

COUNCIL MINUTES

December 19, 2005

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on December 19, 2005 at 5:45 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

(Items on the agenda were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

Invocation by Reverend David Schorejs, Parkway Baptist Church.

Pledge of Allegiance was led by Councilmember Rawles.

Mayor's Welcome.

Mayor Hawker welcomed everyone to the meeting. A videotaped presentation was aired that outlined meeting procedures and provided attendees with instructions relative to addressing the Council.

Recognition of Service of City Manager Mike Hutchinson.

Mayor Hawker, on behalf of the entire Council, expressed appreciation to Mr. Hutchinson for his 28-plus years of dedicated service to the City of Mesa. He stated that during his tenure, Mr. Hutchinson worked for seven Mayors, 37 Councilmembers and attended approximately 1300 Study Sessions and 650 Council meetings.

Vice Mayor Walters also voiced her congratulations and best wishes to Mr. Hutchinson on his well-deserved retirement.

Mr. Hutchinson thanked his family for their support during his service to the City of Mesa. He also acknowledged City staff and the elected officials and community volunteers with whom he has had the pleasure to work throughout the years.

1. Consider all consent agenda items.

At this time, all matters on the consent agenda were considered or were removed at the request of a member of the Council. All items identified with an asterisk (*) were approved with one Council action.

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that the consent agenda items be approved.

Carried unanimously.

*2. Approval of minutes of previous meetings as written.

Minutes from the November 8 and 17, December 5 and 13, 2005 Council meetings.

2.1 Consider the appointment of a City Magistrate.

It was moved by Vice Mayor Walters, seconded by Councilmember Whalen, that Elizabeth Peterson Arriola be appointed City Magistrate.

Carried unanimously.

2.2 Swearing in of new City Magistrate.

Elizabeth Peterson Arriola was sworn in as the new City Magistrate by Mayor Hawker.

Ms. Arriola introduced her family members who were present in the Council Chambers and thanked the Council for the opportunity to serve the City of Mesa.

Mayor Hawker congratulated Ms. Arriola on her appointment.

3. Consider the following liquor license applications:

*3a. Jose Carmen Anguiano Hernandez, Agent

Person Transfer for Combos Club, 1241 E. Broadway Rd. #17. This is a person transfer from Pamela Panopoulos, Agent, Dog House Bar, 1241 E. Broadway Rd. #17. This license will transfer to the applicant. District 4.

4. Consider the following contracts:

*4a. Turning Target System for Police Range as requested by the Police Department. (2005184)

The Purchasing Division recommends authorizing purchase from the only responsive bidder, Action Target Inc., for \$31,363.20, including applicable sales tax.

*4b. Med-Eng Ballistic Protective Suits as requested by the Police Department. (2005182) **(Grant funds from the Urban Area Security Initiative.)**

The Purchasing Division recommends authorizing purchase from the only responsive bidder, MED-ENG System Inc. at \$39,426.82, including applicable sales tax.

- 4c. Three-year Contract for Towing of City Vehicles as requested by the Fleet Support Services Division. (2005165)

The Purchasing Division recommends accepting the overall low bid meeting specification by Industrial Towing at \$80,925.00 annually, based on estimated requirements.

Daryl Rabb, 2338 E. Catalina Avenue, owner of Daryl's Towing, voiced a series of concerns regarding this item and urged the Council not to approve the above-referenced contract. He stated that Cactus Towing is currently towing City vehicles for \$19 per tow and noted that the proposed bid price would increase to \$48 per tow.

Angeline Begay, 5331 E. Hopi Avenue, concurred with the comments of the previous speaker. She also questioned whether City staff closely monitors tow companies and urged stricter rules and regulations with regard to the bid process.

Materials Management Director Ed Quedens provided the Council with a brief overview of the City's bid process regarding the proposed contract and the manner by which the weighted evaluation was accomplished. He explained that the \$19 tow rate mentioned by Mr. Raab was derived from a contract awarded in 1999, but said that the contract was terminated September 1, 2005 when the Emergency Towing Service contract was awarded. Mr. Quedens also noted that Cactus Towing continued to perform the towing of City vehicles at the same rate, but was not contractually obligated to do so. He added that if the City does not accept the proposed contract, Mesa would not have a provider contractually obligated or numerically limited in terms of the amount to be charged for such services.

It was moved by Councilmember Whalen, seconded by Councilmember Rawles, that the recommendation of staff be approved.

Carried unanimously.

- *4d. Three-year Supply Contract for Meter Set Assemblies for Warehouse Inventory as requested by the Gas Utility Division, Gas Distribution & Construction. (2005181)

The Purchasing Division recommends accepting the only responsive bid by R.W. Lyall & Co. Inc. for annual purchases estimated at \$221,263.68, including applicable sales tax and contingencies.

- *4e. Fiber Optic Network Backbone for the Greenfield Water Reclamation Plant (GWRP) as requested by the Information Services Division (ISD).

The Purchasing Division recommends authorizing purchase from the State of Arizona contract with Corporate Technology Solutions, Inc. for purchases totaling \$148,156.60, including applicable sale tax.

- *4f. Three-year Contract for Landscape Maintenance Services for Parks and Retention Basins, in an area designated as Zone 1, as requested by the Parks & Recreation Division. (2005174)

The Purchasing Division recommends accepting the overall low bid meeting specification by Artistic Land Management Inc. at \$323,345.57 annually based on estimated requirements.

- *4g. Three-year Contract for Facilities Landscape Maintenance Services for Grounds adjacent to City Buildings and Facilities as requested by the Facilities Maintenance Division. (2005167)

The Purchasing Division recommends accepting the low bid by The Groundskeeper at \$514,079.00 annually, based on estimated requirements and extra options.

- *4h. Mesa Senior Center Renovations and Expansion, Community Development Block Grant (CDBG) funding, City of Mesa Project No. 02-205-001.

This project will expand the Senior Center to include an 800 square foot exercise facility. Improvements include a locker room, renovated shower room, lobby area, and exercise area. Community Development Block Grant (CDBG #8383) funding is being used to pay for this project.

Recommend award to low bidder, Koo Design-Build, in the amount of \$213,615.86 plus an additional \$21,361.59 (10% allowance for change orders) for a total award of \$234,977.45.

- *4i. Mesa Transit Diesel Fueling Facility, City of Mesa Project No. 03-057-001 (**ONLY ONE BID RECEIVED**).

This project will construct a new diesel fueling facility at the East Mesa Transit Operations & Maintenance Facility. It includes the installation of two 12,000-gallon aboveground storage tanks (ASTs) with associated equipment for fueling and operation. The Regional Public Transit Authority (RPTA) is paying for the cost of this project through an Intergovernmental Agreement (IGA).

