

COUNCIL MINUTES

May 26, 1998

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 26, 1998 at 7:30 a.m.

COUNCIL PRESENT

Mayor Wayne Brown
John Giles
Dennis Kavanaugh
Claudia Walters

COUNCIL ABSENT

Pat Gilbert
Joan Payne
Wayne Pomeroy

COUNCIL-ELECT PRESENT

Jim Davidson
Keno Hawker
Bill Jaffa
Pat Pomeroy

STAFF PRESENT

C.K. Luster
Chris Albright
Lisa Andrews
Wayne Balmer
Cindy Barris
Randy Bee
Neal Beets
Karla Blackwelder
Denise Bleyle
Jerry Brouwer
Mike Claspell
Dennis Compton
Bob DeLeon
Wayne Evans
Jack Friedline
Carl Geis
Bill Haney
Mike Hutchinson
Barbara Jones
Harry Kent
Peter Knudson
Ron Krosting

STAFF PRESENT (CONT.)

Tom Mattingly
Frank Mizner
Jerry Paulus
Ellen Pence
Dave Plumb
Bryan Raines
Andrea Rasizer
Jackie Redpath
Tom Remes
Ursula Strehphans
Walter Switzer
Larry Talley
Doug Tessendorf
Jamie Warner
Jim Wright
Christine Zielonka

OTHERS PRESENT

Robbie Sherwood

Mayor Brown excused Vice Mayor Gilbert and Councilmembers Payne and Pomeroy from the meeting.

1. Budget Overview – C.K. Luster.

City Manager Charles Luster reported that the proposed budget for Fiscal Year 1998-99 is currently estimated at \$441,631,000 (exclusive of the recently approved half-cent sales tax), which represents an increase of 4.4 percent over the previous year's budget. Mr. Luster stated that based on anticipated revenues of \$437,161,000, the budget is \$4.47 million out of balance at this time but is expected to balance as final year-end figures become available. Mr. Luster noted that staff is recommending a 2 percent increase in water/sewer fees for the upcoming year, which is anticipated to generate approximately \$1.3 million in revenue.

Mr. Luster provided statistical data pertaining to factors which affect the budget, including population growth, inflation, the consumer price index, and weather.

Mr. Luster informed the Council and Council-Elect that the proposed budget reflects a total of 3,245 employees (representing an additional 115 employees over currently authorized levels and excluding those individuals encompassed in the recently approved half-cent sales tax increase) and includes a recommended 3 percent cost-of-living adjustment.

Mr. Luster anticipated that contingency funds will be increased to \$15 million as the budget is finalized and that year-end fund balances will exceed \$34 million.

Mr. Luster expressed appreciation to staff for their efforts in preparing the proposed budget.

a. Growth Issues – Frank Mizner

Planning Director Frank Mizner provided Council with an overview of current and proposed growth and development trends.

Discussion ensued relative to Mesa's size and population, historic growth patterns, housing stock, population forecasts, and anticipated growth areas.

b. Half-Cent Sales Tax Program – Bryan Raines

Assistant to the City Manager Bryan Raines advised that the half-cent sales tax appropriations have not been included in the preliminary budget proposal but will be incorporated into the final plan. Mr. Raines reported that efforts are underway to develop a tracking system to provide an accounting of monies relating to the half-cent proposal. Mr. Raines stated that sales-tax-related projects will be included in the 5-year capital improvement plan. Mr. Raines indicated that the sales tax adjustment will be effective as of August 1, 1998.

Discussion ensued pertaining to potential program activities, revenue projections, debt service, impact fees, and fund balances.

Budget Director Jamie Warner briefly explained the development of the proposed budget plan, identifying baseline and supplementary funding.

(Councilmember-Elect Jaffa was excused from the meeting at 8:08 a.m. Councilmember-Elect Jaffa returned at 8:56 a.m.)

2. Mayor's Office and Manager's Office – Mike Hutchinson.

- a. Legislative Program #5100
- b. Executive program #5200
- c. Capital Improvement and Operations Program #5970
Capital Improvement Bonds #9854
- d. City Clerk Program #5500

Assistant City Manager Mike Hutchinson reviewed the proposed budget for the City Manager's Department, including the City Manager's Office, Public Information, Internal Audit, and the City Clerk's Office (recently moved from the Management Services Department). Mr. Hutchinson noted the addition of one person to the Public Information responsibility center and the request for an additional employee for the City Manager's Office and the City Clerk's Office. Mr. Hutchinson highlighted equipment requests.

Mr. Hutchinson stated that the proposed budget for the Mayor and Council Office reflects a minor increase over the current budget. Mr. Hutchinson indicated that staff will be discussing Council equipment needs in the near future and requested input should Councilmembers determine additional staffing assistance is needed.

