

COUNCIL MINUTES

May 9, 1997

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 May 9, 1997 at 8:19 a.m.

COUNCIL PRESENT

Mayor Wayne Brown
Pat Gilbert
John Giles
Dennis Kavanaugh
Joan Payne
Wayne Pomeroy
Jim Stapley

COUNCIL ABSENT

None

STAFF PRESENT

C.K. Luster
Tom Albright
Don Ayers
Wayne Balmer
Cindy Barris
Neal Beets
Fred Conway
Jack Friedline
Mike Hutchinson
Lars Jarvie
Barbara Jones
Sharon Joyce
Harry Kent
Kari Kent
Wayne Korinek
Ron Krosting
Rich Lorig
Jeff Martin
Frank Mizner
Ellen Pence
Bryan Raines
Jackie Redpath

STAFF PRESENT (CONT.)

Tom Remes
Becky Richardson
Denise Samuel
Jan Strauss
Doug Tessororf
Jamie Warner
Roger Weber
Mike Whalen
Mindy White
Paul Wilson
Ralph Wisz
Brenda Yost

OTHERS PRESENT

Dale Douglas
Chris Moeser
Dan Nowicki
Ralph Pew
Tom Taussig
Others

1. Hear a legislative report.

This item was not discussed at this time.

2. Consider proposed adjustments to zoning fees.

Community Development Manager Wayne Balmer referred to material provided to Council and stated that staff has analyzed the City's current planning fee structure and developed recommended revisions for Council consideration. Mr. Balmer indicated that the City's current recovery rate is approximately 26 percent.

Planning Director Frank Mizner indicated that if the revised fees are adopted, Mesa will remain approximately midpoint when compared to other Valley communities.

(Mayor Brown temporarily left the meeting at 8:25 a.m.)

Mr. Mizner responded to questions from Councilmember Giles relative to the proposed fee for pool barrier exceptions.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Giles, to approve the revised planning fee structure as recommended by staff.

Upon tabulation of votes, it showed:

AYES - Gilbert-Giles-Kavanaugh-Pomeroy-Stapley
NAYS - Payne
ABSENT - Brown

Vice Mayor Gilbert declared the motion carried by majority vote of those present.

Mr. Mizner advised that the revised fee structure will be added to a Regular Council meeting agenda for formal adoption.

(Mayor Brown returned to the meeting at 8:30 a.m.)

3. Further discussion and consideration concerning the Fiesta Quadrant plan.

Mayor Brown stated that this item will be continued.

4. Further review and discussion concerning the proposed 1997-98 budget.

Vice Mayor Gilbert referred to information previously presented by Budget Director Jamie Warner relating to projected future revenue shortfall for the City. Vice Mayor Gilbert expressed concern that the City's bond ratings may be jeopardized as a result of decreased reserve accounts. Vice Mayor Gilbert spoke regarding opportunities to reduce expenses (e.g., sick time) and/or increase revenues.

City Manager Charles Luster stated that the proposed FY1997/98 budget reflects reduced fund balances but expressed the opinion that the proposal is sufficient for the upcoming year. Mr. Luster indicated that adjustments may be necessary for future years.

Vice Mayor Gilbert noted advantages of a mixed revenue base (sales tax, enterprise funds, secondary property tax, etc.).

Mayor Brown questioned the effect of reducing contingency funds from \$15 million to \$5 million and utilizing the monies to increase fund balances to approximately \$40 million. Mr. Warner stated that a reduction in contingency funds minimizes the City's flexibility to react to situations and commented that revenue shortfall remains likely if the City maintains current spending patterns.

Mayor Brown advised that following further analysis of the Police Department's budget (largest departmental budget), he has no recommended revisions. Mayor Brown noted continuing expenses relative to personnel and costs associated with community policing efforts. Mayor Brown suggested that consideration be given to modifying the budget format next year to better summarize departmental expenditures.

Councilmember Kavanaugh expressed the opinion that the proposed FY1997/98 budget represents a conservative approach and is appropriate as presented. Councilmember Kavanaugh agreed that a review of the City's revenue structure may be necessary for the long term.

In response to questions from Councilmember Stapley concerning photo radar, Mr. Warner outlined calculations utilized in projecting net income to the City of \$68,800 for FY1996/97 based on gross receipts of \$1 million. Mr. Warner said that it is difficult to project anticipated revenue given the minimal time that has elapsed since implementation of the photo radar program. Mr. Warner indicated that the anticipated reduction for bad debt due to nonpayment parallels historical trends within the City Court (approximately 37 percent last year).

Discussion ensued concerning vendor fees and photo radar activity in outside communities. Mayor Brown commented that it may be beneficial next year to provide a comparison between Mesa and other communities of the reduction for bad debt due to nonpayment.

Mayor Brown noted concern pertaining to the magnitude of the FY1997/98 budget. Mayor Brown suggested that additional consideration be given to the 24 new employees requested by the Library. Assistant City Manager Mike Hutchinson advised that options regarding the requested personnel can be prepared for presentation at the May 16, 1997 Study Session.

Senior Management Assistant Bryan Raines reviewed the proposed schedule relative to the budget calendar, noting that adoption of the tentative budget is scheduled for June 2, 1997 and adoption of the final budget is scheduled for June 16. Mr. Raines stated that introduction of the adjusted utility rates is planned for June 16, with adoption scheduled for July 7 (to become effective August 6).

Mr. Luster advised that a Special Session for additional budget discussion can be scheduled if necessary.

Council and staff spoke concerning bond amortization and the approximate 5 percent increase in the total budget amount from \$395 million for FY1996/97 to \$412 million for FY1997/98.

Councilmember Giles suggested that consideration be given to the following items relative to the FY1997/98 budget: a) approving a community safety educator as requested by the Fire Department and a planner as requested by the Planning division; b) accelerating activity pertaining to the Mesa Grande Ruins; and c) allocating \$4.5 million in additional funds to the Redevelopment division for new projects.

Discussion ensued concerning funding for redevelopment projects. Mr. Hutchinson indicated that staff will reconsider the matter but expressed concern that \$4.5 million may be excessive.

Councilmember Pomeroy spoke in favor of allocating approximately \$5.5 million to the Redevelopment division. Councilmember Pomeroy noted the importance of activity within the downtown area and commented that the City will recoup costs associated with many of the projects.

Councilmember Kavanaugh indicated concern that the Redevelopment division has no funding available at this time for new projects in FY1997/98.

Councilmember Giles suggested that instead of utilizing contingency funds on a case-by-case basis, funds be reallocated at this time from the contingency fund to the Redevelopment division. Councilmember Giles noted that individual projects will be presented to Council for approval.

Vice Mayor Gilbert spoke concerning activity commenced/completed to date within the downtown area. Vice Mayor Gilbert requested information pertaining to technological acquisitions within the Police Department and future directions/trends.

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

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

6. Scheduling of meetings and general information.

City Manager Charles Luster advised that the meeting schedule is as follows:

Tuesday, May 13, 1997, 6:30 p.m. - Joint Dinner Meeting with the Queen Creek Town Council

Friday, May 16, 1997, 7:30 a.m. - Study Session (followed by a Transportation Committee Meeting)

7. Prescheduled public opinion appearances (maximum of three speakers for five minutes per speaker).

There were no prescheduled public opinion appearances.

8. Items from citizens present (maximum of three speakers for five minutes her sneaker).

There were no items from citizens present at this time.

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9. Adjournment.

Without objection, the Study Session adjourned at 9:37 a.m.

Carried unanimously.

WAYNE BROWN, 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 9th day of May 1997. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of May 1997

BARBARA JONES, CITY CLERK