



## COUNCIL MINUTES

April 14, 2011

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 14, 2011 at 7:32 a.m.

### COUNCIL PRESENT

Scott Smith  
Alex Finter  
Christopher Glover  
Dina Higgins  
Dennis Kavanaugh  
Dave Richins

### COUNCIL ABSENT

Scott Somers

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Linda Crocker

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

(Mayor Smith excused Vice Mayor Somers from the entire meeting.)

#### 1. Review items on the agenda for the April 18, 2011 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items deleted from the consent agenda: 7a

#### 2-a. Hear a presentation, discuss and provide direction on the Series 2011 Bond Sales.

Senior Executive Manager Chuck Odom introduced Larry Given, of Wedbush Securities, the City's financial adviser, who was prepared to address the Council. He also acknowledged Scott Ruby, of Gust Rosenfeld, the City's bond counsel, and various staff members who were present in the audience.

Mr. Odom displayed a PowerPoint presentation (**See Attachment 1**) and reported that the Engineering and Financial Services Departments recommend that the Council order the sale of \$53,950,000 of Utility System Revenue Bonds and \$29,320,000 of General Obligation (G.O.)

Bonds through competitive sale in order to provide funding for a number of the City's major capital improvement projects. He stated that the G.O. Bonds are covered by the secondary property tax for this issuance and the Utility System Revenue Bonds are supported through revenues generated through the applicable utilities and meet all debt coverages.

Mr. Odom briefly highlighted the City's current outstanding bond principal (G.O. Bonds, Utility Systems Revenue Bonds and Street & Highway User Revenue (HURF) Bonds) prior to the Series 2011 Sale. (See Page 2 of Attachment 1) He also reviewed graphs illustrating the G.O. Bond debt service out into the future. (See Page 3 of Attachment 1) Mr. Odom noted that in FY 2017/18, there is a "structural spike" in the debt service and said that staff included a refunding issuance at that time to "smooth out" the debt service for five years.

Mr. Odom referred to a graph of the current Utility Bond Debt Service (See Page 4 of Attachment 1) and explained that the solid line represents the current debt structure while the dotted line relates to the issuance of this year's debt.

City Manager Christopher Brady remarked that what drives the utility rates more than anything is debt service and said that operations and maintenance and the transfer to the General Fund is held constant. He commented that Mesa, like other communities around the country that have older infrastructure systems, has invested in growth and is now paying the cost of that capital, which is a fixed amount. Mr. Brady added that this year, the City will pay \$8 million to \$9 million more in debt service than last year.

Mr. Odom also discussed the current HURF Bonds, which will be paid off by FY 2026/27. (See Page 5 of Attachment 1)

Mr. Odom further reported that the G.O. Bond Sale Series 2011, of which the G.O. Bonds were authorized in 2008, totals \$29,320,000 and includes \$6,595,000 in Public Safety projects and \$22,725,000 in Streets projects. (See Page 7 of Attachment 1) He also reviewed a graph illustrating the G.O. Bond debt service out into the future after the Series 2011 Sale. (See Page 8 of Attachment 1)

Mr. Brady clarified that the graph demonstrates the current program with the new issuance. He noted, however, that if there were certain "transformative community projects" that the Council presented to the voters for additional bond authorization, such projects would impact future debt service.

Mr. Odom continued with his presentation and highlighted the Utility Bond Sale Series 2011, which was authorized by Mesa voters in 2006 and 2010, and totals \$53,950,000 for various Electric System, Natural Gas System, Water System and Wastewater System projects. (See Page 9 of Attachment 1)

Responding to a question from Mayor Smith, Water Resources Department Director Kathryn Sorensen clarified that most of the Water System projects are related to the replacement of aging infrastructure and several new projects in the Gateway area associated with ASU Polytechnic and other facilities.

Mr. Odom further remarked that the net revenues of all the City's utilities exceed the minimum debt service coverage requirements (i.e., minimum coverage of 1.75 times the combined net revenues to the estimated combined annual debt service is required).

Mr. Odom referred to a graph titled "Total Utility Bond Debt Service," (See Page 11 of Attachment 1) and said the purpose of the graph was to demonstrate Mesa's potential growth curve and debt and when it begins to level out.

Mr. Odom concluded his presentation by highlighting the timeline with respect to the Series 2011 Bond Sale. (See Page 12 of Attachment 1) He noted that staff will bring back additional bond sales in the summer and fall for Council authorization in order to fund, for example, the Able Engineering project at Gateway and the Chicago Cubs' stadium/facility project.

Responding to a question from Councilwoman Higgins, Mr. Given clarified that the G.O. Bonds are structured to mature between 2012 and 2031.

Mr. Brady clarified that the debts have been structured in such a way that of the \$29 million in G.O. debt service, \$10 million in new debt will be paid off in ten years.

In response to a question from Councilmember Finter, Mr. Odom stated that the operating transfer from all utilities to the General Fund is \$83,615,000, which is a fixed amount that has been established for budget planning purposes.

Mr. Brady stated that this item would be added to the April 18, 2011 Regular Council meeting agenda.

Mayor Smith thanked everyone for the presentation.

2-b. Hear a presentation, discuss and provide direction on Police Towing Services.

Police Lieutenant Andy Nesbit and Business Services Director Ed Quedens addressed the Council relative to this agenda item. Lieutenant Nesbit reported that in November 2010, the Council rejected all bids from the March 2010 Request for Proposals (RFP) for Towing Services and directed that staff bring back other options for their consideration.

Lieutenant Nesbit displayed a PowerPoint presentation (**See Attachment 2**) and explained that staff drafted two proposed options for Council consideration. He stated that such options were developed as a result of staff soliciting feedback from various Metro Phoenix and Tucson agencies regarding procedures, pricing and contracts.

Lieutenant Nesbit highlighted the two proposed options as follows:

- Create an eligible vendor list to provide towing services using a two-zone configuration. (Zone A would be west of Lindsay Road and Zone B would be east of Lindsay Road)
- Issue a new RFP for four zones with a single vendor in each zone.

Lieutenant Nesbit displayed a map of the City of Mesa illustrating the above-referenced zone configurations. (See Page 3 of Attachment 2)

Responding to a question from Mayor Smith, Lieutenant Nesbit clarified that using Lindsay Road as the dividing line between Zones A and B would provide staff a baseline of past performance on the existing system and also evaluate the potential new system. He noted that staff wanted to ensure that the Police Department's east side districts did not experience a spike in response times and that the responding officers were not unnecessarily delayed at the collision scenes.

Councilwoman Higgins questioned why the City has never proposed that the Police Department perform the towing services in-house as a third option.

City Manager Christopher Brady responded that if it were the direction of the Council to proceed in such a manner, it would be a significant endeavor to take a private operation and bring it in house. He said that it would be necessary for staff to determine the cost of towing lots, equipment, and hiring personnel to drive the tow trucks.

Mayor Smith commented that in-house towing services was not an option for Council discussion today, but suggested that the item could be considered at a future date.

Lieutenant Nesbit continued with the presentation and reviewed the eligible vendor list configuration and proposed qualifications. (See Pages 4 and 5 of Attachment 2) He stated that an eligible vendor list would be established within each zone and added that there would be no specific rotation or towing volume guarantee.

Responding to a question from Councilmember Kavanaugh, Lieutenant Nesbit clarified that staff was in the process of enrolling all of the vendors into the Police Department's Computer Aided Dispatch (CAD) system. He advised that the CAD system would enable staff to track which company was called, whether they accepted or refused the dispatch call, or were unresponsive. Lieutenant Nesbit said that it was staff's intention to move down the list of vendors as calls for service are received.

Mr. Brady acknowledged that one of the challenges of this option was to ensure that the rotation system worked and that the vendors were given a fair opportunity to respond to calls.

Councilmember Kavanaugh stated that he could foresee a problem with this process and noted that he received feedback from a number of officers that the companies that could be eligible have "a variety of reputations" in terms of service and cooperation with the City.

In response to a question from Councilmember Kavanaugh, Lieutenant Nesbit advised that staff would like to include a mechanism in the Request for Qualifications (RFQ) which establishes that the vendors must be of "a certain status" in order to enter into an agreement to provide services. He also indicated that staff would consider liquidated damages or a suspension of services for failure to meet performance standards during the term of the contract.

Mr. Brady commented that under either option, it would be necessary for staff to develop certain remedies to address vendors that do not meet certain performance standards.

Lieutenant Nesbit further advised that with respect to the two-zone configuration, staff recommends the use of a standardized pricing structure to ensure that consistent fees are charged to customers. He said the service pricing was determined by reviewing the prices of 11

other jurisdictions and noted that Mesa's recommended pricing was lower than the average, but higher than the average prices bid through the original 2010 RFP. Lieutenant Nesbit briefly reviewed the recommended pricing structure. (See Page 7 of Attachment 2)

In response to a question from Mayor Smith, Lieutenant Nesbit stated that staff proposes to implement the fees for a one-year initial term, after which time the costs would be reviewed on an annual basis.

