

COUNCIL MINUTES

July 8, 2004

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 July 8, 2004 at 7:30 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

Mayor Hawker excused Councilmember Whalen from the beginning of the meeting. He arrived at 7:45 a.m.

1. Review items on the agenda for the July 12, 2004 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: None

Items removed from the consent agenda: 7d through 7j

Items added to the consent agenda: 4.1

2. Hear an update on City Library programs and budget issues.

Deputy City Manager Debra Dollar advised that Community Services Manager Joe Holmwood and Acting Library Director Trisha Sorensen were present to provide an update on Library programs and budget issues.

Mr. Holmwood displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office), and he advised that Ms. Sorensen would provide an overview of the program reductions that were implemented at the Library and the methodology employed to arrive at the decisions.

Ms. Sorensen continued the presentation, and she advised that the ongoing recruitment for a Library Director has identified several good candidates.

Ms. Sorensen reported that library programming has been scaled back due to budget constraints. She stated that 13 positions remained frozen in 2004-2005 in order to balance budget, and she added that the permanent loss of 8 positions in 2002-2003 impacted the Library's ability to offer youth programs. Ms. Sorensen advised that the Library expects to lose Quality of Life funding in 2006-2007, which presently accounts for approximately \$1.1 million in funding and 22.5 full-time employees. She advised that staff meetings were held in order to rank the various services (see Attachment 1), and that Library supervisors prioritized the programs (see Attachment 2) to be offered. She noted that the prioritization process identified a need to clearly define the purpose of programming, the desired outcomes and the resources required for Library services and programs.

Ms. Sorensen advised that the staff is presently analyzing the data collected in order to determine the following:

- Impact of high attendance programs on circulation, checkouts and new cards issued.
- Support hours (staff and volunteers) needed to offer Teddy Bear Picnic and Halloween Boo.
- Demographic maps that indicate ages, ethnicity, income, educational level and first language spoken of patrons.

Ms. Sorensen stated that an internal strategic planning team was formed to address the development of short-term plans (6 to 12 months). She added that in order to address long-term plans, representatives of the Library Board and Friends of the Library would augment the internal strategic planning team.

Ms. Sorensen advised that a cross-training team was formed in order to address staffing needs. She noted that training employees in several different areas provides a pool of employees with a variety of skills, which will enable a more effective use of staff resources and will facilitate moving current employees into other positions as openings occur. Ms. Sorensen summarized the following: that limited programming is in place; that a pro-active management strategy is focused on providing core services; and that a strategic plan is being developed for programming.

Vice Mayor Walters stated the opinion that Ms. Sorensen's performance has been outstanding in the position of Acting Library Director. She commented that statistics of other communities indicate a higher level staffing and a lower cost based on population. Vice Mayor Walters advised that although bonding for additional libraries was approved, the City is unable to afford to staff additional libraries.

Discussion ensued relative to the fact that the other staffing models could be considered; that smaller satellite libraries may be more cost-effective than larger libraries; that children's programs and services are major concerns of the community; that citizens can provide input on services via telephone, email and in person; that the "Friends of the Library" organization is focused on fund-raising activities; and that partnerships are being formed with other organizations such as Mesa Public Schools.

Mayor Hawker expressed the opinion that the Library should make an effort to obtain full cost recovery on all adult programs. He suggested that staff reconsider the reasons for offering certain adult programs in order to determine whether government should provide these services. Mayor Hawker also expressed the opinion that that the number of people participating in a program should not be a factor in the decision-making matrix.

Councilmember Thom expressed agreement with the comments made by Mayor Hawker, and she stated the opinion that the Library book sale should be retained and that computer-training fees should reflect full cost recovery. She also requested additional information regarding the number of Library supervisors and their salaries. Councilmember Thom stated that members of the Library Board and the Parks and Recreation Board have contacted her to complain that City staff members fail to consult the boards. She encouraged staff to work more closely with the advisory boards.

Ms. Sorensen advised that a planning session with the Library Board scheduled in June was postponed because two seats on the board are vacant and two other members were unable to attend. She stated that the session would be rescheduled in the fall.

Mayor Hawker thanked staff for the update.

3. Hear an update, discuss and consider issues related to Citywide broadband initiatives:

Assistant Financial Services Manager Jenny Sheppard addressed the Council and advised that E-Streets Management Assistant Cory Gherkins was present to provide information regarding a Valley Metro Rail proposal (a copy is available for review in the City Clerk's Office) to place fiber optic lines in a 16 mile section of the Light Rail Transit (LRT) corridor. She stated that the City requires a redundant system of fiber optic lines, and she added that Phoenix, Tempe and Arizona State University (ASU) have expressed an interest in partnering on this project. Ms. Sheppard further advised that the City's cost to participate in the project is estimated at \$637,000, and that Valley Metro Rail is requesting a letter of intent no later than July 16th.

In response to a question from Mayor Hawker, Mr. Gherkins advised that cost recovery would occur in approximately three years by saving current annual connection costs of \$212,000 that the City pays to commercial providers. He explained that participation in the project would connect Mesa's 911 communications center directly into the Phoenix Fire Department, and that the line would also enable the City to access the downtown Phoenix technology exchange. Mr. Gherkins stated that a route exists to extend the fiber optics line into downtown Mesa, and he clarified that the City currently purchases service from two commercial providers in order to have a redundant system available.

City Manager Mike Hutchinson advised that staff is requesting Council authorization to enable the City's participation in the project.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that the Council accept staff's recommendation to authorize the City Manager to enter into an agreement with Valley Metro Rail for the installation of fiber optic cable along the path of the Light Rail Transit project.

