CITY OF MESA

Great People, Quality Service!

MESA 2025: FINANCING THE FUTURE CITIZEN COMMITTEE

September 8, 2004

The Mesa 2025: Financing the Future Citizen Committee met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on September 8, 2004 at 5:35 p.m.

COMMITTEE PRESENT	COMMITTEE ABSENT	STAFF PRESENT
Kyle Jones, Chairman	None	Mike Hutchinson
Kirk Adams		
Jill Benza	EX-OFFICIO MEMBER	
Pat Esparza		
Don Grant	Keno Hawker, Mayor	
Rex Griswold		
Greg Holtz		
Aaron Huber		
Eric Jackson		
Dennis Kavanaugh		
Mark Killian		
Robert McNichols**		
Scott Rhodes		
Patricia Schroeder		
Robin White		

** Committeemember McNichols participated in the entire meeting though the use of teleconferencing equipment.

1. Follow up on items from last meeting.

Chairman Jones stated that the Committee's last meeting consisted of a tour of the Transportation Department and said that this evening the department will give their presentation. He noted that "Items from citizens present" has been added to the agenda so that anyone in the audience may provide input. He said that following all of the departmental presentations, citizens will be asked to come forward and present their remarks.

2. Presentation by the Transportation Division.

Development Services Manager Jack Friedline introduced his two Assistant Managers, Jeff Martin and Kari Kent, and Transportation Director Jeff Kramer. He said they believe that this is the perfect forum in which to present their financial needs for the type of transportation they know the City needs to develop and continue to build to meet growth over the next twenty years. He added that the process provided an opportunity to develop a very accurate, detailed financial plan that represents the maintenance and construction of a transportation system that was guided and directed by two citizens' groups, the Joint Master Planning Committee (JMPC) and the TCAC.

Mr. Friedline said that this evening they would discuss the Transportation Division and two weeks later they will present the rest of the Development Services Department, which is very large and complex. He referred to an organizational chart contained in the packet and noted that Assistant Development Services Manager Kari Kent is responsible for the Planning, Building Safety and Real Estate Services Divisions, and Assistant Development Services Manager Jeff Martin oversees the Falcon Field Division, the Transportation Division and Transit. Mr. Friedline added that he has three divisions, Environmental Management, Engineering, and Facilities Maintenance in addition to the Development Services Administration area. He reported that their 04-05 budget is $256 million with $158 million representing their capital needs (property acquisition or building projects). He noted that $198 million of that is operating and maintenance expenses for the eight divisions and the one Development Services Section. He reported that they have 601 positions and of that 550 are currently filled. He said that 25 of the 50 vacancies are currently undergoing some degree of recruitment. He stated that the department would not typically have 25 vacant positions, but during the last three years there has been a lot of "vacancy control" in an attempt to minimize costs. He pointed out that in the 2002-03 budget, there were actually 631 budgeted positions. He referred to the Example Budget Support Schedule included in the packet and said that it only reflects to sub-object codes just in the Transportation Division. He added that they have a Support Schedule for the entire department that is reviewed every year, and it is their way to zero base the budget.

Mr. Martin addressed the Committee and asked Transportation Planning Administrator Kevin Wallace to join him. He said that he understood from the last meeting that the Committee wanted an hour-long presentation in order to leave an hour for questions and answers. He stated that there is a lot of material to cover, and he asked that question be held until the end of the presentation. He noted that Kevin Wallace developed the plan for the transportation and transit areas, and he commended him for his efforts. He pointed out that the Mayor was instrumental in encouraging the development of long-term financial planning documents (Mesa Transportation Plan, Transportation Financial Plan etc.), and he said the plans have been invaluable to staff in terms of understanding future challenges.

Mr. Martin highlighted and read each of the various slides contained in the PowerPoint presentation, including a Division Overview (Vision & Mission); Organization and Staffing; Historically Significant Milestones, Transportation Administration; Field Operations; Traffic Engineering; and Transit. He noted that various RideChoices (coupons for cabs, reduced fares for seniors, and volunteer driver reimbursement) are less expensive than Dial-A-Ride.

