



COUNCIL MINUTES

April 14, 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 April 14, 2005 at 7:48 a.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

1. Review items on the agenda for the April 18, 2005 Regular Council meeting.

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

Conflicts of interest declared: 4k, 4l (Hawker); 4n (Walters)

Items removed from the consent agenda: 4h, 4i, 5f, 6a, 6b, 7a and 7c

2. Hear an update and provide direction regarding the FY 2004-05 City Council Priority Work Plan.

City Manager Mike Hutchinson and Special Assistant to the City Manager Eric Norenberg addressed the Council relative to this agenda item. Mr. Hutchinson reported that staff is prepared to provide a brief status report regarding the progress they have made concerning various priorities outlined by the Council at their October 2004 Planning Session. (The complete Mesa City Council 2004-2005 Priority Work Plan is available for review in the City Clerk's Office.)

Mayor Hawker stated that at the October Planning Session, the Council identified 29 City services and programs for possible reduction or elimination (See item 3). He suggested that at future Council retreats when similar direction is given, that the Council be provided the opportunity to discuss and consider the various items throughout the year as opposed to addressing multiple issues immediately prior to the commencement of the budget hearings. Mayor Hawker added that he would prefer that Mesa's budget cycle process be expanded beyond the traditional two-month time period in order to solicit input from Mesa residents regarding their top expenditure priorities.

Councilmember Whalen stressed the importance of the Council reviewing the City's allocation formula for Community Development Block Grant (CDBG) monies and also seeking public input in that regard. He added that if his fellow Councilmembers discussed budget issues during their neighborhood forums,

it would provide an opportunity for their constituents to understand why the Council makes certain funding decisions.

In response to a question from Vice Mayor Walters, Mr. Hutchinson clarified that Phoenix has adjusted its budget cycle in recent years to address significant deficit issues.

Councilmember Griswold concurred with the comments of Mayor Hawker and Councilmember Whalen.

Mayor Hawker thanked staff for the update.

3. Discuss and provide direction on prioritization of City programs and services.

Deputy City Manager Debbi Dollar reported that at their October 2004 retreat, the Council utilized a process to prioritize various City services. She explained that based on those results, services were grouped according to the percentage of support they received relative to being expanded, maintained, reduced or eliminated. Ms. Dollar advised that subsequently, staff completed service evaluation forms highlighting the desired outcomes of service, financial history, future trends, major accomplishments and the impacts on other City services if such services were eliminated. She added that the forms were provided to the Council for their review in January.

Ms. Dollar commented that staff is seeking direction from the Council relative to the 29 services ranked the lowest in an effort to incorporate such input into the upcoming budget discussions. (See Attachment 1.)

Vice Mayor Walters stated that City Attorney Debbie Spinner informed her that she does not have a potential conflict of interest regarding these items even though various Mesa schools are included on the list. She also noted that the Finance Committee is scheduled to meet immediately following the Study Session to consider various rate and fee increases and questioned whether the financial figures contained in the Council's packets reflect increased cost recovery.

City Manager Mike Hutchinson acknowledged that the Council has expressed an interest during the last few years for the City to increase its cost recovery with regards to various fees and charges. He explained that such fee increases would be included during the Finance Committee's presentation. Mr. Hutchinson stated that the City is also offering a voluntary severance package to eligible employees and said that his staff is currently in the process of determining who would be granted the package, as well as the impact on staffing and service levels as a result thereof. Mr. Hutchinson also noted that staff would conduct two neighborhood budget meetings to solicit input from Mesa residents. He added that staff is proposing a 3% utility rate increase for solid waste, wastewater, gas and water fees, but no increase for electric rates.

An extensive discussion ensued among the Councilmembers regarding this agenda item and the following includes various comments and direction from the Councilmembers:

Mayor Hawker:

- Balancing the budget is an extremely complex process, especially when it comes to the prioritization of expenditures.

- Programs and services funded with grant monies generally have larger budgets, but those monies are passed through, with limited overhead costs for the City.
- Prefers the elimination of programs that have “had their useful life.”
- Requested that staff provide a breakdown of the “cost per participant” of the various Parks programs under consideration.
- Stressed that the Council must determine whether it intends to increase utility rates and if not, the impact that such a decision would have on the proposed budget.
- Requested additional staff input regarding the City’s unrestricted fund balances.

Councilmember Whalen:

- Expressed opposition to the total elimination of entire Parks programs and would prefer that “everyone take the bite.”
- Commented that in reference to the voluntary severance package, it may be appropriate for the Council to examine all City departments with regard to the delegation of responsibility to assist in meeting service demands of those individuals who will be leaving the City’s employ.
- Expressed concerns regarding the replacement of Mesa’s aging utility infrastructure and its impact on future budgets. He requested that staff provide a detailed presentation of this issue at a future Study Session.

Councilmember Jones:

- Requested that staff “trim” the various programs under consideration without completely eliminating them.
- Requested that staff provide a more comprehensive breakdown of the Parks Special Events category and the amount of funds allocated to each event.
- Stated that he prefers to see the City’s enterprise accounts operated more like private businesses.

Councilmember Rawles:

- Requested that staff provide additional information to the Council relative to the amount of General Fund monies devoted to the Visual Arts classes and also subsidized by the City.
- Commented that he is not prepared at this time to state whether he would or would not support utility rate increases.
- Suggested that his fellow Councilmembers provide staff with individual lists requesting any additional information they may need in order to more efficiently proceed through the budget hearing process.

Vice Mayor Walters:

- Stated that the sale of the electric utility would be a one-time revenue source; that Mesa residents are the utility’s shareholders; and that the funds generated by the utility are distributed back into the community in the form of, for example, Police, Fire and library services.
- Prefers that staff’s upcoming budget presentations address the financial aspects of the individual departments and not descriptions of the various programs.

Councilmember Griswold:

- Prefers to fund significant government services (i.e., Police, Fire and roads) first and then prioritize and allocate funding for the remaining City services.
- Advised that the Financing the Future Committee has requested that staff provide information on the value, revenues and bond amounts of the City's electric utility and gas system.
- Requested that staff provide information regarding the Southeast Jail Complex and the financial impact on the City due to the inadequate staffing of the facility by the Maricopa County Sheriff's Department.

Councilmember Thom:

- Questioned the use of school resource officers at elementary schools.
- Stressed the importance of the City determining whether Mesa is in the business of providing utilities for profit or merely funding the City's General Fund.

Mayor Hawker stated that it was the consensus of the Council that staff provide them the information they have requested and also that the 29 programs/services be considered and discussed during the budget hearing process.

(Councilmember Whalen left the Study Session at 8:55 a.m.)

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

- a. Economic Development Advisory Board meeting held March 8, 2005.

It was moved by Councilmember Rawles, seconded by Councilmember Jones, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried unanimously by those present.

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

Mayor Hawker	Visit to Washington, D.C. to meet with Arizona's Congressional delegation regarding issues that may impact the City of Mesa
Vice Mayor Walters	Special Olympics presentation; Library Volunteer Luncheon
Councilmember Griswold	Mesa 2025 Financing the Future Committee Meeting; Development Advisory Forum Meeting; Hawes Loop Trail Event

6. Scheduling of meetings and general information.

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

Monday, April 18, 2005, 3:30 p.m. – Fire Committee Meeting

Monday, April 18, 2005, TBA – Study Session

Monday, April 18, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, April 21, 2005, 7:30 a.m. – Study Session

Monday, April 25, 2005, 7:30 a.m. – Budget Hearing

Tuesday, April 26, 2005, 7:30 a.m. – Budget Hearing

Thursday, April 28, 2005, 7:30 a.m. – Study Session

Thursday, April 28, 2005, 8:00 a.m. – Budget Hearing

Monday, May 2, 2005, TBA – Study Session

Monday, May 2, 2005, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

Without objection, the Study Session adjourned at 9:10 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 14th day of April 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag

attachment

<u>Item</u>	<u>Score</u>	<u>Service Title</u>	<u>Department/Division</u>
3A	14%	Arts Grants	Arts/Cultural
3B	14%	Public Art Program	Arts/Cultural
3C	29%	Performing Arts/Concerts/Youth Theatre	Arts/Cultural
3D	29%	Visual Arts Classes % Galleria Operations	Arts/Cultural
3E	14%	Parks Special Events	Community Services
3F	14%	Recreation for Special Populations/Adaptive	Community Services
3G	29%	Park Rangers	Community Services
3H	33%	Parks 7 th & 8 th Grade After School Sports	Community Services
3I	33%	Parks 9th Grade After School Sports	Community Services
3J	33%	Parks Elementary After School Sports	Community Services
3K	33%	Parks Jefferson Gym	Community Services
3L	33%	Parks Red Mountain Center	Community Services
3M	33%	Parks Washington Activity Center	Community Services
3N	33%	Parks Webster Gym	Community Services
3O	33%	Parks Senior Program	Community Services
3P	33%	Parks Special Interest	Community Services
3Q	33%	Parks Sports Camps	Community Services
3R	33%	Parks Summer Recreation	Community Services
3S	33%	Parks Teens	Community Services
3T	43%	Parks Tennis Operations & Services	Community Services
3U	43%	Parks Basin Maintenance & Operations	Community Services
3V	43%	Mesa Convention Center	Community Services
3W	29%	Code Compliance	Neighborhood Services
3X	29%	Town Center Development	Neighborhood Services
3Y	29%	City Managers Office	City Manager
3Z	43%	Marketing and Communications	City Manager
3AA	43%	Diversity Off ice	City Manager
3BB	43%	Economic Development - GPEC/Marketing	City Manager
3CC	43%	Printing/Graphics Services & Mail Services	General Services