



MESA 2025: FINANCING THE FUTURE CITIZEN COMMITTEE

June 23, 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 June 23, 2004 at 6:30 p.m.

COMMITTEE PRESENT

Kyle Jones, Chairman
Kirk Adams
Jill Benza
Rex Griswold
Don Grant
Greg Holtz
Aaron Huber
Eric Jackson
Dennis Kavanaugh
Mark Killian
Robert McNichols
Scott Rhodes
Patricia Schroeder
Robin White

COMMITTEE ABSENT

Pat Esparza

EX-OFFICIO MEMBER
Keno Hawker, Mayor

STAFF PRESENT

Mike Hutchinson

Chairman Jones welcomed everyone to the meeting and stated that the Ad Hoc Committee to Study Police Oversight has finished its work and asked whether the members would be interested in changing the meeting time. Following a poll of the Committee, it was determined that the meetings will take place at 5:30 p.m. in the future rather than 6:30 p.m.

1. Follow up on items from last meeting.

The Committeemembers did not pose any questions or provide input regarding the last meeting.

2. Presentation by the City Attorney's Office.

City Attorney Debbie Spinner; Management Assistant II Carla Wagner; City Prosecutor John Pombier and Deputy City Attorneys Joe Padilla and Mark Ishikawa addressed the Committee regarding this agenda item. Ms. Spinner highlighted a brief power point presentation and discussed the organizational makeup of the City Attorney's Office. She reported that the 2004-05 budget was

\$2,483,829 for the City Prosecutor's office, \$1,504,717 for the City Attorney's Office (Civil) and added that contributions to the Liability Trust Fund totaled \$4,000,000 for a combined total amount of \$7,988,546.

Ms. Spinner provided an overview of the City Prosecutor's office and explained that they are responsible for prosecuting all misdemeanor cases filed in the City of Mesa. She reported that there are 12.5 Prosecutors and 20 support staff, 16.5 of which are City funded and 3.5 grant funded. She noted that they handle DUI, domestic violence, shoplifting, prostitution and City Code cases and pointed out that in 2001, each attorney was assigned 1,069 cases compared to 1,161 in 2003. She discussed service level changes and said that office procedures have had to be restructured in an effort to provide the best possible service. She stated that the Prosecutor's Office no longer schedules/covers Officer interviews; no Prosecutors are present at civil traffic hearings and there have been cuts in the Victim Services Unit.

Ms. Spinner reported on the office's conviction rates and said that non-DUI cases are at 87%, DUI cases 92% and overall services provided to victims totaled 20,592. She provided a staffing comparison between Mesa, Gilbert, Phoenix, Scottsdale, Tempe and Tucson, which showed that the number of Prosecutors per courtroom, 100,000 population and per 100 sworn officers is the lowest. She also discussed service comparisons between Mesa and the cities of Phoenix and Tucson and noted that both of the other cities have trial divisions a DV unit, a training section, an appeals section and a community prosecution section while Mesa only has trial divisions and a DV unit.

Discussion ensued relative to significant events that have impacted the Prosecutor's Office, including the passage of Victims' Rights legislation, Rule 11 expenses, domestic violence issues, changes in DUI laws and extreme DUI's; current issues (Crawford case, jail costs, and a reduction in grant funding for a Domestic Violence Prosecutor and Victim Services Advocate; the importance of becoming proactive in areas such as training, community prosecution and appeals; preparation for a new building and facing issues related to the instability of grant funding; future issues that included meeting technological demands (moving towards a paperless system, on-line plea agreements, computers in courtrooms, internet discovery and DPS/MVD equipment; a civil division timeline and staffing levels (1987 through 2003); the fact that although Mesa keeps nearly all of its litigation in-house, most other cities send a large percentage of their litigation to private firms; and a comparison chart of Civil Divisions in various national cities.

