



COUNCIL MINUTES

March 16, 2017

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 March 16, 2017 at 7:30 a.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Christopher Glover
David Luna*
Kevin Thompson
Jeremy Whittaker*
Ryan Winkle

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Mayor Giles stated that Councilmember Whittaker and Vice Mayor Luna participated in the meeting telephonically.)

1. Review items on the agenda for the March 16, 2017 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.

2-a. Hear a presentation, discuss and provide direction on the Private Jail Project.

Interim Police Chief Mike Dvorak introduced Police Commander Michael Beaton, Police Fiscal Manager Krisa York, and Senior Procurement Officer Sharon Brause. He displayed a PowerPoint presentation related to the private jail project. **(See Attachment 1)**

Chief Dvorak explained that currently when offenders in Mesa are arrested for misdemeanor charges, they are transferred to Mesa's holding facility where they are booked and held for their arraignment. He stated that if after their arraignment before a City Magistrate, offenders are transported to the Maricopa County Sheriff's Office (MCSO) 4th Avenue Jail Intake Center in Phoenix. He noted that MCSO charges Mesa fees to book and house those misdemeanor offenders. He pointed out that all East Valley law enforcement agencies use MCSO's facility for pre-adjudicated and post-adjudicated misdemeanor offenders. He clarified that pre-adjudicated

means held for upcoming court dates, and post-adjudicated means the case is resolved by courts and there is a jail sentence to serve.

Chief Dvorak gave a brief synopsis of the challenges experienced with the current staffing and holding facility, such as multiple daily transport trips to Phoenix and long wait times caused by the volume of multiple agencies. (See Page 4 of Attachment 1)

Chief Dvorak highlighted the following project goals:

- Reduce costs associated with booking and housing misdemeanor offenders
- Improve operational efficiency by reducing transport time
- Identify vendor to operate private jail facility for housing misdemeanor offenders
- Identify an acceptable location for private jail facility
- Potential for a future East Valley regional opportunity/partnership

Chief Dvorak reported that in 2012, a multi-agency East Valley initiative began and Requests for Proposals (RFPs) were sent out. He identified the following three proposals that were received:

- Corrections Corporation of America (CCA)
- Management and Training Corporation (MTC)
- Emerald Correction Management

Chief Dvorak explained that an evaluation team reviewed the three vendors for critical information such as qualifications, experience, pricing, and more. (See Page 7 of Attachment 1) He added that the RFP evaluation team focused on the feasibility elements of each proposal including location, transportation, medical staffing, and prisoner movement plans.

Chief Dvorak indicated that the RFP evaluation team chose to move forward with CCA's proposal. He gave a brief background of CCA and said it has facilities in Eloy and Florence, with Florence being its largest. (See Pages 8 and 9 of Attachment 1)

Chief Dvorak stated that CCA's program is based on a transportation model, which means that they book and house pre- and post-adjudicated misdemeanor prisoners at their Florence and Eloy facilities. He explained that CCA would transport prisoners to and from their facility three times per day, and all detention and transport duties will be handled by CCA staff. He noted that CCA has on-site medical staff, which was a requirement of the RFP. (See Page 10 of Attachment 1)

Chief Dvorak listed some of the programs and activities offered to inmates at CCA, related to education and wellness, as follows:

- Adult Basic Education (ABE)
- General Education Development (GED)
- "Thinking for a Change" Program
- Anger Management
- Library
- Recreation
- Religious services
- Microsoft Office tutorials and group classes

Chief Dvorak explained that the proposal offers no impact to our current operations in terms of our officers in the field. The officers will continue to book offenders and accompany them to the holding facility for processing. He stated that the difference would be that CCA staff would handle all transports between holding facilities.