Recommend award to low bidder, Weber Group, LLC, in the amount of \$538,250.00 plus an additional \$53,825.00 (10% allowance for change orders) for a total award of \$592,075.00.

- 4j. West Loop ITS Fiber Installation, City of Mesa Project No. 04-077-001.

This project includes the installation of fiber optic communication lines in existing ADOT conduit along US 60, Loop 101, and Loop 202 for the completion of fiber optic connectivity along the western and northern limits of the City. Improvements include the installation of conduit and fiber along various arterial streets, upgrading existing traffic control systems, and installing cameras on cross streets at interchanges for improved traffic monitoring.

Recommend award to low bidder, Power Engineers, Inc., in the amount of \$1,935,099.41 plus an additional \$193,509.94 (10% allowance for change orders) for a total award of \$2,128,609.35.

Mayor Hawker declared a potential conflict of interest and said he would refrain from discussion/consideration of this agenda item. He yielded the gavel to Vice Mayor Walters for action on this item.

It was moved by Councilmember Thom, seconded by Councilmember Whalen, that the recommendation of staff be approved.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Rawles-Thom-Walters-Whalen
NAYS - None
ABSTAIN - Hawker

Vice Mayor Walters declared the motion carried unanimously by those voting.

With action on this agenda item being completed, Vice Mayor Walters yielded the gavel back to Mayor Hawker.

4k. Carson Junior High School Aquatic Facility, City of Mesa Project No. 01-810-001.

This project will include demolishing the existing pool facility and constructing a new family-style aquatic facility and will be completed using the Construction Manager at Risk (CM@Risk) delivery method. This initial phase of work will be the Design Phase Services. During this phase, the CM@Risk will work closely with City staff and the design professional to develop the project design.

Recommend award to the Construction Manager at Risk, Low Mountain Construction, Inc., in the amount of \$53,636.00 for Design Phase Services.

Thomas C. Schuelke, 7604 E. Wolf Canyon, addressed the Council and questioned why the City of Mesa would spend \$53,636 for design plans for the Carson Junior High Aquatic Facility when Mesa voters may not approve bond funding for construction of the facility. He suggested that the Council delay action on this item until such funding has been made available.

Vice Mayor Walters stated that the Carson Junior High pool, which has been in existence for many years, developed a number of safety hazards that resulted in the facility being closed. She explained that the proposed project would address such concerns.

It was moved by Vice Mayor Walters, seconded by Councilmember Whalen, that the recommendation of staff be approved.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Thom-Walters-Whalen
NAYS - Rawles

Mayor Hawker declared the motion carried by majority vote.

5. Introduction of the following ordinances and setting January 9, 2006 as the date of public hearing on these ordinances:

- *5a. Amending Sections pertaining to the Zoning Ordinance and Subdivision Regulations of the Mesa City Code; amending Sections 11-18-2, 11-18-6, 11-18-8, 11-18-9, 11-18-10 regarding adjustments to the required fees by planning services; and amending Sections 9-8-2 (c), 9-6-2(d), 9-6-2(e), 9-6-2(f), 9-6-6(d) regarding adjustments to the required fees for subdivision plats and land splits.

P&Z Recommendations: Approval. (Vote: 6-0, with Boardmember Carpenter absent)

- *5b. **Z05-94 (District 6)** The 6500 block of East Superstition Springs Boulevard (north side). Located west of Power Road and south of the Superstition Freeway (3± acres). Site Plan Modification. This request is to allow for the development of restaurant uses in a group commercial center. **(Notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendations: Approval with conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5c. **Z05-97 (District 6)** The 4100 block of East Valley Auto Drive (north side). Located at the southwest corner of US 60 and South Greenfield Road (5.85± ac). Rezone from M-1 to M-1-PAD and Site Plan Review. This request will allow for the development of office and warehouse condominiums. Jon Huston, owner, Boyd H. Thacker, applicant. **(Held neighborhood meetings and contacted registered neighborhoods.)**

P&Z Recommendations: Approval with conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5d. **Z05-98 (District 5)** 4460 East Main Street. Located east of the northeast corner of North Greenfield Road and East Main Street (2.5± ac). Rezone from C-2 to C-3. This request is to bring the current tenant uses into compliance with the zoning ordinance. Joe Dotty, Power of Attorney for owner, Jerry Torr, applicant. **(Notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendations: Approval with conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5e. **Z05-99 (District 6)** The 2400 block of South Wattlewood extending east and south to the approximate alignment of East Nell Avenue, then east to South Copperwood. Located north of Guadalupe Road and west of Meridian Drive (23.2± ac). Rezone from R1-6 DMP to R-2 PAD DMP and Site Plan Review. This request will allow the development of golf condominiums within the Sunland Springs Village Development Master Plan. Craig Ahlstrom, Farnsworth Development, owner/ applicant. **(Held neighborhood meeting and notified the homeowners association.)**

P&Z Recommendation: Approval with Conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5f. **Z05-100 (District 6)** 5905 East Still Circle. Located west of Recker Road and north of Baseline Road (5± ac). Site Plan Review. This request is to allow for the development of a long-term acute care facility. Gary Cloud, owner, Timothy C. Becker, applicant. **(Notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendation: Approval with Conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5g. **Z05-102 (District 6)** The 8500-8600 block of East Guadalupe Road (south side). Located east of the southeast corner of South Hawes Road and East Guadalupe Road (9± ac). Rezone from R1-43 to R1-6-PAD and Site Plan Review. This request will allow for the development of a single-family residential subdivision. Yoram Hachamon, Miramesa Properties, LLC, owner, Thomas D. Bohlen, Oracle Architecture & Planning, applicant. **(Held neighborhood meetings, notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendation: Approval with Conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5h. **Z05-103 (District 5)** The 6300-6800 blocks of East Baywood Avenue (north side). Located west of Power Road and north of Broadway Road (38.5± ac). Rezone from R-4 BIZ, C-2, and O-S to C-1 BIZ and Site Plan Review. This request will facilitate the further development of the hospital campus. Don A. Evans, owner, John Berry, Esq., applicant. **(Held neighborhood meetings, notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendation: Approval with Conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5i. **Z05-104 (District 4)** 1050 South Stapley Drive. Located north of Southern Avenue and west of Stapley Drive (6.5± ac). Rezone from R-2 to R-2 PAD. This request is to allow the conversion of existing apartments to condominiums. Sunland Manor Limited Liability Company, owner, Sean Lake, Pew & Lake, P.L.C., applicant. **(Notified neighbors, registered neighborhoods and homeowners associations.)**