Ms. Spinner informed the Committee that the City Attorney's Administrative Team is responsible for all of the City's legal needs other than liability claims and said the Team is composed of a Deputy City Attorney, 5.5 Attorneys and 3 support staff. She added that the Team is also involved in election law related issues as well as complex contracts, such as the Mesa Arts Center and the 800 MHz communications system, and prepares complex development agreements (multi-purpose facility, Superstition Springs Auto Mall). She noted that they also negotiate licenses for cable franchise renewals and negotiate the Gila River Indian Community water settlement to ensure water supply for Mesa. She stated that the Team is involved in employment law, environmental law, real estate transactions and procurement and bidding as well as municipal financing issues, planning and zoning and light rail.

Ms. Spinner discussed costs associated with utilizing outside services and said that the preparation of development agreements costs \$200-\$300 an hour; employment law, \$150-\$300 an hour; water law, \$200-\$275 an hour; telecommunications law \$350 an hour; real estate law \$200 an hour and planning

and zoning related issues \$200-\$250 an hour. She stated that the Administrative Team's current issues include changing laws (recently passed initiatives, new procurement requirements and new international codes); improving customer service (conflicts between departments, encouraging departments to involve them early on in projects; and the hiring of a tax attorney).

Ms. Spinner reported that the Litigation Team is responsible for defending all liability claims and lawsuits filed against Mesa and managing the Property and Public Liability Trust Fund. She added that the Team is composed of one Deputy City Attorney; 2.5 attorneys, 1 risk manager and 3 support staff. She said they handle cases such as police incidents (police shootings, auto accidents), roadway design/maintenance, utility cases, property damage cases, construction cases and employment cases. She reported that there are approximately 350 claims filed per year and said 30-35 litigation cases are filed per year and there are currently 45 cases pending. She reported that outside counsel fees have ranged from as high as \$768,186 in 1993 to a low of \$49,099 in 2002 and said fees amounted to \$72,429 in 2003.

Ms. Spinner also provided information regarding the Property and Public Liability Trust Fund and stated that it was initially established on July 1, 1977 and is funded by the City's General Fund. She said that disbursements include liability claims and cases, salaries for the Litigation Team (2001) and insurance premiums (2002). She also reported that the City's contributions to the Liability Trust Fund are currently at an all time high and referred to a chart that displayed the dollar amount of claims and cases that were paid out. Ms. Spinner noted the drastic increase in insurance premiums (821,438 in 03-04) and said that according to a comparison of staffing levels in Risk Management Units in various local cities, Mesa has the lowest number of employees, one Claims Manager and no Claims Adjuster or support staff. She added that this is also true when compared to Risk Management Units in various national cities.

Ms. Spinner informed the Committeemembers that current issues facing the Litigation Team include replacing the Risk Manager position (current Manager is due to retire); the need for new software implementation; significant claims pending, case management software and conversion to an electronic courtroom. She added that they also need to develop a Risk Management Unit in an effort to develop insurance expertise and work with the various departments in an effort to reduce losses.

Chairman Jones thanked Ms. Spinner for her presentation.

Committeemember Rhodes commented on the fact that the department has a very heavy caseload.

In response to a question from Committeemember Jackson, Mr. Pombier stated that there are approximately 40 to 50 jury trials a year and 300 to 400 bench trials, 10 to 20% of the total cases, maybe a little higher, for the entire office. Ms. Spinner commented that conviction rates have remained stable.

Committeemember Kavanaugh asked whether Victim Services positions were funded and Ms. Spinner advised that they are and cuts have been made in those grant funds. She added that the department's number of prosecutors is below average.

Ms. Spinner said that the department does not have Training, Appeals or Community Prosecution Sections. Mr. Pombier explained that a Community Prosecution Section works with neighborhood

groups, such as an apartment complex experiencing heavy crime, in an effort to improve the neighborhood. They also work on zoning violations and some criminal violations.

Discussion ensued relative to the significant events that have occurred that impacted the department.

In response to a question from Committeemember Adams, Mr. Pombier stated the opinion that the City's turnaround time is much quicker than other cities. He said that the City of Tucson offers many of the same services and is reactive just like Mesa.

Mr. Pombier advised that the absence of a Prosecutor at civil hearings has resulted in a definite decrease in officer satisfaction.