Ms. York reviewed the financial element of the proposal and described the prisoner cost breakdown. She noted that her calculations are based on the highest rate of 1-200 inmates. (See Page 12 of Attachment 1)

Ms. York displayed a chart that illustrates historically what the Mesa Police Department (PD) has paid to MCSO for jail costs, which averages approximately \$6 million per year over the past six years. (See Page 13 of Attachment 1)

In response to a question from Mayor Giles related to cost fluctuation, Ms. York confirmed that the rates increased in FY 14/15 and there were more prisoners as well. She pointed out that from FY 16/17 to FY 17/18, the housing rate increased by 12.1%. She indicated that MCSO cited that billing increases are due to a 7.1% decrease in booking, as well as rising costs that must be passed along to the agencies.

Ms. York stated that the number of inmates booked monthly fluctuates significantly, with the average for FY 16/17 as 276 inmates booked and 678 inmates housed. She provided a pricing comparison for FY 16/17 based on CCA's daily housing rate of \$67.96 plus a monthly transportation fee of \$35,000, to show a potential savings of \$1.5 million. She provided a similar pricing comparison for a four-year period from FY 14/15 to FY 17/18. (See Pages 15 and 16 of Attachment 1)

City Manager Christopher Brady recalled that the PD has been working on this project since 2012 and verified that the vendor has addressed all of staff's concerns. He said that the project would create a significant shift in how the PD operates and wants Council to be informed prior to proceeding. He added that staff would notify MCSO of the change.

Chief Dvorak pointed out that staff will continue the daily transports to MCSO for felony prisoners, so there would be no reduction in staff. He anticipated that the efficiency value will be in turnaround time for field officers since the holding facility will have far less offenders in custody to transport, which allows staff to provide better service.

In response to comments made from Councilmember Winkle related to CCA incidents reported online, Chief Dvorak replied that research of the overall industry shows incidents in all prison housing facilities. He elaborated that one of his main concerns was the responsiveness in those agencies and good management practices in reacting to issues, which he found CCA has handled well. He clarified that Mesa transfers all liability to CCA once offenders are transferred to CCA's facilities. He added that the contract offers Mesa the ability to inspect the facility and monitor the human element to ensure that quality care is maintained.

In response to a question from Councilmember Winkle, Chief Dvorak stated that he could not speak on behalf of private or public prisons, but confirmed that there are pros and cons to both.

He said that there will be a provision in the contract with CCA that will offer reassurance that if the desired standards are not being met, that we can terminate the contract.

In response to a question from Councilmember Freeman, Chief Dvorak confirmed that the Police Fiscal Analyst compiled the numbers for the cost savings analysis and verified them with the Office of Management and Budget.

Councilmember Freeman expressed support of the private jail project.

In response to a question from Councilmember Freeman, Chief Dvorak indicated that Mesa would be the first municipality in the East Valley to use private jail services. He pointed out that the RFP process proved its value by discovering that the transportation model was an option.

In response to a question from Councilmember Glover, Chief Dvorak confirmed that the term of the original contract will be for three years, with the ability to renew for up to two more years. He noted that the contract also authorizes either party to cancel with a 30-day notice.

Councilmember Thompson supported proceeding with the project and stated that it shows economic benefits and efficiency. He emphasized that the \$1.5 million savings annually is significant.

In response to a question from Mayor Giles, Chief Dvorak clarified that the operations of Mesa's holding facility will not change. He explained that the offenders would remain in the holding facility for 24-hours until they see the City Magistrate, and then they would be transported by CCA to their facility. He added that if the offenders are held for arraignment or a court hearing, or sentenced to serve time, then they will be housed at CCA's facility (private jail) instead of MCSO's facility (county jail). He stated that by State Statute, the County is responsible for any felony charges and the City for misdemeanor charges.

Chief Dvorak advised that both facilities have comparable travel time, but the difference with CCA is that Mesa's offenders will be housed together and not mixed with inmates from other agencies. He added that CCA offers the same provisions as MCSO for family services and visitation. He indicated that the private contract allows Mesa the ability to articulate which types of human services are offered to help offenders improve and avoid returning to prison.

In response to a question from Mayor Giles, Mr. Brady advised that the change would impact the County, but their costs continue to escalate and apply pressure to the City's budget. He assured Council that staff will communicate with the County so they can plan accordingly for any anticipated impact.

