

# COUNCIL MINUTES

March 9, 2006

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 9, 2006 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Rex Griswold  
Kyle Jones  
Tom Rawles  
Janie Thom  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Christopher Brady  
Debbie Spinner

Mayor Hawker excused Councilmember Whalen from the beginning of the meeting. He arrived at 7:32 a.m.

1. Hear a presentation from the Community Services Department concerning the service impacts of potential budget reductions.

Acting Community Services Manager Trisha Sorensen introduced Parks and Recreation Director Bob White, Acting Library Director Heather Wolf, and Arts and Cultural Director Gerry Fathauer. She said that the PowerPoint presentation (a copy is available for review in the City Clerk's Office) addresses the impact of the reductions for each division, which are outlined on the proposed budget reduction list (see Attachment 1). Ms. Sorensen noted that the reduction in full-time employees (FTEs) does not equate to the number of positions impacted due to the fact that Community Services has a large number of part-time employees. She explained that the Commercial Facilities Division (Hohokam Stadium, golf courses and the cemetery) is a revenue neutral operation that is not impacted by proposed budget reductions. Ms. Sorensen advised that she would present information on Administration, the Library and the Parks and Recreation Division, and that Ms. Fathauer would address the Arts and Cultural Division separately. She stated that the proposal for the Library and the Parks and Recreation Division reflects a reduction of 86.4 full-time employees, a savings in operating expenses in the amount of \$5,595,678 and an estimated revenue loss of \$770,437.

(Note: Numbers in parentheses correspond to the lines on the attached proposed budget reduction list.)

a. Administration (32)

Ms. Sorensen advised that eliminating two full-time Marketing and Communications employees (a 50% reduction) would result in savings of \$182,699. She stated that the impact would result

in diminished promotion of services and programs and slower responses to citizen requests, which could also negatively impact revenues.

In response to a question from Councilmember Rawles, Ms. Sorensen confirmed that the staff reduction could also negatively impact marketing support activities for the Commercial Facilities Division.

b. Library (4, 33, 73)

Ms. Sorenson reported that the proposed elimination of 26.9 FTEs would lower operating expenses by \$1,373,466 and reduce revenues by \$197,300. She noted that reductions were implemented to the Mesa Room staffing and that the Mesa Room is presently available "by appointment only." She stated that the proposal to eliminate the one remaining position would close the Mesa Room, resulting in historical data being unavailable to the public. She also added that valuable resources could be lost without the preservation efforts of a trained archivist.

i. Discuss and provide direction on proposed Library service hours.

Ms. Sorensen noted that staff is requesting that operating hours at the Branch Libraries (Dobson Ranch and Red Mountain) be reduced to 40 hours per week from the present 62.5 hours per week due to a lack of sufficient staff with which to sustain an acceptable level of service.

Ms. Wolf provided an overview of the current staffing levels, and she explained that reducing the hours at the branch locations would enable the transfer of some employees to the Main Library in order to meet the required minimum staffing levels at that location. She noted that beginning in October of 2005, an average of one Library employee has resigned each week.

Ms. Sorenson stated that staff is requesting Council approval to reduce the operating hours at both the Dobson Ranch and Red Mountain branch locations to 40 hours per week.

Discussion ensued relative to the fact that if a future funding source becomes available, filling vacant positions could take four to six months; that staff assumes that the budget cuts are permanent or for an extended period of time; and that a budget reduction option proposed for Council consideration is closure of the branch libraries.

Responding to a question from Councilmember Rawles, Ms. Wolf confirmed that the Main Library is not required to be open to the public in order to provide support services for the operation. She stated that their proposal for 40-hour weeks at each of the branch locations was an effort to divert customers to the Main Library, where more parking spaces and resource materials are available.

In response to a suggestion by Councilmember Rawles that the operating hours be equally divided between the three locations, Ms. Wolf noted that staff recommended 40 hours of operation due to the fact that the hours equate to one FTE, and that operating in excess of 40 hours per week would require additional part-time staff.

Councilmember Rawles stated the opinion that libraries are a high priority, and therefore he would not support reducing staff levels.

Further discussion ensued relative to the fact that Municipal Security officers are stationed at each library during the hours that the library is open to the public; and that the cost for the service is borne by Municipal Security.

In response to a question from Councilmember Thom, City Manager Christopher Brady explained that the savings resulting from the reduction of two "marketing and communication" employees includes the cost of materials associated with these positions.

Councilmember Thom suggested that employees whose positions are eliminated in other City departments be transferred to fill vacant library positions, and she expressed support for maintaining library staffing levels and service.

