

COUNCIL MINUTES

April 4, 2016

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 4, 2016 at 5:01 p.m.

COUNCIL PRESENT

John Giles
Alex Finter
Christopher Glover
Dennis Kavanaugh
Dave Richins
Kevin Thompson

COUNCIL ABSENT

David Luna

OFFICERS PRESENT

Christopher Brady
Jim Smith
Dee Ann Mickelsen

Mayor Giles excused Councilmember Luna from the entire meeting.

1. Review items on the agenda for the April 4, 2016 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

Items added to the consent agenda: None

2-a. Hear a presentation and discuss the Fiscal Year 2016/17 Summary of Proposed Budget.

Office of Management and Budget Director Candace Cannistraro displayed a PowerPoint presentation. **(See Attachment 1)** She informed the Council that executive staff met with departments to discuss their priorities for FY 16/17, which will be highlighted in her presentation.

Ms. Cannistraro addressed the budgetary gap between the total sources vs. the total uses and reported that the \$8.6 million gap forecasted in February has lessened to \$7.9 million. She noted that the budgetary gap does not take into account the 2% savings in expenses that all departments are requested to find during the fiscal year. (See Page 3 of Attachment 1)

Ms. Cannistraro pointed out that requests from departments have been broken down into the following six categories:

- Employee Investment
- Neighborhood Investment
- Public Safety
- Resident Services
- Technology
- Infrastructure

Ms. Cannistraro stated that the recommendations related to Employee Investment are a 1% increase in the top pay range for sworn Police and 2.5% for sworn Fire positions, both of which are covered by the memorandum of understanding. She announced that a new wellness program was being piloted with up to 500 employees, offering an on-line interactive web-based system to provide health management tools.

Ms. Cannistraro reviewed the Neighborhood Investment requests that include the addition of two Code Enforcement Officers, contracted historic preservation services, and the two additional expansions of the Redevelopment Areas. (See Page 5 of Attachment 1)

In response to a question from Councilmember Richins, Ms. Cannistraro explained that the two Code Enforcement Officers would be an additional \$160,000 in the General Fund above the two officers funded through the Community Development Block Grant (CDBG).

Ms. Cannistraro reviewed the recommended items in the area of Public Safety. (See Page 6 of Attachment 1) She stated that the Police Department proposes \$825,000 to cover the creation of a Crisis Response Team, which is comprised of one sergeant and five officers specially trained to respond to calls involving mental health issues. She added that the Fire and Medical Department requests the addition of six sworn positions to support recruiting, training, operations, peer support, and the patient medical records system. She explained that the cost of these positions would be covered by the actual annualized personal services savings, which is reinvested back into the budget.

In response to a question from Councilmember Thompson, Mr. Brady responded that although some support positions may benefit from volunteers, most would require full-time sworn positions.

Ms. Cannistraro continued by pointing out that the accumulated Grant Fund balance for the Arraignment Court at the Municipal Court has been exhausted. She stated that the ongoing grant can cover half of the cost while the remaining \$60,000 must be covered by the General Fund.

Ms. Cannistraro indicated that the budget for Public Safety equipment includes \$136,000 for the third year of a three year purchase contract for the AXON body cameras and storage for the Police Department. She stated that \$3 million is included for one-third of the needed radio replacements for the Police Department, which is part of the lifecycle plan that was pushed back in previous years. She added that radio replacements are required for the Fire and Medical Department to convert to VHF in July 2017. (See Page 7 of Attachment 1)

Ms. Cannistraro provided a brief synopsis of the budget as it relates to Resident Services as follows (See Page 8 of Attachment 1):

- Development of THINKSpot 2.0 at the Main Library and addition of a Librarian position (\$61,000 for position only).
- New summer Youth Fitness & Wellness Program by the Parks, Recreation and Community Facilities Department (\$15,000 funded through participant fees).

- Update of Parks and Recreation Master Plan (\$150,000).
- Permanent routing of BUZZ transit service through Riverview (\$110,000).
- Closed captioning for City Council meetings and Study Sessions on Mesa's Channel 11 (\$20,000).
- Increase Videographer in Public Information and Communication Office from part-time to full-time to provide additional coverage of City events (\$42,000).