P&Z Recommendation: Approval with Conditions. (Vote: 6-0 with Boardmember Salas absent)

- *5j. **CZ05-001TC (District 4)** Located at the northeast corner of 1st Avenue and Extension Road (approx. 6 acres). Request for rezoning from R-4 and C-2 to C-3. Coury Family Trust, owner; Paul Devers, Cawley Architects, applicant. **(Property owners and tenants within 1,000 feet were notified by mail. Held neighborhood meeting on September 13, 2005.)**

DDC Recommendation: Approval with conditions. (Vote: Passed 5-0)

6. Consider the following ordinances.

Marilynn Wennerstrom, 1112 North Center Street, referred to Section 211 of the Mesa City Charter, which discusses the procedure by which a public hearing should be held prior to Council adoption of an ordinance. She commented that for many years, ordinances to be considered for adoption have been agendized in an erroneous manner and said that anyone reading the agenda would have no idea that tonight was the time for a public hearing on agenda items 6a, 6b, 6c and 6d. Ms. Wennerstrom urged the City to “get it right” and remedy the situation.

In response to an inquiry from Councilmember Thom, Mayor Hawker clarified that the ordinances listed under 6a, 6b, 6c and 6d were introduced at the December 5, 2005 Regular Council meeting, and stated that citizens were permitted to address the Council regarding such items at that time or tonight if they so request.

City Attorney Debbie Spinner advised that per the Open Meeting Law, an agenda must be prepared in such a manner that a reasonable person would understand what is to be discussed and considered by the Council. She also noted that per the City Charter, an ordinance must be introduced on one day and that a public hearing be held at least six days later.

Councilmember Thom stressed the importance of the Council agendas clearly stating when a public hearing is held. She commented that she does not believe the public is aware of the fact they can remove an item from the agenda if they wish to address the Council in that regard.

Mayor Hawker expressed support for creating a more “user friendly” agenda and requested that staff bring back this issue for further discussion at a future Study Session. He also suggested that it might be appropriate for staff to design a pamphlet to educate citizens regarding the manner in which a City Council meeting is conducted.

Councilmember Rawles concurred with Mayor Hawker’s comments. He also stated that under the item “Consent Agenda,” as contained on the City Council agenda, he would add the following language: “All items listed with an asterisk will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember **or member of the public** so requests, in which event the item will be removed from the Consent Agenda and considered as a separate item.”

Councilmember Griswold thanked Ms. Wennerstrom for bringing this item to the Council’s attention and said that he too would concur with Mayor Hawker’s suggestions.

6a. Amending Section 10-3-21 of the Mesa City Code by adding Subsection (N) which allows the Development Services Manager the ability to designate certain streets or areas for parking of vehicles with parking decals – Ordinance No. 4492.

It was moved by Vice Mayor Walters, second by Councilmember Jones, that Ordinance No. 4492 be adopted.

Carried unanimously.

- 6b. Creating a new, simplified structure for permit fees charged by amending sections 4-1-4(I), 4-1-4(K), 4-1-4(N), 4-1-6(B) and 4-1-6(D) of the Mesa City Code and by repealing and replacing Section 4-1-8 of the Mesa City Code – Ordinance No. 4493. **(See Items 7a and 7b.)**

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that Ordinance No. 4493 be adopted.

Carried unanimously.

- 6c. Amending Section 211 of the Mesa City Charter to except from introduction those ordinances required to have a public hearing and citizen participation as required by the Zoning Ordinance – Ordinance No. 4494.

Planning Director John Wesley addressed the Council and provided a brief overview of this agenda item.

Vice Mayor Walters commented that only Mesa voters, and not the City Council, have the ability to amend the City Charter.

In response to a question from Mayor Hawker, Mr. Wesley clarified that the ordinance would relate to zoning cases only and in particular, cases in which the citizen participation requirements have been met. He added that the process would expedite the issuance of permits and prevent delays in the development of projects in Mesa.

Mayor Hawker expressed appreciation to Councilmember Griswold for his interest in expediting the zoning process to make Mesa a more business friendly community.

Councilmember Griswold stated that Mesa's current zoning processes contain many redundancies, which make it more expensive for a developer to complete a project in the City. He said that the proposed Charter changes would make such efforts more expeditious.

It was moved by Vice Mayor Walters, seconded by Mayor Hawker, that Ordinance No. 4494 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Rawles-Walters-Whalen
NAYS - Thom

Mayor Hawker declared the motion carried by majority vote and Ordinance No. 4494 adopted.

- 6d. Amending Section 401 of the Mesa City Charter establishing a Council appointed City Auditor position – Ordinance No. 4495.

It was moved by Councilmember Thom, seconded by Vice Mayor Walters, that Ordinance No. 4495 be adopted.

Carried unanimously.

7. Consider the following resolutions.

- *7a. Modifying fees and charges for the Engineering Division (Engineering Construction Services) – Resolution No. 8641.
- *7b. Modifying fees and charges for the Building Safety Division – Resolution No. 8642.
- *7c. Authorizing the City Manager to execute an Intergovernmental Agreement between the City of Mesa and the Apache Junction Fire District (AJFD) to provide engineering services, technical installation, and two-way radio maintenance for AJFD's radio equipment at Mormon Flat and Horse Mesa Dam sites – Resolution No. 8643.
- *7d. Consider granting easements for electrical transmission and aerial electric lines to Salt River Project at 2565 East Southern Avenue (on the south side of Southern Avenue between South 24th Street and South Lindsay Road) – Resolution No. 8644.

These easements are necessary due to the widening of Southern Avenue so that Salt River Project can relocate the electrical service for the Lindsay Park Townhomes development.

- 7e. Approving an exchange of City owned real property for real property owned by Habitat for Humanity, Valley of the Sun and approving \$90,000 in Community Development Block Grant (CDBG) funds for rehabilitation of the Alston House property – Resolution No. 8647.

Vince Anderson, 1226 E. Greenway Circle, Chairman of the Mesa Historical Preservation Committee, voiced support for the resolution and urged the Council to preserve the Alston House.

Rebecca Rodriguez Barranca, 866 N. LeSueur, concurred with the previous speaker's comments. She added that the Alston House would serve as a valuable community resource for the Washington and Escobedo communities.

Wayne Manske, 1357 West 1st Street, stated that on June 22, 2005, he sent a letter to the City Council expressing an interest in purchasing the property located at Pima and 5th Street and privately restoring the Alston House for his personal use. He stated that his private restoration of the property would provide the City with much needed property tax dollars.

Councilmember Thom questioned whether the Community Development Block Grant (CDBG) funds currently earmarked for the restoration of the Alston House could be used for other projects such as additional street lighting and the construction of Beverly Park.

