



MESA 2025: FINANCING THE FUTURE CITIZEN COMMITTEE

July 14, 2004

The Mesa 2025: Financing the Future Citizen Committee met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on July 14, 2004 at 5:30 p.m.

COMMITTEE PRESENT

Kyle Jones, Chairman
Kirk Adams
Pat Esparza
Greg Holtz
Rex Griswold
Aaron Huber
Eric Jackson
Dennis Kavanaugh
Mark Killian
Scott Rhodes
Patricia Schroeder
Robin White

COMMITTEE ABSENT

Jill Benza
Don Grant
Robert McNichols

STAFF PRESENT

Mike Hutchinson

EX-OFFICIO MEMBER

Keno Hawker, Mayor

1. Approval of minutes from previous meetings.

It was moved by Committeemember Holtz, seconded by Committeemember Jackson, that the minutes from previous meetings be approved. The motion carried unanimously by those present.

2. Follow up on items from last meeting.

Chairman Jones encouraged the members of the Committee to forward their ideas on topics they would like to be discussed to Denise Bleyle.

3. Presentation by the Mesa City Court.

Presiding City Magistrate Matt Tafoya and Court Administrator Kathy Barrett addressed the members of the Committee. Judge Tafoya said that he was looking forward to the Committee's tour on July 28th and said he hopes they will have a lot of questions to pose at that time. He also invited everyone to visit the court on an individual basis for private tours. Judge Tafoya commended Ms. Barrett on her professionalism and expertise and noted that the City will be losing a very valuable employee when she

retires in the near future. He also listed the names of the Judges and members of staff present at the meeting and also commended them on their excellent performance.

Judge Tafoya highlighted the contents of a power point presentation that outlined the operations of the court. (See handout for details.)

Judge Tafoya discussed the Strategic Agenda for the Supreme Court and explained that the Mesa City Court is basically a misdemeanor court and handles civil traffic cases and protection orders. He defined the term misdemeanor and listed a number of jury cases. He noted that civil traffic offenses carry a maximum fine of \$250. He read the Court's Mission Statement and outlined an organizational chart. He pointed out that there are three administrative divisions and highlighted their composition.

Discussion ensued relative to case management and the importance of ensuring that the Judges and staff handle the case load efficiently and effectively in order to reduce costs; the fact that a Criminal Coordinating Committee was formed to help cut costs and noted that as a result jail costs will be reduced within the next year; reported that the 2004-05 budget is \$6,789,869 and that there are 8 Judicial offices and 82.5 staff members; provided an overview of the Customer Services Division and noted that each month 9,000 plus people are served with an average wait time of four minutes; 13,400 telephone calls and 6,000 Interactive Voice Recognition (IVR) calls are received and approximately \$1,250,000 in fines are processed on a monthly basis; Civil Traffic cases and the fact that approximately 7% of the cases are set for a hearing and heard by a hearing officer; the fact that 7,000 cases are dismissed because of driving school; Protection Orders; that the Court Services Division provides support for five trial judges who manage the case load; that interpreters have an increasing workload; the process by which cases move through the court; legal mandates; the fact that pre-trial conferences are held for 54% of the cases while non-jury trials are held on 3% of the cases; and the fact that each month 8,000 hearings are scheduled, 3,000 motions are processed and 3,200 records requests are received.

Judge Tafoya also discussed the Collections Department and staff and noted that approximately 2,000 plus cases are heard in the jail court room, 7,700 plus telephone contacts are made and 1,600 plus financial interviews are conducted; the fact that the Collections Department is customer service oriented and automated letters go out to people who owe fines and license suspension warrants are issued for those who fail to pay; the fact that the Court contracts with two collection agencies that aggressively pursue the fines and receive 16% of what they collect; fees attached to imposed fees for both the State and City; court comparisons and staff positions; misdemeanor and civil traffic charges; the history of the Court and challenges in the areas of space, automated support, the need for additional interpreters and staff resources as a result of legislative impacts; the fact that City resources are being used to collect prison funds and abatement fees for the State; and the fact that the costs for extreme DUI's became too high to keep on a payment plan so warrants are issued, violators are sent to jail and Mesa pays for that cost; and the fact that over the next 15 years the population in Mesa will dramatically increase and the resources should be available to meet the anticipated needs.