Ms. Cannistraro expressed the importance of leveraging technologies within the City in order to create efficiencies in our processes and assist customers. She noted that software upgrades are necessary and provided a list of those included in the budget. (See Page 9 of Attachment 1)

In response to a question from Councilmember Thompson, Mr. Brady explained that the Kronos software was a challenge for the Police Department due to their changing schedules. He stated that staff is learning that Mesa's processes need to change in order to conform with the many software systems being used across the country. He added that staff is working with Kronos' programmers to better meet the City's needs as well.

Ms. Cannistraro reported that a new recommendation is the movement of the City's data center to a third party location, which is estimated to take approximately two years. She noted that some of the funding was originally identified for modifications and upgrades to the building, which can now be applied to the move instead.

Ms. Cannistraro reviewed the list of infrastructure items included in the proposed FY 16/17 budget (See Page 10 of Attachment 1) and stated that each item will come to the Council for individual approval during the year.

In response to a question from Vice Mayor Kavanaugh, Ms. Cannistraro explained that the specialized street sweeper on the list is uniquely designed to support asphalt patching. She stated that the other street sweepers cannot handle that type of work.

Ms. Cannistraro reported that some Public Safety items were identified during budget discussions but are not included in the proposed budget for FY 16/17. She highlighted those items for Fire and Medical as follows:

- Expansion of dispatch center.
- Various recurring training courses.
- Additional support in emergency management, hazmat, and fire inspections.
- Continuing the Community Medical Units in preparation of the grant scheduled to expire in August 2017.
- Replacement of 12-lead cardiac monitors needed in FY 18/19.
- Other miscellaneous lifecycle items.

Mr. Brady advised that at an upcoming Study Session, staff will present the Public Safety budgets in further detail.

In response to a question from Vice Mayor Kavanaugh, Ms. Cannistraro stated that staff looks at multi-year forecasting when discussing the proposed 8-10% reserve balance. She explained that some years carry a larger balance as a result of realized savings from previous years, which may then be reinvested back into departments for one-time items. She reported that if expenses continue as projected, then the current proposed fund balance of 14.6% will reach below 8-10% in approximately two years.

Mr. Brady concurred and expressed concern that the net operating income is in the negative and staff is trying to manage the gap. He explained that the City is utilizing the savings sooner due to the fact that expenditures are higher than revenues. He indicated that the forecast projects that the reserves will drop below the 8-10% mark, which is the minimum established by policy.

Ms. Cannistraro reviewed the recommended items for the Police Department that are not included in the proposed budget for FY 16/17. (See Page 13 of Attachment 1) She informed the Council that the \$6 million funding for the Police Department's radio replacements is derived from the actualized savings from FY 14/15, rather than from new revenues.

Councilmember Glover commented that he has heard from many business owners and residents along the Light Rail corridor who are very supportive of the Police Bike Patrol and hoped it would be a priority during this budget cycle. He requested that staff provide Council with a breakdown of the Community Action Team positions and vehicles for each district.

Ms. Cannistraro continued by reviewing the recommended items related to Neighborhood Investment and Resident Services that are not included in the proposed budget for FY 16/17. (See Page 14 of Attachment 1)

Ms. Cannistraro highlighted the following Infrastructure items that have not been addressed in the proposed FY 16/17 budget (See Page 16 of Attachment 1):

- New Water Maintenance Specialist position and vehicle (\$126,000).
- Sewer Line Program (\$282,000).
- New Meter Reader-partial year position and vehicle (\$87,000).
- Remodeling additional buildings at 708 W. Baseline Road.
- Facility repairs/improvements at various facilities citywide.

Ms. Cannistraro announced that during the next few weeks, there will be five budget discussions encompassing high priority topics and their associated metrics and programs. She clarified that most discussions will involve multiple departments and identified the topics as follows:

- Sustainable Economy
- Public Safety
- Workplace Development
- Transforming Neighborhoods
- Placemaking

Mayor Giles reminded the Council that the consensus was to use the budget process as an opportunity to create a strategic plan going forward. He stated that he would like to have a dashboard that allows the Council to follow the performance measures taking place in the City.