In response to a question from Mayor Giles related to the U.S. Immigration and Customs Enforcement 287(g) program, Commander Beaton confirmed that the private jail project would not affect Mesa's 287 (g) program operations. He indicated that the County is not a 287 (g) program provider and he is unsure about CCA.

In response to a question from Councilmember Winkle, Mr. Brady believed that the pricing from MCSO is a rate set for all municipalities, but staff will learn more once they communicate the project plans with MCSO. He explained that CCA offers facilities in close proximity to Mesa, which is an advantage, as well as the fact that the private sector allows us to dictate the types of services and level of care provided to inmates.

In response to a question from Councilmember Whittaker, Chief Dvorak reiterated that the human element is a principal concern moving forward and explained that the contract provisions enable Mesa to select the services that are important. He added that it will be the City's responsibility to monitor the services and verify that the expected level of service is met.

Discussion ensued related to touring both MSCO and CCA facilities to compare.

Commander Wheaton reported that the evaluation committee toured both facilities. He stated that CCA's Florence facility is cleaner and newer and explained that the inmates are housed in indoor areas called pods; each pod is known as a different state and kept sight and sound separate from the others. He compared it to the County's facility, which is outdoors and moves people in and out on a continuous basis.

In response to comments from Mayor Giles, Chief Dvorak explained that misdemeanor offenders are all short-term inmates, creating a constant flow in and out of the facility. He assured Council that their concerns are the same as PD's and they want that same level of confidence in knowing the services and operations of the facility will be as expected.

In response to a question from Councilmember Whittaker, Chief Dvorak confirmed that Mesa's offenders will be kept separate from the long-term inmates at CCA. He explained that the RFP requires that our inmates will not intermingle with any prisoners from other jurisdictions. He believed that Mesa would be the first municipality in Arizona to contract with private jail services.

Councilmember Luna commented that he toured the MCSO facility and believes that CCA's facility is a remarkable improvement and added that the cost savings are significant. He expressed his concern with the human element and ensuring that the City's expectations in that regard are being met.

Chief Dvorak suggested that Councilmembers tour each of the facilities to allow a good and fair comparison.

In response to a question from Councilmember Winkle, Chief Dvorak clarified that since 2012, other teams and PD staff have visited the facilities.

Mayor Giles thanked staff for the presentation. He expressed his support in moving forward.

Mr. Brady confirmed that staff will move forward with the contract and will communicate with the County. He added that staff would return for approval of the contract and continue to provide updates to the Council.

3. Information pertaining to the current Job Order Contracting projects.

(This item was not discussed by the Council.)

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

4-a. Self-Insurance Trust Fund Board meeting held on February 13, 2017.

4-b. Economic Development Advisory Board meeting held on February 7, 2017.

4-c. Housing and Community Development Advisory Board meeting held on February 2, 2017.

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

Carried unanimously.

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

Mayor Giles: National League of Cities meeting

6. Scheduling of meetings and general information.

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

Friday – Saturday, March 17 – 18, 2017, 12:00 – 10:00 p.m. - Spark! At Mesa Arts Center

Monday, March 20, 2017, 5:15 p.m. – Study Session

Monday, March 20, 2017, 5:45 p.m. – Regular Council

7. Adjournment.

Without objection, the Study Session adjourned at 8:28 a.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 16th day of March, 2017. 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)

City of Mesa RFP # 2012194

Private Jail Project

Presentation to the Mesa City Council

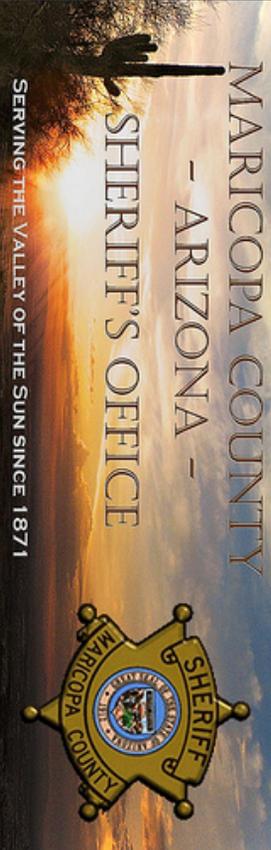
(Thursday, March 16, 2017)

