



COUNCIL MINUTES

February 8, 2010

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 February 8, 2010 at 5:01 p.m.

COUNCIL PRESENT

Mayor Scott Smith
Alex Finter
Dina Higgins
Kyle Jones
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

(Councilmember Somers participated in the meeting through the use of telephonic equipment.)

(Councilmember Higgins arrived at the meeting at 5:07 p.m.)

1. Review items on the agenda for the February 8, 2010 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest: 7f (Jones)

Items removed from the consent agenda: None

2. Hear a presentation, discuss and provide direction on the 2010 State Legislative agenda.

Government Relations Director Scott Butler displayed a PowerPoint presentation (**See Attachment 1**) and stated that the purpose of today's presentation is to provide an overview of the City's priorities for the 2010 State Legislative Session.

Mr. Butler reported that the State Legislature convened on January 11, 2010 and advised that Governor Jan Brewer delivered her first "State of the State" address to the Legislature. He noted that the Legislature has a Republican majority, with 18 Republicans and 12 Democrats in the Senate and 35 Republicans and 25 Democrats in the House.

Mr. Butler advised that the major theme for the Legislature this year is the projected \$1.5 billion FY 2010 budget deficit. He commented that in the past few days, the Legislature voted to refer a

temporary (three years) one-cent sales tax increase to voters for their approval. Mr. Butler stated that all revenue generated by the tax, if approved by voters in May, would be applied to the State's budget shortfall not only for the current fiscal year, but also for FY 2011, which is projected at \$2.5 billion.

Mr. Butler briefly highlighted the "Guiding Principles" utilized by staff to address City of Mesa issues with the State Legislature. (See Pages 4 and 5 of Attachment 1)

Mr. Butler advised that in past years, staff's Legislative updates have typically addressed the issue of the State not "raiding" funds that are distributed to cities and towns. He noted, however, that because of the State's current budget deficit, staff realizes that is not a realistic scenario. Mr. Butler stated that he anticipates a portion of Mesa's share of various water refunds and Local Transportation Assistance Fund II (LTAF II) monies would be diverted into the State's General Fund. He assured the Council that staff would do whatever they can to protect the City from any raid to State-shared revenue.

Vice Mayor Jones commented that he would hope the legislators are reminded of the reason that State-shared revenue exists and the manner in which the funding formula was originally calculated.

Mr. Butler responded that City staff is working with their colleagues from other communities and the League of Arizona Cities and Towns to remind legislators about the voter-approved State-shared revenue. He advised that the State collects revenues on behalf of 90 Arizona cities and towns and said that it is crucial that those funds be distributed to the respective communities as the voters intended. Mr. Butler added that unlike Arizona cities and towns, the State has not taken as many proactive steps to bring its budget in line and said that it should do so before considering other revenue streams that are earmarked for Arizona's cities and towns.

Mr. Butler provided a short synopsis of various Legislative priorities:

- Fiscal Sustainability – Protect the City from any raid to State-shared revenue.
- Public Safety – Oppose efforts that would negatively affect Mesa's ability to control its own arterial photo enforcement program. Monitor immigration legislation that will impact local communities and police policies.
- Economic Development – Spring training legislation to retain the Chicago Cubs in Mesa. Oppose Government Property Lease Excise Tax (GPLET) reforms that would threaten existing development agreements and weaken this as a tool for future development. Support the extension of the Motion Picture Production Incentive Program.

Mr. Butler noted that regarding GPLET reform efforts, staff would monitor such activity to ensure that Mesa's existing GPLET bills, such as the Gaylord development, are not impacted by such legislation. He said that staff opposes the drafting of a bill that would preclude any type of economic development using this tool in a community like Mesa (i.e., Gateway, Falcon Field, Fiesta District) while encouraging it in other communities.