Committeemember Rhodes asked what was cut from the Victim Services Unit and Mr. Pombier responded that Orders of Protection were eliminated. Committeemember Rhodes questioned whether there were any non-profit public sector organizations that could fulfill this role and Mr. Pombier stated that currently all assistance is grant funded and so the organizations are limited in what they can do. Mr. Pombier noted that there is a staff person in the office who is responsible for researching/applying for grant funds.

Chairman Jones asked what type of training they were talking about and Mr. Pombier said that Phoenix and Tucson have 12 to 16 weeks of training. He added that he didn't believe they needed that much but said at the current time they don't have anyone doing it.

In response to a question from Committeemember Rhodes, Ms. Spinner said that although the department is competitive in terms of salaries, she does not know how they stand in terms of turnover. Mr. Pombier stated the opinion that Phoenix and Mesa lose about the same amount.

Discussion ensued relative to the Civil Division and the fact that claims against the City must be filed within 180 days of the incident; the fact that a majority of Mesa's litigation remains in house; services provided by the Administrative Team; the outsourcing of services and associated costs; the Litigation Team and the importance of adding a Tax Attorney position, hopefully within the next three to four months; insurance premiums and the fact that the City is paying more but receiving less; the fact that the balance in the Trust Fund in 2000-01 was \$17 million but since that time it has dropped dramatically to approximately \$11.5 million; staff's opinion that if they reached \$20 million the fund would be self sustaining and the fact that this issue requires further calculations; and the fact that the department's staffing levels are below that of other cities locally and nationally.

Ms. Spinner noted that the City has had only one Risk Manager for the last 25 years and he is expected to retire later this year. She said there is a real need to restructure this position. She added that the Council approved the purchase of new software for the department and said that case management software will help alleviate the number of claims that remain pending. She stated that the department needed to become electronically advanced.

In response to a question from a member of the Committee relative to whether a need exists to hire a negotiating attorney in the future, Ms. Spinner stated that they might want to consider hiring another attorney who specializes in that area in the future. She added that they have someone who is interested in the position and there will be more work than one attorney can handle. She said it is much more effective to do the work in house rather than hiring outside.

Committeemember Rhodes requested that Ms. Spinner provide the Committee with information relative to the cost per attorney for both the Prosecutor's Office and the Civil Division. He also asked that she provide a historical budget number of the office over the last ten years.

Committeemember Rhodes asked how attorney productivity was measured and Ms. Spinner said they could initiate time sheets like the State does but they are not doing that at this time. She said they monitor and track the amount of projects.

Committeemember Adams commented on the fact that despite budget cuts and staff reductions, the department has continued to maintain high conviction rates. Ms. Spinner stated that the civil side has grown but the Prosecutor's office has been restructured. She added that they try to look at every process that is in place to see if they can do it better.

In response to a question from Committeemember Adams, Ms. Spinner stated that the Police Department has two advisors who are attorneys and they advise Police Officers and specialize in police-related issues. She added that they are familiar with police procedures. She said that all litigation claims come to the City Attorney's office.

In response to a question from Committeemember White, Mr. Pombier responded that a very small percentage of the cases fall under City Code violations.

Committeemember Rhodes expressed concern regarding contributions to the State Liability Trust Fund and noted that this year the City will contribute \$4 million. He asked whether salaries will be taken out of this amount. Ms. Spinner responded that salaries are identified in the budget but in terms of moving them back to the City Attorney's budget that is going to have to be a policy established by the City.

Mr. McNichols asked what claims were paid out and said he would like information on the total cost of legal services and the total amount of claims that were paid out for liability cases during the same period of time. He explained that he wanted to see whether they are really saving money. Ms. Spinner said staff would provide the requested information.

Chairman Jones suggested that the information be provided at the August 11th meeting. He said that if any of the members have any other requests for information they should call the City Manager's office or put the requests in writing.

Chairman Jones thanked everyone for their input.

3. Presentation by the City Manager's Office.

City Manager Mike Hutchinson complimented the City Attorney's Office on their good work.

Mr. Hutchinson introduced himself to the members of the Committee and requested that other staff members also introduce themselves at this time.

(Keno Hawker arrived at 8:25 p.m.)