Mayor Giles thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Early Childhood Education Task Force meeting held on March 24, 2016.

It was moved by Councilmember Glover, seconded by Vice Mayor Kavanaugh, that receipt of the above-listed minutes be acknowledged.

Mayor Giles declared the motion carried unanimously by those present.

4. Hear reports on meetings and/or conferences attended.

Vice Mayor Kavanaugh: El Tour de Mesa
Mesa Musical Shadows public celebration and unveiling

5. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Thursday, April 7, 2016 – Study Session

Saturday, April 8, 2016 – Household Hazardous Waste Collection Event

6. Adjournment.

Without objection, the Study Session adjourned at 5:42 p.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 4th day of April, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(attachment – 1)

Fiscal Year 2016/17 Highlights of Proposed Budget

April 4, 2016

City of Mesa

Presented by the Office of Management and Budget



Budget Review and Requests for Funding

- The forecasted budget was reviewed with the City Council on March 3, 2016

- The budget estimate for FY16/17 has been updated with department submissions, the latest personnel and associated employee related rates

- Executive staff has met with each department to discuss and discern operational successes and concerns and to review department priorities for the upcoming fiscal year

General Governmental Funds

FY16/17

	<u>Feb 2016 Forecast</u>	<u>Estimate As of 3/31/16</u>
Total Sources	\$386.5M	\$390.3M
Total Uses	\$395.1M	\$398.2M
	(\$8.6M)	(\$7.9M)

Enterprise Fund

Full Review of the Enterprise Fund is scheduled
with the City Council on April 21, 2016.

The summary report submitted to the City Council outlines changes to fund and departmental revenue expectations as well as expenditure changes experienced or proposed in the FY16/17 proposed budget

Budget Adjustments are presented in the following Categories

Employee Investment

Public Safety

Technology

Neighborhood Investment

Infrastructure

Resident Services

Employee Investment

- 1.0% increase in top of pay range for sworn Police positions covered by the memorandum of understanding
- 2.5% increase in top of pay range for sworn Fire positions covered by the memorandum of understanding
- Wellness Digital Platform and Portal for up to 500 employees
Pilot program of an on-line, interactive web-based system to provide health management tools

Neighborhood Investment

- Addition of two Code Compliance Officers \$160,000
- Contracted Historic Preservation Services \$15,000 (original request \$50,000)
- Two additional expansions of Redevelopment Areas \$300,000

Public Safety - Operations

- Creation of a Crisis Response Team in the Police Department \$825,000 (positions and vehicles)
 - Specially trained team to respond to calls involving mental health issues
 - Comprised of one Sergeant and five Officers and related equipment
- Addition of six sworn positions for the Fire and Medical Department \$900,000 value (positions only, cost being covered through use of annual personal services savings)
 - Support for recruiting, training, operations, peer support and the patient medical records system.
- Continuation of the Arraignment Court at the Municipal Court \$60,000
 - Accumulated grant fund balance has been used to this point. Annual grant receipts will cover half of the cost with the other half covered by the general fund

Public Safety - Equipment

- **AXON Body Cameras for the Police Department \$136,000**
This is the third year of a three year purchase contract for a total of 300 cameras and the associated storage space
- **Radio Replacements for the Police Department \$3.0M**
One third of the radios
- **Radio Replacements for the Fire and Medical Department \$402,000**
Required in order to convert to VHF on 7/1/2017

Resident Services

- Development of THINKSpot 2.0 at the Main Library and addition of a Librarian position \$61,000 (position only)
- New summer Youth Fitness & Wellness Program by the Parks, Recreation and Community Facilities Department. \$15,000 (funded through participant fees)
- Update of Parks and Recreation Master Plan \$150,000
- Permanent routing of BUZZ transit service through Riverview \$110,000
- Closed captioning for City Council meetings and study sessions on Mesa's Channel 11 (service was discontinued during recession) \$20,000
- Increase Videographer in Public Information and Communication Office from part-time to full time to provide additional coverage of City events \$42,000