Community Revitalization Director Kit Kelly reported that the City finds itself in a very unusual situation this year of having an estimated \$1 million in excess CDBG funds that have not been allocated. She explained that in April of this year when the Council approved projects for CDBG funding, staff created a list of alternative projects, which included the Alston House and the items identified by Councilmember Thom. Ms. Kelly stated that staff would like to come back to the Council to discuss the items further for FY 2006/07 CDBG funding.

Discussion ensued relative to the mechanism by which the City receives CDBG funds from HUD; the purpose for the funding; and the fact that Habitat for Humanity was deeded the Alston House and was interested in trading the property to the City for two other City-owned parcels.

Councilmember Rawles commented that he does not remember receiving Mr. Manske's letter and would liked to have known of his intentions prior to the City proceeding forward with this project. He stated that although he generally does not support historic preservation projects or spending CDBG funds, in his opinion, the Alston House is of great historical significance to the City of Mesa and an appropriate use of Federal dollars.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that Resolution No. 8647 be adopted, which would effectuate an exchange of City owned real property for real property owned by Habitat for Humanity, Valley of the Sun; that the City of Mesa conditionally allocate \$90,000 in Community Development Block Grant funds for rehabilitation of the Alston House, subject to receipt of the Heritage Grant from the State of Arizona; and that the \$90,000 in Community Development Block Grant funds be reduced by any subsequent private contributions to facilitate the redevelopment, reconstruction and renovation of the Alston House.

Mayor Hawker stated that the Council has been provided with a partial list of unfunded programs and questioned whether they could allocate additional CDBG monies to existing programs that have already received funding.

Responding to Mayor Hawker's inquiry, Ms. Kelly clarified that if there was a particular project that is currently being funded, staff could allocate additional CDBG monies to said project.

Mayor Hawker stated that the Council has not had the opportunity to look at a "universe of projects" that were funded and could use additional money that would be "put to better use" than restoring the Alston House for two nonprofit organizations. He questioned whether the Alston House project is the best use of CDBG funds and said that he would prefer historic preservation projects to be funded with private dollars. Mayor Hawker added that he would like to review the entire list of projects prior to moving forward with this item.

Vice Mayor Walters commented that CDBG funds are specifically allocated for community revitalization projects and stated that there are certain areas of the community in which the funds must be spent. She noted that the restoration of the Alston House is of historical significance to the City and harkens back to a time when Mesa was a segregated community.

Councilmember Thom voiced opposition to the motion and stated that the CDBG funds earmarked for restoration of the Alston House could be better used to improve other neighborhoods in the community.

Further discussion ensued relative to the fact that the City would not be required to allocate the \$90,000 in CDBG funds for the Alston House, but that because of the cancellation of other projects, the City is currently out of compliance with Federal regulations; that it was staff's intention to promptly allocate funding for the project, but if it was the direction of the Council to delay such an allocation, staff could do so; and that it was the desire of Habitat for Humanity that the matter be resolved before the end of the year.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Griswold-Rawles-Walters-Whalen
NAYS - Hawker-Jones-Thom

Mayor Hawker declared the motion carried by majority vote and Resolution No. 8647 adopted.

- *7f. Authorizing and directing the City Manager to execute necessary documents to acquire certain real property for Signal Butte Road right-of-way north of Elliot Road – Resolution No. 8645.
- *7g. Granting a Power Distribution Easement to Salt River Project at 11200 East Elliot Road – Resolution No. 8646.
- 7h. Discuss, consider and revise a resolution ordering and calling a special utility revenue bond election for May 16, 2006.

It was moved by Mayor Hawker, seconded by Vice Mayor Walters, that a resolution ordering and calling a special utility revenue bond election for May 16, 2006 be adopted.

Councilmember Whalen commented that although he supports a special utility revenue bond election, he would prefer that action on this agenda item be postponed until such time as the Council has had the opportunity to thoroughly discuss items 9.1 through 9.5.

In response to a question from Councilmember Griswold, City Manager Mike Hutchinson clarified that if the Council did not call a special utility revenue bond election for May 16, 2006, it could be held during the September 2006 Primary Election, the November 2006 General Election or at some other regularly scheduled date when municipalities are authorized to call an election.

Ms. Spinner advised that the resolution before the Council contains blanks relative to the bond amounts to be requested for authorization because the Council has not completed its discussion in that regard. She stated that staff has made recommendations relative to the amounts.

Mayor Hawker expressed support for staff's recommendations.

Mr. Hutchinson highlighted staff's recommendations for bond authorizations as follows: Electric Bond, \$14,600,000; Wastewater Bond, \$91,350,000; Water Bonds, \$146,000,000 and Gas Bonds, \$21,730,000, for a total of \$273,368,000.

In response to a question from Mayor Hawker, Ms. Spinner clarified that it would be necessary to include the bond authorization amounts as part of the motion and said the resolution in Council's packet would be revised adding staff's recommendations.

Vice Mayor Walters suggested that because the deadline for calling the election is January 16, 2006, it may be appropriate for the Council to vote on this item now, discuss and consider items 9.1 through 9.5 and then a Councilmember on the prevailing side of the motion could make a motion for reconsideration, if necessary.

In response to a series of questions from the Council, City Bond Counsel Fred Rosenfeld clarified that in his opinion, the Council could, during the same meeting, amend its adoption of the resolution ordering and calling a special utility revenue bond election.

Councilmember Rawles stated that out of deference to Councilmember Whalen, he would be willing to postpone action on this agenda item until the Council has discussed items 9.1 through 9.5.

Mayor Hawker and Vice Mayor Walters withdrew their motion and second to the motion.

Councilmember Thom concurred with Councilmember Whalen regarding delaying action on this matter. She also commented that at a recent Study Session, City Clerk Barbara Jones indicated that an election in May would cost the City approximately \$250,000, whereas the September Primary Election or the November General Election would cost an estimated \$90,000.

(Council discussion ensued regarding agenda items 9.1 through 9.5.)

It was moved by Councilmember Rawles, seconded by Mayor Hawker, to adopt a resolution ordering and calling a special utility revenue bond election for May 16, 2006, including the bond authorization amounts as recommended by staff.

Vice Mayor Walters commented that she was not prepared to vote on the motion until such time as the Council resolved the issues regarding a potential sales tax increase and a primary property tax. She questioned how the Council could walk away from tonight's meeting without resolving any of the funding matters.

Mr. Hutchinson explained that the Council has until January 16, 2006 to call the election, but encouraged the Council to meet again this week to resolve these issues. He also noted that considering the cost to the City to hold an election, the Council might wish to consider whether it wishes to call an election for only two Charter changes and utility revenue bonds authorization.