Mr. Hutchinson referred to the City's Mission Statement and Values and noted that the Mesa City Charter outlines the duties of the City Manager. He stated that a Council/Mayor form of government exists in Mesa and said that he is appointed by the City Council and serves at their pleasure. He noted that he is only the fourth person to serve as City Manager for the City. He added that he is a member of the International City Management Association, as are a number of staff members, and said that organization also has developed a list of ideals and ethics, which they, as professionals, follow.

Mr. Hutchinson advised that the department's presentation will cover its structure, services and performance measures, benchmarking and challenges. He noted that the City Manager's Department includes six offices, the City Manager's Office (including Quality and Organizational Development staff); Marketing and Communications (Mesa Channel 11 and the Diversity Office), the City Clerk's Office, the City Auditor's Office, Williams Gateway Area Office and the Office of Economic Development. He reported that there are a total of 61 staff members who serve in the various offices and the total budget for Fiscal Year 2004-05 was \$11,410,421. He noted the variety of complex services that are provided and explained that they attempted to benchmark but City Manager Departments and their responsibilities vary. He briefly discussed the department's organization chart and stated that both Deputy City Managers have departments that report to them while the Fire and Police Departments and Economic Development report directly to him. He stated that he has a close working relationship with the City Clerk, the City Attorney's Office and the City Court despite the fact that the City Clerk, City Attorney & City Magistrate are appointed by the City Council.

Mr. Hutchinson noted that the City Manager's office Mission Statement is *"To continually plan for changing demands by seeking new ways to improve the effectiveness and efficiency of City services."* He reported that the City Manager's office itself has 18 employees and the 2004-05 budget is \$4,287,741. He outlined the duties of the City Manager's Office as follows:

The City Manager is chief administrative officer responsible for implementing Council policy; the City Manager, along with the two Deputy City Managers, direct City departments and provide leadership; they recommend the annual budget and capital programs; they supervise the quality and organizational development; spend a great deal of time on intergovernmental relations and regional partnerships; administer a variety of contracts; maintain fiscal stability; serve as the support staff for the Mayor and City Council; conduct a variety of constituent services and outreach; coordinated the transition into the Council district system; strengthen outreach to the community; provide staff assistance to citizen advisory boards and Council ad hoc committees; establish employee task forces for internal improvements; participate on community task forces and promote Citywide volunteer programs.

Mr. Hutchinson advised that members of the City Manager's Office have received a number of awards and said that the members' packets contained a list of some of those awards for their review.

Mr. Hutchinson also discussed the challenges that the City Manager's Office faces on a day-to-day basis and said they are continually working to improve the safety of the community. He commented on the financial problems the City has experienced over the past few years and stressed the importance of ensuring fiscal stability; continuing community outreach; properly managing growth and development; maintaining efficient, effective delivery of services; maintaining proactive customer-oriented services; and achieving appropriate staff and technology levels. He stated that due to cutbacks that have been

made, the City is unable to provide the level of service they would like to. He added the opinion that the current financial structure is not meeting the needs that many people in the community want in terms of service levels and the addition of services. He stated that they have a quality and organizational development function, initially comprised of a staff of four but now down to two, that helped in the development of the City's Strategic Plan and continue to monitor the Mesa Action Plan. In addition, they offer management consulting services and assist in surveying residents and employees as well as streamlining processes.

Mr. Hutchinson further discussed the City's intergovernmental relations and regional partnerships, particularly the Maricopa Association of Governments (MAG); the Regional Public Transportation Authority (RPTA); the Valley Forward Association; Valley Metro; East Valley Partnership; the Community Roundtable and the Arizona Municipal Water Users Association (AMWUA).

Mr. Hutchinson also advised that Marketing and Communications also includes Channel 11 and the Diversity Office and noted that for FY 2004-05, 12 employees are budgeted and the total budget for all three areas is \$1,279,875. He noted that the Marketing and Communications Office itself has four employees and their mission statement is *"To promote Mesa and communicate accurate and timely City information with creativity and excellence."* He added that City programs are marketed in both English and Spanish and they also oversee the City Web and Intranet sites. He noted that the Marketing and Communications Office submits City programs and services for local, regional and national awards; fields public record requests; conducts media relations and media training for employees; writes, designs and produces resident and employee newsletters and other materials and writes articles for local, regional and national publications on City programs and services.

