

COUNCIL MINUTES

April 28, 2005

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 April 28, 2005 at 7:32 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

(Items on the agenda were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

1. Review items on the agenda for the May 2, 2005 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: 4c, d, f (Hawker)

Items removed from the consent agenda: 4g, 9c

Items added to the consent agenda: 9e

Items removed from agenda: 7

2. Acknowledge receipt of minutes of boards and committees.

- a. Board of Adjustment meeting held April 12, 2005.
- b. Finance Committee meeting held January 13, 2005.

It was moved by Councilmember Jones, seconded by Councilmember Whalen, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

Councilmember Thom: City of Mesa Water Forum.
Citizens' Police Academy Graduation Ceremony.

Mayor Hawker: Arizona State University class on government.
Maricopa Area Government Regional Council Meeting.
Financing the Future Committee Meeting.

Mayor Hawker requested that Budget Director Jamie Warner and Assistant Budget Director Chuck Odom provide a brief overview of the data presented to the Financing the Future Committee on April 27, 2005. He also expressed appreciation to the Financial Services Department staff for their extraordinary efforts to prepare the forecast model in addition to the annual budget preparations.

Mr. Odom reported that the forecast presented to the Financing the Future Committee addressed the General Fund, which is the unrestricted portion of the budget. He advised that the forecast model projects that debt valley will end in fiscal year 2007-2008, and that the fund balance deficit in that year would be approximately \$50 million dollars. He noted that the targeted ending funding balance and the projected deficit for that year would result in a total shortfall of \$80.8 million. He added that when the forecast is extended through fiscal year 2010-2011, the projected shortfall in the ending fund balance is just under \$106 million. Mr. Odom explained that these figures are based on the City maintaining the current levels of service and, that the figures also include the costs for legally mandated elections and the census, but he noted that the figures do not include funding for capital replacement or infrastructure.

Discussion ensued relative to the fact that the Quality of Life funds are maintained separately; that a quarter cent reduction in the Quality of Life sales tax in fiscal year 2006-2007 would reduce the funding revenues for public safety by \$20 million per year; that beginning in 2006-2007 no funds would be available to hire additional police and fire officers; and that the remaining Quality of Life funds would pay for the officers already hired.

Mayor Hawker expressed the opinion that the current two-year budget cycle was inadequate to address the City's financing needs, and he also stated the opinion that a five-year model was desirable.

Further discussion ensued relative to the fact that the cost of health insurance is projected to increase at a rate of nine percent per year; and that staff will provide information regarding the contribution of health insurance costs to the bottom line deficit.

Mayor Hawker thanked staff for the report on the Financing the Future Committee Meeting.

4. Scheduling of meetings and general information.

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

Monday, May 2, 2005, TBA – Study Session

Monday, May 2, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, May 5, 2005, 7:30 a.m. – Study Session

Monday, May 9, 2005, 3:30 p.m. – Police Committee

Thursday, May 12, 2005, 7:30 a.m. – Study Session

Monday, May 16, 2005, TBA – Study Session

Monday, May 16, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, May 19, 2005, 7:30 a.m. – Study Session

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 8:01 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 28th day of April 2005. 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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