Mr. Kramer addressed the Committee and outlined charts depicting municipal comparisons for operations. He noted that Mesa's goal is to repair burned out streetlights within one week or less, but they are currently taking at two weeks or slightly more. He pointed out that the only other city that takes over one week is Phoenix, and that is because they contract out the work through a private provider. He also commented on the number of traffic signals maintained per Signal Technician and noted that Mesa has 34 signalized intersections maintained per Technician (all of the signal heads, the controllers, and every element of the signal) and all of the other cities are lower, most in the range of 20. He said that initially Tucson incorrectly reported 150, but Tucson has corrected that number to reflect that each technician is responsible for 28 signalized intersections. He referred to the Transit comparison and noted that Mesa is the only city that does not provide Sunday transit service. He discussed the challenges being faced due to the lack of a dedicated funding source. He referred to slides that contained photos of pavement in dire need of repair and said that over the course of the next 6 to 7 years the cost of rehabilitating the roads will double. He pointed out that pavement rehabilitation has been under-funded since 1996, and that the photos taken over the past eight years indicates that the window of opportunity to rehabilitate the pavement in the most cost effective manner has been missed.

Additional discussion ensued relative to staffing, facilities and equipment, program review, pavement maintenance funding status, and pavement lifecycle,

Mr. Martin readdressed the Committee and outlined the various elements of the Mesa Transportation Plan (MTP), including the Streets Program, the Transit Program, TCAC recommendations on the MTP, an overview of the Regional Transportation Plan, freeways ($974 million in regional funds benefit Mesa), the Streets Plan which includes $580 million (inflated dollars) in regional funds benefiting Mesa, transit ($818 million in regional funds to benefit the City of Mesa), and the financial and operational challenges. He also advised that in order to meet the RTP's 30% local match requirement the City would have to identify a local revenue source to generate $253 million for street capital and provide funding for operations and maintenance. He added that the RTP requires additional O&M funds, an additional 53 to 55 positions, and additional facilities for staff, equipment and materials as well as additional employees and equipment in other City offices, such as Real Estate and Engineering.

Mr. Martin outlined the four different financial plan scenarios, (1) the no new revenue scenario; (2) the RTP funding scenario (half-cent sales tax for transportation is extended); (3) the RTP plus a quarter-cent of local sales tax; and (4) RTP plus a 0.35 local sales tax. He outlined the impacts of scenarios one and two

Mr. Kramer spoke to the Committee regarding the Streets Program Financial Plan and stated that staff is not recommending a sales tax. He discussed scenarios three and four and the resulting impacts as depicted in the charts contained in the packets. He focused on the various maps which showed the impacts on the Streets Program and the result of no new revenue (capital); the addition of regional revenue (capital); regional and 0.25-cent local revenues added (capital); regional & 0.35 cent local revenues added (capital); no new revenue or regional revenue added (O&M); regional and 0.25-cent local revenues added (O&M); and regional and 0.35-cent local revenues added (O&M).

Mr. Martin talked about the four different financial scenarios beginning with the "No New Revenue" scenario. He explained that without additional revenue the City would be forced to eliminate all of the unprotected service currently being provided in Mesa by 2017 with the cuts beginning in 2007. He outlined the various cuts listed on the chart and moved on to the Transit Program with Regional Revenue added. He noted that the RTP provides $818 million in transit operations and capital in Mesa without a local match requirement. He elaborated on additional pros and cons associated with this scenario, as listed. He pointed out that the TCAC recommended transit services that are not included in the regional plan, such as Sunday bus service. He also discussed high-capacity transit under the "Regional Revenue Added" scenario and reported that the RTP provides $203 million in high-capacity transit operations and capital in Mesa (in the second phase of RTP) and highlighted other factors associated with this option. He commented on the "Regional Tax plus a 0.25-cent local revenue added" scenario as well as the "regional and 0.35-cent local revenues added" scenario. He referred to maps that depicted the proposed results of the four scenarios.