Councilmember Rawles and Mayor Hawker withdrew their motion and second to the motion.

Ms. Spinner advised that per the City Code, a motion for reconsideration must be made within two weeks of the original Council decision and said that if the Council chose to delay action on this item tonight, staff could bring back the item for further discussion and consideration.

Mayor Hawker noted that the motion regarding the utility revenue bond election has been withdrawn, but questioned whether the two motions that failed relative to the sales tax increase and the primary property tax (items 9.3 and 9.4) could also be reconsidered.

Ms. Spinner clarified that with regard to the question of increasing the sale tax rate, for example, if the Council chose to vote again on the 1.8% rate, a motion for reconsideration would be necessary. She noted that if a different percentage was under consideration, for which a vote had not been taken, the issue could be brought up at any time.

An extensive discussion ensued among the Council relative to the voting process as outlined by Ms. Spinner, potential concerns regarding the various funding options, and possible

compromises to resolve the issues; and an overview by Mr. Warner of the Mesa 2025: Financing the Future Citizen Committee's final recommendations to the Council.

Vice Mayor Walters commented that the Council has received a substantial amount of input tonight from staff and citizens and said that she does not want to "pick numbers out of the air" with regard to these important funding issues. She questioned whether it would be possible to continue these items for further Council discussion.

In response to Vice Mayor Walters' inquiry, Ms. Spinner explained that the Council could schedule a different meeting or recess to a specific date and time, at which time the Council could resume their discussions at the same place in the agenda where they had left off.

Mayor Hawker concurred with Ms Spinner's suggestion and stated that it is difficult to make good decisions when the hour is approaching midnight.

Further discussion ensued regarding possible dates to reconvene the meeting; the fact that Ms. Spinner would conduct further research regarding the requirements for reconsideration of a motion under State law; and the manner by which the motions for reconsideration could be phrased.

(The Council's motions for reconsideration took place under items 9.3 and 9.4.)

It was moved by Councilmember Whalen, seconded by Councilmember Jones, that this agenda item be extended to the next Council meeting agenda for reconsideration.

Carried unanimously.

*7.1. Discuss and consider employment contract with new City Manager Chris Brady.

8. Consider the following cases from the Planning and Zoning Board and possible adoption of the corresponding Ordinances:

*8a. **Z05-93 (District 5)** 862 North Power Road. Located at the southwest corner of North Power Road and East Encanto Street (5.89± ac). Rezone from R1-7 (conceptual O-S) to R1-7-PAD. This request will allow for the development of a single residence subdivision. Steven J. Hall, owner/applicant – Ordinance No. 4491. **(Held neighborhood meetings with property owners, registered neighborhood associations and homeowners association.) CONTINUED FROM THE NOVEMBER 21, 2005 CITY COUNCIL MEETING.**

P&Z Recommendation: Approval with Conditions. (Vote: 5-1 with Boardmembers Adams nay and Carpenter abstaining)

8b. **Z05-101 (District 1)** East side of Dobson Road from 8th Street north to the Loop 202, and north side of 8th Street from Dobson Road to the Tempe Canal, and northwest side of the Tempe Canal from 8th Street northeast 1,562 ft (127.02 acres). Site Plan Review. This case involves the development of a regional commercial center known as Mesa Riverview. Hurley Properties, owner; KRS Acquisitions Corp c/o Mike Withey, applicant – Ordinance No. 4496. **(Held neighborhood meeting and contacted registered**

***neighborhoods and homeowners associations.*) (Ordinance as requested by Applicant per direction of City Council)**

P&Z Recommendation for ordinance with additional stipulation: Approval with Conditions. (Vote 4-1 with Boardmembers Finter opposed, Saemisch abstaining and Salas absent)

Mayor Hawker and Councilmember Rawles declared potential conflicts of interest and said they would refrain from discussion/consideration of this agenda item. Mayor Hawker yielded the gavel to Vice Mayor Walters for action on this item.

Vice Mayor Walters advised that the developers are present and available to address the Council, but acknowledge that because of the great interest surrounding agenda items 9.1 through 9.5 and 7h, they have expressed a willingness to “skip” the presentation.

Sheila Mitton, 1615 West Pueblo Avenue, expressed support for the proposed case and urged Council approval.

It was moved by Councilmember Whalen, seconded by Councilmember Jones, that Zoning Case Z05-101 be approved and Ordinance No. 4496 adopted.

Vice Mayor Walters stated that the proposed development would include several fast food establishments along Dobson Road. She indicated that she wanted the Design Review Board (DRB) to know that the developer and the architect are aware of the fact that she anticipates DRB will review the designs carefully to ensure that they are consistent with the architecture of the entire project and lack a “more typical” fast food look, which the developer and architect have agreed to do.

Vice Mayor Walters called for the vote.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Thom-Walters-Whalen
NAYS - None
ABSTAIN - Hawker-Rawles

Vice Mayor Walters declared the motion carried unanimously by those voting and Ordinance No. 4496 adopted.

With action on this agenda item being completed, Vice Mayor Walters yielded the gavel back to Mayor Hawker.

(Mayor Hawker declared a recess at 7:25 p.m. The meeting reconvened at 7:48 p.m.)

9. Consider the following subdivision plats:

- *9a. “MOUNTAIN HORIZONS UNIT 2”, (**District 6**) – 4200-4300 blocks of South Mountain Road (west side) located north and west of Warner Road and Mountain Road. 83 R1-7

PAD DMP single residence lots (30.62 ac) Pulte Home Corporation, owner; CMX, LLC, engineer.

