

# COUNCIL MINUTES

May 18, 2000

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 18, 2000 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Wayne Brown  
Jim Davidson  
John Giles  
Keno Hawker  
Bill Jaffa  
Dennis Kavanaugh  
Pat Pomeroy

## COUNCIL ELECT

Claudia Walters  
Mike Whalen

## STAFF PRESENT

Mike Hutchinson  
Neal Beets  
Denise Bleyle  
Dennis Compton  
Linda Crocker  
Jack Friedline  
Joe Holmwood  
Barbara Jones  
Ron Krosting  
Rich Lorig  
Frank Mizner  
Keith Nath  
Joe Padilla  
Ellen Pence  
David Plumb  
Bryan Raines  
Andrea Rasizer  
Tom Remes

## STAFF PRESENT (CONT.)

Becky Richardson  
Jenny Sheppard  
Jan Strauss  
Jamie Warner  
Mindy White  
Others

## OTHERS PRESENT

Barrett Marson

(Mayor Brown excused Councilmember Jaffa from the beginning of the meeting.)

### 1. Discuss and consider various issues associated with the proposed FY 2000-2001 budget.

City Manager Mike Hutchinson addressed the Council regarding this agenda item and advised that since the City Council concluded its review of the various Departmental budgets on May 12, staff has endeavored to incorporate revisions to the budget plan, taking into account recommended adjustments. (See Attachment)

#### A. Utility Rates

Assistant to the City Manager Bryan Raines provided a brief overview regarding the FY 2000/2001 utility rates and advised that it is staff's recommendation that there be a 3% rate increase for water, wastewater and natural gas services and a 3.3% rate increase for solid waste services. Mr. Raines explained that with reference to the Solid Waste Division, staff is contemplating a cost increase for the green barrel program, rate adjustments for the utilization of a second black barrel, and bin adjustments in commercial and multifamily areas. Mr. Raines added that staff is not recommending rate adjustments for land fill fees.

Councilmember Hawker voiced support for the modification of utility rates assessed to homeowners who request Mesa's services but who reside outside of the City limits.

Mayor Brown welcomed Councilmembers-Elect Claudia Walters and Mike Whalen to the meeting and congratulated them on recently being elected to the City Council.

(Councilmember Jaffa arrived at the meeting at 7:44a.m.)

Councilmember Davidson stated the opinion that rate increases for natural gas services should be categorized separately from the other utility adjustments.

Councilmember Davidson declared a potential conflict of interest regarding natural gas rate increases and refrained from discussion/participation in this agenda item.

It was moved by Councilmember Pomeroy, seconded by Councilmember Kavanaugh, that the recommendations of staff to increase City utility rates be approved.

In response to a question from Councilmember Hawker, Councilmember Pomeroy clarified that his motion includes modifications to the rates charged to individuals who request Mesa's services but who reside outside of the City limits.

Mayor Brown stated that although he supports the proposed rate increases, it might create the appearance that the City is generating excess revenue.

Councilmember Jaffa concurred with the recommendations of staff and said that the adjustments will allow Mesa to maintain competitive utility rates.

Upon tabulation of votes, it showed:

AYES - Brown-Giles-Hawker-Jaffa-Kavanaugh-Pomeroy  
ABSTAIN - Davidson

Mayor Brown declared that the motion carried unanimously by those voting.

B. Simply Citrus

Mr. Hutchinson advised that with regard to Simply Citrus, the event organizers are forecasting expenditures of approximately \$750,000 with an estimated \$350,000 derived through sponsorships and ticket sales. Mr. Hutchinson explained that it is the recommendation of staff that the City proceed with full funding of the project.

Councilmember Hawker advised that he would reluctantly support proceeding with Simply Citrus, but expressed concerns with regard to such a large expenditure of funds for a single event.

Councilmember Davidson voiced the opinion that it takes time for a signature event to become successful and that it is anticipated that additional sponsors will eventually participate in the festival. Councilmember Davidson also cautioned that if Simply Citrus is not initially a huge success, that the organizers should be given the opportunity to establish an audience for the event.

Councilmember Jaffa reiterated the fact that staff was directed by Council to proceed with this event in a first-rate manner and stated that he will support the event.

Councilmember Pomeroy voiced his support for this agenda item.

C. Museum for Youth Staffing

Mr. Hutchinson advised that it is the recommendation of staff that the final design plans be implemented for the construction of the Museum for Youth. Mr. Hutchinson also recommended the hiring of additional Museum staff which would be funded through the Quality of Life program.

In response to a question from Councilmember Hawker, Mr. Hutchinson clarified that with the addition of museum exhibits and programs, it will be necessary to hire staff to participate in the planning and designing of sets prior to the opening of the facility.

Councilmember Hawker stated the opinion that the Museum Board may have more appropriate uses for the proposed \$86,000 expenditure as opposed to hiring staff during the construction phase of the museum.

Councilmember Jaffa questioned whether it is appropriate at this time for the City to pursue the construction of the Museum for Youth.