Mr. Kramer addressed the Committee relative to Bicycle, Pedestrian and Town Center Programs and said that under the "no new revenue" scenario or even if the voters approve the regional funding in November, no funding would be provided directly for these programs. He stated that if the quarter-cent sales tax or the equivalent local revenue and the 10% not going to streets were added, the share that goes to these programs would provide $15.5 million over a period of 20 years taking inflation into account. He added that the "0.35-cent sales tax or equivalent local revenue" would increase funding from $15.5 million to $30.4 million over that same 20-year period.

Mr. Martin read from the last page of the packet, which summarized the results of the presentation and noted that staff recommends the last option, a "0.35-cent local sales tax (or equivalent revenue)" that will fund 89% of capital and O&M needs. He emphasized that staff has devoted substantial time and effort into gathering the information and preparing the Mesa Transportation Plan. He said anyone wishing to receive a copy should contact him. He added the Financial Transportation Plan has also been completed. He stated the opinion that if a decision is made to proceed, they should begin within the next year to two years because the longer the delay the more expensive the more difficult it is going to be to address the backlog of street maintenance projects.

Chairman Jones thanked the speakers for their presentation.

In response to a question from Committeemember Adams, Mr. Martin concurred that Mesa's share of the Regional Transportation Plan is $1.9 billion. He added that the total amount available under the plan is approximately $15.8 billion, and he stated the opinion that the amount actually generated by the tax is estimated to be approximately $8.3 billion. He stated that Mesa's share was based on population and that the figure of 12 % of $15.8 billion was used as the total amount. He explained that the 12% factor is based on the population estimate for that 25-year period.

Mr. Martin said that the City would need additional revenue in order to meet the matching requirement of 30%. He estimated that the total dollar amount is in the area of $580 million over 25 years with inflation. He noted that at the current time the City is unable to fund O&M or raise $253 million to meet the matching requirement. He advised that the "0.25 option" would not generate the $1.9 billion, but the "0.35 cents option" would generate $1.9 billion.

Chairman Jones pointed out that the City's Quality of Life tax will drop to half on July 1, 2006 (from 1.5% to 1.25%) and that is why consideration is being given to the scenario of maintaining the tax at 1.5% and dedicating that amount to transportation.

In response to a question from Committeemember Adams, Mr. Martin confirmed that about half of that amount, at least for streets, would be generated in the last five years of the Regional Transportation Plan. He explained that funding is in five-year increments, and that in the first five- year increment the City receives approximately $47 million and in the second five-year increment the City receives nearly $80 million and so forth. He said in the beginning the City does not receive a lot of money, but receives most of the funds in the last ten years.

Chairman Jones noted that this was a long process in which the Mayor was active to make sure that monies are returned to the communities. He noted that there were discussions regarding attempts to move it to other parts of the valley. He said the Mayor, along with others, persisted and was able to get balanced money back.

Ex-Officio Member Hawker commented that a buy down provision exists for which projects can be accelerated by paying only the interest costs so they are not locked into waiting to build a project until the full amount of monies has been received. He said that the buy down provision was adopted to allow cities to do that. He added that the other aspect is that if a project doesn't proceed, for example, if General Motors decides to stay around for 40 years and they do not put the arterials through, that would free up money that can be used for other road improvements in the area. He stated that they have the ability to shift money from one area to another if some projects are not ready to go, as long as the funds are used in the general area.

In response to Committeemember Killian's questions regarding how much of the $974 million is allocated for freeways in the East Valley and how the City of Mesa compared to other cities, Mr. Martin responded that the City did well.

Chairman Jones noted that each community chose where they wanted to allocate their money, and each submitted their projects. He emphasized that other communities have different priorities.

Mr. Martin further stated that as the regions matured, different needs were addressed and he noted that in Phoenix the need was transit. He added that the needs of the west side needs were more freeway oriented. He noted that Mesa doesn't really have a lot of room to expand, and that the City did quite well under the current program that is just being completed which funded most of the City's freeway needs. He said that the only new improvement of a major freeway is the Williams Gateway Freeway corridor.

Discussion ensued relative to the fact that the City is considering adding additional general lanes and High Occupancy Vehicle (HOV) lanes similar to those on the Superstition Freeway; that in the case of Red Mountain and the Santan, one HOV and one general lane would be added; that the major traffic interchanges are being funded in an effort to address the bottlenecks; and that as the region grows and matures, the emphasis is on addressing bottlenecks rather than just building freeways.

In response to Committeemember Killian question as to whether the City worked with Chandler and Gilbert in an effort to accelerate projects so that some of the wear and tear on City streets due to traffic could be prevented, Mr. Martin responded that this was done on the Santan, which is going to be built in two years. He noted that the project was accelerated quite a bit, and that the entire regional freeway program was accelerated a few years ago, and depending upon what corridor is being discussed, the acceleration is between three and seven years. He said the Mayor felt it was extremely important that the City receive its fair share or regional equity of the program.

Responding to Committeemember Killian's question as to whether staff has reviewed the amount of tax that is being carried by people who do not live in the City, Mr. Martin said the subject has not been\ studied, but that he believes the percentage is high and he will obtain that information for him.

Committeemember Killian expressed the opinion that that the information would have a tremendous impact on the decision matrix that goes into the entire process. He said that as staff reviews the proposal to fund the Mesa's needs, transportation is probably the single most important item to be considered because if it is difficult to travel in the area, no one will come to the area or build businesses in the area. He asked what type of sanctions the Environmental Protection Agency (EPA) would impose if our air quality continues to decline as a result of road deterioration. He stressed the importance of being sure that the "0.35-cent tax" would be sufficient to accomplish the job in light of the history seen throughout the entire valley.

Mr. Martin responded that from a political standpoint, staff did not feel that an amount above 0.35 would be palatable. He noted that the proposal is not "gold plated" and that the primary effort is to fund street maintenance and attempt to obtain the funds that were set aside for street capital in the Regional Transportation Plan. He added that staff believes the "0.35 cent option" would work and would allow the City to "catch up" on street maintenance and implement other important projects that will enable the

City to obtain all of the RTP monies. He said that staff's concern regarding the "0.25-cent" is that it is extremely tight and that the City depends heavily on the developer match to be able to obtain the 74% amount of the Regional Transportation funds. He said staff is concerned because they are unable to project the level of developer contributions or when these contributions are going to be received.

In response to a question from Committeemember Killian, Chairman Jones said he has a chart from the Arizona League of Cities and Towns that compares Mesa's sales tax rates to those of neighboring cities. He advised that statewide average is 2 to 2.5% per community, and that Mesa is at 1.5%.

Committeemember McNichols pointed out that the City is proposing to increase the sales tax rate, and that the matching funds required by the State program are aggregated. He asked whether staff has modeled this to determine how much would be raised in the first five years and how much would be needed in matching funds during that same period of time. He stressed the importance of modeling as the City progresses through five-year increments, because excess funds may be available in the early years as a result the proposed sales tax revenue. He added that if these funds are not protected and earmarked for transportation, the City could lose the funds to other agencies for other purposes and the City might not have the matching funds required for the future.

Chairman Jones commented that Committeemember McNichols made a very good point, and he clarified that there is no certainty that the sales tax will be extended when the Quality of Life tax sunsets (half of that tax). He said that the possibility exists, but nothing is certain at the current time. He added that the City is reviewing the possibility that a shortfall could exist and what that amount would be.

In response to a question from Committeemember McNichols, Chairman Jones explained a sales tax was not placed on a ballot for citizen consideration because they believed that the climate was not right at that time.