- *9b. "MOUNTAIN HORIZONS UNIT 5", (**District 6**) – 4600-4700 blocks of South Signal Butte Road (east side) located south and east of Warner Road and Signal Butte Road. 147 R1-6 PAD DMP single residence lots (31.87 ac) Pulte Home Corporation, owner; CMX, LLC, engineer.
- *9c. "MOUNTAIN HORIZONS UNIT 6", (**District 6**) – 4600-4700 blocks of South Mountain Road (west side) located south and west of Warner Road and Mountain Road. 143 R-2 PAD DMP single residence lots (19.75 ac) Pulte Home Corporation, owner; CMX, LLC, engineer.
- *9d. "MOUNTAIN HORIZONS UNIT 7", (**District 6**) – 4800-4900 blocks of South Signal Butte Road (east side) located north and east of Ray Road and Signal Butte Road. 119 R1-6 PAD DMP single residence lots (28.49 ac) Pulte Home Corporation, owner; CMX, LLC, engineer.
- *9e. "MOUNTAIN HORIZONS UNIT 8", (**District 6**) – 4800-5000 blocks of South Mountain Road (west side) located north and west of Ray Road and Mountain Road. 154 R1-6 PAD DMP single residence lots (24.26 ac) Pulte Home Corporation, owner; CMX, LLC, engineer.
- *9f. "LOWE'S AT ELLSWORTH", (**District 6**) – 9200 block of East Southern Avenue (south side) and the 1200 block of South Ellsworth Road (east side) located south and east of Southern Avenue and Ellsworth Road. Three C-2 commercial lots (23.23 ac) ADGroup Southern & Ellsworth , LLC, Don Andrews, managing partner and Lowe's HIW, Inc, owners; R.B. Williams & Associates, Inc., engineer.
- *9g. "RED MOUNTAIN VILLAGE OFFICE SUITES", (**District 5**) – 3500-3600 block of North Power Road (west side) 23 C-2 PAD office condominium units (5.21 ac) Red Mountain Village Investors, LLC, James R. Riggs, manager, owner; Survey Innovation Group, Inc., engineer.
- *9h. "PIERPONT SAN TAN CONDOMINIUM NO. 1", (**District 6**) – 4135 South Power Road (east side) located north and east of Warner Road and Power Road. 129 PEP PAD office condominium units (4.87 ac) Pierpont San Tan, LLC, Frank Richards, managing member, owner; Hunter Engineering, engineer.
- *9i. "MESA RIDGE BUSINESS PARK", (**District 5**) – 4200 block of East McDowell Road (south side). Eight M-1 industrial lots (19.12 ac) Mesa Ridge Business Park I, LLC, and Mesa Ridge Business Park III, LLC, Mike Wilson, managing member, owner; Stantec Consulting, Inc., engineer.

9.1. Conduct a public hearing regarding various City budget issues and election scenarios, including, but not limited to:

- a. Changes to the City's sales tax.
- b. Implementing a primary property tax.

Councilmember Jones, who served as Chairman of the Mesa 2025: Financing the Future Citizen Committee, provided a brief overview of the Committee's scope of work and its final recommendations to the Council, which includes certain funding options being considered by the Council. He expressed his sincere appreciation to his fellow Committeemembers for their dedication and service to the City of Mesa during their arduous 19-month tenure. Councilmember Jones commented that the two key questions the Council will address tonight are: "What level of service do we want in Mesa?" and "How do we pay for those services?" He also spoke regarding the quarter cent sales tax, which will expire in July 2006; the City's increasing debt service; Mesa's 20-year decline in per capita sales tax revenues; and the fact that compared to the 50 largest cities in the United States, Mesa ranks as the third most affordable community.

Budget Director Jamie Warner addressed the Council and offered a short synopsis of the financial model developed by City staff to evaluate various expenditure/revenue options in an effort to make the City sustainable into the future. He also outlined several potential funding options that the Council has been considering for the past several months.

Mayor Hawker announced that this is the time and place for a public hearing regarding various City budget issues and election scenarios, including, but not limited to, changes to the City's sales tax and/or implementing a primary property tax. He invited the speakers to address any additional items they may feel are appropriate.

The following citizens spoke in support of placing a primary property tax and sales tax increase on the ballot (also supportive of the Council imposing a secondary property tax):

Frank Mizner	2516 W. Kiowa
Frank Bennett	101 E. 1 st Avenue
Mitzi G. Pearce	1062 W. 5 th Street
Molly Rice	1433 N. Bel Air Drive
Peggy Haney	2159 E. Inca Street
Michele Fiore	5120 E. Hampton Avenue
Vince Anderson	1226 E. Greenway Circle
Earnie Johnson	1414 N. Hibbert
Jared Smith	901 S. Extension Road, # 2
Greg Marek	3060 N. Ridgecrest, # 182
Richard T. Tracy, Sr.	2238 S. Cottonwood Street
Linda Murphy	3048 S. Spruce Street
Eric Jackson	2255 E. Mallory Circle
Sheila Mitton	1615 W. Pueblo Avenue
Shirlee Swergart	656 N. Grand
Victor Linhoff	820 N. Robson
Pat Gilbert	1519 E. Frost
Bryan Soller	11225 E. Adobe
Joseph Shelley	123 N. Centennial Way, # 207
Joan A. Newth	1725 E. Kael Street
Barbara Seperich	3060 N. Ridgecrest, #136
Cal Stewart Kellogg	7330 N. 11 th Street, Phoenix
Bill Everson	3737 E. Hopi Avenue
Maury Jones	32 S. LeSueur

Walter Vance	7901 E. Caballero Street
Toni Brucato-Kobet	7445 E. Eagle Crest Drive, # 1128
Barbara Carpenter	7130 E. Saddleback Street, #6
Ron Peters	1711 E. Brown Road
Manny Cortez	2837 E. Emelita

The above-referenced citizens stated the following opinions:

- The Council is on the verge of determining the future character of Mesa.
- Mesa's quality of life and property values should not be diminished.
- It is important for Mesa to have a varied "portfolio" of financial options.
- A primary property tax and sales tax increase would finally provide the City with a stable revenue source.
- Enacting a modest primary property tax would enable Mesa to compete with surrounding communities, improve property values and increase the number of high-paying jobs for its citizens.
- Mesa is "cheap" compared to surrounding Valley cities.
- An "incremental approach" is not the answer to restore Mesa's revenue streams.
- A sales tax increase, without a primary property tax, would only place a heavier burden on the City's larger sales tax generators (i.e., car dealerships), which could cause additional sales tax "leakage" to the surrounding communities.
- If the City Councilmembers cannot support a primary property tax, they should "step down" and allow someone else to take their place.
- Major City projects are on the "chopping block" due to a lack of funding.
- It is imperative that the City and the Council (not the media) educate Mesa voters regarding these important issues.
- The lack of a property tax precludes the City from receiving an in lieu property tax from quasi-public entities (i.e. Salt River Project).
- The Mesa 2025: Financing the Future Citizen Committee did not recommend "dumping" the Pinal County Water Farm.
- The City Council should consider the "well-reasoned" opinions of the Financing the Future Committee.
- The City Council should not worry about their political careers, but rather do what is right in order to preserve the financial stability of the City.
- The City Council is in a position of service to the community, but should also demonstrate leadership to Mesa residents.

Marilynn Wennerstrom, 1112 N. Center Street, questioned how an increase in the sales tax rate would affect the "tax deal" made between the City and the Riverview developers. She voiced opposition to the elimination of the Green Sweep/Clean Sweep Program and also urged the sale of the Pinal County Water Farm.

Thomas C. Schuelke, 7604 E. Wolf Canyon, addressed the Council and stated that the most equitable way in which to solve the budget crisis is for the City to raise user fees. He also commented that sales tax revenues are an unwise revenue source.