D. Cemetery Rate Adjustments

Mr. Hutchinson informed the Council that the Finance Committee is scheduled to meet today and the topic of cemetery rate adjustments will be addressed at that meeting.

E. Police Department

Mr. Hutchinson explained that staff is recommending that a Federal grant program be funded to enable the City to hire additional police officers and also hire an additional 22 officers to supplement such a grant. Mr. Hutchinson added that in an effort to balance its budget, the Police Department has reduced its overtime budget by \$500,000 and will continue to closely monitor the issue.

F. Fire Department

Mr. Hutchinson advised that due to the one-year lead time required to receive a ladder truck, it is the recommendation of staff that the requested vehicle and associated ladder tender unit be ordered in the second quarter of FY 2000/2001 and also that funding be approved for 13 firefighters slated to enter the fire academy on July 1, 2001.

G. Channel 11

Mr. Hutchinson stated that the City Manager's Office is recommending that the budget allocation to the Public Information Office be increased by \$35,000 to hire additional staff and to cover the cost of expanded programming.

H. Technology Initiative

Mr. Hutchinson advised that an additional \$300,000 has been identified to fund technology-based, customer-focused service improvements. Mr. Hutchinson added that a priority of the Information Systems Division (ISD) is the improvement of Internet accessibility for the public.

I. Impact Fees.

Mr. Hutchinson explained that it is the recommendation of the Budget and Research Division that \$4 million be allowed to assist in the funding of the East Mesa Regional Library.

2. Further discussion and consideration regarding recommendations concerning various bond questions rejected by voters at the March 14, 2000 Primary Election.

City Manager Mike Hutchinson provided a brief overview of this agenda item and advised that at the request of the Council, staff has more specifically defined the various bond questions which were rejected by voters at the March 14, 2000 Primary Election. Mr. Hutchinson explained that if an election is called in September 2000, the updated categories will enable the voters to prioritize which items they regard as the most significant.

Mr. Hutchinson outlined the various categories including: Park Acquisition, Development and Renovation; Youth Athletic Swimming Pool Facility and MultiUse Canal Bank Path Development; Golf Course Development; Historic and Museum Facilities Acquisition, and City Court Complex Expansion.

In response to a question from Vice Mayor Giles, Mr. Hutchinson clarified that staff is prepared to assemble the Citizens' Bond Review Committee next week to review the list, but noted that if this is resolved by Council with the next two weeks, there will be sufficient time for staff to submit it to the County and get on the September ballot.

Vice Mayor Giles stated that per the assurances of Mr. Hutchinson, he will support resubmitting the bond questions to the Committee and stressed the fact that it is imperative that the lack of youth ball fields be addressed.

Councilmember Pomeroy concurred with the comments of Vice Mayor Giles and commented that it is important that the Council obtains input from citizens in the community.

Mayor Brown advised that he will not vote in favor of this agenda item and explained that a September 2000 election is too soon to once again present these issues to Mesa's voters.

Councilmember Jaffa voiced support for this agenda item and urged staff to return these items to the Citizens' Bond Review Committee as expeditiously as possible.

Councilmember Kavanaugh noted that although he shares the concerns expressed by Mayor Brown, it is prudent to seek additional input from the Citizens' Bond Committee and Mesa residents to provide the Council with greater insight regarding this matter.

Councilmember Hawker stated that he is reluctant to support an election in September 2000, but expressed the opinion that the funding mechanism for the City Court Complex should have been placed in the Public Safety bond category.

In response to a question from Councilmember Hawker regarding the critical nature of proceeding with the bond questions at this time, Mr. Hutchinson clarified that the City is in negotiations with the State to acquire land to be utilized for City parks and also the necessity of acquiring additional ball fields.

Councilmember Hawker stated that he will vote in favor of the submission of the bond questions to the Citizens' Bond Review Committee, but will only support a September 2000 election if the Committee drastically reduces the number of projects on the list and recommends only the most essential ones.

Councilmember Davidson stated his support for resubmitting the items to the Citizens' Bond Review Committee for input and added that the City is under serving approximately 30,000 kids a year with a lack of Parks and Recreation facilities. Councilmember Davidson urged that the Citizens' Bond Committee review all of the issues for greater clarification.

It was moved by Councilmember Pomeroy, seconded by Vice Mayor Giles, that the Council resubmit the bond questions to the Citizens' Bond Review Committee.

AYES – Giles-Davidson-Hawker-Jaffa-Kavanaugh-Pomeroy  
NAYS - Brown

Mayor Brown declared that the motion carried by majority vote.

3. Appointments to boards and committees.

It was moved by Vice Mayor Giles, seconded by Councilmember Kavanaugh, that the appointments to boards and committee be approved.

Carried unanimously.

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

- a. Adjustment Board meeting held May 9, 2000.
- b. Library Advisory Board meeting held May 2, 2000.

It was moved by Vice Mayor Giles, seconded by Councilmember Kavanaugh, that acknowledgement of receipt of minutes be approved.

Carried unanimously.