Ex-Officio Member Hawker said that a second factor was the extension of the half-cent sales tax. He stated that they wanted to know how much would supplant the shortfall of about $1.8 billion or $5 billion in the City's Transportation Plan. He added that attempts were being made to determine whether some of the projects were actually regional in nature, especially some of the infrastructure around Williams Gateway to create a job center that connects into Queen Creek, Pinal County, Apache Junction and even Chandler. He explained that a part of the reasoning was based on the economy, but the other part was to enable the City to determine the amount of the shortfall and to determine voter acceptance of the regional half-cent sales tax and the City projects. He said that after November, the City would have a clearer message regarding the funding shortfall for the Transportation program. He noted that there is a dramatic difference between having and not having the half-cent regional sales tax.

Committeemember White noted that the City of Tempe is considering the formation of a committee similar to this for like reasons, and they are considering increasing the sales tax.

Responding to Committeemember Rhodes' question as to whether the TCAC considered a "0.35-cent sales tax," Mr. Martin said that after reviewing a number of different funding levels, they ended up with a half-cent sales increase because of the percentages they wanted to fund at the various elements.

Committeemember Rhodes commented that Mr. Martin previously stated "0.25 cents," and Mr. Martin apologized and stated that the correct amount was a half-cent sales tax.

Mr. Martin responded to Committeemember Rhodes' question as to why the TCAC did not recommend 100% funding by advising the Committee that many of the TCAC members were very supportive of funding as much of the transit program as possible in addition to funding street maintenance. He said their two highest priorities were maintenance and transit, followed by street capital. He added that there were a number of members who were very strong advocates for transit, and he stated the opinion that the TCAC recommended funding a large percentage, approximately 90%, of the Mesa Transportation Plan under their proposal.

Committeemember Grant, who served as a member of that Committee, said that he remembers more intersection improvements being funded rather than complete arterial street improvements in order to reduce some of the costs and disruption in the existing parts of the City. He stated that the Committee saved a substantial amount of money by not expanding to the freeway to six lanes along the entire length and just taking care of the intersections, which he believes amounts to about 85% of the benefit.

Ex-Officio Member Hawker said that a philosophical discussion could be held relative to the transit component and whether some routes should be done extremely well with high frequency, or whether they want to blanket the City. He said if the preference is to move toward transit-orientated development and higher density along some corridors that have very good frequency, the consumers should be allowed to choose the type of service they want by where they choose to reside rather than doing the entire City. He said he favors having a few really good routes and doing a good job rather than implementing it throughout the City and having hour intervals.

Committeemember Rhodes said that the information provided along with the various scenarios is very helpful and, in relation to a possible sales tax, provides the Committee a very clear picture. He asked to what extent was consideration given (or has consideration been given) to alternative revenue producing in whole or in part. He stated that as he reviewed some of the maps and some of the planned arterial street improvements, he notes that a disproportionate benefit may be provided to some parts of the City as opposed to others. He asked whether consideration was given to the concept of forming special districts to pay for a potion of the cost as opposed to implementing the sales tax, which spreads all transportation revenue needs among all the citizens.

Mr. Kramer responded that staff has reviewed a variety of approaches, and that they have used sales tax as the vehicle because it was in keeping with the theme of the TCAC recommendation. He stated that other cities were reviewed and a comparison was made of the different sales taxes and the commensurate amount of revenue that a property tax would generate. He commented that the advantage of a property tax is that property taxes are deductible while sales taxes are not deductible.

Mr. Kramer said that staff did not consider special taxing districts. He noted that the City presently has Special Improvement Districts (SIPs) and some Facility Improvement Districts (FIDs).

In response to Committeemember Killian's question as to whether staff had determined the amount of a tax increase on a typical commercial property, Financial Services Manager Bryan Raines stated that they did not, but that staff could pursue that.