by

Interim Chief Michael Dvorak

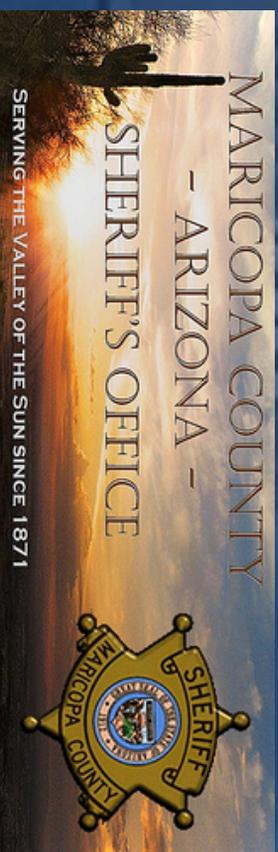
Current Operations

- In-custody misdemeanor offenders are held in the Mesa Holding Facility for their initial arraignment before a Mesa City Magistrate
- Offenders held by the court are transported to MCCSO
- MCCSO charges fees for these offenders:
 - Booking Fee
 - Housing Fee



Current Operations

- All east valley law enforcement agencies transport and book all in-custody prisoners to MCSO's 4th Ave Jail Intake Center
- Pre- and post-adjudicated misdemeanor prisoners are housed in one of seven (7) MCSO detention facilities



Current Challenges

- Multiple daily transports to Phoenix
- Consistent delays in the booking process at 4th Ave (often several hours per group of prisoners transported)
- Frequent medical refusals for various reasons



Project Goals

- Reduce costs associated with the booking and housing of misdemeanor offenders
- Improve operational efficiency by reducing transport time
- Identify vendor to operate private jail for housing misdemeanor offenders
- Identify an acceptable location for private jail
- Future East Valley regional opportunity

Request for Proposals

A RFP review committee was formed to review the three proposals received in response to the City of Mesa's RFP #2012194:

- Corrections Corporation of America (CCA)
- Management and Training Corporation (MTC)
- Emerald Correctional Management



RFP Proposal Evaluation

Each vendor was evaluated in the following areas:

- Qualifications, Experience, References, Reputation of Organization and its Principles, Operational Experience, Management Ability
- Program Description, Operational Plan, Method of Approach
- Financial Condition and Stability of the Vendor
- Conformance to RFP terms and specifications, Format and Organization of the Proposal
- Pricing
- Detailed Account of Billing for Jail Services

Additionally, the RFP Evaluation Team focused on the following elements in determining the feasibility of each proposal:

- Location
- Transportation
- Detention and Medical Staffing
- Prisoner Movement

Correctional Corporation of America

- Oldest privatized jail company in the United States with over 29 years experience
- Currently operates 61 correctional facilities with approx. 90,000 beds
- Largest CCA facility is located in Florence, AZ
- Contracting entities include 17 states (including Arizona), the District of Columbia, 3 Federal agencies, the US Virgin Islands, Puerto Rico and 8 local governments



Site Visits

Prisoner Housing Locations

Florence Facility



Eloy Facility



CCA Program Highlights

- Book and house pre- and post-adjudicated misdemeanor prisoners at their existing Florence or Eloy, Arizona facilities
- CCA Transport personnel will make 3 runs to the Valley each day and transport prisoners to their facility as well as return current prisoners for municipal court Monday-Friday
- All detention and transport duties will be handled by CCA staff
- CCA has on-site medical staff for intake screening and on-going medical needs
- Upon a prisoner's release, CCA checks with Pinal County Sheriff's Office to check for warrants. Wanted prisoners are turned over to the respective agency

CCA Programs / Activities

- Adult Basic Education (ABE)
- General Education Development (GED)
- “Thinking for a Change” Program
- Anger Management
- Library
- Recreation
- Religious services
- Microsoft Office tutorials and group classes

