

# FINANCE COMMITTEE MINUTES

April 21, 2003

The Finance Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 21, 2003 at 3:05 p.m.

## COMMITTEE PRESENT

Kyle Jones, Chairman  
Rex Griswold  
Dennis Kavanaugh

## COUNCIL PRESENT

Keno Hawker

## OFFICERS PRESENT

Debra Dollar  
Paul Wenbert

### 1. Discuss and consider proposed changes to:

#### a. Parking permit fees in City parking lots and structures downtown

Neighborhood Services Manager Bryan Raines addressed the members of the Finance Committee relative to this agenda item. He referred to a listing of the proposed downtown parking rate adjustments and reported that it is the recommendation of the Mesa Town Center Corporation (MTCC) staff and City staff that the monthly rental rates for permitted parking throughout the downtown area be increased by varying amounts. (See Attachment 1.) Mr. Raines advised that the Pepper, Pomeroy, South Serrine Street and Centennial Garage structures, as well as various surface lots located throughout the downtown core between 1<sup>st</sup> Street and 1<sup>st</sup> Avenue, currently accommodate 3,200 employees and extensive free customer parking opportunities throughout the downtown area. He also stated that the proposal would be the first program-wide adjustment to parking rates since 1996 and only the second rate increase for garage patrons since the program's inception in FY 1987/88. Mr. Raines added that the rate adjustments would result in approximately \$33,000 in revenue in FY 2003/04.

Committeemember Kavanaugh commented that the proposed parking rate adjustments are reasonable and acknowledged that the City's maintenance/upkeep costs in the downtown area have increased over the past seven years.

It was moved by Committeemember Kavanaugh to recommend forwarding staff's proposed parking rate adjustments in the Town Center area to the full Council for further review and consideration.

Discussion ensued relative to the types of entities that utilize the downtown parking garages and surface parking lots.

Committeemember Griswold seconded the motion.

Carried unanimously.

b. Water/Wastewater/Electric/Natural Gas rates

Utilities Manager Dave Plumb and Resources Division Director Frank McRae addressed the Committee relative to this agenda item.

Mr. McRae referred to an April 17, 2003 City Council Report and briefly highlighted the proposed utility rate increases as follows: Water, 5%; Wastewater, 6%; Electric, 3%, and Natural Gas, 5%. (See Attachment 2.)

In response to a question from Committeemember Kavanaugh, Mr. McCrae clarified that as a result of the events of 9/11, Mesa's Utilities Division has experienced cost increases for the implementation of enhanced security measures at the City's Central Arizona Project (CAP) water treatment plant and various remote water system facilities. He stated that staff is also conducting a vulnerability assessment, as required by the Environmental Protection Agency (EPA) of the nation's water providers. Mr. Plumb added that the proposed rate adjustments are due, in part, to the Division's increased overhead with regards to personnel, equipment, capital and its adherence to specific Federal requirements.

Discussion ensued relative to the fact that staff has conducted a "Cost of Service Analysis," the results of which will be presented to the Council later this year; that Mesa's utilities are a major source of revenue for the City, and the financial status of the City's gas and electric divisions.

Chairman Jones requested that prior to the full Council considering this issue, that staff provide the Councilmembers with an analysis of the City's actual costs to provide Mesa residents with utility services in comparison to the proposed rate increases. He stressed that individuals who are on fixed incomes should not be adversely affected by such rate increases.

In response to a question from Committeemember Kavanaugh, Deputy City Manager Debbi Dollar clarified that if the Council adopts all of the proposed utility rate adjustments, Mesa residents would pay only \$40 more for the entire year. She added that staff will provide the Council with an analysis of Mesa's utility rates as compared to those of other Valley cities.

It was moved by Committeemember Kavanaugh, seconded by Chairman Jones, to recommend forwarding staff's proposed utility rate adjustments (Water, Wastewater, Natural Gas and Electric) to the full Council for further review and consideration.

Upon tabulation of votes, it showed:

AYES - Jones-Kavanaugh  
NAYS - Griswold

Chairman Jones declared the motion carried by majority vote.

c. Solid Waste rates

Development Services Manager Jack Friedline and Solid Waste Management Director Tim Mahon addressed the Committee relative to this agenda item.

Mr. Mahon referred to an April 14, 2003 Finance Committee Report and discussed the proposed changes to the fees and charges for Solid Waste service. (See Attachment 3.) He reported that the proposed rate increases are recommended to cover the Solid Waste Division's growth expenses, continued contribution to the General Fund, and in some cases, bring service to full cost recovery or decrease the cost disparity currently being offered to certain residential customers.

Discussion ensued relative to the "Pay As You Throw" and "Full Recovery" programs, and the alley to curbside collection conversion process.

Committeemember Griswold commended the Solid Waste Division for its efforts and hard work to remain one of Mesa's most efficient and cost effective departments.

It was moved by Chairman Jones to recommend forwarding staff's proposed changes to fees and charges relative to Solid Waste services to the full Council for further review and consideration.

Chairman Jones requested that staff provide the Council with a more detailed cost recovery analysis.

Committeemember Griswold seconded the motion.

Carried unanimously.

d. Charges for copies – Citywide

Deputy City Manager Debbi Dollar addressed the Committee relative to this agenda item. She commented that in an effort to achieve a greater level of consistency with regard to copy fees throughout the organization, it is staff's recommendation that all City departments charge .20 for photocopies (the Library will continue to charge .10), \$1.00 for large copies/blueprints, and \$25 for videotapes.

Committeemember Kavanaugh complemented staff for standardizing the proposed fees and charges and stated the opinion that they are fair and reasonable.

It was moved by Committeemember Kavanaugh, seconded by Committeemember Griswold, to recommend forwarding staff's proposed changes to fees and charges relative to photocopies, blueprints and videotapes to the full Council for further review and consideration.

Carried unanimously.

2. Discuss and provide feedback on a new monthly financial report format.

Deputy City Manager Debbi Dollar, Senior Internal Auditor Chuck Odom and Finance Director Larry Woolf addressed the Committee relative to this agenda item.

Ms. Dollar reported that staff has created a template for a revised monthly financial report and is requesting feedback from the Committee with regard to the new format.

Mr. Odom displayed graphics in the Council Chambers and briefly highlighted the various components of the financial report including: the overall financial condition of the City; revenue activity for the month; expenditure activity by major category; summary of program budgeted expenditures and actual activity by operating and capital activity for the month and fiscal year to date; an analysis of utility net income; current month revenues/expenditures for the Quality of Life Half Cent sales tax and the status of the fund, and a summary of trust fund activity, Health Insurance, Workers' Compensation and Property and Public Liability Funds.

Committeemember Griswold commended staff for their efforts and hard work to create a financial report that is readable, user friendly and easy to comprehend.

Committeemember Kavanaugh concurred with Committeemember Griswold's comments and urged staff to make available the monthly financial report to citizens via the City's web site.

Chairman Jones thanked staffed for the informative presentation.

3. Adjournment.

Without objection, the Finance Committee Meeting adjourned at 4:15 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Finance Committee meeting of the City of Mesa, Arizona, held on the 21<sup>st</sup> day of April 2003. 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