Committeemember Killian expressed the opinion that it would be interesting to see the difference between what the increase in property tax would be as opposed to the sales tax increase. He commented that this issue goes back to competition and the City's efforts to attract people to locate in Mesa. He also noted that if it is difficult to travel in the community, if your employees are late or stressed as a result of fighting traffic, then businesses could lose money. He emphasized that all of these factors should be calculated into the Committee's decisions, because poor transportation is the "death mill" to a community and Mesa cannot afford to have bad streets.

Discussion ensued relative to pavement life and the fact that if overlay work is completed at approximately the 15-year timeframe, that effort will result in approximately 7 to 10 years of additional life depending on the roadway and the use, the types of vehicles, and traffic volumes; the fact that Mesa's Street Maintenance Superintendent Leonard Hulme believes that an overlay applied in 15 years will result in a design life of 25 to 35 years depending on the type of application and whether the roadway is a residential, arterial or collector street; the fact that in order to keep the streets at an optimum performance level, overlay work needs to be completed at approximately the 15-year mark;; the fact that over the past few years the County has not performed a many capital or O&M projects; the fact that the new County Engineer has been advocating that projects built be built and a number of meetings have been held with the County where joint planning took place; the fact that the County has requested City assistance with their prioritization; and the fact that when an annexation occurs that has roadway issues, the City typically will not accept the roadways until the County makes the improvements that meet the City's standards.

Committeemember Adams hypothetically asked if the Committee could write a check right now, what amount would be needed to complete street maintenance projects in order to bring the department to an acceptable level.

Mr. Hulme advised that when staff prepared the Transportation Plan, a comprehensive maintenance plan was developed. He said that the numbers were frightening, and that the estimated cost was $8 to $10 million a year in overlays and reconstruction annually for the first five years, plus an additional $5 million just to bring the condition of the roadways up to date. He explained that the intent was to return to a typical maintenance schedule, and the $5 million for the first five years would allow them to fix the problems that already exist. He said that staff estimates that every 25 to 35 years a street needs to be replaced, so therefore 3% to 4% of the network has to be replaced.

In response to a request from Committeemember Grant, Mr. Kramer discussed and explained the levels of service. He explained that even with staff's best efforts and the money necessary to eventually improve the system, it is anticipated that a majority of intersections will still operate at a fairly congestive level. He stated that a free-flowing, uncongested network is not being built, but the most functional network possible is being built in order to provide service to residents and travelers, and it will not be perfect.

In response to Committeemember Adams' question regarding the amount of the City's capital expense for the portion of light rail (1.1 miles) for which the City is committed, Mr. Martin advised that the Council agreed to participate in the starter segment of the Light Rail Program in 2002 and that the total capital cost for the project was approximately $56 million to $59 million. He explained that the Federal government pays for half of the capital cost, and the City also receives some additional Federal funds through the Maricopa Association of Governments (MAG) process. He stated that the cost to the City is approximately $25 million to $26 million, and that is the capital expense to build that first mile into the City of Mesa. He stated that construction is anticipated to begin in the second quarter of 2005, but it might be delayed to the middle of 2005. He said that the design is well underway and that 100% design submittals are now being received. He added that completion of a full funding agreement is anticipated by January or February, and then construction of the City's particular section will begin around the second quarter. He stated that O&M expense is projected to be a little over $1 million a mile, and that amount would obviously increase over time depending on inflation, etc.

Mr. Martin informed the Committee that when staff presented the project to the Council, the City was provided the opportunity to participate in the starter segment, which connects into a 20-mile public works Light Rail Program. He added that if the City participated up front, the City of Tempe would pay to extend the system to Mesa's border with Tempe rather than having the system terminate at McClintock. He said the City was told that if the City did not take advantage of this opportunity and then decided to become involved at a later date, the City of Mesa would be required to pay the cost of expanding the Light Rail system from McClintock to Mesa's border at Roosevelt, which is approximately a mile and a half and at an additional cost of $58 or $59 a mile. He said that these were the types of issues considered by the Council in making a decision to participate in the Light Rail Program.

