



COUNCIL MINUTES

July 7, 2005

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 July 7, 2005 at 7:31 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Kyle Jones

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

Mayor Hawker excused Councilmember Jones from the entire meeting, and he excused Councilmember Whalen from the beginning of the meeting. Councilmember Whalen arrived at 7:59 a.m.

1. Review items on the agenda for the July 11, 2005 Regular Council meeting.

Conflicts of interest declared: 4g, j (Hawker)

Items added to the consent agenda: None

Items removed from the consent agenda: None

2. Hear a presentation regarding the Draft Environmental Impact Statement for new construction at Phoenix Sky Harbor International Airport.

Williams Gateway Regional Economic Activity Area Project Manager Wayne Balmer introduced David Krietor, Director of the Phoenix Sky Harbor International Airport. He advised that the Council packet includes a copy of the Federal Aviation Administration's (FAA) Draft Environmental Impact Statement, which addresses planned new construction at Sky Harbor Airport during the next ten years. Mr. Balmer stated that in addition to holding public meetings, the FAA is accepting written comments regarding the document through July 26, 2005. He noted that a draft of the City's letter to the FAA is also included in the packet for Council consideration.

Mr. Krietor displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) that provides statistical information on the number of flights and passengers served by Sky Harbor Airport. He listed the following facts regarding the current status of Sky Harbor airport:

- Sixth busiest U.S. airport for takeoffs and landings in 2004.
- Seventh busiest U.S. passenger airport serving 39.5 million passengers in 2004.
- Employs 31,487 people with a payroll of \$1.5 billion.
- Provides an annual economic impact to the region in excess of \$26.2 billion.

Mr. Krietor advised that America West and Southwest Airlines serve 30 million of the 40 million Sky Harbor passengers. He noted that by the year 2015, Sky Harbor is projected to serve 50.5 million passengers, and that the proposed terminal construction projects address the needs of these passengers. Mr. Krietor stated that the Environmental Impact Study is a four-year process conducted by the FAA. He advised that final planning and design of the new terminal complex would begin in late 2006 or early 2007, construction would commence in 2009, and the new terminal is expected to open in 2011.

Mr. Krietor stated that the Air Service Development Program at Sky Harbor is focused on accommodating the future growth of America West and Southwest Airlines in addition to attracting international carriers. He advised that Sky Harbor is not pursuing additional domestic carriers in order to provide an opportunity for Williams Gateway Airport (WGA) to attract carriers that are not currently serving the market. Mr. Krietor reported that Sky Harbor Airport provides funding for WGA's marketing efforts in the amount of approximately \$100,000 per year. He added that no additional cargo facilities are planned at Sky Harbor, which provides an opportunity for WGA to attract that type of business. Mr. Krietor further stated that Phoenix Sky Harbor recognizes the regional importance of developing WGA as a "reliever" facility. He expressed the opinion that WGA has the potential to provide a significant positive economic impact to the region, and he added that regional cooperation is necessary to accomplish the goal.

In response to a question from Mayor Hawker regarding the long-term compatibility of runway configurations at WGA and Sky Harbor, Mr. Krietor confirmed that some conflict does exist regarding air space due to the runway alignments. He advised that Sky Harbor personnel believe that conflicts between the two airports can be minimized by properly managing the air space, and that WGA is capable of serving approximately two to four million passengers in the future. Mr. Krietor noted that the City of Phoenix and the City of Mesa directly control and manage five area airports.

Responding to a question from Mayor Hawker regarding a possible fourth runway at Sky Harbor, Mr. Krietor advised that WGA's future success in providing reliever support and accommodating a reasonable number of passengers would mitigate the need for a fourth runway. He stated that the current proposal is based on utilizing the present configuration of three runways and providing cross-field taxiways on the west side of the airport.

Councilmember Griswold expressed concern regarding a negative impact that may result from the FAA's proposal for additional flights over the City of Mesa. He stated the opinion that the proposal reduces the air space over Mesa, which makes flights "lower and slower" on the existing routes, and he recommended that the FAA be encouraged to develop new routes utilizing Williams Gateway Airport.

Mr. Krietor noted that significant growth in the number of passengers is anticipated at Sky Harbor, and he added that WGA would also experience significant growth by attracting three to four million passengers. He advised that "over flight" issues continue to be a matter of concern, and he noted that the "over flight" activity in the City of Mesa is comparable to the "over flight" activity in the City of Phoenix west of the airport. Mr. Krietor added that noise contours in Phoenix, Mesa and Tempe would be reviewed periodically.

Councilmember Griswold expressed concern that shrinking the airspace around WGA would create problems for future development.

In response to a question from Vice Mayor Walters, Mr. Krietor stated that Sky Harbor would manage the air space in a manner that will enable WGA to operate successfully as a reliever airport.

