

TRANSPORTATION & INFRASTRUCTURE COMMITTEE

December 13, 2007

The Transportation and Infrastructure Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 13, 2007 at 10:09 a.m.

COMMITTEE PRESENT

Kyle Jones, Chairperson
Scott Somers
Darrell Truitt

COMMITTEE ABSENT

None

STAFF PRESENT

Donna Bronski
Jack Friedline

1. Items from citizens present.

There were no items from citizens present.

2. Hear a presentation, discuss and make a recommendation on the impact fee appeal by Hunt Architects, Inc.

Deputy Building Safety Director Steve Hether introduced Tom Hunt of Hunt Architects, Inc. and advised that Mr. Hunt was appealing the assessment of impact fees for two projects. Mr. Hether distributed an updated impact fee calculation (see Attachment 1) for the two projects, which replaces the information in the Committee Report dated December 13, 2007 (a copy is available for review in the City Clerk's Office).

Mr. Hunt advised that two out of his three projects in Mesa were delayed as a result of changes in staff, which then resulted in modifications to the requirements of the plan review. He stated that additional costs were incurred when the City's field engineer required changes to the plans that were previously approved by the first Plan Reviewer. Mr. Hunt stated that the projects were further delayed by a request from City staff to attend a meeting regarding firewalls. He added that he was unaware of the changes to impact fees, which resulted in additional costs exceeding \$40,000.

Mr. Hether reported that Mr. Hunt's building was initially proposed as a construction type 3b, which required the exterior wall to be a two-hour firewall. He said that staff informed the architect that the building could be classified as a type 5b with the exterior wall having a one-hour rating because of the added protection provided by the sprinkler system. Mr. Hether addressed Mr. Hunt's concern regarding the plan reviews by advising that his analysis indicated that when the first submittal was determined to be inadequate, staff requested that the architect

become familiar with the City's design engineering standards and apply the standards to the projects. He noted that the corrections submitted on the second set of drawings failed to follow the City's design engineering standards. Mr. Hether explained that staff approved a non-normal location for water services in order to avoid cutting pavement, but a field inspection determined that the pavement did not exist. He outlined the numerous methods in which the public was notified regarding the fee increases and the effective date. Mr. Hether added that the number of developers requesting expedited service prior to the effective date was a strong indication that the industry was aware of the fee increases.

Mr. Hunt stated the opinion that once a project is logged into the system, the fees should remain the same.

In response to questions from Committeemember Somers, Mr. Hether advised that the City implements fees and follows the notification process in accordance with State law. He added that the majority of Valley communities implement impact fees in the same manner utilized by the City of Mesa. Mr. Hether confirmed that fees for commercial developments and standard and custom residential developments are treated in the same manner.

Mr. Hunt said that Goodyear and Surprise guaranteed that the fees in effect when his projects were logged into the system would remain the same.

Responding to a question from Committeemember Somers, Mr. Hunt stated that staff's request to attend a meeting regarding firewalls was unusual.

Discussion ensued relative to the fact that there was a change in the International Building Code; that type 3b construction required a two-hour firewall; and that staff wanted to suggest the change to type 5b construction as an easier alternative for the developer.

Mr. Hunt noted that he had similar projects underway at that time that did not generate the same concerns on the part of staff.

Deputy City Attorney Donna Bronski responded to a question from Committeemember Somers by advising that she was unaware of any circumstance in which the City could waive impact fees for a specific developer or individual without violating the State Statutes.

Committeemember Truitt said that it was his understanding that any waiver would have to be applied unilaterally.

Chairman Jones noted that the City utilized the public notice process prescribed by law to provide notice of the City's intent to increase impact fees. He added that the City does not mail letters to individuals or developers as part of the notification process.

In response to a question from Committeemember Truitt, Mr. Hether confirmed that Building Safety treats all developers in the same manner and that everyone had equal access to the information regarding impact fees.

It was moved by Committeemember Somers, seconded by Committeemember Truitt, that the appeal by Hunt Architects, Inc. regarding impact fees be denied.

Carried unanimously.

3. Hear a presentation, discuss and make a recommendation on proposed changes to the annexation process.

Deputy Building Safety Director Tammy Albright addressed the Committee regarding proposed changes to the annexation policy. She referred to the flow chart identified as Exhibit A in the Committee Report, "Proposed Annexation Process" (see Attachment 2), and stated that future requests for City services would only be accepted as annexation requests and that applicants have three options: 1) agree to comply, 2) withdraw the case, or 3) appeal to the Transportation and Infrastructure Committee.

Ms. Albright advised that the proposal would eliminate a current inequity that enables the holder of a County permit to apply for annexation in order to obtain City services without being required to pay for off-site improvements or service fees. She said that a proposed change to Title 9 addresses an inequity that enables the development of single-family properties of less than one acre in size to annex into the City without requiring off-site improvements. Ms. Albright explained that some lots in the County are being split to a size of less than one acre in order to take advantage of this exception.