Prisoner Cost Breakdown

Avg # of Inmates housed	All inclusive per diem rate
1-200	\$67.96
201-300	\$65.96
301-370	\$63.96
371-440	\$61.96
441 and above	\$59.96

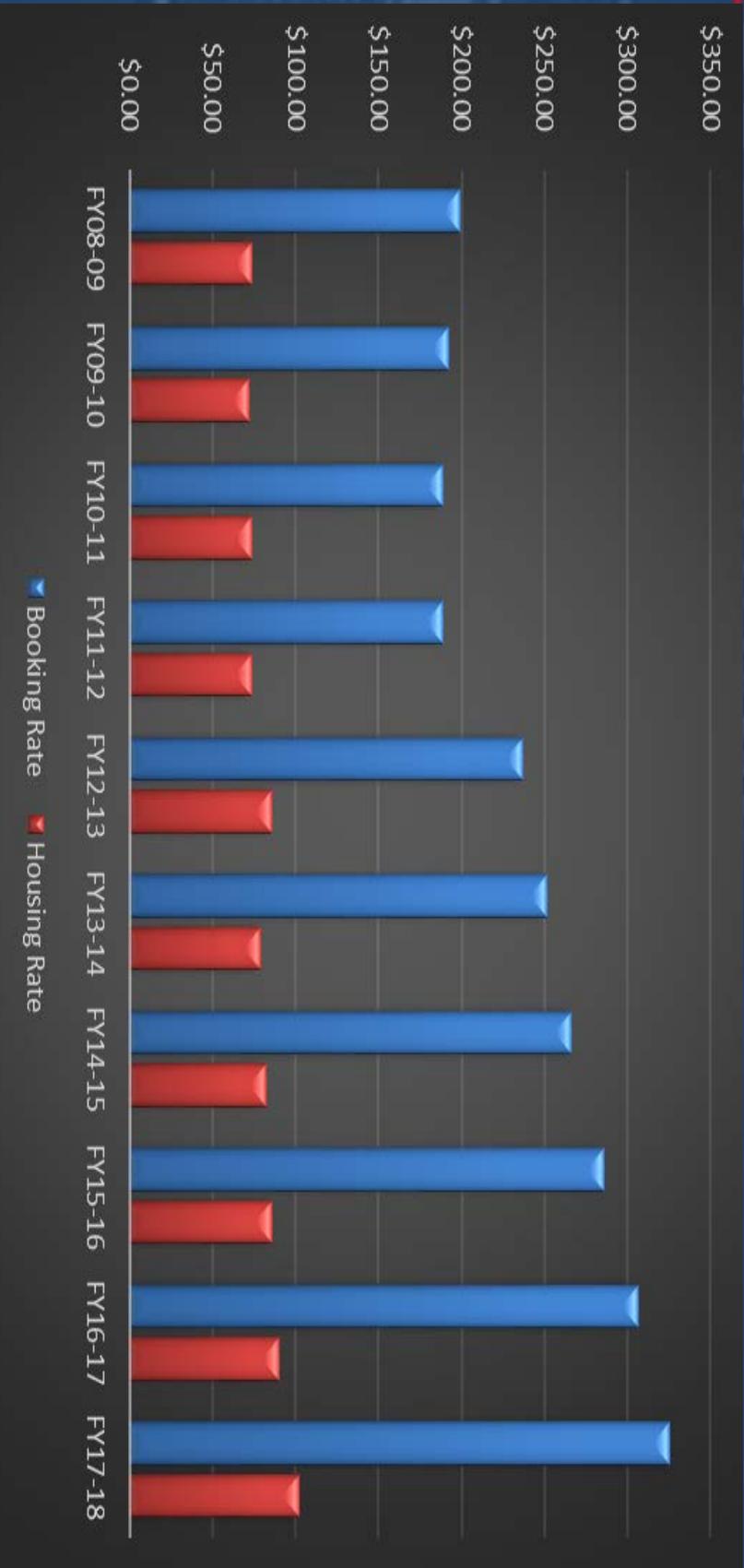


Financial Impact

- The cost of booking and housing prisoners charged with felony crimes is covered by Maricopa County.
- The costs associated with misdemeanor suspects are paid for by the arresting agency (ARS 31-121D).

Mesa Police Department	MCSO Jail Cost
FY11/12	\$ 5,700,675
FY12/13	\$ 7,046,489
FY13/14	\$ 5,771,433
FY14/15	\$ 6,454,413
FY15/16	\$ 6,123,944
FY16/17 Projected	\$ 5,200,000
Average	\$ 6,049,492

MCSO Per Diem Rates



Per Diem Rates	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	Multiple Year Growth Rate Percentage Smoothed (5 years)
Booking Rate	\$199.35	\$192.26	\$188.48	\$188.48	\$236.78	\$251.53	\$266.41	\$285.94	\$306.84	\$325.65	6.67%
Housing Rate	\$73.46	\$71.66	\$73.54	\$73.54	\$85.91	\$78.94	\$81.85	\$85.49	\$90.37	\$101.72	6.54%

Pricing Comparison- FY16/17

(Based on CCA Daily Housing Rate of \$67.96 + Monthly Transportation Fee of \$35,000)

Fiscal Year	# of Inmates		Avg. # of Inmates		CCA Combined		Net MCSO	
	Booked	Booked/day	Housed	Housed/Day**	Housing and Transport Charges	Booking Billing		
2016-2017								
July	274	8.8	610	99.7	\$ 245,044	\$ 341,666		
August	276	8.9	642	107.1	\$ 260,634	\$ 366,584		
September	240	8.0	604	125.2	\$ 290,258	\$ 408,906		
October	290	9.4	684	130.7	\$ 310,354	\$ 416,396		
November	242	8.1	600	126.9	\$ 293,724	\$ 413,843		
December	219	7.1	582	114.8	\$ 276,856	\$ 334,189		
January	294	9.5	711	139.3	\$ 328,472	\$ 471,360		
February	271	9.3	694	155.4	\$ 330,708	\$ 434,634		
March	333	10.7	829	167.1	\$ 387,040	\$ 564,114		
April	339	11.3	836	175.5	\$ 392,809	\$ 568,591		
May	288	9.3	747	150.6	\$ 352,278	\$ 503,342		
June	248	8.3	599	113.9	\$ 267,219	\$ 380,620		
Average	276	9.1	678	133.9	\$ 311,283	\$ 433,687		

**Avg # of Inmates housed/day = Total MCSO Housing Fees charged for the month (Full + Half (x2) + 1/3 (x3) + Partial) ÷ MCAO Daily Housing Rate) ÷ # of days in the month

FY16/17 Estimated Cost for: MCSO - \$5,200,000 CCA - \$3,700,000 = Savings of \$1,500,000

Pricing Comparison – 4 Year

(Based on CCA Daily Housing Rate of \$67.96 + Monthly Transportation Fee of \$35,000)

Fiscal Year	Monthly		Monthly		CCA Combined		Net MCSO		Estimated Savings
	Avg # of Inmates Booked	Avg. # of Inmates Booked/day	Avg # of Inmates Housed	Avg # of Inmates Housed/Day	Housing and Transport Charges	Booking Billing	Housing and Booking Billing		
2014-2015	340	11.2	846	191.4	\$ 5,168,950	\$ 6,454,413	\$ 1,285,463		
2015-2016	319	10.5	801	170.1	\$ 4,651,417	\$ 6,123,944	\$ 1,472,527		
2016-2017 (Estimated)	276	9.1	678	133.9	\$ 3,735,395	\$ 5,204,245	\$ 1,468,851		
2017-2018 (Projected)	276	9.1	678	133.9	\$ 3,735,395	\$ 5,811,267	\$ 2,075,872		

City Council

- The Police Department requests direction from the Mesa City Council regarding moving forward with Private Jail Services