Mr. Hutchinson briefly outlined challenges facing the Marketing & Communications Office and said they need adequate staffing to address population growth and changing demographics; need to restore production of collateral materials to previous levels; increase Spanish translation services; implement image/branding campaigns for the City; restore advertising levels and enhance the Web site to provide interactive capabilities.

Mr. Hutchinson also discussed Mesa Channel 11, which has six employees, and said they do all of the programming on Mesa Channel 11. He noted that they are responsible for the live broadcasting of all Council meetings, they support audio/video and presentation equipment in Council Chambers, staff meetings requiring audio/video support, they are responsible for the Channel 11 Local Emergency Alert System, and do live Web streaming of Mesa Channel 11 and maintain a Mesa Channel 11 Web site. He commented on the high quality level of City productions and complimented staff on their efforts.

Mr. Hutchinson provided the Committee with various Mesa Channel 11 statistics and said the challenges they face are to restore staff levels for non-broadcast meetings in the Council Chambers, equipment needs and maintenance, closed-circuit Police and Fire training channels, expanded English and Spanish programming, increased use of closed captioning, improved Web streaming services, broadcast Council committee meetings, expand programming to include shows with the Mayor and Council and new studio and office space.

Mr. Hutchinson also commented on the Diversity Office, which was established in February 2000 and has two employees. He noted that their mission statement is *"To increase awareness and acceptance of diversity through inclusion, education and opportunity."* He said that they provide diversity training and have formed an Employee Advisory and Solutions Team, which addresses problems throughout

the workforce, and provide mediation services and ensure City ADA compliance. He added that they also provide leadership and program development, management and policy consultation, work with the Human Relations Advisory Board, perform community outreach/ombudsman and serve as a liaison between the City and the Martin Luther King Committee.

Mr. Hutchinson noted that the City of Scottsdale's Office of Diversity and Dialogue, formed in 1998, has three employees; Tempe's Diversity Office, created in 2002, has three employees and the City of Phoenix Equal Opportunity Department, created in the 1980s, has 31 employees. He commented on challenges faced by the Diversity Office and said there are staffing needs, they would like to do more program development including compliance as an organization with the Americans with Disabilities Act (ADA) and accessibility of services and programs and they need to address the needs of Mesa's customers who speak a language other than English.

Mr. Hutchinson said that the City Auditor's Office consists of 5 employees and the FY 2004-05 budget is \$542,952. He noted that their mission statement is *"To make Mesa's city government more effective, efficient, economical and accountable."* He stated that the office provides audit assurance and expresses opinions regarding the internal control, operations or information prepared by others; provides consulting services for City Department and evaluates processes, practices and policies upon the request of the City Manager or City departments and analyzes operational data and information.

Mr. Hutchinson referred to benchmarks that were conducted and noted that Mesa's audit spending per capita is the lowest among benchmark cities. He advised that their challenges include a lack of resources to assist in meeting increasing demands for service; their desire to implement self-evaluating systems and fully implement performance auditing services; continuous auditing of transactions with computers and electronic databases and certification of City performance measures on a continuous basis.

Mr. Hutchinson also discussed the City's Clerk's Office and noted that for Fiscal Year 2004-05 the Department has nine employees and a budget of \$737,374 for a non-election year. He advised that an election year adds approximately \$340,000 to the budget. He noted that their mission statement is *"To preserve Mesa's history in the preparation and preservation of Council proceedings, to be responsive to the public and elected officials in providing information and access to public records, and to administer municipal elections that protect and ensure the integrity of the electorate process."* He pointed out that their election services include conducting Mayoral elections every four years and Council elections every two years; provide candidate information to citizens; conduct all special City elections; tracks and enforce filing of campaign finance reports; manage the Vote-by-Mail program; and coordinate with Maricopa County for election materials and services.

