



2005 CITIZEN BOND COMMITTEE

October 19, 2005

The 2005 Citizen Bond Committee met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on October 19, 2005 at 6:00 p.m.

COMMITTEE PRESENT

Eric Jackson, Chairman
Craig Ahlstrom
Beth Coons
Linda Flick
Pat Gilbert
Robert Hisserich
Greg Holtz
LaShawn Jenkins
Albert McHenry
Judy O'Neill
Bob Saemisch
Deanna Villanueva-Saucedo

COMMITTEE ABSENT

None

STAFF PRESENT

Mike Hutchinson
Anthony Araza
Eric Norenberg

Chairman Jackson advised that Committeemember Jenkins would be arriving late to the meeting. He also announced that Scott Rhodes resigned from the Committee due to business obligations and expressed appreciation for his service not only as a member of the Citizen Bond Committee, but also the Mesa 2025: Financing the Future Committee.

(Committeemember Saemisch arrived at the meeting at 6:07 p.m., Committeemember O'Neill arrived at 6:13 p.m., and Committeemember Jenkins arrived at 7:10 p.m.)

1. Approval of minutes of the previous meeting.

This item was continued to the October 26, 2005 Committee meeting.

2. Hear and discuss a presentation of the Neighborhood and Arterial Street Improvement Bonds.

City Manager Mike Hutchinson addressed the Committee and introduced Neighborhood Services Manager Lisha Garcia and Capital Improvement Projects Administrator Anthony Araza.

Mr. Hutchinson reported that neighborhoods have been a high priority for the City Council and staff for many years and in particular, the aging areas of west Mesa. He referred to a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and briefly highlighted the proposed projects identified in the Neighborhood and Arterial Street Bond Program as follows:

- Residential streetlights located in Community Development Block Grant (CDBG) and non-CDBG areas.
- Arterial Landscape Improvements in west Mesa.
- Street Improvements at Williams Gateway for ASU Polytechnic Campus.
- Intergovernmental Agreements for Street Improvements.

Mr. Araza reviewed the remaining Neighborhood and Arterial Street bond projects including:

- Intelligent Transportation System (ITS) Improvements.
- Collector and Residential Street Reconstruction.

Mr. Hutchinson stated that the above-referenced projects would enhance the physical appearance of Mesa's older neighborhoods and also give a "boost" to the residents by showing that there is an interest on the part of the City to reinvest in these areas of the community.

Discussion ensued relative to the fact that the scope of work with regard to the ITS improvements would include the installation of communication facilities to traffic signals, vehicle detectors, cameras, and traveler information message boards; the City's inability to dedicate alleys to nearby homeowners; and that a pavement index of all City streets (which prioritizes their condition) has been created by the Street Maintenance Department.

Committeemember Saemisch reiterated comments he made at previous meetings relative to the City implementing a program to underground electrical lines in Mesa's older neighborhoods.

Vice Chairman Villanueva-Saucedo concurred with Mr. Hutchinson's comments regarding the importance of the City reinvesting in its aging neighborhoods. She questioned whether staff considered earmarking bond monies for projects in those areas other than streetlight improvements and noted that even a modest amount, for example, \$250,000, would be a "step in the right direction." Vice Chairman Villanueva-Saucedo requested that staff research alternative projects such as sidewalk improvements, traffic calming devices, and other physical improvements that would assist those neighborhoods that were not initially built to accommodate today's congestion.

Committeemember Gilbert further requested that staff provide the Committee with additional information regarding Mesa's street inventory; the life expectancy of pavement; and a description of the various ITS improvement projects. He commented that the City has identified a number of Opportunity Zones throughout west Mesa, but has not identified resources to stimulate infrastructure improvements. Committeemember Gilbert noted that in that regard, it might be appropriate for the City to establish a neighborhood infrastructure improvement fund, whereby staff and the neighborhoods could consider possible projects and have the necessary resources available to fund such projects. He added that such a fund would offer flexibility to neighborhoods in that certain projects (i.e., speed humps, undergrounding electrical lines or collector street improvements) may be a high priority in some neighborhoods but not in others.

It was moved by Committeemember Gilbert, seconded by Committeemember Saemisch, that the Committee tentatively approve the proposal for the Neighborhood and Arterial Street Improvement Bond Program, including the further refinements and specific consideration of neighborhood improvement funding as discussed by the Committee, pending discussion of the bonds at the final Committee meeting.

Extensive further discussion ensued relative to the City's 20-year Transportation Plan.