Technology

- Continuation of Solar Incentive Program \$75,000
- Increased Cyber/Data Breach Security \$212,000
- Upgrade to Customer Information System (CIS) to improve web and mobile application interface \$150,000
- Update of Kronos (timekeeping system) carryover of FY15/16 funding
- Update of Advantage (financial management, human resources and performance budgeting system) \$1.7M for FY16/17 portion of multi-year project, full scope to be determined
- Movement of the City's data center to a third party location \$1.4M (estimated to transition over two years)

Infrastructure

- Specialized Street Sweeper to support asphalt patching \$250,000
- New position for Street Barricade Program \$135,000 (position and vehicle)
- One new Utility Locator position \$95,000 (funded through reduction of overtime)
- Two new Meter Reader positions to accommodate increased utility accounts \$234,000 (positions and vehicles)
- Additional Water Reclamation Maintenance Supervisor to allow for dedicated coverage of the facilities \$90,000
- Five new positions related to the Signal Butte Water Treatment Facility \$561,000 (positions and 2 vehicles) funded through project until go-live of facility

The following items were identified during budget discussions but are not included in the FY16/17 proposed budget

Public Safety – Fire and Medical

- Expansion of dispatch center – three dispatchers and 3 supervisors \$472,000
- Various recurring training courses \$420,000
- Additional support in emergency management, hazmat, fire inspections \$423,000 (positions and vehicles)
- Continuing the Community Medical Units \$4.2M grant expires August 2017
- Replacement of 12-lead cardiac monitors \$1.4M (needed in FY 18/19)
- Other miscellaneous lifecycle items

Public Safety – Police

- Community Action Teams in each district \$1.3M (positions and vehicles)
- Light Rail Bike Patrol \$799,000 (positions and equipment)
- Mesa Family Advocacy Center VICE – Human Exploitation and Trafficking (HEaT) team \$759,000 (positions and vehicles)
- Radio replacements \$6.0M (remaining two thirds of radios)
- Other miscellaneous lifecycle items

Neighborhood Investment

- Downtown Facade Improvement Program \$90,000
- Administrative position to support Code Compliance \$63,000
- Administrative position for records management in the Development Services Department \$59,000

Resident Services

- Positive Play Program in Parks, Recreation and Community Facilities
Funded in FY_{15/16} through a grant \$15,000
- Additional Human Services Funding \$100,000
There is currently \$826,000 for Health and Human Services in FY 16/17 plus an additional \$50,000 in utility assistance

Technology

- Software to enhance Cyber security related to Privileged accounts \$166,000
- Public Wi-Fi security detection for reporting purposes \$107,000
- Financial transparency and visualization software subscription \$60,000
- Data analytics team and related tools for data analysis and visualizations \$350,000
- Upgrade/replacement of Records Management System (RMS) and Computer Aided Dispatch (CAD) system – needed in FY17/18 and FY18/19 (about \$7.0M in Police related software application costs through FY18/19)

Infrastructure

- New Water Maintenance Specialist \$126,000 (position and vehicle)
- Sewer Line Program \$282,000
- New Meter Reader \$87,000 (partial year position and vehicle)
- Remodeling additional buildings at 708 W. Baseline Road (waiting on master plan)
- Facility repairs/improvements at various facilities citywide
 - Only \$3.0M is allocated annually through out the forecast
 - Some critical projects will need to be addressed this year through contingency

Budget Discussion Format

The City Council has recently identified five priority areas for the upcoming year. There will be five budget discussions encompassing these topics and the associated metrics and programs.

Sustainable
Economy

Public Safety

Workplace
Development

Transforming
Neighborhoods

Placemaking

Most of the discussions will involve multiple departments. The discussions will be more topical in nature while highlighting the associated resources.

April 7 - Review Capital Improvement Program (CIP)

- Sustainable Economy

- Workforce Development

April 14 - Public Safety

April 21 - Utility related CIP, Rates and overall Budget

April 28 - Transforming Neighborhoods

- Placemaking

May 5 - Budget Wrap-up

May 16 - Adoption of the CIP and Utility Rates

- Tentative adoption of the FY 16/17 Budget

June 6 - Final adoption of the FY 16/17 Budget

June 20 - Adoption of Secondary Property Tax Levy