Chairman Jones thanked Judge Tafoya for his presentation.

Committeemember Killian asked Judge Tafoya how many more Judges he anticipates he will need in the court over the next ten to fifteen years. Judge Tafoya said that in 25 years they estimated that as many as 20 judges, but given the fact that they are looking at additional space and moving into a new court building in 2008, he believes 13 Judges would be needed in the next ten years, if the organization

operates efficiently and effectively. He noted that the Supreme Court is considering whether jury trials will be required for DUI's, and they have asked for Amicus Briefs in order to delve into that issue. He said that even if they are not, and they say "go ahead, by law a DUI is not entitled to a jury trial," the statute says that they are entitled to one. He stated that changing one thing will change the system entirely and that case management will be much easier without having to deal with DUI jury trials, and a cost savings will also be realized.

In response to a question from Committeemember Killian, Judge Tafoya explained that it is not legal to ask a person whether he/she is an illegal immigrant, so no statistics exist relative to the number of cases that can be attributed to them. He estimated that of the 9,000 cases for which interpreters are used that a percentage would be from Mexico or other countries. He noted that there are many legal residents, and he would not be able to estimate a figure.

Ms. Barrett, responding to a question from Committeemember Killian regarding collections, stated that the Court does not have access to the Department of Revenue's database that goes beyond skip tracing. She added that the collection agencies used by the City have access to many different programs, and she could check on whether that was one of them. Committeemember Killian urged Ms. Barrett and Judge Tafoya to look into this effective program, and suggested that a company by the name of Seismic Technologies be contacted. He added that Mr. Hibbs at the Department of Revenue would also be a good contact regarding this matter.

Judge Tafoya commented that Congress is considering future legislation that will allow the Courts to intercept income tax returns (Federal as well) and noted that this will be a very effective move.

Committeemember Rhodes asked how much of the revenue collected in 2003-04 (\$8.3 million) went back to the City and Judge Tafoya responded that all revenues were returned to the City. He confirmed that the court is a net provider of funds to the City.

Committeemember Griswold asked what the savings would be if the Court had the ability to have DUI breath lab results ready for arraignments and Judge Tafoya said that the savings would be considerable. He noted that at arraignment, persons who are charged with a DUI can get down on their hands and knees and beg to plead guilty, but the pleas cannot be accepted because they don't know if the case is an extreme DUI, so they have to wait for the blood results. He advised that they discussed moving arraignments from the date of complaint or citation out 20 or 21 days (when the crime lab said it could provide blood test results) in order to move more cases. He added that they are pursuing expanding the rule for arraignments to 30 days so that when the person appears, a prosecutor and a defense attorney can be present, but he noted that this will not occur until some time in the future. He said they can move a lot of cases at Arraignment Court with one appearance. He informed the Committee that they are very sensitive to timeframes relative to receiving evidence at the court.

Committeemember Adams commented that the Criminal Coordination Committee was dedicated to limiting waste or finding deficiencies in case management and asked what progress was being made in this area. Judge Tafoya stated that their progress has been incredible and added that another Committee, the "How Do We Save Jail Costs?" Committee, has branched off of that. He said that various parties met to discuss this matter, that information is being gathered and that the Committee will meet again in August. Judge Tafoya said he could guarantee that jail costs will be reduced as a result of the efforts of this group.

Committeemember Adams commended Judge Tafoya on his efforts and asked whether he was aware of any other courts that have implemented a similar committee and or if any other departments within the City have committees dedicated to eliminating waste. Judge Tafoya responded that he is not aware of any other entity that has formed such a committee in or outside of the City.

Committeemember Esparza commented on the fact that Judge Standage handles 2,000 cases a month and asked whether that was a schedule of five days a week. Judge Tafoya responded affirmatively and noted that Judge Standage has an intricate knowledge of jail costs and the manner in which the County operates. He added that Judge Standage is working with a woman named Karen who has knowledge regarding how the County charges and she, in one month, reviewed 800 individual cases to make sure the County is processing them correctly. He advised that they are getting the two people together to process a memo that will tell them how they can save County jail costs.