Councilmember Griswold concurred that libraries are very important, but he questioned the source of the \$1.4 million in budget cuts from other departments that would be necessary to fund the library services proposed by Councilmember Thom. He noted that a Councilmember's request to eliminate budget reductions in one area should match an equal reduction in another area, and he requested that Councilmember Thom identify those budget reductions.

Responding to a comment from Councilmember Thom that the Council did not hear presentations from other City departments, Mayor Hawker explained that today's presentation was the first of several presentations from City departments scheduled in the next few weeks after which the Council would consider the proposed budget reductions.

Mr. Brady explained that the current situation regarding the Library's staffing levels prompted staff's request to reduce operating hours at the branches effective April 1st. He noted that a decision on this issue is a separate matter unrelated to the proposed budget reductions.

In response to a question from Councilmember Thom, Ms. Sorensen advised that the amount of reciprocal borrowing funds received from Maricopa County for library services provided to non-Mesa residents totaled \$180,000 last year. She reported that the per-person reimbursement rate would increase from \$20.00 to \$24.50 this year and increase to \$29.00 next year. Ms. Sorensen said that ascertaining whether the reciprocal amount received from the County is sufficient to address the costs incurred to serve the non-Mesa customers would be difficult. She also noted that the County agreed to purchase a core set of electronic databases that will save Mesa approximately \$100,000 annually.

Mayor Hawker noted that the consensus of the Council is that the professional Library staff should utilize their best judgment relative to reducing the operating hours at the branch locations.

Councilmember Rawles concurred that the professional staff should make the decision, and he urged staff to consider similar hours of operation for all three Library locations.

Additional discussion ensued relative to the fact that the Library could post signs explaining the reduction in customer service; that book drops could be closed during the hours that the Library is open to the public; that a failure to secure funding could result in the closure of the branch libraries; that eliminating Sunday hours at the branch locations would still require additional part-time staffing for the operating hours in excess of 40 hours per week; and that the Library's statistics indicate that a greater number of people would be served by maintaining service at the branches on Saturdays and closing the branches on Sunday afternoons.

c. Parks and Recreation Programs (21, 27-29, 74-83)

Ms. Sorensen addressed the proposed budget reductions for the Parks and Recreation Division, and she advised that the net FY06/07 reduction would be 57.5 FTEs, \$4,039,513 in operating expenses and \$573,137 in revenues. She provided an overview of the impact of budget reductions on the Park Ranger Program, City-supported special events, basin maintenance, recreation centers, after-school programs, the Ellsworth and Quail Run sports fields, recreation activities for special populations (adaptive), operation of the Rhodes and Poston pools, competitive swim aquatics programs, and maintenance of City pools.

Arts and Cultural:

- i. Mesa Arts Center (22-26)
- ii. Museum for Youth (30 & 71)
- iii. Mesa Southwest Museum (31 & 72)

Ms. Fathauer continued the PowerPoint presentation by providing information on the impact of the Arts and Cultural Division's proposed budget reductions, which includes the elimination of 11.3 FTEs at the Mesa Arts Center (MAC).

Discussion ensued relative to the fact that the charts listing the Arts and Cultural Division's operating funds and revenues are formatted differently than those presented for the Library and the Parks and Recreation Division.

Ms. Fathauer reviewed the reductions proposed for cultural arts grants and performing arts classes for youth and adults. She reported that discussions are ongoing with Mesa Community College (MCC) relative to an arrangement wherein MCC would provide educational programming and visual arts classes at the MAC. Ms. Fathauer outlined the impact of plans that would close or reduce the hours of the Arizona Museum for Youth and the Mesa Southwest Museum. She stated that the Sistine House would be closed, and she recommended that the administration of the Mesa Grande site be transferred to another entity in order to prevent vandalism. Ms. Fathauer advised that the Mesa Southwest Museum is responsible for 60,000 objects and images, and she added that the facility also serves as a Federal repository for certain materials.

Ms. Sorensen summarized the presentation by referring to the slide titled, "Proposed Budget Reductions (Net)" (see Attachment 2), which includes the Library, Parks and Recreation, Arts and Cultural and Community Services Administration. She stated that the proposal eliminates 146 FTEs, which equates to 210 positions (including part-time positions), and reduces the Community Services budget by \$9,507,038.

Further discussion ensued relative to the fact that the Arizona Museum for Youth gift shop, operated by the Friends of the Arizona Museum for Youth, is at a breakeven point and that future profits would be donated to the museum; that off-site museum exhibit storage expense totals approximately \$20,000 per year, and that alternatives are presently being studied to reduce that annual cost to approximately \$9,000; that the developer of Riverview has paid approximately \$300,000 for archaeological activity at that site; and that the Southwest Museum is planning future exhibits of materials found at the Riverview site.

Councilmember Jones stated the opinion that the proposed reductions would negatively impact the community's quality of life, and he expressed frustration regarding the fact that the Council is required to consider these actions.

2. Items from group representatives.

Mayor Hawker advised that the Council would now hear comments from individuals and representatives of organizations.

Chris Hite, 4030 East Huber, representing the Special Olympics of Arizona, addressed the Council in support of the Adaptive Recreation Program. He stated that the City of Mesa's Special Olympics program is a model for other communities throughout the country, and he noted that an upcoming basketball event is expected to generate a \$100,000 economic impact for the City.

Betty Newham, 1516 South Parkcrest, the parent of a disabled son, spoke in support of programs for the disabled population.

Lane Jeppesen, 59 East Broadway Road, representing the Mesa Association of Sports for the Disabled, advised that their association partners with the City's Parks and Recreation Department to offer 29 programs for the disabled. She stated that eliminating the Adaptive Recreation Programs would impact 800 disabled persons in the City. Ms. Jeppesen noted that State and national events scheduled in Mesa generate a positive economic impact for the community.

Steve Hogen, 549 North Stapley, representing the Mesa Public School District Athletic Department, expressed support for continuing the relationship between Mesa Public Schools and the City of Mesa.

Peter G. Cook, 560 North Macdonald, representing the Mesa Southwest Museum Foundation, noted that the museum has vested obligations and that failure to perform could expose the City to certain liabilities. He said that the Foundation is willing to provide assistance to maintain and improve the facility.

Dennis Kavanaugh, 2146 West Isabella, Vice Chairman of the Mesa Arts Center Foundation and former Vice Mayor, advised that a goal of the Foundation is to raise \$400,000 annually in private funds to assist in the operation of the MAC. He expressed the opinion that a disproportionate amount of the proposed budget cuts are related to the Arts and Cultural Division. Mr. Kavanaugh stated that eliminating children's programming could jeopardize the Foundation's fundraising efforts, and he noted that the arts programs generate a significant economic impact on the community.

Daniel Harper, representing the Museum and Cultural Advisory Board, stated the opinion that the proposed reductions to Community Aid Grants are counterproductive to the overall success of the Mesa Arts Center. He noted that these types of cultural opportunities were a positive influence on his personal development, and he expressed concern that the budget reductions would negatively impact economic development in downtown Mesa and Citywide.

Deborah Dahl, 9536 South Krista Drive East, Goodyear, Chairman of the Arizona Museum for Youth Friends Board of Directors, stated that the Museum was an excellent example of a private/public partnership. She also noted that that the Museum's new director has extensive experience in garnering private support, and she expressed the hope that the Museum would have the opportunity to continue to provide service to the community.

Councilmember Rawles suggested that the Council delay further discussion of proposed budget cuts until after the May General Election.

Discussion ensued relative to the fact that Council consideration of the budget issues was valuable; that a government entity has to operate in an open and public manner; and that delaying the process would negatively impact the timeline for implementing the reductions.

Mayor Hawker thanked staff and the group representatives for their input.

3. Discuss timeline associated with potential reduction in workforce.

Deputy City Manager Debra Dollar stated that a Management Policy outlines the procedures related to a Reduction in Force (RIF), which could impact approximately 265 employees. She advised that in order to meet the legal requirement to provide a minimum of 45 days notice to each affected employee, the City would have to provide written notice to each employee by May 17<sup>th</sup> in order to enable an effective date of July 1<sup>st</sup>. Ms. Dollar said that a failure to meet the July 1<sup>st</sup> date would impact the dollar amount of the budget reductions. She advised that receiving Council direction by March 30<sup>th</sup> would enable staff to meet the timeline in order to comply with the legal requirements and to accomplish the internal activities, including the following: identifying the actual employees affected; determining the availability of funded vacancies to which employees might be transferred; determining placement and transfer options; evaluating the skill sets of the affected employees; and arranging for training and outplacement services for the affected employees.

In response to a question from Councilmember Whalen, Mr. Brady advised that consideration would be given to retaining employees who are close to retirement. He explained that individuals in positions scheduled for elimination would be analyzed and scored, and he stated that senior employees would be retained if the employees' skills sets and performance levels were similar. Mr. Brady noted that similar questions are being raised during his meetings with employees.

Responding to a question from Mayor Hawker, Budget Director Jamie Warner advised that the Council historically adopts the budget at the last Regular Council meeting in June, but he added that if the property tax issue is approved by the voters, legal requirements exist that could delay the budget adoption until the third week in July.