Committeemember McHenry called the question.

Upon tabulation of votes, it showed:

AYES - Jackson-Ahlstrom-Coons-Flick-Gilbert-Hisserich-McHenry-O'Neill
Saemisch-Villanueva-Saucedo
NAYS - Holtz
ABSENT - Jenkins

Chairman Jackson declared the motion carried by those present.

Chairman Jackson thanked staff for the presentation.

3. Discuss and consider an additional Municipal Service Facilities and Technology project.

Mr. Araza introduced Budget Director Jamie Warner, Information Tech Services Leader Dale Shaw, and Chief Information Officer Karen Kille who were prepared to address the Committee.

Mr. Araza reported that the Information Technology System is one of Mesa's most vital resources and explained that virtually all City services rely on an updated, secure and reliable IT system. He cited examples of various systems currently in operation such as the Customer Information System, Tidemark, and Parks and Recreation's online registration system. Mr. Araza provided a brief overview of the proposed Citywide Information System's Infrastructure project

Discussion ensued relative to the fact that wireless technology is intended to complement, but not replace, the wired network; that the proposed equipment replacements include increased bandwidth to accommodate new applications and provide greater security; that the proposed bond requests are for internal technology services, as opposed to E-Street, which is geared toward a community perspective; that the wireless technology service could be provided by an outside provider; that the proposed bond costs are based on today's dollars; and the sequence in which technology is upgraded.

It was moved by Committeemember O'Neill, seconded by Committeemember Gilbert, that the Committee tentatively approve the proposal for the Municipal Service Facilities and Technology Bond Program, pending discussion of the bonds at the final Committee meeting.

Committeemember Coons stated that it is her perception that the technology bonds were somewhat of an "afterthought" and requested staff input regarding her concerns.

Mr. Warner reported that he recently served on the Information Technology Committee for the City of Phoenix in reference to their proposed bond projects for 2006. He explained that during that tenure, he learned that Phoenix is significantly ahead of Mesa in terms of their technology and said that he met with Ms. Kille to discuss this issue. Mr. Warner commented that because of Mesa's current budget constraints, the City would be unable to lease-purchase the necessary equipment; however, by bonding such items, the City would receive a more favorable interest rate because the equipment would be included with the other General Obligation projects. Mr. Warner added that the debt would be structured in such a manner that the bonds would be paid off in five years, which would coincide with the life cycle of the equipment.

Committeemember Gilbert called the question.

Chairman Jackson declared the motion carried unanimously.

4. Hear and discuss any additional information requested at previous meetings and consider tentative approval of previously presented bond program.

a. Electric Utility Bond Program

- i. Include component costs in specific projects (original items 13, 14, 15 and 16). Amended items are #1, #3, #13 and #18 on the revised program spreadsheet. (See Attachment 1.)
- ii. Undergrounding electric and other utility lines along arterial streets.

Utility Manager Dave Plumb provided a brief analysis of staff's findings regarding the undergrounding of electric/utility lines in residential areas. He stated, among other things, that it would cost the City between \$3700 and \$4500 per lot to remove the overhead poles, wires and install the underground cable, vaults and transformers; that the individual homeowners would incur costs in the range of \$1900 to \$3000; and that a contractor is currently working with the City to conduct an assessment of Mesa's utility distribution system, which is scheduled to be completed within the next month.

Mr. Plumb commented that in view of those facts, if the Committee is inclined to include a residential undergrounding project in the bond program, it may be appropriate to determine a specified amount of funding (similar to what the Committee did with the arterial undergrounding program), and pending completion of the utility distribution system assessment, staff would have a better understanding of the areas in which to target the program.

Committeemember Gilbert said that in conjunction with tonight's earlier comments regarding neighborhood improvements, he suggested that Mr. Plumb and Neighborhood Services Manager Lisha Garcia work together to identify "a target number" that would be available in partnership with neighborhoods as they identify needs that are appropriate to the City's bonding capacity.

Vice Chairman Villanueva-Saucedo commented that the issue of undergrounding utility lines in residential areas has been on the top of neighborhood "wish lists" for some time and stated the opinion that it would be "a great menu item" for physical neighborhood improvements.

It was moved by Committeemember Gilbert, seconded by Committeemember McHenry, that the Committee tentatively approve the revised Electric Bond Program, and that Utilities staff works with Neighborhood Services and contribute to a Neighborhood Improvement Fund development, pending discussion of the bonds at the final Committee meeting.

Chairman Jackson declared the motion carried unanimously.

- b. Asset management plans for Water, Wastewater, and Gas Bond programs
 - i. Water asset management plan (#97)
 - ii. Wastewater aging infrastructure management plan (#44)
 - iii. Gas condition assessment plan (#29)

Mr. Plumb provided a brief analysis of this item and reported that staff conducts master plans to anticipate growth, assess where system capacity may become problematic, and to proactively address such concerns.

Mr. Norenberg commented that in a previous meeting, Committeemember Holtz questioned the practice of bonding Asset Management and Condition Assessment entries on the Utilities Bond listing. He stated that since that time, Mr. Holtz researched the issue and indicated that he is "comfortable" with using bond funding as the mechanism for those assessments.

Chairman Jackson expressed appreciation to Committeemember Holtz for taking the time to review the matter.

It was moved by Committeemember Coons, seconded by Chairman Jackson, that the Committee tentatively approve items 97, 44 and 29, pending discussion of the bonds at the final Committee meeting.

Committeemember O'Neill called the question.

Chairman Jackson declared the motion carried unanimously.

- c. Wastewater Program:
 - i. Landscaping project at the Northwest Water Reclamation Plant, (#28 and #29)

Committeemember Saemisch declared a potential conflict of interest and said he would refrain from discussion/consideration of this agenda item.

It was moved by Committeemember Gilbert, seconded by Committeemember McHenry, that the Committee tentatively approve the inclusion of items 28 and 29 as part of the Wastewater Bond Program, pending discussion of the bonds at the final Committee meeting.

Vice Chairman Villanueva-Saucedo called the question.

Upon tabulation of votes, it showed:

AYES - Jackson-Ahlstrom-Coons-Flick-Gilbert-Holtz-Jenkins-McHenry-O'Neill
Villanueva-Saucedo
NAYS - Hisserich
ABSTAIN - Saemisch

Chairman Jackson declared the motion carried by majority vote of those voting.

- d. Parks, Recreation and Open Space Bond program: Additional projects
 - i. Mesa Grande (#41 and #42)
 - ii. Neighborhood recreation center at Countryside Park (#39 and #40)
 - iii. Neighborhood park at Medina/Hawes in Southeast Mesa (#43 and #44)

Parks and Recreation Management Support Administrator Tim Barnard and Parks and Recreation Director Bob White responded to a series of questions from the Committee relative to the above-referenced bond projects.

Committeemember Gilbert expressed appreciation to staff for including the additional projects as part of the Parks, Recreation and Open Space Bond Program. He noted, in particular, that the Mesa Grande archeological park is a unique asset for the City and said it is important that the area be restored so that it does not become further degraded by weather and vandalism.

Committeemember Hisserich stated that the Mesa Grande area has been languishing for years and questioned why, if it is so historically significant, it has not been restored previously. He commented that he would prefer that the proposed bond funding for Mesa Grande be allocated elsewhere.

It was moved by Committeemember Gilbert, seconded by Committeemember Saemisch, that the Committee tentatively approve the revised Parks, Open Space and Recreational Bond Program, including items 41 and 42; 39 and 40; 43 and 44, pending discussion of the bonds at the final Committee meeting.

Committeemember Flick called the question.

Upon tabulation of votes, it showed:

AYES - Jackson-Ahlstrom-Coons-Flick-Gilbert-Jenkins-McHenry-O'Neill-Saemisch
Villanueva-Saucedo
NAYS - Hisserich-Holtz

Chairman Jackson declared the motion carried by majority vote.

e. Fire Bond Program:

i. Requests for additional information

Fire Chief Harry Beck and Assistant Fire Chief Gary Bradbury responded to a series of questions raised at the October 12th meeting.

Chairman Jackson stated that the Committee has already tentatively approved the Fire Bond Program and noted that there is no further action to be taken tonight in that regard.

f. Additional items/concerns raised by the Committeemembers.

There were no additional items/concerns raised by the Committeemembers.

5. Scheduling of meetings and general information.

Chairman Jackson stated that it is the consensus of the Committee that the October 26th meeting will begin at 5:30 p.m. in order to provide the Committee with sufficient time to discuss and consider each bond program and develop final recommendations to submit to the Council regarding such programs.

6. Items from citizens present.

There were no items from citizens present.

7. Adjournment.

Without objection, the 2005 Citizen Bond Committee meeting adjourned at 8:26 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the 2005 Citizen Bond Committee of the City of Mesa, Arizona, held on the 19th day of October 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK