every part of the state. She encouraged the City to put some money in so they could get their recycling back to where it should be.

Mayor Walkup asked if there was anyone in the audience wishing to be heard on this item.

Hearing no one, he asked for a motion to close the public hearing.

Council Member Scott asked the City Attorney how the budget would be affected once the public hearing was closed and there were still some outstanding issues. She was concerned if it would preclude the public from coming at a later date for the final compensation hearing.

Michael Rankin, City Attorney, explained the compensation plan was a separate item that had been continued for one week. The item that was presently being discussed regarded the final budget adoption and the Mayor and Council had the ability to proceed and approve the budget as scheduled.

Council Member Scott asked for clarification that this would say the City capped the amount.

Mr. Rankin replied that once the budget was adopted, money could be transferred among budget items, but it would require coming back to the Mayor and Council for the re-allocation.

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

Council Member Ibarra asked the City Attorney to verify that once the tentative budget was adopted, it would be final and no new money could be added.

Mr. Rankin said that when the Mayor and Council previously approved the tentative budget, that set the overall cap. If the budget was now approved, it would not establish the cap, but it would establish the amounts in each category. This meant if funds were needed to be reallocated between categories at a subsequent time, due to decisions that might require that, then it would require action by the Council to reallocate the funds consistent with Arizona Revised Statutes 42-17106.A.

Council Member West said she understood it was a separate item, but commented on the Environmental Services Budget. She said Nancy Peterson, Deputy Director of Environmental Services, might clarify this, but said the reason recycling was so low was because very little had been done with commercial recycling. They were diverting twenty-one percent from the landfill, versus the nine percent they used to do.

Nancy Petersen, Deputy Director of Environmental Services, said they were at a twenty-one percent diversion rate for residential recycling for the City of Tucson. She thought the State Land Survey had some misinterpretations of the data submitted. She told the Council that the City did have an eighty-five percent participation rate of the community participating in recycling, and as was mentioned the twenty-one percent diversion rate. Their goal was to increase the diversion rate by four percent and they would be working with the City Manager's office and the Council Offices to improve that rate.

Council Member West said that was a very important point. They did need to work on the commercial recycling. She said that was a good point that Ms. Garcia brought forward.

Mayor Walkup asked how much revenue was derived from the twenty-one percent that was being collected.

Ms. Petersen explained that last year they received 1.4 million dollars in revenue from recycling. It was a good revenue source for the City of Tucson and recycling was saving the community money.

Mayor Walkup asked if recycling were to increase to forty-two percent, would the revenue double as well.

Ms. Peterson said the revenue would depend on the type of products received for recycling. Some products received a better return in revenue. They would like to target the products that gave the City more value when recycled.

Mayor Walkup commented it was a great opportunity for residents to expand their amount of recycling, a great revenue process and environmentally the right thing to do.

Vice Mayor Leal asked if the revenue generated by recycling went to the general fund or would the activity that generated the revenue get the benefit of utilizing it to generate more revenue.

Ms. Petersen replied that the revenue would stay within their enterprise fund, not the general fund. It would help Environmental Services with various costs to reduce rates such as the tipping fees at the landfill, residential collection fees, and the brush and bulky fees. They would be able to use the revenue for other public services they provide, which included remediation, landfill closures, protection of the environment.

Vice Mayor Leal said he recalled a question asked earlier, about staffing and asked if that money could be used to enhance that position.

Ms. Petersen said that in conversations with Jim Cameron, Budget Director, he told them that they would be able to, if there was capacity, to move some of their dollars around. They therefore could put some of that money to outreach. She said they would like to look at that after July, when they had a better handle on the numbers.

Council Member Trasoff asked about the different levels of compensation and asked which products generated the most revenue.

Ms. Peterson stated that paper, aluminum, metals and cardboard generated the most revenue and more information could be found their website. One could also call 791-5000 to get more information on what could be recycled. She commented that if everyone put everything they had in their home that was recyclable, they could get that diversion rate up to thirty-seven percent.

Mayor Walkup asked the City Manager to explain the Council's action to delay the employee compensation consideration for one week and to articulate why it was still appropriate to proceed in passing the budget.

Michael Hein, City Manager said it would be acceptable to delay the compensation consideration for one week. He said in the confines of the budget and depending on proposed revisions to the compensation plan, they would review the direction given during Study Session. However, after meeting with various organized labor boards mentioned in Study Session, they could bring back a compensation plan that

was within the budget guidelines. It would be the Manager's recommendation that within the forty percent dedicated to human capital, they would find a way to meet the direction of Mayor and Council.

Mayor Walkup asked if there was any further discussion.

Kathleen S. Detrick, City Clerk, advised the Council that procedurally the law required that the Council first adjourn the regular session and then convene the Special Meeting for the budget adoption.

**12. ADJOURNMENT 7:19 p.m.**

Mayor Walkup announced that the regular meeting was adjourned and the Council would convene the Special Meeting for the purpose of adopting the budget.

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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 13<sup>th</sup> day of June 2006, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

KSD:ccs/sac