Committeemember White commented on the fact that the Transportation Department has some legitimate needs, but it is not the only department that is badly in need of money. She said the Committee must seriously consider that the City may need substantially more money than the amount generated by a "0.35% sales tax."

In response to a question from Committeemember Holtz, Mr. Kramer advised that when the 15-year point is reached and the need exists for an overlay, the cost to do so would be $9 a square yard. He said that the 15-year overlay will avoid the necessity of reconstruction five or six years later. He added that the overlay would extend the pavement life for another 7 to 10 years. He noted that slurry seal and fog seal treatments would be required, but these treatments are considerably less expensive than even the overlay. He advised that eventually the streets will probably have to undergo some sort of reconstruction, but the overlay extends the time before a street reaches that point. He explained that overlay costs are not capitalized, but reconstruction costs are. He reported that the pavement element on average costs 15-cents per square yard on an annual basis. He concurred that if City continues to not spend the 15-cents or 20-cents a year, then an expenditure of $9 or $18 will have made sooner. He estimated that the City has approximately 865 lane miles of residential streets, 149 lane miles of collector streets and 209 lane miles of arterial streets.

Mr. Hulme, responding to a question from Chairman Jones, said that it would cost $9 for one and a half to two inches of overlay in a square yard.

Committeemember Killian referred to one of the maps identifying levels of service and stated the opinion that a real opportunity exists for the City of Mesa to direct economic development in the Williams Gateway Corridor, so that students attending college at the Gateway site, Mesa Community College and the Chandler/Gilbert Community College will have employment opportunities in the area. He noted that jobs in the Corridor would provide a reasonable traveling distance for employees who would not be forced to commute to Phoenix. He added that if Phoenix businesses were convinced to open branch offices or businesses in the area, the potential would be huge. He stressed the importance of avoiding bottlenecking.

Mr. Kramer stated that the map does not include the Williams Gateway Freeway. He said that the freeway could provide additional relief for a number of intersections, and he noted that the freeway is planned to eventually extend to US 60 near Florence Junction and provide east/west relief in the southeast area. He said that it is also important to note that when they look at the map, particularly along the north and northeaster parts of Mesa, there are a number of intersections within Mesa that are going to be operating at B and C levels of service in 25 years. He noted that the "doom and gloom" portions have to be balanced with those sections of Mesa that will function really well. He added that the portion that looks bad will have additional freeway relief in the future, which isn't accounted for in this particular model.

In response to a question from Committeemember Killian, Chairman Jones noted that the City's planning area extends to Power Road because so much goes south. He said if they are looking at the land area for the City, the actual center of Mesa is at Power Road in the area of Superstition Springs.

Responding to Committeemember Grant's question regarding the costs of a large capital street improvement, Mr. Kramer said he did not have exact figures. He noted that the construction costs for the project that widened Gilbert Road from four lanes plus a center turn lane to six lanes plus a raised landscaped median, and widened the intersections as well as installed landscaping from just south of Southern to just north of Main, was in the range of $4.5 to $5 million. He added that the project had an additional million to $1.5 in right-of-way costs and additional utility costs. He estimated that the total project was in the $6 to $7-million range for that particular segment.

Chairman Jones thanked all of the speakers for their input.

3. Current issues/miscellaneous items.

Chairman Jones commented that the members have a lot of information to "digest" and noted that the numbers are very unsettling.

4. Items from citizens present.

There were no citizens present wishing to speak. The Chairman encouraged the citizens to come forward at future meetings to share their comments, ideas and concerns.

5. Schedule next meetings:

Wednesday, September 22, 2004, 5:30 p.m.
**Presentation by the Development Services Department.*

Wednesday, October 13, 2004, 5:30 p.m.
**Presentations of the General Services Department and employee salary and benefit issues.*

6. Adjournment.

Without objection, the Mesa 2025: Financing the Future Citizen Committee adjourned at 7:42 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Mesa 2025: Financing the Future Citizen Committee meeting of the City of Mesa, Arizona, held on the 8th day of September 2004. 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