Committeemember Esparza advised that she has observed the Jail Court in operation and she said that Judge Standage should be commended for her efforts.

Judge Tafoya agreed and said she has given 100% to the Court and added that that is why she is leading the group in looking at methods to reduce jail costs, because she has so much information and expertise.

In response to a question from Committeemember Jackson relative to salary comparisons, Judge Tafoya reported that the City of Mesa's judges are the lowest paid in the State and the lowest in Maricopa County. He added that benefit wise they are also way behind and pointed out that the cities of Phoenix and Glendale provide the Judges with 9% deferred comp on the side, phone allowances, and training funds so they can attend seminars. He emphasized the importance of continuous training and said he could guarantee that if the City's judges attend a quality course over a five-year period, at the end of that time they will have gained exceptional knowledge and added to their expertise.

Committeemember Jackson asked what a reasonable standard would be and Judge Tafoya said that they were at \$104,000 and with the 2% cost of living increase went up to \$106,000. He noted that a City of Phoenix judge is doing less work than a Mesa judge and receives \$120,000. He added that Scottsdale and Tempe pay their judges \$110,000 to \$112,000 annually.

Committeemember Rhodes commented on staffing comparisons and questioned why Mesa's figures appear high. Ms. Barrett responded that there are two areas where the Mesa Court excels above other courts in the State. She said the first area is the Collections Department and noted that many courts do not have as many staff allocated to internal collection efforts as does Mesa. She added that the other difference is that other municipalities may have a Hearing Officer in a courtroom, and they may require 50 people at a session to sit and wait their turn so they are there a half a day. She pointed out that in Mesa, on the other hand, many staff members are also Civil Traffic Hearing Officers and are able to hear non-contested matters. She said that if a person comes to the counter, while in other courts they have to wait in a courtroom for a half a day, the Civil Traffic Hearing Officers can conduct the initial appearance or arraignment on the civil traffic offense, impose the appropriate sentence and the person can leave.

Committeemember Rhodes requested that the Committee be provided relative comparisons between Mesa and neighboring cities to define the difference between the collections generated by their courts and budgets. He said he wants to know what is the net increase to those cities' general funds

generated by the court system compared to Mesa. Ms. Barrett stated that she would provide that information.

Committeemember Rhodes also commented on costs associated with transportation to the jail and asked whether a magistrate from Mesa's court could be assigned downtown to oversee some of the arraignments. Judge Tafoya advised that the Committee on Reducing Jail Costs is looking into that matter and noted that at the present time, they utilize video as much as they can within the law. He added that he chairs a Committee that is reviewing the increased use of video for contested hearings.

Ms. Barrett commented that one of the things they would lose by doing that is that with the prisoner present, they have the case file and all other files that person has outstanding in court. She said that when a person appears before Judge Standage on a particular case, that person might also have other cases in the court which require an appearance at a different date and time. She explained that Judge Standage can pull all of those cases together, hear them at the same time and the person has all of the cases resolved rather than having to come back four or five times. She stated that with a judge at the County doing the initial appearance, that is all that would be done and the person might still have to be transported to their jail court for all further proceedings if he/she was unable to post bond. She said that if bond were set and posted, the person would still have to return but would not be at the jail court session.

Committeemember Huber asked whether other cities that don't put forth as much effort in the collections area are outsourcing earlier and if there are benchmark numbers they can get to find out how they are liquidating their funds and what percentage of the dollars that are owed are paid.

Ms. Barrett responded that she will provide that information as well and said they will just have to make sure that they are calculating it all in the same way because there are different ways of calculating rate of return. She said as far as what other courts are doing, they are all over the board and Mesa is probably one of the earliest courts to have a Collection Division. She noted that the Council was very responsive to their expressed need to provide resources and staffing for the Division, which started with two employees some years ago. She added that some courts are using collection agencies and some are not. She added that the State is currently considering a statewide collection program, which would charge additional fees to the individual if they participate. She stated that the proposal will not be complete until January but it may make a difference. She said that many courts just did not have the resources and so they just "sat" while Mesa was fortunate to move ahead in this area. Ms. Barrett reported that \$7.00 is collected for every dollar it costs to have Collections staff in the court.

Chairman Jones thanked Judge Tafoya and Ms. Barrett for their presentation.

4. Presentation by the Financial Services Department.

Financial Services Director Bryan Raines addressed the Committee regarding this agenda item and said that since the Department is new and re-combined seven financial activities under one umbrella, many members of staff have already made separate presentations. He said that the department encompasses three divisions and has 160 dedicated staff members. He introduced Kathy Pace, Controller, Jamie Warner, Budget Director and Jenny Sheppard, Assistant Financial Services Director to the members of the Committee and noted that he reports to Assistant City Manager Debbie Dollar.

Mr. Rains discussed the fiscal year, and noted that the "lion's share" of \$75.4 million consists of debt service and lease payments; the challenges faced by the various divisions and their financial/operational/staffing levels (see handout); the fact that a new tax attorney has been hired to provide guidance and obtain quicker answers in order to improve revenues; the fact that the Customer Service Department reads almost 200,000 meters a month and answers 14,000 to 17,000 customer calls; the fact that there are 145,000 utility accounts; the preparation of national and local comparisons; and the fact that over the next seven years, if growth continues in the same manner, 26 additional employees will be needed in the Customer Service area.

Discussion ensued relative to the fact that currently there are 8 auditors; the fact that there are 20,200 business licenses (active and inactive) and that audits are conducted about once every four years so auditors are conducting approximately 600 audits a year; and the fact that compliance is important.

In response to a question from Committeemember Adams relative to the general budgeting process, Mr. Raines advised that staff is going to review every line item. Mr. Warner added that in the fall they will establish a Citywide forecast for the next biennial period and from that they will establish a baseline limit for each Responsibility Center. He said that when the budget is submitted, the first thing they will do is make sure that they stayed within that baseline allocation. He added that they will also review significant deviations in line items.

Mr. Raines said that they cannot review every single line item, but they look at outlined significant factors that may be different.

In response to a question from Committeemember Griswold relative to utility staffing, Mr. Raines commented that Southwest Gas only deals with one component while Mesa's staff has to be knowledgeable in at least four areas; water, gas, electric and waste water.

Committeemember Rhodes discussed the meter reading area and the fact that there is an aging equipment stock. He said if they wanted to look at the benefit of spending or investing in new meters and decide the value of that overall, will they have the information available on a program basis or will they have to flip from the utility budget to their budget to attempt to understand the overall benefit. Mr. Raines responded that if the direction to staff is to review a meter replacement program, the costs, the paybacks, and timeframes, that could be accomplished and the information could be consolidated into one report. He noted that everyone cooperates and works well together so if that is the direction provided, everyone will work together to provide the best possible product for review.

In response to another question from Committeemember Rhodes, Mr. Warner noted that information provided in the detailed budget books includes the development of schedules that identify the program appropriations, the previous year's appropriations, the estimated actual expenditures that will occur and then the adopted program. He added that if they look through all the schedules they could determine the total of the appropriations. He confirmed that a program breakdown is contained in the detailed budget book. Committeemember Rhodes said he is interested in "getting a grip" on the true cost of services related to utilities and said that might be an area in which the Committee will request additional information.

Committeemember Killian clarified that he worked with auditors for six years and found them to be dedicated employees but the point he was trying to make is that the Department of Revenue's Tax Talk Program might be extremely beneficial.

Chairman Jones thanked staff for their input.

5. Current issues/miscellaneous items.

There were no issues to discuss.

6. Schedule next meetings:

Wednesday, July 28, 2004, 8:00 a.m. – Tour of the Mesa City Court

Wednesday, August 11, 2004, 5:30 p.m. – Committee discussion

7. Adjournment.

Without objection, the Mesa 2025: Financing the Future Citizen Committee adjourned at 8:02 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Mesa 2025: Financing the Future Citizen Committee meeting of the City of Mesa, Arizona, held on the 14th day of July 2004. 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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