Lynn Kusy, Executive Director of Williams Gateway Airport, stated that Sky Harbor air traffic would increase significantly even if WGA were successful in attracting two to four million passengers. He stated that the proposed Sky Harbor improvements addressed by the Draft Environmental Impact Statement are necessary to accommodate future growth. Mr. Kusy expressed the opinion that WGA will be able to operate within the limitations that currently exist.

Mr. Krietor explained that a future proposal for an additional runway would be subject to a new Environmental Impact Statement that would require a multi-year process by the FAA.

Responding to a question from Councilmember Griswold, Mr. Krietor advised that instrument landing systems have been put in place to handle airport traffic during certain weather conditions.

Mr. Krietor explained that the City of Phoenix envisions a greater participation by WGA than does the FAA, and he anticipates the implementation of an aggressive program to encourage utilization of Williams Gateway Airport.

Mr. Kusy advised that the Valley is one of the busiest air traffic areas in the nation, and he noted that WGA presently ranks as the 44th busiest airport in the nation and the 4th busiest airport in the Valley for takeoffs and landings.

Mayor Hawker stated that the City's letter to the FAA regarding the Draft Environmental Impact Statement would be placed on the Regular Council agenda for consideration.

Mayor Hawker requested that Councilmember Griswold prepare additional information to be included in the City's letter to the FAA that reflects the Council's discussion regarding this item.

3. Discuss, consider and provide direction on how to proceed with the Police Emergency Towing Service RFP.

City Manager Mike Hutchinson advised that staff was present to answer questions regarding the Request for Proposals (RFP) process and staff's recommendations.

Materials Management Director Ed Quedens introduced Police Lieutenant Ben Kulina and David Pennartz, an attorney retained as outside counsel to address this issue. He stated that the City presently has two contracts, one for emergency towing and the other for non-emergency towing. Mr. Quedens clarified that the contract presently being considered, police emergency towing service, is not the same contract that was bid last year and rejected by the Council. He outlined the process utilized by staff to prepare, issue and evaluate the RFP for police emergency towing service:

- Staff conducted research and presented recommendations to the Police Committee.
- The Police Committee directed staff to hold public meetings that included representatives of the towing industry.
- Staff utilized input from the public meetings and the towing industry to prepare the RFP, which was reviewed by the Police Committee and forwarded to the Council with a recommendation for approval.
- The Council recommended approval of the RFP that included four zones, which would allow as many as four possible vendor awards.
- The RFP was released in December.
- A bidders' conference was held in January and, based on input from the towing industry, positive changes were made to the RFP in the form of an addendum.
- Four proposals were received on February 18.
- Staff checked each response relative to responsiveness, references, storage lots and zoning compliance and prepared a summary report for the evaluation teams.
- Four evaluation teams were formed, and each three-member team was comprised of representatives from the Police Department, Fleet Support, and General Services (the General Services' representative was required to have contracting knowledge).
- Each team member executed a statement affirming that no conflict of interest existed, that the confidence of the evaluation team would be maintained, and that the proposal would be fairly and objectively evaluated.

Mr. Quedens stated that the pricing proposals remained sealed until the technical scoring was completed, and that scoring the pricing utilized a uniform formula to ensure an objective process. He reported that the criteria and formulas were published in the RFP document so that all of the potential bidders were aware of the information. Mr. Quedens advised that the Council is not required to accept staff's recommendations, and that the contracts may be awarded in a manner that the Council determines is in the City's best interests.

Mayor Hawker stated that the action before the Council is to discuss the next step to be taken in the process. He further stated that no contracts would be awarded during the present Study Session, and that the public would have an opportunity to address the issue when the item is placed on a Regular Council meeting agenda.

Mr. Hutchinson confirmed that this item could be placed on Monday's Regular Council Meeting agenda, and that staff would provide any additional information requested by the Council.

In response to a question from Councilmember Thom, Mr. Quedens advised that the zones are divided at the intersection of Broadway Road and Lindsay and that Zone 1 is northwest, Zone 2 is southwest, Zone 3 is northeast, and Zone 4 is southeast of the intersection.

Addressing a question to Mr. Pennartz, Councilmember Thom asked if the Council has the authority to regulate the rates charged for re-tows.

Mr. Pennartz stated that the secondary tow rates are excluded from the contract, but the City expects that customers would be charged a commercially reasonable rate for additional towing services that may be provided. He added that the contract requires the vendor to return the vehicle to a public street at no charge in order to provide access to another towing company.

Mr. Quedens responded to a question from Councilmember Thom by stating that the bid evaluation process did not include input from the private sector, such as automobile repair facilities or insurance companies.

Responding to a question from Councilmember Rawles, Mr. Pennartz advised that the Council has more discretion and flexibility in making an award utilizing the RFP process than utilizing a bidding process. He added that the Charter stipulates that the Council should act in the best interests of the City. Mr. Pennartz further advised that the legal standard applicable to the Council's action is that a rationale exists for the decision and that the decision is not arbitrary or capricious.