Mayor Hawker requested that staff provide information relative to the financial impact of a thirty-day delay in Council approval of the budget.

4. Provide staff direction on rezoning the property located at Elliot and Ellsworth owned by Cardon Companies.

Planning Director John Wesley reported that staff reviewed the zoning possibilities regarding the Cardon Companies' property located on the northeast corner of Elliot and Ellsworth, and he

noted that a filing deadline would occur in approximately one week. He advised that preliminary discussions have been held with the property owner's representatives regarding the rezoning alternatives available under the General Plan designation, and that staff would continue to meet with the property owner.

Mayor Hawker requested that staff re-file a zoning application for the property that does not include residential development. He noted that Councilmember Thom previously stated that an employment park was not an appropriate use for the property, and he suggested that M-1 zoning might be more acceptable to her. Mayor Hawker advised that the applicant's representative, Paul Gilbert, was notified of the pending Council reconsideration of the zoning case. He expressed the opinion that residential development was not an appropriate use for the property, and he noted that the property owner would probably file a protest against the City's application. Mayor Hawker added that the City was remiss in not changing the zoning at the time the property was annexed into the City, and he acknowledged that an issue of property rights does exist.

Councilmember Griswold reported that an employer recently contacted him regarding the possibility of expanding their business in an M-1 zoned property.

City Attorney Debbie Spinner advised that a formal motion was not necessary when the Council was providing direction to staff.

In response to a question from Councilmember Rawles, Mr. Wesley said that staff anticipates presenting this case to the Planning and Zoning (P&Z) Board on April 20th, and that the rezoning case could be considered by the Council in May or June. He advised that staff would process the application in the normal manner.

Councilmember Rawles expressed concern that the process would be intentionally delayed, and he stated that voter approval of the General Plan does not change fundamental property rights. He expressed support for a compromise, but he added that he would oppose the rezoning if the property owner was opposed to the rezoning. Councilmember Rawles stated the opinion that this was an example of a government entity interfering with property rights in the name of economic development.

Councilmember Jones concurred with Councilmember Rawles that property rights were very important, and he expressed the hope that the property owner would cooperate with the City for the benefit of the entire community.

Councilmember Whalen encouraged dialogue in order to explore the options available, and he stated the opinion that residential development on the subject property was not in the best interest of the community.

Vice Mayor Walters expressed the opinion that rights exist for both the property owner and the owners of neighboring properties. She noted that Williams Gateway Airport has been in existence since World War II, and she hoped that a satisfactory resolution could be achieved for the property owner and the City. Vice Mayor Walters recalled that the motion she made at the February 21, 2006 Regular Council meeting included a requirement for further discussion with the property owner relative to non-residential development and a provision for the City to pay all of the costs associated with the rezoning and the General Plan changes. She also stated the opinion that a good outcome for both the property owner and the City were not mutually exclusive.

In response to a request from Councilmember Thom, Mr. Wesley outlined the activities that are permitted in M-1 zoning, such as: research and development, communications businesses, corporate offices, manufacturing facilities, warehouses, some retail uses, industrial trade schools, heavy equipment repair, construction yards, and animal hospitals.

Councilmember Thom expressed support for continued dialogue between the City and the property owner.

In response to a question from Councilmember Rawles, Mayor Hawker stated that his intent was to have the City's rezoning case parallel the property owner's rezoning case so that P&Z has a choice when both cases are presented to the Board.

Councilmember Rawles expressed the opinion that the City should attempt to discuss the issue with the property owner rather than filing a parallel zoning case.

Mayor Hawker noted that a majority of the Councilmembers support moving forward with the City's parallel rezoning application.

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

There were no reports on meetings and/or conferences attended.

6. Scheduling of meetings and general information.

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

Thursday, March 16, 2006, 7:30 a.m. – Study Session and Joint Meeting with the  
Housing Services Governing Board

Monday, March 20, 2006, TBA – Study Session

Monday, March 20, 2006, 5:45 p.m. – Regular Council Meeting

Thursday, March 23, 2006, 7:30 a.m. – Study Session

Wednesday, March 29, 2006, 8:00 a.m. – Study Session

Monday, April 3, 2006, TBA – Study Session

Monday, April 3, 2006, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Items from citizens present.

Sharon Corea, 7450 East Farmdale Avenue, stated that the proposed budget cuts discussed earlier in the meeting would negatively impact Mesa's quality of life, and she expressed support for the proposed property tax.

9. Adjournment.

Without objection, the Study Session adjourned at 10:08 a.m.

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KENO HAWKER, MAYOR

ATTEST:

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BARBARA JONES, 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 9th day of March 2006. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

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Attachments (2)