3. Public Works Department – Harry Kent.

- a. Engineering Program #5650
- b. Building Inspections Program #6500
- c. Streets Program #8100
Street Bonds 9800
Mass Transit Program #8860
- d. Solid Waste Management Program #8600
Solid Waste Bonds #9550
- e. Storm Sewer Program #8750
Storm Sewer Bonds #9550
- f. Environmental Management #6800

Public Works Manager Harry Kent introduced members of the Public Works Department present at the meeting. Mr. Kent briefly reviewed the responsibilities of the department in administering all public works projects and noted that the proposed budget plan reflects an overall increase of 22 employees.

Real Estate Services Director Doug Tessendorf outlined the functions of the Real Estate Services Division, including the management of City-owned property and the acquisition of property and easements for public works projects. Mr. Tessendorf noted a decrease in the proposed FY1998-99 budget due to the elimination of a \$10.5 million project.

Discussion ensued concerning the vacating and acquisition of right-of-way as well as potential sites for wells and fire stations.

Environmental Programs Director Christine Zielonka advised that Environmental Programs is a relatively new division primarily responsible for coordinating environmental programs, including air quality, hazardous materials, and water quality. Ms. Zielonka stated that the FY1998-99 budget is essentially unchanged from the current year's budget. Ms. Zielonka spoke concerning staffing and proactive enforcement efforts within the division.

Solid Waste and Facilities Director Jack Friedline presented an overview of the proposed budget for Solid Waste and Facilities Administration, Building Maintenance, and Solid Waste Collection

Services. Mr. Friedline advised that an additional full-time employee has been requested for Building Maintenance but noted that budget totals within the division maintain current funding levels. Mr. Friedline stated that efforts continue to minimize costs and improve efficiency.

Mr. Friedline responded to questions from Council-Elect concerning landfill operations and the potential for a transfer station.

Building Inspections Superintendent Tom Mattingly advised that the Building Inspections Division reviews plans for all building improvements and new private developments and provides construction code inspections. Mr. Mattingly presented statistical data for the past year and informed Council that funding is derived from fees and permits which are reviewed annually in an effort to recoup costs. Mr. Mattingly outlined the proposed FY1998-99 budget, noting the addition of 15 full-time employees previously approved by Council and a request for a voice response system at an estimated cost of \$26,000.

Discussion ensued regarding overtime, efforts to expedite the plan review process, the recruitment of engineers for specific disciplines, and the economic impact of adopting new uniform codes.

Engineering Design Director Peter Knudson stated that the Engineering Division is responsible for the design and construction administration for City projects. Mr. Knudson reviewed the proposed budget for Engineering and advised that two full-time employees have been requested (City Engineer and Materials Lab Technician). Mr. Knudson indicated that additional positions will be requested relative to the half-cent sales tax adjustment.

Mr. Knudson responded to questions from Council and Council-Elect pertaining to recruitment efforts and the anticipated impact of the half-cent sales tax increase.

Transportation Director Ron Krosting outlined the FY1998-98 budget plan for Streets Maintenance and Transportation. Mr. Krosting stated that a Transit Administrator and a Traffic Operations Worker have been requested.

Discussion ensued concerning bus shelters/pullouts, effects of the half-cent sales tax increase, the "intelligent transportation system," and in-house staffing versus outside contracts.

4. Break.

At 9:28 a.m., Mayor Brown called for a short recess. The meeting reconvened at 9:50 a.m.

(Councilmember Kavanaugh was excused for the remainder of the meeting.)

5. Utilities Department – Dave Plumb.

- a. Gas Program #8300
Gas Bonds #9300
- b. Water Program #8400
Water Bonds #9400
- c. Wastewater Program #8500
Wastewater Bonds #9500
- d. Electric Program #8200
Electric Bonds #9200

Utilities Manager Dave Plumb provided an overview of the proposed budget for the Utilities Department. Mr. Plumb noted employee transfers within the division and requests for staffing, resulting in an overall increase of 7 additional personnel. Mr. Plumb reviewed the anticipated acquisition, replacement, and repair/maintenance of equipment.

Mr. Plumb highlighted significant adjustments within each responsibility center and introduced members of the department present at the meeting.

Council, Council-Elect, and staff spoke concerning deregulation/competitive marketplace, fluoridation, the Pinal County Water Farm, potential legislative changes, and revenue generated through the Utilities Department. Council-Elect suggested that the Pinal County Water Farm be included for discussion at a future meeting.

6. Adjournment.

Council and Council-Elect commended staff for their work within each department and expressed appreciation for their efforts in preparing the budget.

Without objection, the Budget Review Session adjourned at 10:10 a.m.

WAYNE BROWN, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

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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 26th day of May 1998. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 1998

BARBARA JONES, CITY CLERK