Discussion ensued relative to the fact that the City received input from the public and the towing industry at a public meeting prior to issuing the RFP; that information was solicited from other municipalities; that pricing accounted for 20 percent of the final evaluation score in order to encourage fair price proposals; that a vendor proposing a zero cost per tow anticipated earning money from salvage, repeat business and name recognition; and that staff will provide information to the Council regarding the City's average number of abandoned vehicles.

Vice Mayor Walters requested that staff provide a report for the next Council Meeting that includes the number of complaints received by the City regarding the current provider and the number of tows completed. She also requested that staff obtain comparable information from other communities.

Councilmember Rawles noted that Councilmember Thom inquired earlier whether insurance companies or auto repair facilities had input in the evaluation process. He clarified that these businesses had an opportunity for input in the development of the RFP by participating in the public meeting, but that no outside entity was involved in the evaluation process. Councilmember Rawles noted that a bid process is based solely on price, while the RFP process enables the City to consider many factors. He stated the opinion that the scoring discrepancies between zones and the Council's preference for multiple providers provide the rationale for the Council to consider contract awards other than those recommended by staff.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that the police emergency towing service contracts be placed on the July 11th Regular Council Meeting agenda for Council action.

Councilmember Whalen expressed an interest in holding a full Council discussion regarding the contract provision that prohibits contractors from soliciting for other businesses.

Councilmember Griswold noted that a City contract for emergency towing service ensures that a vehicle will be removed promptly and efficiently from the scene of an accident. He added that the contract prevents a situation where more than one towing firm may respond to the scene of an accident in order to compete for business.

City Attorney Debbie Spinner noted that the RFP includes a provision that contractors are not permitted to contact the Council during this process, and she added that interested parties have an opportunity to make comments regarding the contract when the item is addressed at the Regular Council meeting.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried unanimously by those present.

4. Hear a report, discuss and consider the selection of an executive search firm to conduct the recruitment of a City Manager.

Vice Mayor Walters stated that all three firms under consideration are outstanding.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that CPS be selected to conduct the recruitment for the position of City Manager.

Councilmember Whalen noted that members of the community have expressed an interest in participating in the recruitment process, and he advised that the executive search firm would solicit public input.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried unanimously by those present.

5. Hear an update on 2005-06 Human Services Funding issues and consider proceeding with the recommended cooperative funding program with the Mesa United Way.

Human Services Coordinator Nichole Ayoola stated that she was present to provide an update on programs based on the direction provided by the Council at the June 6th meeting. She advised that the Mesa United Way agreed to fund the following programs: Mesa Senior Services – Outreach Prescription Assistance and MARC Center – Early Intervention Services for DD. She further advised that the Mesa United Way would consider funding the remaining three programs when the next community investment cycle process begins in the fall.

Vice Mayor Walters suggested that the Council maintain the present course regarding the funding of these programs.

Ms. Ayoola clarified that she was present to provide an update and that no Council action was required.

Mayor Hawker thanked Ms. Ayoola for the presentation.

6. Hear a presentation on the Census 2005 outreach to the community.

Assistant to the City Manager Ellen Pence introduced Marketing/Communications Specialist Mariano Reyes. She displayed a PowerPoint presentation (a copy is available for review in the City Clerk's survey) that provides an overview of the 2005 census activities. Ms. Pence explained that the census is a random survey of approximately 13,800 Mesa households.

Mr. Reyes continued the presentation by outlining the timeline of survey activities, which begin the week of August 22nd. He reviewed the community outreach efforts, some of which include information posted on the city's website and on Mesa Channel 11, distribution of brochures at City events and City facilities, news articles and news releases, flyers to be sent home with Mesa Public School elementary students, flyer inserts in the Mesa Chamber of Commerce newsletter, and distribution of bookmarks at City libraries. Mr. Reyes added that outreach efforts also target the Spanish-speaking community.

Mayor Hawker thanked staff for the presentation.

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

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

8. Scheduling of meetings and general information.

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

Monday, July 11, 2005, TBA – Study Session

Monday, July 11, 2005, 5:45 p.m. – Regular Council Meeting

Monday, August 15, 2005, TBA – Study Session

Monday, August 15, 2005, 5:45 p.m. – Regular Council Meeting

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

Daryl Raab, 2338 East Catalina Avenue, addressed the Council regarding the proposed towing contract. He expressed the opinion that staff did not properly handle the Request for Proposals (RFP), and for that reason his firm did not submit a response to the RFP.

11. Adjournment.

Without objection, the Study Session adjourned at 9:24 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 Study Session of the City Council of Mesa, Arizona, held on the 7th day of July 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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