Ms. Albright stated that the significant items of concern to the Committee relate to the "Terms and Conditions for the Sale of Utilities" and the removal of exceptions for "Single Residential" properties in Title 9. She said that proposed changes to the annexation process in the Zoning ordinance would be submitted to the Planning and Zoning (P&Z) Board and the Council. She added that proposed Annexation Guidelines would be presented to P&Z in January.

In response to a question from Committeemember Somers, Ms. Albright said that the Transportation and Infrastructure Committee would hear all appeals and then make a recommendation to the Council.

Deputy City Attorney Donna Bronski responded to a question from Committeemember Somers by advising that the proposed fees, which are not impact fees or development fees, are "in-lieu" fees assessed to "level the playing field." She noted that there is currently an incentive to obtain the permits in the County in order to pay a lower fee and then request annexation into the City.

Ms. Albright noted that in cases where an area is not qualified for annexation, services can be provided through a Utility Service Agreement, which requires the applicant to pay the fees.

Responding to a question from Committeemember Truitt, Deputy City Manager Jack Friedline advised that in-lieu fees are assessed in order to address the costs to develop to City standards. He explained that in-lieu costs for a single property are calculated as if the property were part of a large project, which reduces the costs to the property owner. Mr. Friedline also noted that in-lieu payments are adjusted when a determination is made that certain items, such as streetlights or sidewalks, are inappropriate to the location. He emphasized the fact that street improvements in these areas will occur at some point in the future, and that current residents of the City, who have already paid similar costs for their property, should not be burdened with this expense.

It was moved by Committeemember Truitt, seconded by Committeemember Somers, to recommend to the Council that the proposed changes to the annexation process be approved.

Carried unanimously.

Chairman Jones thanked staff for the presentation.

4. Hear a presentation, discuss and make a recommendation on the proposed Computerized Maintenance Management System (CMMS) for the Transportation Department.

Deputy Transportation Director Lenny Hulme introduced Transportation Field Operations Superintendent Derek Witting and Information Technology Project Manager Holly Oesterle. He stated that staff is seeking direction regarding a proposal for a Computerized Maintenance Management System (CMMS).

Mr. Witting displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and reported that the Transportation Department manages over a billion dollars in asset inventory. He stated that the department presently utilizes 22 separate data repositories in addition to numerous manual processes to collect data, dispatch and track work, and develop schedules that avoid conflicts with other activities. Mr. Witting outlined the benefits of the proposed CMMS system, which eliminates redundancy and streamlines processes, enhances project management, and provides improved data for performance measures, budget forecasts and inventory valuation. He said that the technology is highly configurable and could be utilized throughout the City. Mr. Witting advised that funding is available through Highway User Revenue Funds (HURF).

Ms. Oesterle advised that a high level of cooperation existed between Transportation and Information Technology staff during the evaluation process. She noted that research with many other cities utilizing this technology indicates that CMMS is a stable and effective asset management system.

In response to a question from Chairman Jones, Ms. Oesterle noted that the initial purchase price of \$628,000 includes \$263,000 for implementation services and training, and that costs in future years would include licensing. She advised that the software license for the Transportation Department is \$282,000, and that staff might recommend a Citywide license in the future. Ms. Oesterle stated that the Information Technology staff would become proficient regarding the system, which would reduce training costs as other departments are added to the system. She said that the Utilities Department would be the next area to utilize the CMMS system following the successful implementation for the Transportation Department.

Discussion ensued relative to the fact that CMMS could generate future cost savings; and that CMMS would be capable of consolidating data that is presently available in several other systems.

It was moved by Chairman Jones, seconded by Committeemember Somers, to recommend to the Council that the proposal for a Computerized Maintenance Management System for the Transportation Department be approved.

Carried unanimously.

Chairman Jones thanked staff for the presentation.

5. Hear a presentation, discuss and make a recommendation on a proposed Temporary Traffic Control Management Program.

Traffic Engineer Alan Sanderson displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an overview of the proposed Temporary Traffic Control Management Program. He stated that the proposal would require prior approval by the Transportation Department of all roadway and sidewalk restrictions.

In response to a question from Committeemember Truitt, Mr. Sanderson advised that a traffic control plan would be required for major lane and intersection closures. He stated that the proposal would provide better accountability, prevent conflicts, and encourage contractors to plan in advance, which should result in safer streets and less inconvenience to the public.

Mr. Sanderson said that presently the department has one Barricade Coordinator position. He advised that the proposal would add an additional Barricade Coordinator position and convert an existing funded Traffic Studies Analyst position to an Engineering Technician II. Mr. Sanderson estimated a net increase in annual program costs of approximately \$76,000, in addition to one-time startup costs of approximately \$39,000 for a truck, office furniture, telephones and camera. He noted that the current Barricade Management Fee of \$40 to \$100 per sheet, which applies to 70 percent of the closures, is recommended to increase to \$120 per sheet for all work in a right-of-way and adjacent public easement. Mr. Sanderson explained that the increased fee represents cost recovery for closures by contractors only and does not include the costs for the 30 percent of closures implemented by City departments performing work in a right-of-way.