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

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

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Thursday, May 18, 2000, 9:00 a.m. – Finance Committee meeting

Thursday, May 25, 2000, 7:30 a.m. – Study Session

7. Prescheduled public opinion appearances.

There were no public opinion appearances.

8. Items from citizens present.

Edward Smith, a Mesa resident, addressed the Council and voiced concerns that the City's election information packets did not clearly explain the various bond issues.

9. Adjournment.

Without objection, the Study Session adjourned at 9:35 a.m.

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WAYNE BROWN, MAYOR

ATTEST:

\_\_\_\_\_  
BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 18th day of May, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2000

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BARBARA JONES, CITY CLERK

May 17, 2000

TO: MAYOR & COUNCIL  
FROM: MIKE HUTCHINSON  
SUBJECT: FY'00/01 Final Budget Issues

Since the City Council concluded their review of the various Departmental budgets on May 12, City staff has been working to revise the budget plan taking into account the various adjustments that have been recommended. Attached are a variety of materials related to this process.

- A.. **Utility Rates:** Water, Wastewater, Natural Gas and Solid Waste: This report outlines the recommended adjustments to the water, wastewater, natural gas and solid waste utility rates. The report also includes a history of residential rate adjustments for the past twenty-two years, the average monthly and annual impact of these increases and the comparison of Mesa's homeowner costs with those of other Valley cities.
- B. **Simply Citrus:** This attachment summary outlines the anticipated expenditures and revenues for the event planned for this fall. Also, identified are the expenditure and revenue projections associated with this event.
- C. **Museum for Youth Staffing:** This attachment discusses the issue relating to budgeting for the additional Quality-of-Life, sales tax funded, 6.5 FTEs that were originally projected to be added during FY'00/01 while the museum is being expanded. While three of these positions will be released from the budget, since they are funded in the QOL program this will not release the funds for other activities. The funding will remain in the QOL program.
- D. **Cemetery Rate Adjustments:** Included with the packet of Finance Committee information, this report outlines the proposed rate structure change for the Mesa Cemetery. This item will be addressed by the Council's Finance Committee on May 18.
- E. **Police Department:**
  - 1. **Grant funded officers:** It is recommended that the City allocate the necessary funds to supplement anticipated grant funding to hire up to 16 additional police officers for the October, 2000 academy class. The City does not expect to receive confirmation for grant funding for any or all of these positions until September, 2000. These positions were identified as the #1 supplemental budget request for the Police Department.

2. Officers: It is recommended that the City allocate \$1.36M to hire an additional 22 police officers for FY'00/01. Of the twenty two positions, twelve would be allocated to the patrol ranks and the remaining ten would be distributed throughout the Department to supplement needed investigative activities. These twenty two positions would be added to the October, 2000, academy class and reflect a partial funding of sixty-five officers requested by the Police Department as part of their #2 supplemental budget request.
  3. Overtime: For the final budget, the Police Department will reduce their overtime allocation by \$500k.
- F. **Fire Department: Ladder 206**: Due to the tight budget constraints, the City Manager's Office is not recommending that this supplemental budget request (#1) be funded as proposed. Rather, it is recommended that due to the nearly one year lead time required to receive the actual ladder truck it would be recommended that the ladder truck and associated ladder tender unit be ordered in the second quarter of FY'00/01 and the 13 positions proposed to enter the fire academy on July 1, 2001. Under this plan the firefighters would be ready to graduate at approximately the same time the vehicles are ready to enter service in FY'01/02. Both vehicles, the ladder truck and the ladder tender, are currently budgeted in the Fire Bond Program for FY'00/01.
- G. **Channel 11**: The City Manager's Office is recommending that the budget allocation to Public Information be increased by \$35k to cover the costs of expanded programming including, but possibly not limited to, coverage of the joint master planning process.
- H. **Technology Initiative**: An additional \$300k has been identified to fund technology based, customer focused, service improvements. To be budgeted as a line item, Council will be asked to provide their input regarding the specific direction and application of the City's efforts later this summer.
- I. **Impact Fees**: The Budget and Research Division continues to assess the revenue estimates from impact fees. From this analysis it is recommended that nearly \$4M be allocated to help fund the expansion of the East Mesa Regional Library and attached is a memo outlining the proposed expenditure of an additional \$500k of available Park Impact fees.

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- J. **FY'00/01 Budget Plan Adjustment Summary:** This two page attachment provides a simplified outline of the various expenditure and required revenue and adjustments which staff is recommending be made to fund the initial budget imbalance. These include items identified by the City Council and discussed in the previous attachments as well as other various items identified by staff during discussion of the budget at the review session on May 9th through May 12th.

In addition, the City Manager's Office and the Budget and Research Division have initiated the process to implement a two year budget and 5yr long range financial planning process. The City Council will be briefed when the scope of the required changes necessary to implement a two year budgeting process are identified.

Please advise if you have any questions or comments.

#### Attachments

xc: Mike Hutchinson  
Jamie Warner  
Bryan Raines