Mayor Smith commented that past efforts to implement GPLET reform seem to apply to everyone but downtown Phoenix. He stated that it was imperative that staff vigorously oppose any efforts to change a tool that does not address needs in legitimate areas outside of

downtown Phoenix. Mayor Smith added that the kind of incentives that facilitate economic activity throughout the State and region should be encouraged and supported.

Mr. Butler continued with his synopsis of Legislative priorities:

- Neighborhoods – Monitor attempts to eliminate the 2010 sunset provision tied to payday lending.

Mr. Butler reported that the payday loan industry is attempting to self regulate and change some of its practices that have led to scrutiny with regard to the industry. He stated that the first bill that was introduced to eliminate the 2010 sunset provision, which was introduced on behalf of a consortium representing the payday loan industry, was pulled out of Committee so that more work could be done on it. Mr. Butler advised that staff would update the Council when the new draft is brought forward.

In response to a question from Councilmember Richins, Mr. Butler clarified that the legislative update reflects that the payday lending issue would be “monitored” by staff instead of opposed or supported. He explained that staff wanted to bring back to the Council “the industry’s offer,” which may include concessions regarding distance requirements between payday lending stores. Mr. Butler also stated the opinion that it would not be appropriate for him to make a policy decision relative to this matter. He added that he would welcome Council direction at this time or, in the alternative, he could bring back the new draft bill at a future date.

Councilmember Kavanaugh commented that the payday lending industry is “a vampire” and noted that Arizona voters spoke “loud and clear” on the negative impacts of the industry. He urged staff to oppose attempts to eliminate the 2010 sunset provision and said that that he has never seen a payday loan store in Mesa that has participated in United Way, the Chamber of Commerce or provided volunteers for community events. Councilmember Kavanaugh added that the community should work with its financial institutions to ensure that financial services are available to individuals who utilize payday lending stores and that such services have the protections that banks and lending institutions can provide.

Vice Mayor Jones stated that his direction to staff would be to let the 2010 sunset provision expire.

City Manager Christopher Brady clarified that per Council direction, staff would change the Legislative Priority regarding Neighborhoods as follows: “**Oppose** attempts to eliminate the 2010 sunset provision tied to payday lending.”

Mayor Smith directed that Mr. Butler update the Council when the new draft of the payday lending bill is brought forward at the Legislature.

Councilmember Higgins commented that for the Council to support the payday lending issue would go against the wishes of Arizona voters.

Mayor Smith thanked Mr. Butler for the presentation.

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

- a. Judicial Advisory Board meeting held October 7, 2009
- b. Parks and Recreation Board meeting held November 18, 2009
- c. Economic Development Advisory Board meeting held January 5, 2010

It was moved by Vice Mayor Jones, seconded by Councilmember Richins, that the above-listed minutes be acknowledged.

Carried unanimously.

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

Councilmember Kavanaugh: Tet Festival at Mekong Plaza

Councilmember Richins: "New Partners for Smart Growth" Conference

Vice Mayor Jones presented Mayor Smith with a birthday cake in honor of his birthday, which was February 7th.

5. Scheduling of meetings and general information.

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

Wednesday, February 10, 2010, 7:30 a.m. – Joint Meeting with Dobson Association Board of Directors

Wednesday, February 10, 2010, 4:00 p.m. – Public Safety Committee

Thursday, February 11, 2010, 7:30 a.m. – Study Session/Tour of Fusion Center (Central Police Station Community Room)

Thursday, February 11, 2010, 9:00 a.m. – Community & Neighborhood Services Committee

Thursday, February 18, 2010, 7:30 a.m. – Study Session

Thursday, February 25, 2010, 7:30 a.m. – Study Session

Vice Mayor Jones announced that February 16, 2010, 6:00 p.m. is the 2009 Mesa's Man and Woman of the Year banquet. He stated that former Vice Mayor Claudia Walters is the recipient of the "Woman of the Year" award.

6. Adjournment.

Without objection, the Study Session adjourned at 5:38 p.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, 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 8th day of February, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

pag
(attachment – 1)