Responding to a question from Chairman Jones, Mr. Sanderson advised that the City of Tucson varies the fee up front based on the time of day of the closure, the length of time of the closure, and the number of lanes involved. He noted that although the City of Phoenix does not charge fees up front, they aggressively cite and fine contractors who are in violation of the regulations. Mr. Sanderson advised that the fines range from \$250 to \$1,500 per incident. He advised that an up front fee is more feasible for the City of Mesa because of current staffing limitations. Mr. Sanderson stated that staff was seeking direction from the Committee and that additional detail would be obtained.

Mr. Friedline clarified that although the agenda refers to a Committee recommendation, staff was seeking feedback from the Committee and that more detail would be provided in a future presentation. He added that staff would like to incorporate incentives for contractors in order to minimize the amount of time a lane of traffic is closed.

Chairman Jones thanked staff for the presentation.

6. Hear a presentation and discuss Automated Meter Infrastructure.

Mesa Gateway Project Manager Scot Rigby addressed the Committee and noted that staff has been researching the Automatic Meter Reading (AMI) system, which is often referred to as "Smart Meter Reading." He introduced Customer Service Administrator Ken Langford who displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide background information on the existing operation and an overview of the proposed technology.

Mr. Langford reported that the City has twenty employees who manually read a total of 208,800 meters each month using computerized hand-held devices. He said that the service territory is

389 square miles and that 816 remote read points currently exist where staff can read radio signal technology utilizing the hand-held units. Mr. Langford stated that the City has installed an average of 390 new meters each month, but that number is decreasing because of the slow housing market. Mr. Langford added that the Utilities Department has identified approximately 68,000 aging meters that require replacement and that inaccuracies in these meters represent lost revenue to the City.

Mr. Rigby continued the presentation by noting that AMI technology enables data to be collected via radio frequency as a vehicle drives by. He reported that this collection method would increase the daily meter reading capability from 570 to 8,000 meters for each vehicle, which reduces staffing requirements and vehicle usage. Mr. Rigby emphasized that AMI is a proven technology that is presently utilized by Southwest Gas and many Valley cities. He explained that the proposal would be implemented over a ten-year period by installing the AMI technology in new developments, utilizing AMI technology for all dead or emergency replacement installations, and developing a program to install AMI technology on all existing meters. Mr. Rigby advised that over the ten-year period, the estimated total cost for equipment and installation is \$36 million and that operating expenses are estimated at \$3.8 million. He stated that existing sources would provide \$28 million in funding, and he noted that the revenues generated by the improved accuracy of the replaced meters would provide additional funding. Mr. Rigby said that projections indicate that \$15 million in additional revenues would be generated over the ten-year period, and that AMI would continue to generate cost savings of \$4 million annually (for staffing, vehicles and capture of previously lost revenues) in subsequent years. He added that staff plans to initiate a pilot program by converting one route with water, gas and electric meters to the "drive by" collection method, which would provide staff an opportunity to evaluate the technology. Mr. Rigby stated that the new meters can be read manually or electronically, and he added that staff would report the results of the pilot program to the Committee in the spring of 2008. He further stated that staff would continue to research the fixed network capability.

Responding to a comment made by Chairman Jones, Mr. Langford confirmed that the installation of receivers represents a significant amount of the cost for the fixed network. He added that new developments are installing AMI meters that can also be read utilizing the hand-held devices.

In response to questions from Committeemember Somers, Mr. Langford advised that the old meters are sold for scrap. He further advised that the meters with the new technology cost approximately \$120 more than the current water meter and \$60 to \$65 more than the current gas meter.

Committeemember Somers suggested adding a monthly fee to a customer's bill in order to fund an expedited replacement program, which would enable the City to realize the cost savings at an earlier date.

Mr. Friedline stated that staff has taken a conservative approach with regard to the estimated cost savings, and he added that the pilot program would provide valuable information regarding the potential savings.

Mr. Rigby noted that although the cost/benefit analysis reflects a ten-year payback, the program has a six-year implementation plan.

Utility Service Administrator Richard Ochoa came forward to address the Committee and advised that the City receives a credit from the new meter supplier for recycled meters.

Committeemember Somers stated the opinion that assessing a fee to expedite the implementation of the program could generate additional City revenues that, in turn, could result in a lower percentage of increase for utility rates.

Water Resources Director Bill Haney stated that the program costs would become a part of the budget and that the program costs would subsequently be included in the future rate structure.

Discussion ensued relative to the fact that the City does not have sufficient in-house staff to aggressively install the new meters and accelerate the program; that in the long term, the Committee is supportive of the proposal to automate; that Southwest Gas utilized contractors to implement the program; and that Southwest's transition to this technology was accomplished in 1-1/2 years.

Mr. Friedline said that staff would investigate the feasibility of accelerating the pilot program and obtain information from other cities regarding their implementation process.

Chairman Jones thanked staff for the presentation.

7. Adjournment.

Without objection, the Transportation and Infrastructure Committee meeting adjourned at 11:43 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Transportation & Infrastructure Committee meeting of the City of Mesa, Arizona, held on the 13th day of December 2007. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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Attachments (2)