



COUNCIL MINUTES

March 12, 2009

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 March 12, 2009 at 7:33 a.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

1. Hear a presentation, discuss and provide direction on Transit budget issues, including Dial-a-Ride.

Mayor Smith stated that this item would be continued to a future Study Session.

2. Hear a presentation, discuss and provide direction on the American Recovery and Reinvestment Act.

Government Relations Director Scott Butler and Government Relations Coordinator Brent Stoddard addressed the Council relative to this agenda item.

Mr. Stoddard displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that the American Recovery and Reinvestment Act (ARRA) of 2009, which was signed into law on February 17th, totaled \$787 billion (\$212 billion in tax relief and \$575 billion in new spending). He explained that the "stimulus package," which is the largest one-time domestic spending program in the nation's history, is projected to create or save 3.5 million jobs nationwide.

Mr. Butler briefly highlighted the various methods by which the stimulus monies would be allocated as follows:

- Formula allocations – Increases to existing Federal funding programs (i.e., Community Development Block Grant (CDBG)).

- Competitive Grants – Process used by Federal departments to distribute much of the funding. The City is closely monitoring the websites of the various agencies to determine the criteria, application guidelines and timelines for various grants.

Mayor Smith commented that it was his hope that the respective Federal agencies would review Mesa's applications on their merits and award the ARRA funds accordingly.

Mr. Butler responded that the City has many programs and projects that would "compete well" for stimulus monies.

Discussion ensued relative to the fact that the ARRA funding criteria for the Federal Aviation Administration (FAA) include projects that enhance airport safety but not economic development (i.e., additional taxiways); that because Phoenix-Mesa Gateway Airport has addressed many of its safety issues, it currently does not have any projects that would qualify for FAA stimulus monies; the fact that Mesa has already been awarded stimulus monies including \$919,000 in CDBG funding, \$1.4 million for Homelessness Prevention, and \$3.4 million in Efficiency and Conservation Block Grants; and that the Maricopa Association of Governments' (MAG) Management Committee allocated \$10.8 million in stimulus monies to Mesa to supplement its Street Program.

In response to a question from Councilmember Finter, City Manager Christopher Brady clarified that he envisions the \$10.8 million would allow the City to supplement its Street Maintenance Program.

Transportation Department Director Dan Clevenger said that staff identified approximately \$43 million in road reconstruction projects for arterial and collector streets (i.e., removal and replacement of asphalt) that was submitted in their initial package for stimulus dollars.

Mr. Butler further commented that staff anticipates that the City would receive stimulus monies to fund transit capital projects (i.e., Park and Ride lots, shade canopies and bus pullouts), but noted that the amount has yet to be determined.

Further discussion ensued relative to the internal efforts undertaken by the City to maximize potential ARRA funding opportunities and maintain accountability throughout the process; that the City Manager's Office reviewed the entire stimulus package and identified programs for which various City departments might be eligible to receive funding; that the respective departments evaluated the programs and provided data regarding program costs, job creation and any long-term financial obligations that the City would incur as a result of being awarded funding; and that the City Manager would approve the grant applications.

Mr. Brady stated that although staff is diligently pursuing a number of ARRA funding opportunities, they are also cognizant of "the strings" that are attached to the Federal dollars and the financial commitments that the City would be required to make beyond the initial receipt of the grant. He invited staff to address the Council and briefly highlight various grant applications.

Police Chief George Gascón reported that with regard to the Community Oriented Policing Services (COPS) Grant, the deadline for submitting the application to the Federal government is April 14th. He explained that the funding would enable the City to hire entry level police officers

(including salary and benefits) for three years and said that the City would incur the cost for the officers' equipment. Chief Gascón stated that after three years, the City would be obligated to incur the officers' salaries, benefits and equipment costs for at least an additional year. He also remarked that staff would like to apply for 100 officers, most of whom would be involved in community-based policing efforts. Chief Gascón added that the funding impact to the City would be approximately \$8 million to \$10 million for a four-year cycle (\$1 million to \$1.5 million in the first year).

Mesa Arts Center Executive Director Johann Zietsman advised that through the National Endowment for the Arts (NEA), the Mesa Contemporary Arts Museum applied for a grant which would provide funding to retain two key positions at the facility for one year. He stated that he is hopeful that the City would be awarded the grant. Mr. Zietsman also commented that the positions would have been eliminated due to the City's current budget constraints. He added that unlike the COPS Grant, Mesa would not be obligated to fund the positions beyond the NEA grant period.

Chief Gascón further commented that the Police Department also intends to apply for grants similar to the NEA grant that would provide one-time funding.