Mayor Hawker stated that Dave Harmonick, 7944 E. Sandia Circle, Jim Davidson, 2542 E. Lynwood Street, Lana Cudmore, 1911 E. Delta Avenue, and Daphne Clark, 2338 W. Pampa, were supportive of a primary property tax, but did not wish to address the Council.

Mayor Hawker advised that Brian Bender, 225 W. 1st Street, #127, did not wish to address the Council, but indicated that the “City has a spending problem that needs to be resolved before asking for more money.”

Mayor Hawker said that Geneva M. Arthin, 2146 W. Isabella Avenue, #126, did not wish to address the Council, but commented that the “City must consider reducing expenses by not introducing more spending on new programs.”

The following citizens spoke in opposition to placing the primary property tax and sales tax increase on the ballot.

J.T. Ready	P.O. Box 571
Irene Pine	744 S. Morris, #A
Peter J. O’Malley	321 N. Higley
Dean A. Brinkerhoff	229 S. Pioneer Street
Tom Adair	11248 E. Ramona
Otto Shill	2539 E. Nora Street
Jim Cavender	1510 N. 26 th Street

The above-referenced citizens stated the following opinions:

- Mesa needs to “streamline” government.
- There is a “pervasive” anti-business climate in Mesa.
- The City should stay within a budget just like its residents.
- Mesa residents need to be able to trust the City Council.
- Instead of raising more taxes, there should be less government.
- Delay funding on the light rail project.
- Is now the most appropriate time to consider the implementation of a property tax, especially considering the “inadequate” discussion regarding why Mesa is facing a financial crisis.
- If the City Council determines it is the appropriate time to place the primary property tax issue on the ballot, then fully adopt the oversight measures referred to in the Mesa 2025: Financing the Future Citizen Committee’s Final Report.
- The City needs to change the way it conducts business.

There being no further citizens present wishing to speak on this issue, the Mayor declared the public hearing closed. He also expressed appreciation to the speakers for their courteous demeanor during the public hearing process.

9.2 Discuss proposed tax changes, budget and election scenarios.

Mayor Hawker stated that relative to agenda items 9.2 through 9.5, he would provide his fellow Councilmembers an opportunity to discuss all of the budget-related issues simultaneously. He noted that it may be appropriate to proceed in such a manner in order for the Council to reach consensus relative to what issues may or may not be placed on the ballot in future elections.

Each Councilmember offered extensive opinions and viewpoints on a variety of funding issues and the following includes, but is not limited to, some of those comments:

Mayor Hawker:

- The City is currently not sustainable with its existing revenue sources and it is necessary to implement a one-time base adjustment.
- It is necessary for staff to prepare two budgets for fiscal year 2006/07; one to reflect costs if, for example, the voters approve certain issues that are placed on the May 16, 2006 ballot (i.e., a sales tax increase and/or a primary property tax), and also an alternative budget to address the defeat of such ballot issues and a list of City services that would be eliminated as a result thereof.
- He would support the following: placing the question of increasing the City's sales tax on the May 16, 2006 ballot, with an increase of 1.75% or 1.8% (.30% earmarked for transportation and .25% for general services); determining \$25 million in cutbacks to be implemented in the event the ballot measures fail; imposing a secondary property tax for each new issuance of bond debt (to be placed on the November 2006 election ballot); implementing the gradual sale of the Pinal County Water Farm to serve as "a filler" in order to continue to maintain the existing level of services.
- If citizens wish to collect signatures to place the question of a primary property tax on the ballot and establish a cap for the rate, they are welcome to do so.

Councilmember Rawles:

- Questioned how Mesa has gotten into "a financial mess" and cannot even pay for its basic essential services in fiscal year 2007/08 without more revenue.
- Commented that the City's growth was allowed to outstrip Mesa's resources and its spending was allowed to outrun its revenue.
- The City has felt compelled to fund numerous amenities in order to be a "world-class city" and stated although the amenities may be desirable, they are not necessary.
- Concurred with Mayor Hawker's suggestion to sell the Pinal County Water Farm to pay off some of the City's current General Obligation Bond debt.
- He supports the following: selling all of the property that Mesa has acquired for downtown redevelopment, and the gas and electric utilities; entering into four at-risk contracts with the private sector to run/manage the Mesa Arts Center and the Mesa Convention Center; implementing most of the cuts, with the exception of library closures and Police services, as set forth in the "opportunity list;" imposing a secondary property tax on all future bond elections; and placing the utility bond election on the May 16, 2006 ballot.

Councilmember Jones:

- Voiced concerns regarding the impact that the City's financial dilemma has had on City employees and the fact that the public has not been made aware of staffing reductions.
- Stated that further reductions in staff will result in the elimination of various services and ongoing maintenance delays.

- He supports: placing a primary property tax question on the ballot; leaving the sales tax rate at 1.5%; imposing a secondary property tax on all future bond debt; and the gradual sale of the Pinal County Water Farm.
- Would also support placing the questions of a sales tax increase and a primary property tax on the May 16, 2006 ballot.

Councilmember Whalen:

- Stated the opinion that it is time to place the question of a primary property tax on the ballot, to educate Mesa voters with regards to this important issue, and to listen to the many citizens who have urged the Council to “let them decide the issue.”
- He supports: a sales tax increase from 1.5% up to 1.8%, although it would be appropriate to pair a 1.5% sales tax increase with the implementation of a primary property tax (with a \$40 million cap); imposing a secondary property tax on all future bond debt; and the gradual sale of the Pinal County Water Farm.
- He would prefer to place the sales tax and primary property tax issues on the May 16, 2006 ballot and the utility revenue bond election on the November 2006 ballot.

Vice Mayor Walters:

- Commented that the Council has made numerous cutbacks in the last three years and cannot reconcile the idea that the City Council is the cause of Mesa’s financial problems. She stated that the only exception to that comment would be that she should never have voted to place any General Obligation bonds on the ballot without mandating that there be a secondary property tax to pay for them.
- Indicated that she does not feel that “this is the right time” to put everything on the ballot.
- Prefers that the question of a sales tax increase of 1.8% (.30% for transportation and .25% for government services) be placed on the May 16, 2006 ballot and that the question of a secondary property tax issue be placed on the November ballot.
- Suggested placing the question of a primary property tax on the ballot in the next election cycle, but perhaps with not as high a cap as has been discussed; would sell the assets of the Pinal County Water Farm over time and pay off the bonded indebtedness on the property; and would prefer that the utility revenue bonds be placed on the May 16, 2006 ballot.
- If the Council receives four votes to place the primary property tax issue on the May 16, 2006 ballot, the City would need a “faster phase out” into an actual utility enterprise for the utilities.
- Her vision when she came on the Council was to have more libraries and better service at those facilities and still hopes that vision can be fulfilled.

Councilmember Griswold:

- Stated he is “leaning” toward the model preferred by Mayor Hawker and Vice Mayor Walters, including a period in which to educate Mesa voters regarding the manner in which the City obtains its revenues and how they are spent.

- Voiced concerns that if the issues on the ballot in May are not successful, the \$37 million in cutbacks the Council would be required to make may not be what Mesa residents really want to see occur.
- He supports: a sales tax increase of 1.8%, (.30% earmarked for roads and .25% for general services); that the question of increasing the sales tax rate be placed on the May 16, 2006 ballot; placing a secondary property tax issue on the November 2006 ballot; and would withhold a decision on the utility revenue bond issue at this time.

Councilmember Thom:

- Stated that if the City is willing to ask for increased taxes, it also needs to look at spending cutbacks with regard to the light rail project, the operation of the Mesa Arts Center, and the possible elimination of stability pay.
- She is opposed to a primary property tax, but would support a secondary property tax.
- She supports: placing the special utility revenue bonds on the May 16, 2006 ballot, although she would prefer the September 2006 or November 2006 ballots in order to provide a cost savings to the City to conduct the election; increasing the sales tax rate to 1.55% (.30% dedicated to transportation only and nothing to general services); and the gradual sale of the Pinal County Water Farm.
- Noted that with regard to future General Obligation bonds, the ballot language should specify that a secondary property tax would be assessed as the repayment source of those bonds.

(Mayor Hawker recessed the meeting at 11:00 p.m. The meeting resumed at 11:10 p.m.)

Mayor Hawker provided a brief overview regarding each Councilmember's positions on the various issues. He questioned what tonight's outcome would be if there was not a majority vote on any of the financing options.

Responding to Mayor Hawker's inquiry, Ms. Spinner stated that the Council has three actions to consider including the utility revenue bond election, the sales tax increase and the primary property tax. She explained that if the Council does not receive four votes on any of the motions that are made, the Council could direct staff to bring back the issue or indicate that they are not interested in pursuing the matter further.

Mayor Hawker suggested that the Council attempt to vote on the various issues to determine if a majority vote could be reached.

9.3. Discuss, consider and revise a resolution to submit to the Mesa voters the question of increasing the City's transaction privilege tax (sales tax).

It was moved by Mayor Hawker, seconded by Vice Mayor Walters, that the City's transaction privilege tax be increased to 1.8%, with .30% earmarked for Transportation and .25% for General Government Services, and that the question be placed on the May 16, 2006 General Election ballot.

Ms. Spinner questioned whether Mayor Hawker was comfortable with the language contained in the proposed resolution that includes the following changes: "Shall the City of Mesa be authorized to increase the City's transaction privilege tax (sales tax) from 1.25% to 1.80% --

which will be used for street construction, street operations, street maintenance, street capital equipment needs and municipal services such as --”

Mayor Hawker concurred with the proposed changes to the resolution as suggested by Ms. Spinner.

Ms. Spinner further advised that a question was raised at today’s earlier Study Session relative to changing the language, “other services determined necessary by the City Council” and suggested that the language indicating “such as police, fire, courts --” could read “including, but not limited to, police, fire, courts” or “such as police, fire, courts, parks and recreation, libraries, and other services authorized by the City.”

Mayor Hawker stated that he would prefer the latter suggestion offered by Ms. Spinner.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Walters
NAYS - Jones-Rawles-Thom-Whalen

Mayor Hawker declared the motion failed for lack of a majority vote.

(Extensive discussion ensued among the Council under agenda item 7h.)

It was moved by Councilmember Rawles, seconded by Councilmember Jones, that the Council reconsider a resolution to submit to Mesa voters the question of increasing the City’s transaction privilege tax (sales tax) to 1.8% at their next Council meeting.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Rawles-Walters-Whalen
NAYS - Thom

Mayor Hawker declared the motion carried by majority vote.

9.4. Discuss, consider and revise a resolution to submit to the Mesa voters the question of authorizing a proposed amount to be raised by a primary property tax (ad valorem tax).

It was moved by Councilmember Whalen, seconded by Councilmember Jones, to adopt a resolution to submit to Mesa voters, at the May 16, 2006 General Election, the question of authorizing a proposed amount of \$40 million to be raised by a primary property tax (ad valorem tax).

Ms. Spinner inquired whether the Council was agreeable with the black lined version of the resolution that was distributed earlier this evening.

Mayor Hawker stated that the Council concurs with said changes.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Jones-Whalen
NAYS - Hawker-Griswold-Rawles-Thom-Walters.

Mayor Hawker declared the motion failed for lack of a majority vote.

(Extensive discussion ensued among the Council under 7h.)

It was moved by Councilmember Rawles, seconded by Mayor Hawker, that the Council reconsider a resolution to submit to Mesa voters, at the May 16, 2006 General Election, the question of authorizing a proposed amount of \$40 million to be raised by a primary property tax (ad valorem tax) at their next Council meeting.

Councilmember Thom commented that the Council has spent many hours tonight obtaining extensive input from the speakers and staff. She stated that when the Council voted previously on this item and item 9.3, they made fully informed decisions. She noted that she would stand by her previous decision at this time.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Rawles-Walters-Whalen
NAYS - Thom

Mayor Hawker declared the motion carried by majority vote.

9.5. Discuss, consider and revise a resolution ordering and calling a General Election for May 16, 2006.

Mayor Hawker stated that because the previous two motions failed, there would be no need for the Council to vote on this agenda item.

(Extensive discussion ensued among the Council under 7h.)

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that this item be continued to the next Council meeting.

Carried unanimously.

10. Items from citizens present.

Bryan Soller, 11225 E. Adobe, expressed appreciation to the Council for their reconsideration of the various budget and tax issues. He stated that organizations such as the Mesa Firefighters and the Mesa Fraternal Order of Police would assist the City in their efforts to educate Mesa voters regarding a primary property tax, sales tax increase and secondary property tax. He

cautioned, however, that the organizations would not support the Council if they chose to proceed with an incremental approach to solve the City's budget problems.

Bill Everson, 3737 E. Hopi Avenue, voiced concerns regarding the Council's inability, with the exception of Councilmembers Whalen and Jones, to listen to the citizens of Mesa who are anxious to decide the City's funding options at the ballot box.

Earnie Johnson, 1919 N. Hibbert, addressed the Council and stressed the importance of Mesa resolving their financial problems.

11. Adjournment.

Without objection, the Regular Council Meeting adjourned at 12:03 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 19th day of December 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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