Carried unanimously.

a. East Mesa conduit loop project.

Ms. Sheppard advised that staff is seeking Council authorization to continue to design and construct the remaining segments of the conduit loop project utilizing lease/purchase financing. She noted that the overall objective of the loop is to support the City's effort to secure high tech jobs by connecting the Falcon Field, Superstition Springs and Williams Gateway Airport employment centers

Mayor Hawker expressed support for the project, and he noted that the City's costs would be recovered by leasing the conduits.

Vice Mayor Walters expressed the opinion that this project is critical to the development of the Williams Gateway Airport.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that staff be authorized to continue to design and construct the remaining segments of the East Mesa conduit loop project.

Carried unanimously.

b. Broadband feasibility study for wiring the downtown area.

Mr. Hutchinson advised that staff is recommending that consideration of this item be delayed.

Mayor Hawker stated the opinion that the City should delay action until an entity is in place in the downtown area that would generate interest in the project.

It was moved by Mayor Hawker, seconded by Vice Mayor Walters, that the City place this project on hold and not proceed forward at this time.

Carried unanimously.

Mayor Hawker thanked staff for the presentation.

4. Hear a presentation regarding Pinal County Water Farms.

Mr. Hutchinson advised that the City's Municipal Development Corporation owns the water farms. He added that staff is in the process of reviewing the issue relative to retaining ownership of the water farms, and that the issue will be brought forward to the Council in the next four to six months.

Utilities Manager Dave Plumb stated that Management Assistant Colette Moore and Real Estate Services Director Doug Tessendorf were present to provide information.

Ms. Moore advised that in 1985 the City purchased 13 water farms located in Pinal County totaling approximately 12,000 acres for slightly less than \$29 million. She explained that the property was purchased in order to secure the water rights, and she noted that Phoenix and Scottsdale have made similar purchases. Ms. Moore added that in order to access the water additional infrastructure would be required.

Mr. Plumb advised that staff is presently reviewing the City's long-term need for this resource.

In response to a question from Mayor Hawker, Ms. Moore advised that 30,000 acre feet per year that would be available from the water farms, which represents approximately one-third of the City's current usage.

Discussion ensued relative to the fact that the City has recharged in excess of 300,000 acre feet of water; that the water must be physically withdrawn from the water farms and then exchanged utilizing the Central Arizona Project (CAP) canal; that the water quality and possible cleanup costs are currently being investigated; that the resale value of the property would be evaluated; and that staff would submit a report to the Council regarding the City's projected water requirement at build out.

Mr. Tessendorf reported that the City of Mesa is the largest landowner in Pinal County.

Mayor Hawker thanked staff for the update.

5. Hear a report, discuss and provide direction regarding issues associated with the City of Mesa and the Regional Public Transportation Authority (RPTA):

Assistant Development Services Jeff Martin introduced Transportation Planning Administrator Kevin Wallace and Paul Hodges, the RPTA team leader. He provided historical background regarding the development of the agreements (copies are available for review in the City Clerk's Office).

- a. Leasing, with an option to buy, the Mesa Transit Operations and Maintenance Facility to the RPTA.

Mr. Martin advised that the agreement has a four-year term and that the first payment of \$350,000 is due in January of 2005, followed by three additional payments, all of which would be inflated by three percent annually. He noted that the lease agreement includes a sales option that is contingent on the passage of the November ballot issue proposing a half-cent sales tax extension.

- b. Entering into a Management Agreement between the RPTA and the City of Mesa for the administration of transit services operated from the Transit Operations and Maintenance Facility.

Mr. Martin advised that this agreement details the operating relationship between the City and RPTA in administering the contract. He added that the agreement establishes a project management team that includes the contractor, the City of Mesa, the RPTA, and to some extent the other partner cities, Scottsdale, Tempe, Gilbert and Chandler. Mr. Martin stated that the purpose of the agreement is to ensure that the City staff has daily input into the decisions and contract monitoring activities.

Mr. Martin provided an overview of the fiscal impact of the contracts, and he noted that the purpose of this effort was to share the costs with the other participants.

Mayor Hawker stated the opinion that this is an excellent concept, and he expressed support for the agreements.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that the contracts be placed on the July 12, 2004 Regular Council agenda.

In response to a question from Councilmember Thom, Financial Services Manager Bryan Raines advised that the full cost of the facility as constructed, including the land, is \$17.8 million. He advised that to date approximately \$7.2 million has been received in Federal grants, resulting in a net cost of \$10.6 million. Mr. Raines noted that the City anticipates receiving additional Federal grants totaling approximately \$3 million.

Mr. Martin explained that the sales price of \$9.2 million includes the City's opportunity cost reimbursement of \$1 million and \$544,000 for the interest.

Mayor Hawker called for the vote.

Carried unanimously.

Mayor Hawker thanked staff for the presentation.

6. Acknowledge receipt of minutes of boards and committees.

- a. Ad Hoc Committee to Study Police Oversight meeting held June 9, 2004

It was moved by Councilmember Vice Mayor Walters, seconded by Councilmember Griswold, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

There were no reports on meetings and/or conferences attended.

8. Scheduling of meetings and general information.

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

Monday, July 12, 2004, 3:00 p.m. – Police Committee

Monday, July 12, 2004, TBA – Study Session

Monday, July 12, 2004, 5:45 – Regular Council Meeting

Thursday, August 12, 2004, 7:30 a.m. – Study Session

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

There were no items from citizens present.

11. Adjournment.

Without objection, the Study Session adjourned at 9:39 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 8th 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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Attachments (2)