Water Resources Department Director Kathryn Sorensen explained that her department has already submitted grant applications for several water infrastructure projects through the State Revolving Fund (under the Clean Water Act and the Drinking Water Act). She noted that the fund is administered by the Water Infrastructure Finance Authority (WIFA). Ms. Sorensen advised that Arizona received \$55 million in stimulus funding for the Drinking Water Act and \$26 for the Clean Water Act and noted that projects that have been identified thus far total approximately \$1 billion. She added that the primary criteria for funding include "shovel ready" projects that could begin construction by June 17th and also sustainable/environmental projects.

Additional discussion ensued relative to the possible funding of various City programs (i.e., City Streetlight Program, men's shelter, teen work programs); the Staffing for Adequate Fire and Emergency Response (SAVER) Grant, which was created to improve staffing levels in communities throughout the country; that the SAVER Grant would require the City to provide matching funds and assume funding after the grant expires; and the Fire Act Grant, which is designed to provide funding for capital projects.

Councilmember Somers encouraged the Fire Department to apply for funding through the SAVER Grant, which could assist the City in deferring "the full impact" of personnel costs at Fire Station 219 for several years.

Mr. Butler clarified that the SAVER Program is not included in the Federal stimulus package. He noted, however, that the Department of Homeland Security indicated that it would supplement the stimulus package by waiving the local matches in FY 09/10.

In response to a question from Councilmember Somers regarding the possibility of Mesa utilizing stimulus monies to fund Dial-a-Ride, Mr. Brady clarified that transit costs continue to rise and that the Dial-a-Ride Program has become "a very difficult" fiscal obligation for the City. He explained that this matter (Agenda Item 1) would be discussed in detail at a future Study Session.

Mayor Smith stated that if programs such as the COPS Grant and the SAVER Grant are important to the community, then it is essential that the City begin the process now to “shift” budget priorities in order to accommodate future funding requirements associated with those programs.

Councilmember Kavanaugh commented that if the Council deems that the COPS Grant Program, for example, is important to the community, it still has the ability to levy a secondary property tax and also go back to the community in several years to revisit the issue of levying a primary property tax in Mesa.

Councilmember Finter stated that he would not want to obligate a new Council to address the budgetary concerns regarding the COPS Grant Program.

Deputy Transportation Department Director Mike James clarified that all of the transit stimulus dollars have been earmarked for “shovel ready” construction projects that create jobs. He stated that staff would continue to monitor programs related to transit operations and security.

Mr. Butler further remarked that the City’s partners including, but not limited to, Mesa Public Schools, various food banks and job placement centers, would also have access to Federal stimulus monies. He said that this would result in a larger infusion of capital into the community than just what is awarded to the City of Mesa.

Further discussion ensued relative to possible grants that would enhance the adaptive reuse of older buildings in the downtown area.

Mayor Smith thanked staff for the presentation.

3. Discuss and provide direction on a letter of support regarding the leadership and academic programs at ASU Polytechnic campus.

Mayor Smith commented that he recently met with Arizona State University (ASU) President Michael Crow to discuss ASU’s financial and budgetary constraints and their effect on ASU’s four campuses, including ASU Polytechnic. He stated that at that time, President Crow reiterated his support for the mission and future of ASU Polytechnic.

Mayor Smith noted that per the suggestion of Councilmember Somers, it was the consensus of the Council that it would be in the City of Mesa’s best interest to send a letter to the Arizona Board of Regents expressing their support for ASU Polytechnic, their academic programs and also to advise the Board that the City has made significant financial investments and capital infrastructure improvements in and around the campus. (See Attachment 1)

Councilmember Somers explained that he and Councilmember Higgins met with Keith Hjelmstad, Dean of ASU Polytechnic, and Elizabeth Capaldi, ASU Provost, to discuss the importance of the Polytechnic campus maintaining a distinct, research-intensive focus and not serving merely as a collection of classrooms or an extension of the Tempe campus. He said that such an identity would assist the City of Mesa with its economic development efforts in the Mesa Gateway area.

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

Vice Mayor Jones:	Volunteer Recognition Ceremony at EVIT
Councilmember Higgins:	Prayer Breakfast at Mesa Arts Center
Councilmember Richins:	Lehi Days; Mesa Grande Archaeological Site Tour
Mayor Smith:	Grand Opening of a high tech paint facility at Falcon Field Airport

5. Scheduling of meetings and general information.

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

Thursday, March 19, 2009, 7:30 a.m. – Study Session

Monday, March 23, 2009, 3:30 p.m. – Public Safety Committee Meeting

Monday, March 23, 2009, TBD – Study Session

Monday, March 23, 2009, 5:45 p.m. – Regular Council Meeting

Saturday, March 28, 2009, TBA, District 3 Pancake Breakfast, Fire Station No. 204

6. Items from citizens present.

There were no items from citizens present.

7. Adjournment.

Without objection, the Study Session adjourned at 8:55 a.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 12th day of March, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK