

# COUNCIL MINUTES

May 11, 2004

The City Council of the City of Mesa met in a Budget Review Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 11, 2004 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Rex Griswold  
Kyle Jones  
Dennis Kavanaugh  
Janie Thom  
Claudia Walters  
Mike Whalen

## COUNCIL-ELECT PRESENT

Tom Rawles

## STAFF PRESENT

Mike Hutchinson  
Debbie Spinner

### 1. City Attorney's Office.

City Attorney Debbie Spinner introduced staff members present at the meeting and provided a brief overview of the proposed FY 2004/05 budget for her office and the City Prosecutor's Office. She explained that her office's budget is derived from the General Fund and the Liability Loss Fund (a separate fund paid by the City of Mesa for the defense of claims, insurance premiums and liability claims). Ms. Spinner advised that the proposed FY 2004/05 budget is \$11,851,437 (General Fund: \$3,964,116 and Liability Loss Fund: \$7,887,321). She also discussed the funded and unfunded BARs, outside counsel expenses, and insurance premiums the City has incurred over the past several years. Ms. Spinner, in addition, highlighted significant impacts to her office including, but not limited to, the revision of zoning and development codes; the creation of a tax enforcement collection process; the reduction in turnaround time for contracts; new software implementation; and case management with regards to pending large claims/cases.

### 2. City Court.

Presiding City Magistrate Matt Tafoya introduced personnel present at the meeting and offered a short synopsis of the primary functions and responsibilities of the City Court. He reported that the proposed budget for FY 2004/05 is \$6,335,727. Judge Tafoya stated that the funded BARs total \$258,118 and that there are zero unfunded BARs. He also reviewed significant impacts for the City Court such as additional staff positions to ensure mandated and other customer services are performed in a timely manner; additional resources to ensure sufficient courtroom calendar coverage; and an increase in personal development to ensure compliance with mandated training requirements.

### 3. Financial Services.

Financial Services Manager Bryan Raines explained that the Financial Services Department, which was created in November 2003, consists of four divisions including Financial Services Administration, Financial Services Operations, Budget Division, and Accounting. He reported that the proposed FY 2004/05 budget for the Financial Services Department is \$75,222,584. Mr. Raines also offered a statistical analysis of the funded and unfunded BARs for the Financial Services Department. He reviewed a series of significant impacts to the Department for FY 2004/05 including, but not limited to, the following: debt service payments have been reduced by \$11.6 million, the result of additional refinancing, fully realizing the impact of "Debt Valley," and adjusting the timing of future bond sales; focus on ensuring sales tax collections are accurate and timely; and various customer service improvements.

### 4. General Services.

General Services Manager Rich Lorig reported that the General Services Department consists of diverse divisions which provide a variety of services to other City departments including Communications, Human Resources, Materials Management, Fleet Support Services, Information Services, Mail Services, and Printing and Graphics Services. He stated that the proposed FY 2004/05 budget for the General Services Department is \$66,339,071. Mr. Lorig also detailed a variety of significant impacts to the Department including, but not limited to, the following: a decline in staffing levels negatively impacts all City divisions; deferred vehicle replacement results in increased downtime and maintenance costs; continued uncertainty regarding the cost of fuel; funding required to cover radio equipment maintenance IGAs with Gilbert and Apache Junction Fire Departments; and significant impacts from FY 2003/04 continue due to unfunded BARs and unfilled positions pushed to FY 2011/12.

(Vice Mayor Kavanaugh arrived at the meeting at 8:55 a.m.)

### 5. Community Services.

Community Services Manager Joe Holmwood introduced staff members present at the meeting and stated that the Community Services Department consists of four divisions, which provide a wide variety of services within the community. He explained that the divisions include the Arts and Cultural Division, the Library Division, the Mesa Centennial Center, and the Parks and Recreation Division. Mr. Holmwood commented that the proposed budget for FY 2004/05 for the Community Services Department is \$50,608,958. He also discussed the funded BARS and unfunded BARs for the upcoming fiscal year. Mr. Holmwood further outlined significant impacts for FY 2004/05 for the Community Services Department as follows: resources are needed to meet demands for quality services; changing demographics in the community; capital investment delayed; technology needs with regard to facility management, ticketing, patron access, on-line registration; project update and transition plans and impacts for the Mesa Arts Center; fee-based computer classes; public Internet access management; long-term plans for the Centennial Center; Park Ranger Program; retention basin maintenance; indoor Aquatic Center; and cost recovery of adult sports programs.

(At 10:00 a.m., Mayor Hawker called for a short recess. The meeting reconvened at 10:32 a.m.)

6. Neighborhood Services.

Deputy City Manager/Acting Neighborhood Services Manager Paul Wenbert reported that Neighborhood Services receives its funding not only from the General Fund, but also Federal and State sources. He stated that the proposed FY 2004/05 budget is \$26,499,634 (General Fund: \$5,726,596 and State/Federal Revenues: \$20,773,038). Mr. Wenbert briefly highlighted the Neighborhood Services' funded BARs of \$269,152 and unfunded BARs of \$239,900. He also reviewed significant impacts for FY 2004/05 including the addition of a Neighborhood Outreach Division Director and Revitalization Area and Opportunity Zone programs; an increase of \$67,000 for downtown holiday lighting; the City's allocation to the Permanent Sculpture program remaining on hold; \$185,656 in additional revenues for the new American Dream Down Payment Initiative (ADDI) program; that the contributions to the ABC utility bill donation program have decreased approximately 25% since the utility bill was reformatted in December 2003; and unfunded needs at the Escobedo Apartments.

7. Development Services.

Development Services Manager Jack Friedline addressed the Council and introduced staff members present at the meeting. He provided a brief historical overview of the Development Services Department and said that it is comprised of several diverse divisions including Building Safety, Development Services Administration, Engineering, Environmental Management, Facilities Maintenance, Falcon Field Airport, Planning, Real Estate Services, and Transportation. Mr. Friedline stated that the proposed FY 2004-05 budget for Development Services is \$234,989,290 (which includes \$160 million in funding associated with Capital Improvement projects). He also discussed the funded BARs and unfunded BARs for the Department.

Assistant Development Services Managers Kari Kent and Jeff Martin reviewed an extensive list of the Development Services Department's significant impacts/key issues for FY 2004/05. A summary of items include, but are not limited to, the following: the Department has reduced staff by over 5% in previous years which has challenged staff's ability to maintain current service levels; a reduction in funding of capital equipment has created a variety of challenges (i.e., low employee morale, increased disruptions in services); reduction in funding of long-term improvements for Pinal County Water Farms; zoning inspection activities, while improved, do not address staff's desired service levels; continued reduction in frequency of the Neighborhood Clean Sweep Program; reduction in staff and funding for contract services will result in less resources available for hangar inspection and preventative maintenance; funding reduced to only 50% of routine street maintenance; deferral of maintenance for streetlights and traffic signals; and the deferral of CIP transportation-related projects.

Mayor Hawker thanked staff for the presentations.

8. Adjournment.

Without objection, the Budget Session adjourned at 12:18 p.m.

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KENO HAWKER, MAYOR

ATTEST:

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BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Review Session of the City Council of Mesa, Arizona, held on the 11<sup>th</sup> day of May 2004. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

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