Mr. Hutchinson provided the Committee with a series of election statistics and noted that the office has conducted 21 elections over the past 15 years; in May 1998 the voters passed an initiative to implement a district system (versus an at-large system); and noted that election costs continue to increase (\$240,358 for the 2004 Primary Election compared to \$206,000 for the 2002 Primary and General Elections).

Additional discussion ensued relative to the initiative, referendum and recall services provided by the City's Clerks Office, official record responsibilities, including updates to the City Code, the fact that the office also processes public safety retirements and no cost recovery exists, all costs are absorbed in the City Clerk's budget and challenges which include increasing election costs and inadequate staffing.

Mr. Hutchinson also provided the members with an overview of the Williams Gateway Area office and said that the Council's goal is that *"The Williams Gateway Area will be Arizona's premier center for aviation, employment, education and technology."* He discussed the history of the facility and discussed various services that are provided including coordinating with stakeholders to promote new development and coordinating land use as well as assisting with land use and zoning issues and serving as the City's liaison for aircraft noise and over flight issues. He noted that the challenges facing the Williams Gateway Area Office include ensuring the viability of the Williams Gateway Airport, by protecting the aircraft arrival and departure routes from residential encroachment; working with Apache Junction and Pinal County on future development east of Meridian Road, particularly the land owned by the State Land Department and coordinating with the Federal Aviation Administration (FAA) to develop standardized approach and departure procedures for Williams Gateway Airport and promote their consistent use.

Mr. Hutchinson discussed the Office of Economic Development and noted that their FY 2004-05 budget is \$1,416,437 (including the Fiesta Super Regional Retail District Program) and there are 11 employees. *He stated that their mission is to be committed to actively promoting and preserving the economic strength of the City to ensure that Mesa is the preferred location for new, existing and expanding organizations.* He provided a brief overview of the how the office evolved and listed a number of program areas including administration and support, competitive positioning, corporate locates, entrepreneurial/small business development, expansion and retention, image building and public relations and research. He noted that challenges include the need for additional infrastructure to support new development and expansion projects, the need to increase the availability of existing buildings to accommodate corporate locates and new business start-ups, emphasizing revitalization efforts in certain employment centers, infill sites, and mature retail centers in the face of relentless competition from other communities and meeting the needs of changing market demographics with resulting impacts on cultural programming, educational attainment levels and shopping behaviors.

Mr. Hutchinson further commented on the City's employment centers, which include downtown, Falcon Field Airport, the Fiesta Quadrant, the Red Mountain Freeway Corridor, the Superstition Freeway Corridor, Superstition Springs, the Union Pacific Business Corridor and Williams Gateway Airport.

Mr. Hutchinson summarized his remarks by stating that Mesa is a leader within the state in enhancing the standard of living of its residents and energizing the community of 440,000 citizens. He discussed his priority work plan, which included planning and managing growth, financial stability, public safety and emergency preparedness, regional partnerships and economic development.

Chairman Jones thanked Mr. Hutchinson for his presentation.

Committeemember Rhodes asked if there was a link between the Mesa Action Plan and the 2025 Vision Plan and Mr. Hutchinson explained that the Action Plan focuses more on internal operations.

In response to a question from Committeemember Rhodes relative to having development pay for itself, Mr. Hutchinson said that the City has a series of impact fees that help pay the costs of preparing areas for economic development. He noted that some of that cost will be recaptured through buy in fees and impact fees.

Committeemember Holtz requested that prior to the next meeting the Committee be provided a list of special services and programs that the City of Mesa provides.

4. Current issues/miscellaneous items.

In response to a request from Committeemember McNichols, Mr. Hutchinson stated that staff would provide more detailed organizational charts and discussed benchmarking difficulties among other cities due to the different service levels the various municipalities provide. He said that staff will attempt to put some comparable information together that might give the members a better idea of where Mesa stands compared to other jurisdictions.

Mr. Hutchinson thanked staff for their hard work and said he is proud of the services that the City offers to the community.

5. Schedule next meetings:

Wednesday, July 14, 2004, 6:30 p.m. – Presentation by the City Court and Financial Services Department

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

6. Adjournment.

Without objection, the Mesa 2025: Financing the Future Citizen Committee adjourned at 9:03 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 23rd day of June 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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