Lieutenant Nesbit further discussed the various components of the second option, which is to issue a new RFP with a scenario-based pricing model using the current four-zone configuration. (See Page 8 of Attachment 2) He said that the proposal would create a cumulative price for evaluation and remove individual price point evaluations in order to eliminate undefined calculation errors when evaluating free service price bids. Lieutenant Nesbit noted that the proposal would continue with the current four-zone configuration with the City divided at Lindsay and Broadway Roads, with two to four vendors being awarded contracts.

Discussion ensued relative to the cumulative pricing scenario for the second option (See Page 9 of Attachment 2); that the scenario would include an initial \$30 tow fee, set by the City, as well as other fees that are part of the contract; a comparative analysis of the two options (See Pages 10 and 11 of Attachment 2); and a performance summary for FY 2009/10 of the current four-zone configuration with a single vendor. (See Page 12 of Attachment 2)

Mr. Brady clarified that the City would continue to limit the number of zones that any vendor could service to two.

Councilmember Richins commented that in reviewing Page 12 of Attachment 2, the number of calls for service in Zones 3 and 4 equal the number of calls in Zones 1 and 2 respectively and inquired whether it might be appropriate to combine Zones 3 and 4 into one zone.

Mayor Smith noted that if call volumes were sufficient to warrant a towing company to locate its operations to east Mesa or if a business was already located in the area, perhaps it would entice the entity to be more aggressive on its bid.

Councilmember Richins remarked that he would be curious to see an analysis of the location of the majority of the calls in Zones 3 and 4 and said that if there are specific clusters, the Mayor's suggestion "would make sense."

Lieutenant Nesbit responded that one of the major collision corridors in east Mesa is along Power Road. He stated that as the Gateway area is developed, he would anticipate an increase in accidents in and around Ellsworth Road.

Councilmember Richins requested that staff reach out to the stakeholders to determine whether combining Zones 3 and 4 would be a workable solution.

Mr. Brady said that staff would proceed in that direction, but clarified that it would limit the number of vendors the City would be able to work with.

Mayor Smith acknowledged that both options were very different, with the eligible vendor list being specific on pricing, but the City giving up a minimum level of service. He noted that with

respect to the RFP option, 20% of the evaluation process is weighted toward price and 80% toward quality of service.

Responding to a question from Mayor Smith, Acting Assistant to the City Manager John Pombier clarified that the City seeks consistent towing services at a fair price Citywide. He explained that in the RFP process, the vendors compete not only on service but price, which would keep the costs consistent.

Mayor Smith suggested that the City set the prices and eliminate that component from the RFP process.

Mr. Brady stated that staff could implement the Mayor's suggestion.

Councilmember Finter indicated that the City of Phoenix has a single towing services vendor and stated that if that company cannot perform, it has a backup system. He inquired if staff considered a similar option for Mesa.

Mr. Quedens said that if staff were to inject the same pricing strategy into the RFP process, the two options would be very similar in that there would be fixed prices and the vendors would be asked to submit their qualifications. He stated that the real difference becomes the end product, and whether there is one vendor or one vendor with potentially a secondary for each zone, or, in the alternative, a pool of tow companies that the City can call upon for assistance when incidents occur. Mr. Quedens added that in the prior RFP process, staff received feedback from the smaller towing companies that they were unable to compete because of the large volume and larger requirements that go along with being a single provider per zone.

Mayor Smith commented that as long as vendors meet a level of service and the City takes care of its citizens, allowing more companies to compete might be a good option to pursue.

Mr. Brady clarified that the second option came about so that the City would not be put in the position of having to choose winners and losers on the towing contracts. He acknowledged, however, that the option was more complex in that the City would be dealing with more companies and the administration of such efforts could be challenging for staff. Mr. Brady further remarked that staff would not be comfortable in rebidding the current zones, but would consider consolidating Zones 3 and 4.

Responding to a question from Mayor Smith, Lieutenant Nesbit stated that the input he has received from officers in the field is that the rotational process was "very difficult to manage."

In response to a question from Councilwoman Higgins, Lieutenant Nesbit explained that the RFP requires that the vendor's storage yard be located within the City limits or in a County island next to the City limits. He stated that the actual location of the incident is what would govern which vendor was called to the scene.

Mayor Smith noted that because this was merely an informational presentation, he would like some time to consider the options prior to providing any direction to staff.

Mr. Brady said that staff would bring back this item at a future Study Session.

Mayor Smith concurred with Councilmember Richins' suggestion that staff provide a statistical analysis relative to the clusters of accidents in Zones 3 and 4 and the potential of consolidating those zones.

Mayor Smith thanked everyone for the presentation.

(Mayor Smith declared a brief recess at 9:00 a.m. The Study Session reconvened at 9:13 a.m.)

2-c Hear a presentation, discuss and provide direction on Falcon Field budget issues.

This item was continued to a future Study Session.

2-d. Hear a presentation, discuss and provide direction on Fire Department budget issues.

Fire Chief Harry Beck introduced Assistant to the Fire Chief Radona Orlando, who was prepared to address the Council relative to this item. He also acknowledged other staff members who were present in the audience.

Ms. Orlando displayed a PowerPoint presentation (**See Attachment 3**) and briefly discussed the Fire Department's budget history for FY 2009/10 and FY 2010/11. She stated that the proposed FY 2011/12 budget totals \$65,043,403 (See Page 2 of Attachment 3) and noted that the Fire Department was actively engaged in seeking and receiving grant funding.

Chief Beck reported that the Fire Department was in the process of constructing Fire Stations 219 and 220. He stated that in May, staff would seek Council approval for Station 219 and noted that it was anticipated that construction would be completed by March 2012. Chief Beck also remarked that in July, staff would seek Council approval for Station 220, with an estimated completion date of summer 2012.

Ms. Orlando provided a short synopsis of the Fire Department's proposed reductions in the amount of \$1,002,450 for FY 2011/12. (See Page 4 of Attachment 3) She explained that the \$765,008 in savings is directly related to adjusting the timing of graduation for the Fire Academy members who would be assigned to Station 220 to coincide with the opening of that facility. She said that Fire Station 220 was originally scheduled to open in July 2010.

Chief Beck explained that some of the funding for the construction of the fire stations was grant money and noted that one of the requirements for such funding was that the buildings are Leadership in Energy and Environmental Design (LEED) certified. He said that such certification has caused delays not only for the Fire Station 220 construction schedule, but also the beginning of the Fire Academy.

Responding to comments from Mayor Smith, City Manager Christopher Brady advised that the increases in the Fire Department's budget were heavily weighted on the personnel side with respect to health benefits and pension costs.

Councilmember Finter expressed appreciation to the Fire Department for scheduling an accelerated Fire Academy for lateral transfers, which was a cost-saving measure for the City.

Chief Beck responded that the Fire Department had been seeking an opportunity to conduct training with the lateral transfers and said that the Academy was an opportunity to do so.

Chief Beck continued with the presentation and highlighted a series of efficiencies that have improved the Fire Department's response time and quality of service. He advised that the Fire Department's response time goal is to be on the scene of emergencies within four minutes 90% of the time and said that staff reaches that target approximately 65% of the time with an average response time Citywide of 4 minutes and 40 seconds. Chief Beck remarked that the Fire Department currently utilizes four Transitional Response Vehicles (TRV) at peak time periods, which has replaced the need to dispatch engines and ladder trucks to certain types of incidents so that such equipment is available for "true emergencies."

Discussion ensued relative to the fact that the Fire Department has adjusted its dispatch protocols in an effort to determine what type of resource (i.e., TRV versus engine) should respond to a specific incident; that the Department has reorganized its training efforts and utilizes videoconferencing and computer-based training in that regard; that staff has encountered certain challenges with the Physician Assistant (PA) Program, which is a component of the TRV Program; and that staff continues to research cost recovery models for the program and evaluate partnerships with hospitals, urgent care centers, doctors' groups and insurance companies.

Councilmember Kavanaugh stated that he was aware of a bill either going through the State Legislature or possibly even passed that would prohibit public safety entities from charging for emergency services. He inquired if such a law would interfere with the innovations that the Fire Department was seeking to implement with the PA Program.

Chief Beck responded that if the bill becomes law, it would severely restrict the Fire Department's efforts. He noted that such legislation would be a serious matter not only for Mesa, but for all municipalities seeking to offset growing healthcare costs.

Further discussion ensued relative to additional program innovations and efficiencies; the enhancement of the Fire Dispatch Center and improved Emergency Medical Service (EMS) training for deployment with the implementation of the TRV Program; upgrades to the Station Alert System, which allows various fire stations to be notified of an emergency; implementation of an Electronic Patient Care Reporting (EPCR) System, which enhances patient care and has saved the City an estimated \$20,000 in paperwork; Therapeutic Hypothermia, a device that cools down patients before they arrive at the hospital; Minimally Interrupted Cardiac Resuscitation (MICR), which is a hands-only CPR that staff has been training on; and that the Fire Department has added 12 Lead Heart Monitors to its equipment inventory.

Chief Beck acknowledged the citizens who volunteered more than 28,976 hours of service to the Fire Department in 2010 and responded to 5,859 calls for service. He explained that the volunteers often assist fire crews out in the field, which allows the engine or ladder companies to get back into service more quickly.

Chief Beck, in addition, commended his staff for their efforts and hard work not only in addressing budgetary challenges, but also implementing innovative and creative operational changes in an almost seamless manner. He noted that one of the ongoing challenges for the Fire Department is improving data collection and stated that over 50% of its support staff has

been eliminated. Chief Beck added that the State's unfunded mandates are another challenge for the Fire Department and could create problems in service levels in the future.

Mayor Smith thanked Chief Beck and the Fire Department for "stepping up" to address dwindling resources in the last few years and increased demands on service.

2-e. Hear a presentation, discuss and provide direction on Transit budget issues.

Transit Services Director Mike James stated that today's presentation relates only to the operational costs for the City of Mesa's Transit Division.

Mr. James displayed a PowerPoint presentation (**See Attachment 4**) and discussed a document titled "FY 2011/12 Transit Funding Overview." (See Page 2 of Attachment 4) He reported that of the \$23.8 million in funding, 60% (\$14.3 million) is derived from Prop 400 regional dollars. Mr. James remarked that of the regionally funded dollars, \$1.8 million is allocated for Dial-a-Ride/Ride Choice and \$12.6 million for bus service. He also provided a breakdown of the City of Mesa's \$9.4 million in funding allocated to the Transit Division. (See Page 4 of Attachment 4)

Mr. James reviewed a three-year budget snapshot for the Transit Division (See Page 5 of Attachment 4) and stated that the proposed FY 2011/12 budget is \$9,445,000. He explained that as transit becomes a more significant regional issue, the City will continue to work with the Maricopa Association of Governments (MAG), Valley METRO, the Federal Transit Administration (FTA) and the City of Phoenix to address new and expanded programs. Mr. James also thanked his staff for their efforts and hard work in doing more work with fewer resources.

Mr. James briefly highlighted the regionally funded transit service in the City of Mesa (See Page 6 of Attachment 4) and Mesa funded transit service. (See Page 7 of Attachment 4)

Mr. James displayed a graph illustrating the effectiveness of RideChoice in the last three years. (See Page 8 of Attachment 4) He stated that the City's RideChoice costs, as compared to Dial-a-Ride, have increased \$264,000, but noted that for each dollar for RideChoice that the City spends, it saves approximately \$2 by offsetting Dial-a-Ride.

Mr. James also discussed the Downtown Buzz, which is a circulator bus route in the downtown area that provides service to the low income and disabled population. He noted that staff has determined that certain portions of the Downtown Buzz route provide duplicative service with the fixed route. Mr. James stated that staff proposes to revise the route in those areas, which could save the City \$220,000 annually. Mr. James highlighted maps of the existing Downtown Buzz route (See Page 10 of Attachment 4) and the proposed Downtown Buzz route. (See Page 11 of Attachment 4)

Mr. James remarked that staff proposes to eliminate the Downtown Buzz route along the major portions of University and Country Club, but still provide service in those areas. He stated that staff also received community feedback that residents wanted to be able to travel to the intersection of Mesa Drive and Brown Road in order to have access to various stores and businesses. Mr. James explained that in that regard, staff proposes to include three additional

mid-morning trips to the area to accommodate those citizens. He added that the cost for the spur in the route to Mesa Drive would be \$6,000 annually.

Mr. James further noted that because staff's proposal would change more than 25% of the Downtown Buzz route, it would be necessary for the City to adhere to Federal and regional notification rules. He outlined the process that staff would undertake to solicit public comment regarding their proposal. (See Page 12 of Attachment 4) He added that pending public comment, the proposed route would be implemented on July 25<sup>th</sup>.

Mr. James briefly reviewed various Transit credits in FY 2010/11, totaling \$370,000 in Local Transportation Assistance Fund (LTAF II) funding and an American Economic Recovery and Reinvestment Act (ARRA) Dial-a-Ride one-time contribution of \$351,000 for operations. (See Page 13 of Attachment 4) He also outlined a series of future budget impacts for the Transit Division. (See Page 14 of Attachment 4)

Mayor Smith thanked Mr. James for the presentation.

2-f. Hear a presentation, discuss and provide direction on adoption of an Energy Code.

Mayor Smith stated that due to time constraints, this item would be continued to a future Study Session.

3. Appointments to the Council Redistricting Commission.

Mayor Smith recommended the following appointments to the Council Redistricting Commission:

Brian Allen  
Nancy Aposhian  
Terry Hines  
Scott Higginson  
Deanna Villanueva-Saucedo

It was moved by Councilmember Glover, seconded by Councilwoman Higgins, that the Council concur with the Mayor's recommendation and the appointments be confirmed.

Mayor Smith declared the motion carried unanimously by those present.

(Following the conclusion of the Executive Session (See Agenda Item 8), the Council reconvened the Study Session at 10:36 a.m.)

4. Acknowledge receipt of minutes of various boards and committees.

4-a. Economic Development Advisory Board meeting held on March 1, 2011.

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

Mayor Smith declared the motion carried unanimously by those present.

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

This item was continued to a future Study Session.

6. Scheduling of meetings and general information.

This item was continued to a future Study Session.

7. Items from citizens present.

This item was continued to a future Study Session.

8. Convene an Executive Session.

It was moved by Councilmember Kavanaugh, seconded by Councilwoman Higgins, that the Council adjourn the Study Session at 9:59 a.m. and enter into an Executive Session.

Mayor Smith declared the motion carried unanimously by those present and an Executive Session was convened at 10:00 a.m.

8-a. Discussion or consultation with designated representatives of the City in order to consider the City's position and instruct the City's representatives regarding negotiations for the purchase, sale, or lease of real property. (A.R.S. §38-431.03A (7)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A(4))

1. Riverview Land Exchange with Federal Government
2. Chicago Cubs Spring Training
3. Potential sale of approximately 135 +/- acres in Pinal County near Tweedy and Randolph Roads.

9. Adjournment.

Without objection, the Study Session adjourned at 10:37 a.m.

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SCOTT SMITH, MAYOR

ATTEST:

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LINDA CROCKER, 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 14<sup>th</sup> day of April 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK

pag  
(attachments – 4)

# Series 2011 G.O & Utility Bond Sale

April 14, 2011



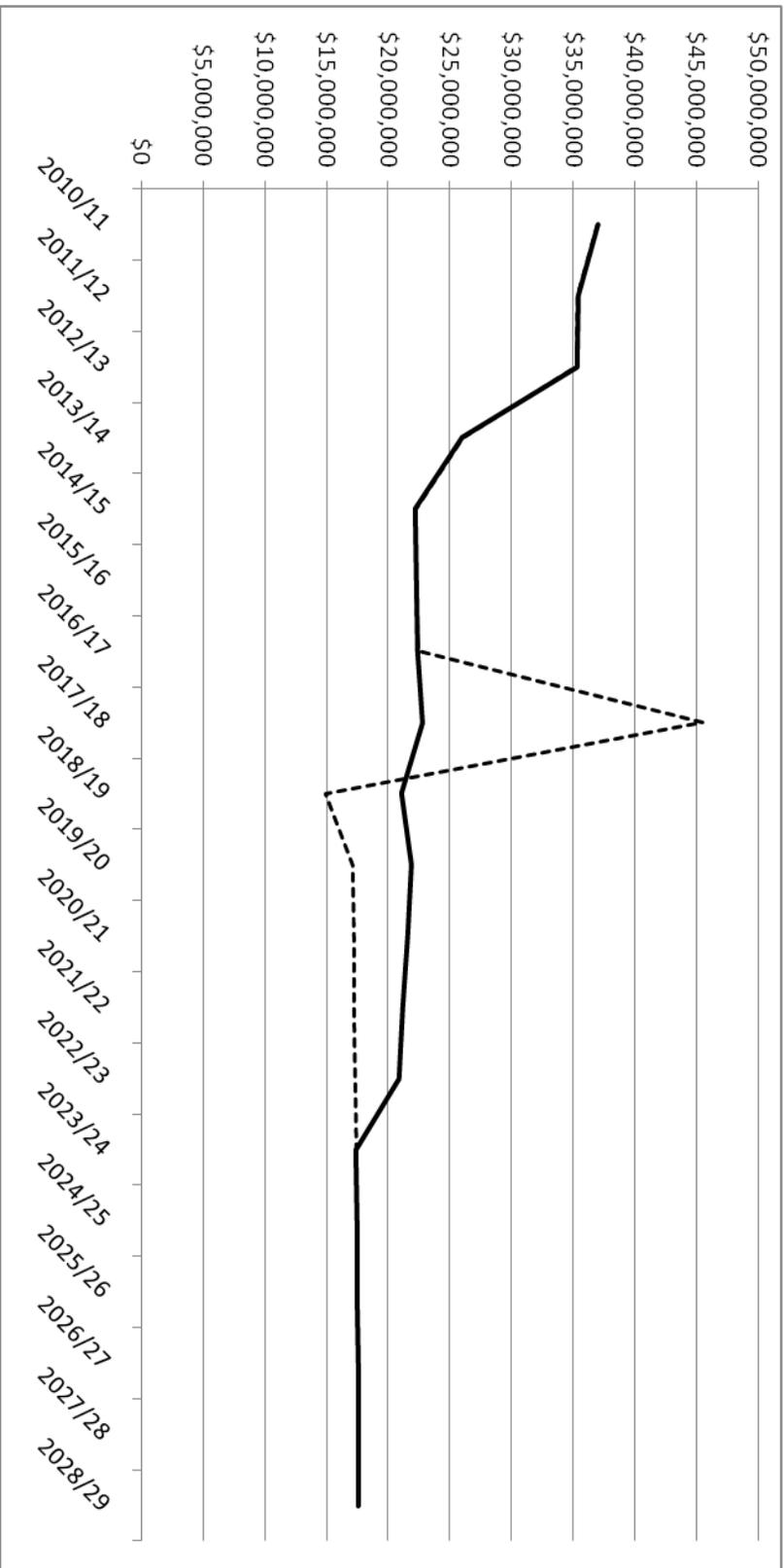
# City of Mesa, Bond Obligations Prior to Series 2011 Sales

## Outstanding Principal:

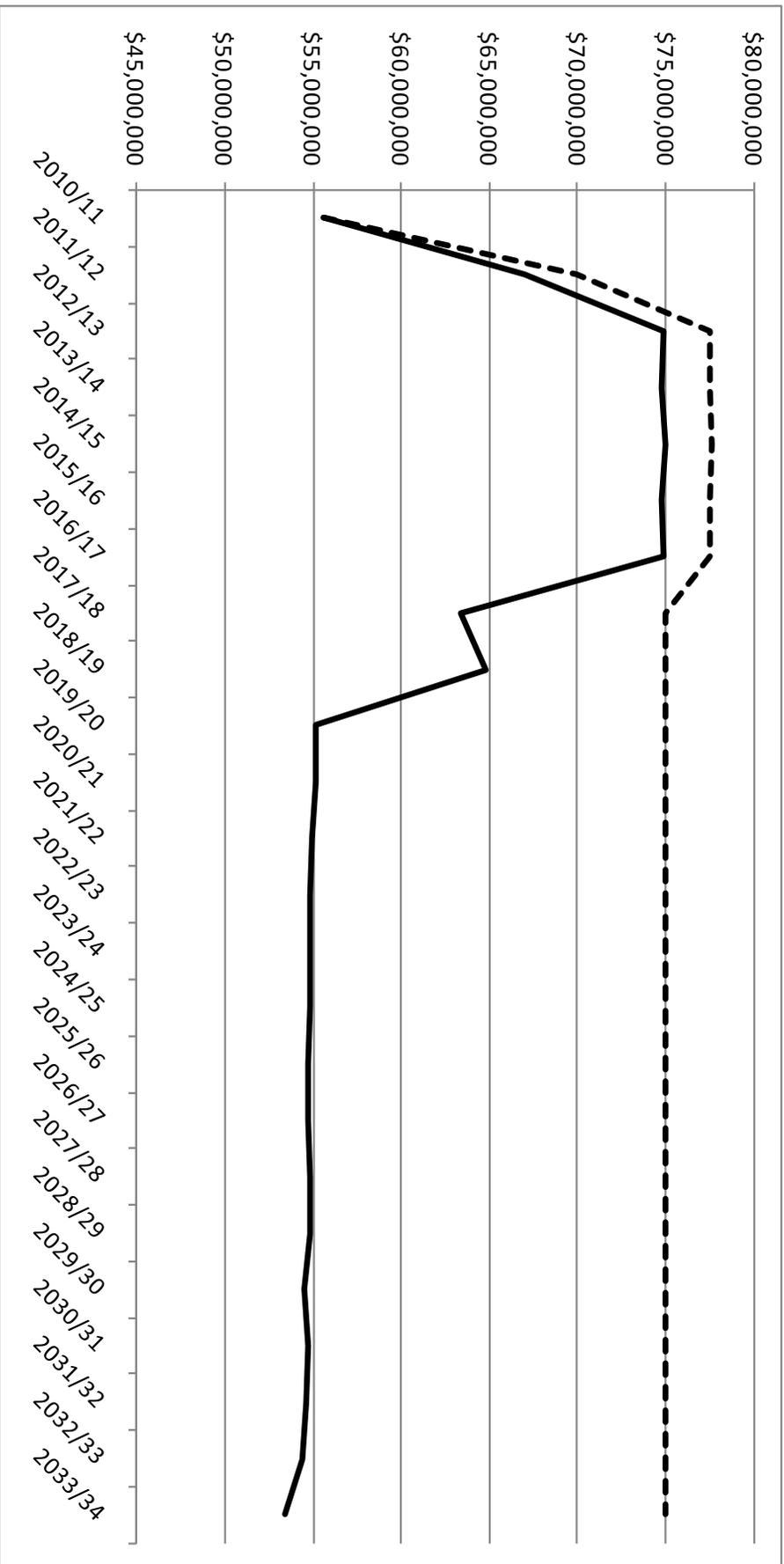
- General Obligation (G.O.) Bonds = \$276,560,000
- Utility Systems Revenue Bonds = \$860,441,963
- Street & Highway User Revenue (HURF) Bonds = 134,545,000

# Current G.O. Bond Debt Service

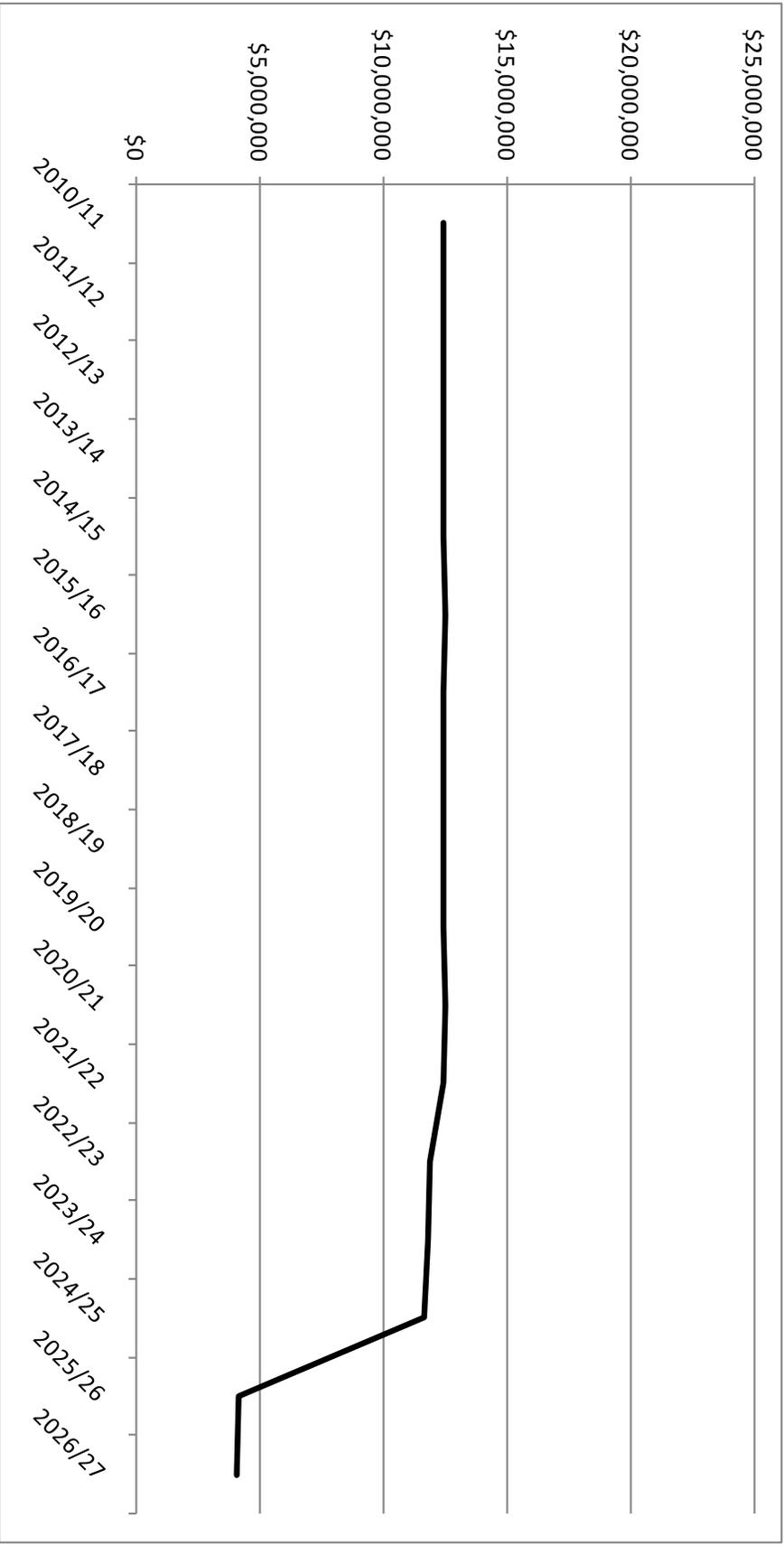
(Estimates current-year refunding in FY'17/18)



# Current Utility Bond Debt Service – Fully Supported Through Utility Rates



# Current Highway User Revenue Fund Bond Debt Service – Fully Supported With Shared HURF Revenues



# General Obligation (G.O.) Bond Sale Series 2011

- G.O. Bonds Authorized in 2008
  - \$29,320,000
    - Public Safety \$ 6,595,000
    - Streets \$22,725,000
  - Balance of 2008 Authorization (\$71.5M) to be sold in 2012 & 2013

# General Obligation (G.O.) Bond Projects

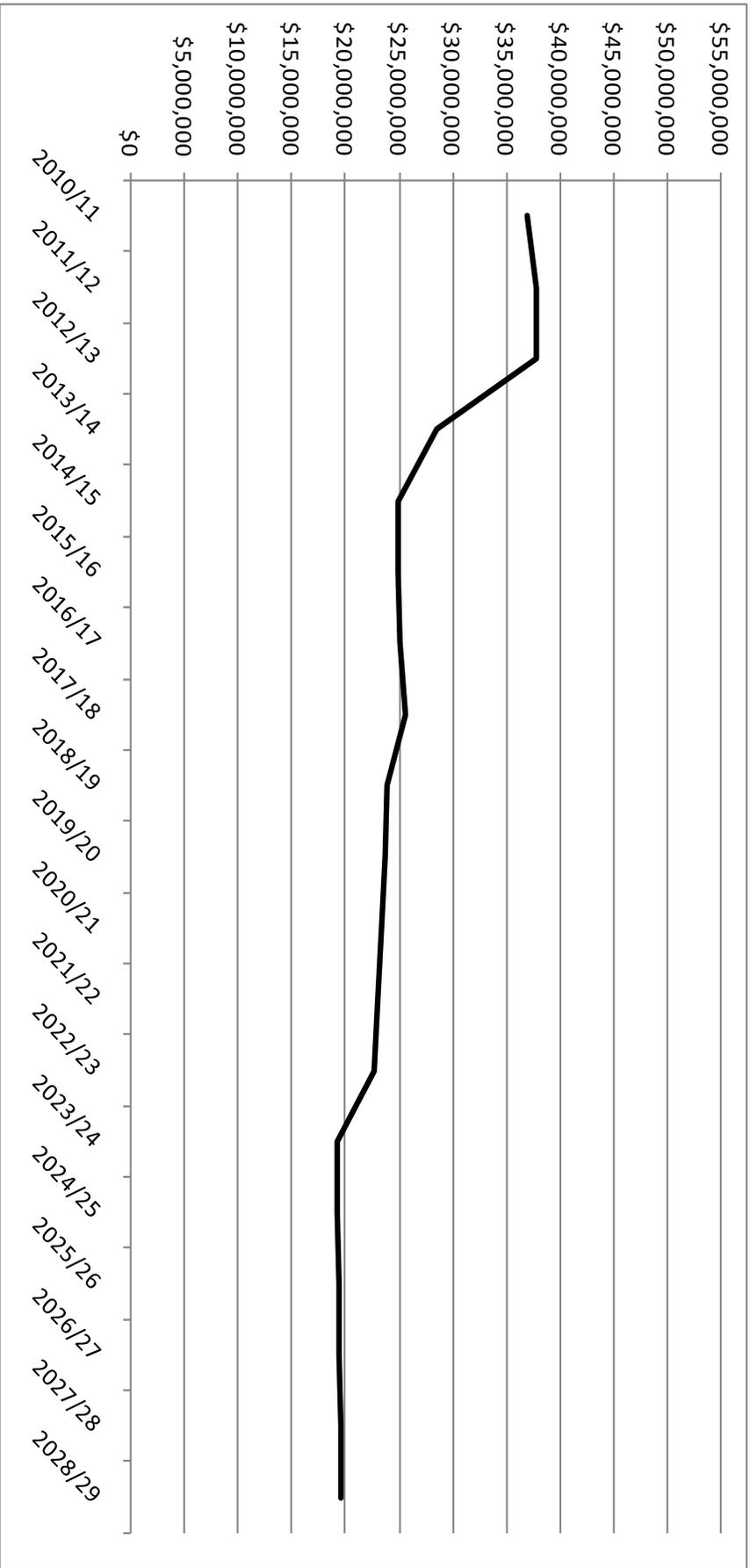
## Public Safety Projects to include:

- Fire Stations 219 & 220
- Fiesta District Police Station
- Public Safety Training Facility
- Various Communication Projects

## Streets Projects to include:

- Broadway Rd., Sossaman to Hawes Rd. Drainage Improvements
- Intelligent Traffic Signal Conversions
- Power Rd., San Tan Freeway to Pecos Rd.
- Signal Butte & Elliot Rds., Intersection & Street Improvements

# Total G.O. Bond Debt Service – After Series 2011 Sale Totaling \$29,320,000 (Estimates current-year refunding in FY'17/18)



# Utility Bond Sale Series 2011

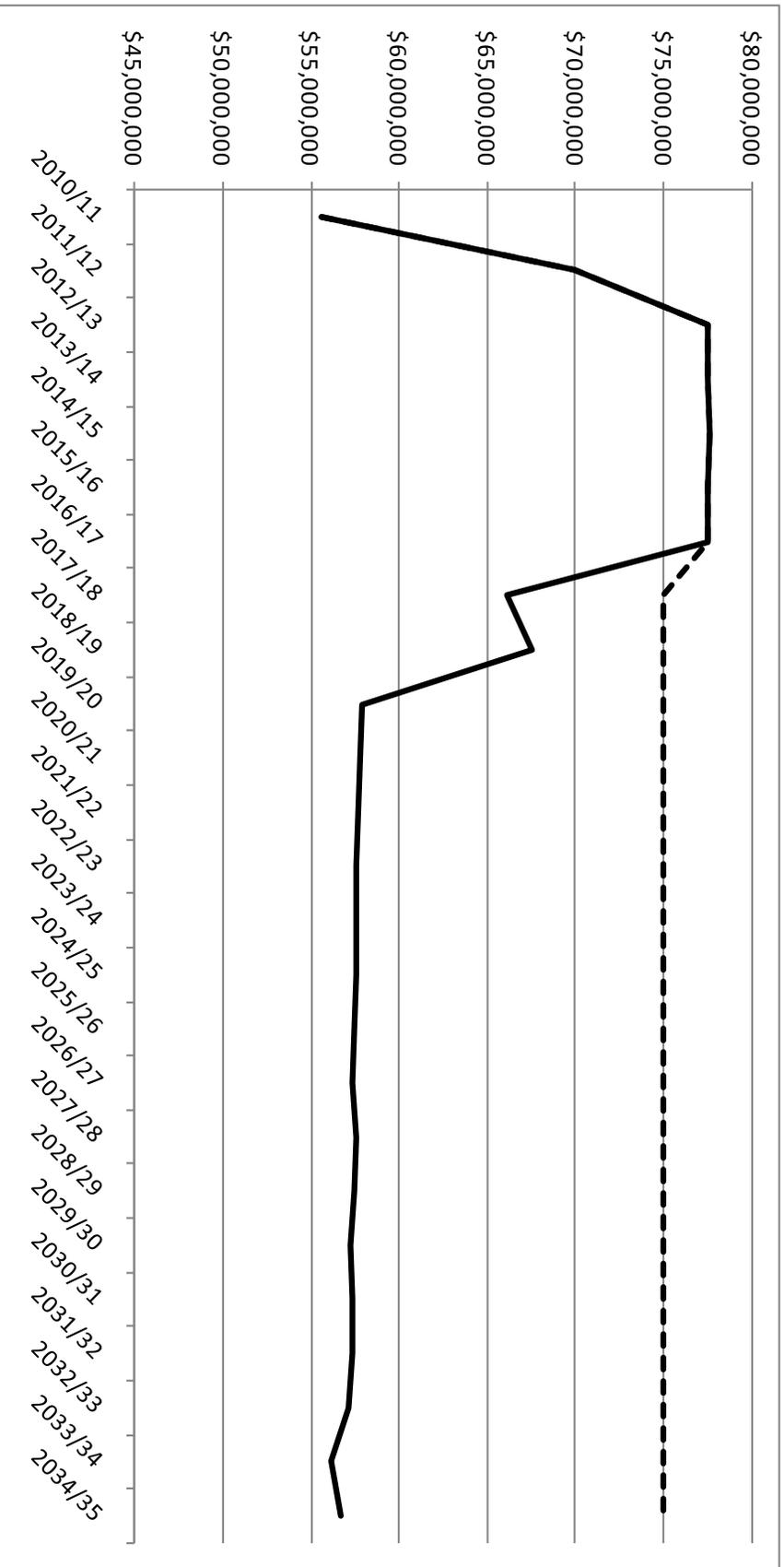
- Utility Bonds Authorized in 2006 & 2010
  - \$53,950,000
    - Electric System \$ 4,440,000
    - Natural Gas System \$10,705,000
    - Water System \$29,105,000
    - Wastewater System \$ 9,700,000

# Utility Bond Debt Service Coverage

**Net revenues of the combined utilities exceeds the minimum debt service coverage requirements.**

- Minimum coverage of 1.75 times combined net revenues to estimated combined annual debt service is required

# Total Utility Bond Debt Service – After Series 2011 Sale Totaling \$53,950,000



## Series 2011 Bond Sale Schedule

- April 18 – Receive Authorization to Sell Bonds
- May 18 – Receive bids
- May 19 – Council Special Meeting to Accept Bond Bids
- Transactions completed by June 30

# *Term Contract for Police Towing Services*

**Police Department – Citywide Contract**

**Presentation to City Council  
April 14, 2011**



# Police Towing Services

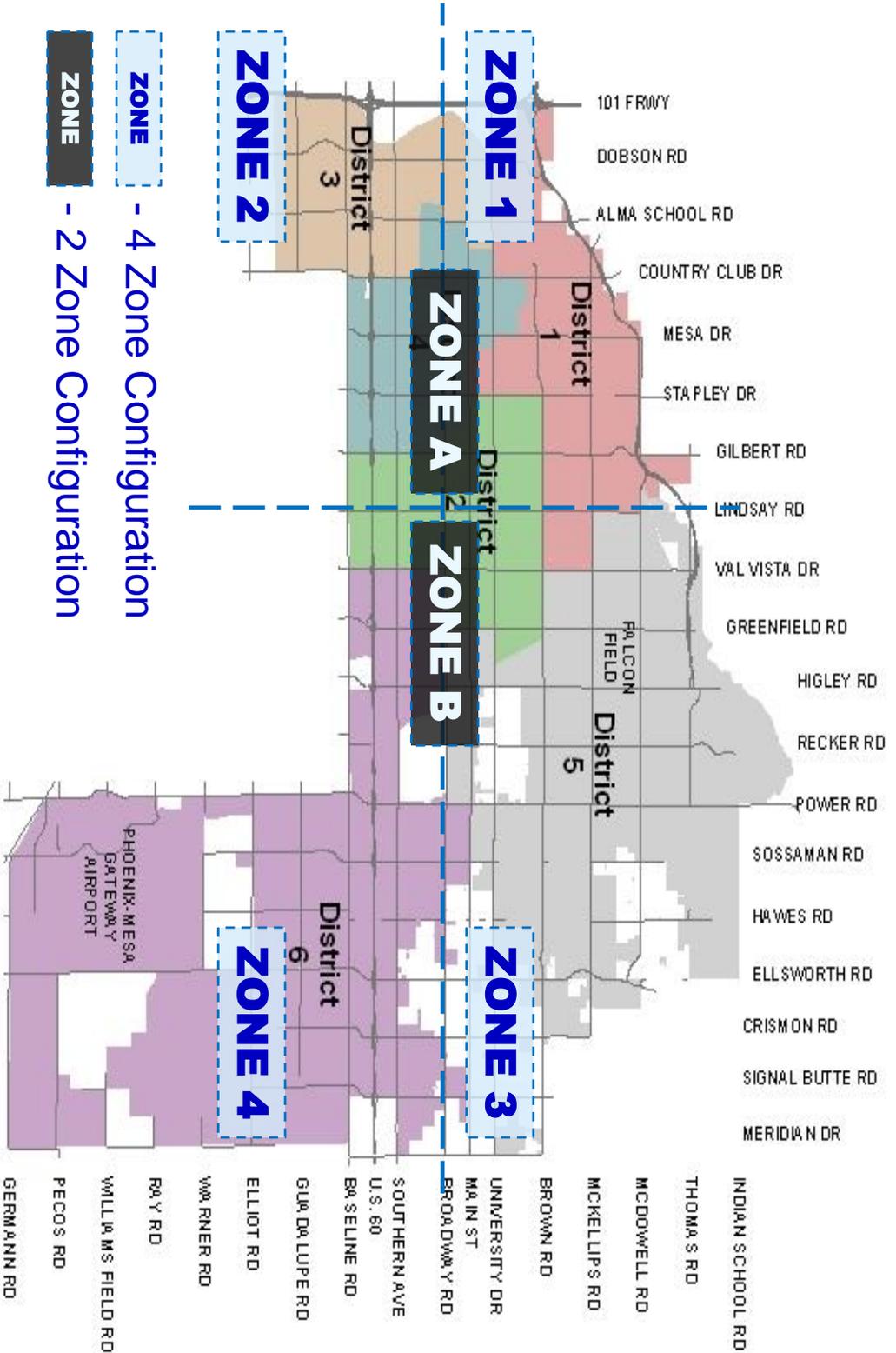
## Staff Conducted Research for City Council

### Review and Consideration

- 11 Metro Phoenix Agencies Contacted plus Tucson
- 8 Agencies were Responsive and Provided
  - Feedback about Their Configuration
  - Selected Information about Procedures, Pricing, and Contracts

### Staff Drafted 2 Proposed Options

- Create an Eligible Vendor List for Each of 2 Zones
- Issue a New RFP for 4 Zones with Single Vendor in Each Zone





# Eligible Vendor List Configuration

Issue Request for Qualifications with:

- 2 Zone Configuration
  - Zone A: West of Lindsay Rd (Current Zone 1 & 2)
  - Zone B: On and East of Lindsay Rd (Current Zone 3 & 4)
- Eligible Vendor List Established for EACH Zone
- Minimum Qualifications
  - 3 Tow Trucks Capable of Medium and Light Towing
  - Located in City or County Island adjoined to City
  - Proper Zoning
- 1 Year Contract with City Established Pricing
- No Specific Rotation or Towing Volume Guarantee



## Eligible Vendor List Configuration

Issue Request for Qualifications Including (Continued):

- Mandatory Signage Requirements
  - Contract Pricing
  - Customer's Rights and Responsibilities
- Towing Service Prices Set by City
- One Vendor per Collision Scene
- Prohibit the Use of Radio Scanners or Other Technology to "Jump" Calls to Offer or Provide Services before the Authorized Vendor Arrived
- Liquidated Damages for Failure to Meet Performance Standards
- Remaining Items will be Similar to RFP Terms

# **Recommended Pricing Structure**

## **2 Zone with Vendor Eligible List**

- Staff recommends the use of a standardized pricing structure to ensure consistent fees charged to customers.
- The service pricing was determined by reviewing the prices from 11 other jurisdictions. The recommended pricing is lower than the average but higher than the average prices bid through the original 2010 RFP.

## **Recommended Pricing Structure**

### **2 Zone with Vendor Eligible List (Continued)**

Towing service pricing is set by City and reviewed annually

- \$30.00 – Flat Rate Tow Fee
- \$10.00 – City Cost Recovery Fee for Regular Tow  
(Excludes ARS \$28-3511)
- \$17.00 – Daily Storage Fee
- \$15.00 – Daily Storage Fee for 30 Day Impound (ARS  
\$28-3511)
- \$47.00 – Hourly Standby Fee
- \$ 3.00 – Per Mile Fee
- \$26.00 – After Hours Gate Fee



## **Issue New Request for Proposals**

New RFP would include:

- Pricing Scenario
  - Creates a Cumulative Price for Evaluation
  - Removes Individual Price Point Evaluations
    - Eliminates Undefined Calculation Error when Evaluating Free Service Price Bids
    - Balances the Impact of \$0.01 Service Price Bids
- 4 Zone Configuration
  - Single Vendor within Each Zone
  - 2 to 4 Vendors would be Awarded a Contract
- Retain 5 Tow Truck Minimum
- Retain 80 Points for Pricing or 20% of Overall Score



# Issue New Request for Proposals

## Overview of Cumulative Pricing Scenario

Flat Rate Tow Fee up to 25,000 GVW X 1 each (Set by City) **\$ 30.00**

Hourly Rate for nn hours \$ \_\_\_\_\_

Daily Storage for Non-Impound Vehicles x nn days \$ \_\_\_\_\_

Rate to Open Lot After Hours x nn% \$ \_\_\_\_\_

Cost per Mile x nn Mile(s) \$ \_\_\_\_\_

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**Total Scenario Price for Scoring Purposes** \$ \_\_\_\_\_





|  | <b>NEW RFP</b>                  | <b>VENDOR LIST</b>                                       |
|--|---------------------------------|--|
| <b>Number of Zones</b>   | <b>4</b>                        | <b>2</b>   |
| <b>Maximum Response Time</b>   | <b>25 Minutes</b>               | <b>25 Minutes</b>  |
| <b>Vendor Configuration</b>  | <b>Single Vendor for Zone</b>   | <b>Responsive and Qualified Vendors on Eligible List</b> |
| <b>Initial Towing Rates (Including First 24 Hours of Storage)</b><br><b><u>Up to 25k GVW</u></b> | <b>\$30</b><br><b>Citywide</b>  | <b>\$30</b><br><b>Citywide</b>                           |
| <b>Additional Fees (Hourly, Mileage, Gate, Storage, etc.)</b>                                    | <b>Awarded Vendor Proposals</b> | <b>Governed By City</b>                                  |





|   | <b>NEW RFP</b>                                       | <b>VENDOR LIST</b>  |
|---|--|---|
| <b>Contract Term</b>                      | <b>5 Years</b>                                       | <b>1 Year</b>   |
| <b>Initial Contract Term</b>              | <b>3 Years</b>                                       | <b>1 Year</b>   |
| <b>Administrative Renewal</b>             | <b>2 Years</b>                                       | <b>N/A</b>  |
| <b>Fiscal Impact</b>                      | <b>Current Administrative Staffing is Sufficient</b> | <b>Recommend Adding 1 FT Admin. Aide. Funded by \$10 Tow Cost Recovery Fee</b>      |
| <b>Potential Patrol Operations Impact</b> | <b>No Impact if Average Response Time Continues</b>  | <b>Zone B: Loss of 1,250 Hours if Average Response Time Increases to 25 Minutes</b> |





# Performance Summary for FY 2009-2010

## Current 4 Zone Configuration with Single Vendor

|  | Zone 1 | Zone 2 | Zone 3 | Zone 4 |
|--|--------|--------|--------|--------|
| <b>Maximum Response Time Allowed (Minutes)</b> | 25     | 25     | 25     | 25     |
| <b>Response Time Average (Minutes)</b>         | 10.5   | 11.8   | 14.6*  | 12.3   |
| <b>Average Towing Events per Month</b>         | 269    | 262    | 116    | 120    |
| <b>Total Towing Events for FY 2009-2010</b>    | 3,234  | 3,144  | 1,870  | 1,435  |

\* West Mesa Vendor that stages a tow truck in Zone 3 to control response time.

# Questions



# Fire Department Budget Presentation

April 14, 2011



# BUDGET HISTORY

|                   | FY 09/10     | FY 10/11     | FY 11/12     |
|-------------------|--------------|--------------|--------------|
| Grants only       | \$ 1,814,562 | \$ 3,897,900 | \$ 5,382,450 |
| Total W/O Grants  | \$57,796,355 | \$56,214,127 | \$59,660,953 |
| Total With Grants | \$59,610,917 | \$60,112,027 | \$65,043,403 |

# STATION PROJECTS UPDATE

- ❖ Station 219 and 220  
Construction
- ❖ Estimated  
Completion

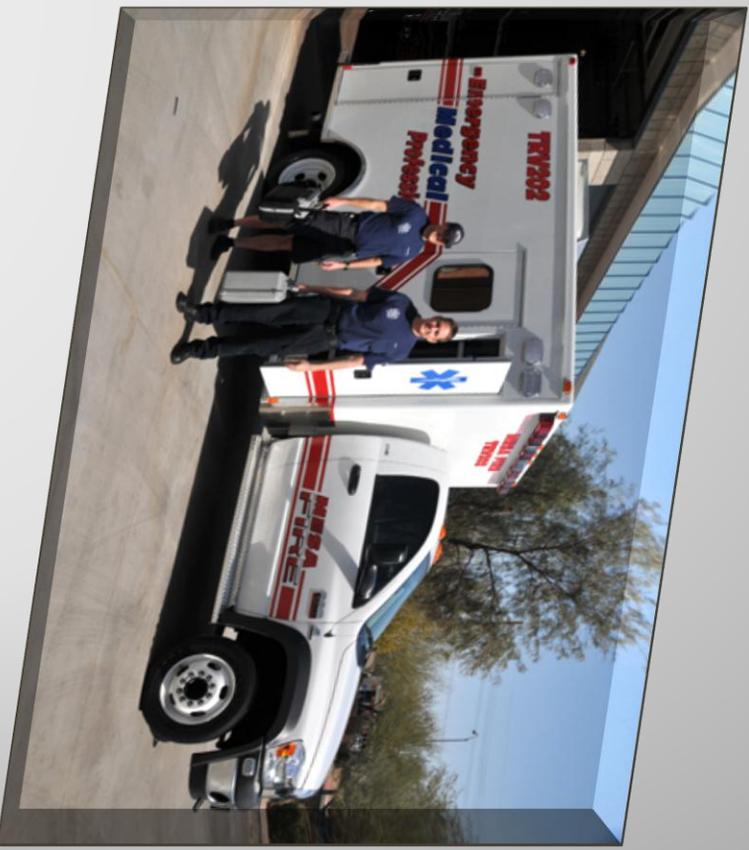


# **PROPOSED FY 11/12 REDUCTIONS**

|                             |                    |
|-----------------------------|--------------------|
| ❖ FS220 Opening Spring 2012 | \$ 765,008         |
| ❖ Reduce Overtime           | \$ 50,000          |
| ❖ Reduce Commodities        | \$ 187,442         |
| <b>Total Reduction</b>      | <b>\$1,002,450</b> |

# PROGRAM INNOVATIONS & EFFICIENCIES

- ❖ TRVs
- ❖ Dispatch Protocols
- ❖ Training

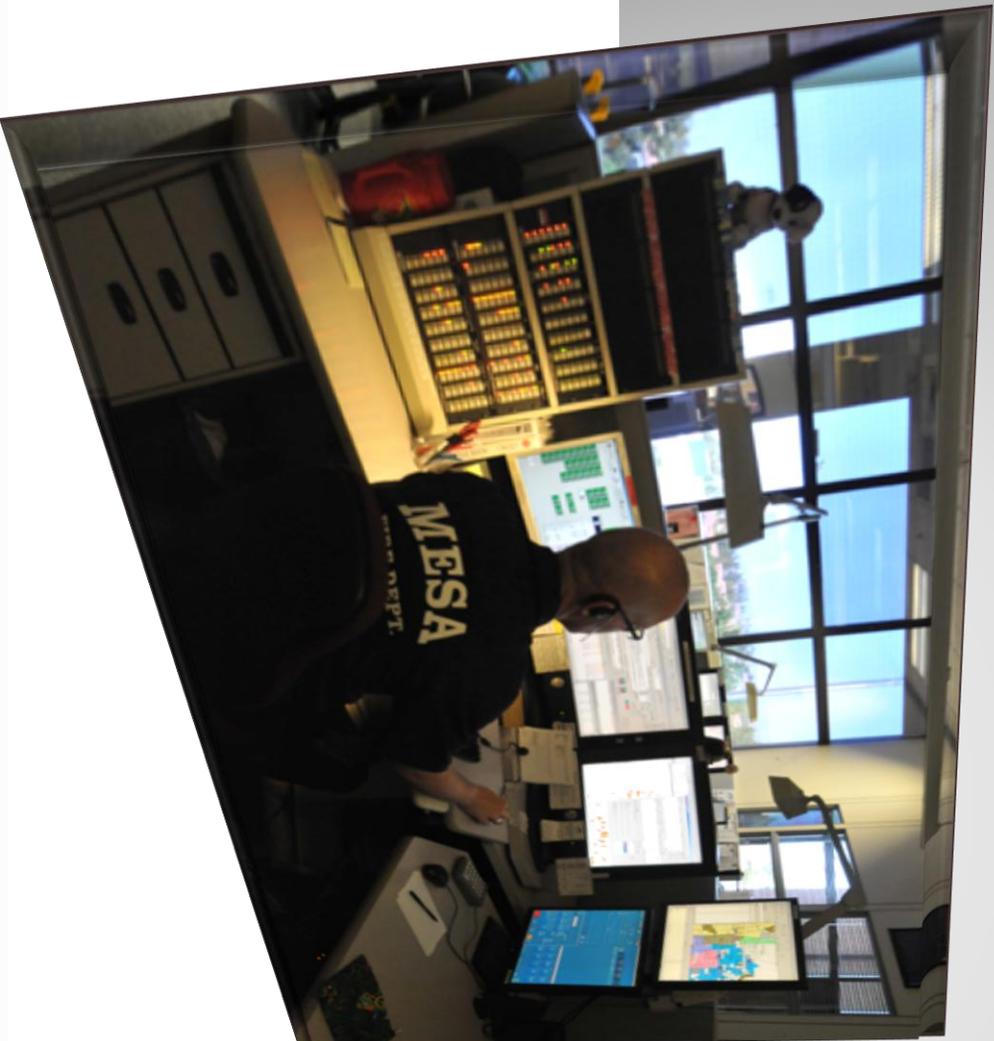


# PROGRAM INNOVATIONS & EFFICIENCIES

## ❖ Physician Assistant (PA) Program



# PROGRAM INNOVATIONS & EFFICIENCIES



❖ Fire Dispatch  
Center

❖ Station Alert  
System

# PROGRAM INNOVATIONS & EFFICIENCIES

❖ Electronic Patient Care Reporting (EPCR)

❖ Therapeutic Hypothermia



# PROGRAM INNOVATIONS & EFFICIENCIES

❖ Minimally Interrupted Cardiac Resuscitation (MICR)

❖ 12 Lead Heart Monitor



# PROGRAM INNOVATIONS & EFFICIENCIES

- ❖ 2010 Volunteer Hours – 28,976
- ❖ 2010 Volunteer Calls for Service – 5,859



# QUESTIONS

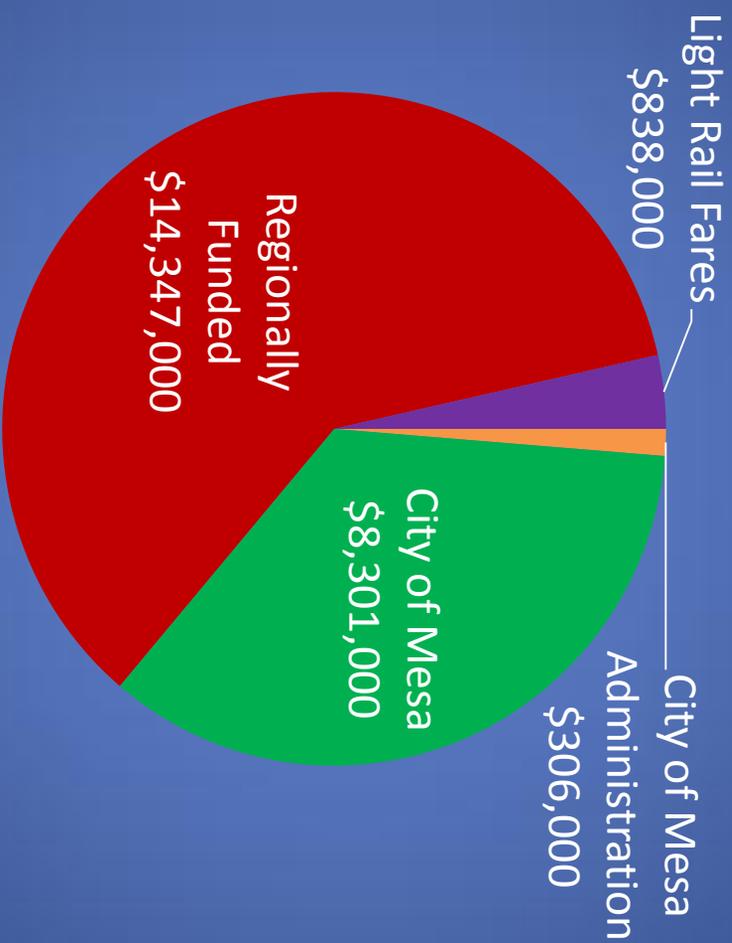
# Transit Services

# FY 11/12 Budget Presentation

City Council Study Session

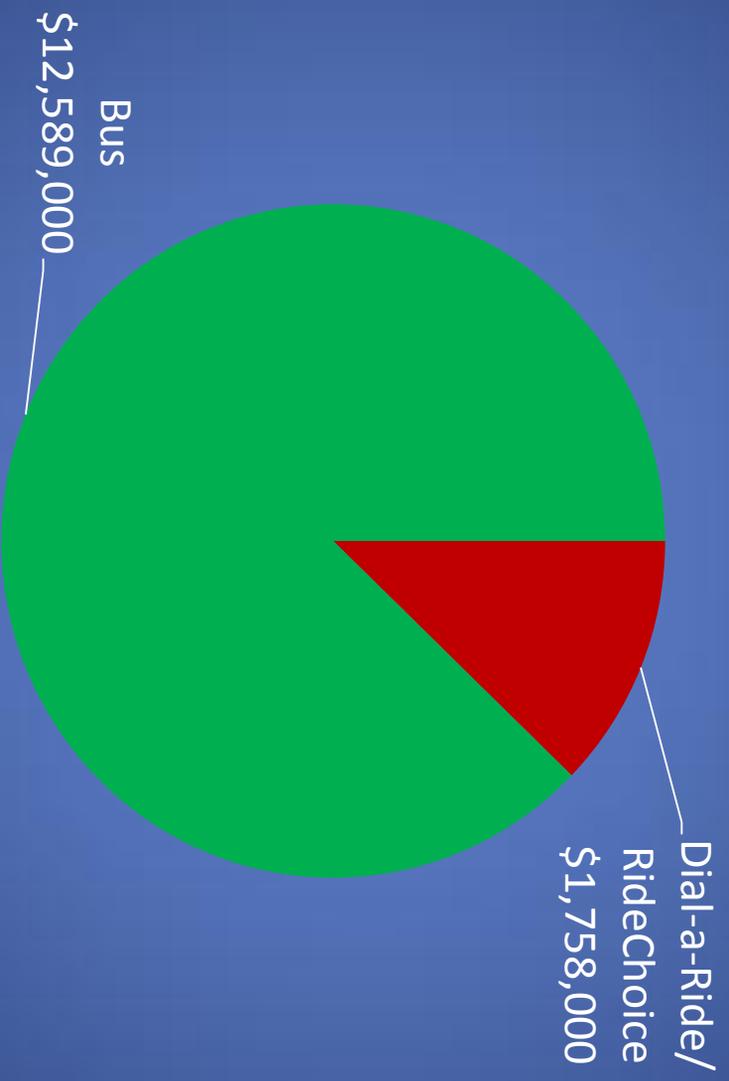
April 14, 2011

# FY 11/12 Transit Funding Overview



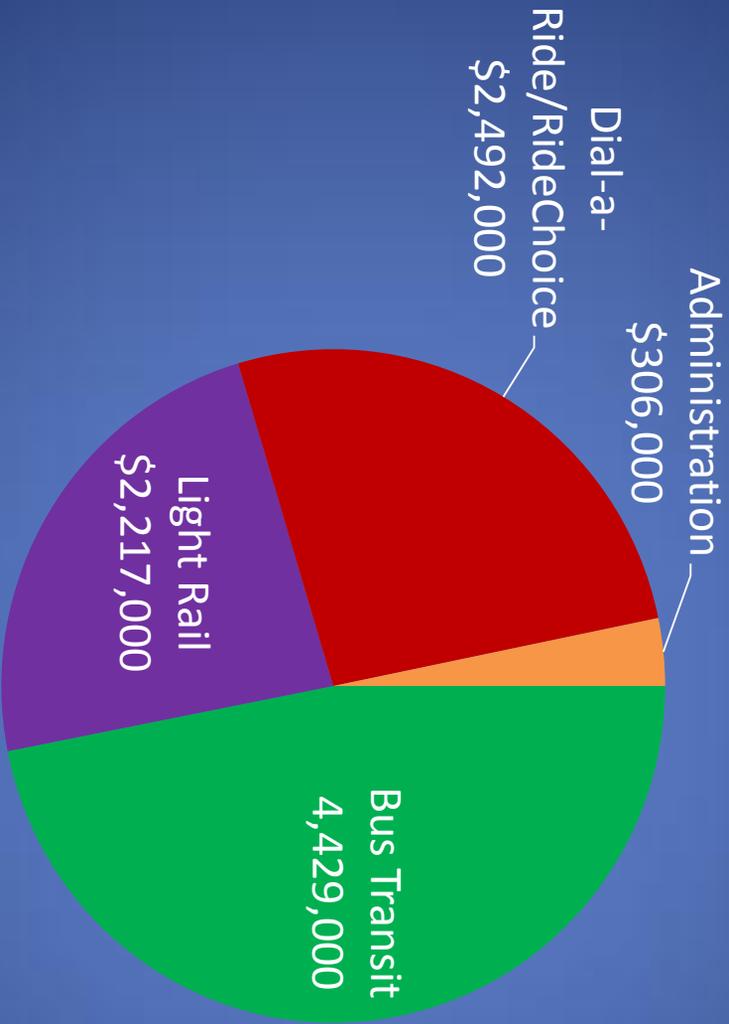
Total: \$23,792,000

# FY 11/12 Regionally Funded Transit



Total: \$14,347,000

# FY 11/12 Mesa Funded Transit



Total: \$9,444,000

# 3 Year Budget Snapshot

|                   | Adopted FY 09/10 | Adopted FY 10/11 | Proposed FY 11/12 |
|-------------------|------------------|------------------|-------------------|
| Operations Budget | \$9,985,000      | \$8,172,000      | \$9,445,000       |
| FTEs              | 1.5              | 1.5              | 2.75*             |

\* Represents a reallocation of FTEs. No new positions.

# Regionally Funded Transit Service

- Route 40 (Main Street)
- Route 61 (Southern Avenue)
- Route 96 (Dobson Road)
- Route 136 (Gilbert Road)
- Route 184 (Power Road)
- Main Street LINK
- Country Club LINK
- Route 112 (Country Club Drive)
- Express Routes 531, 532, 533, 535 and 541
- Dial-a-Ride (50 percent)

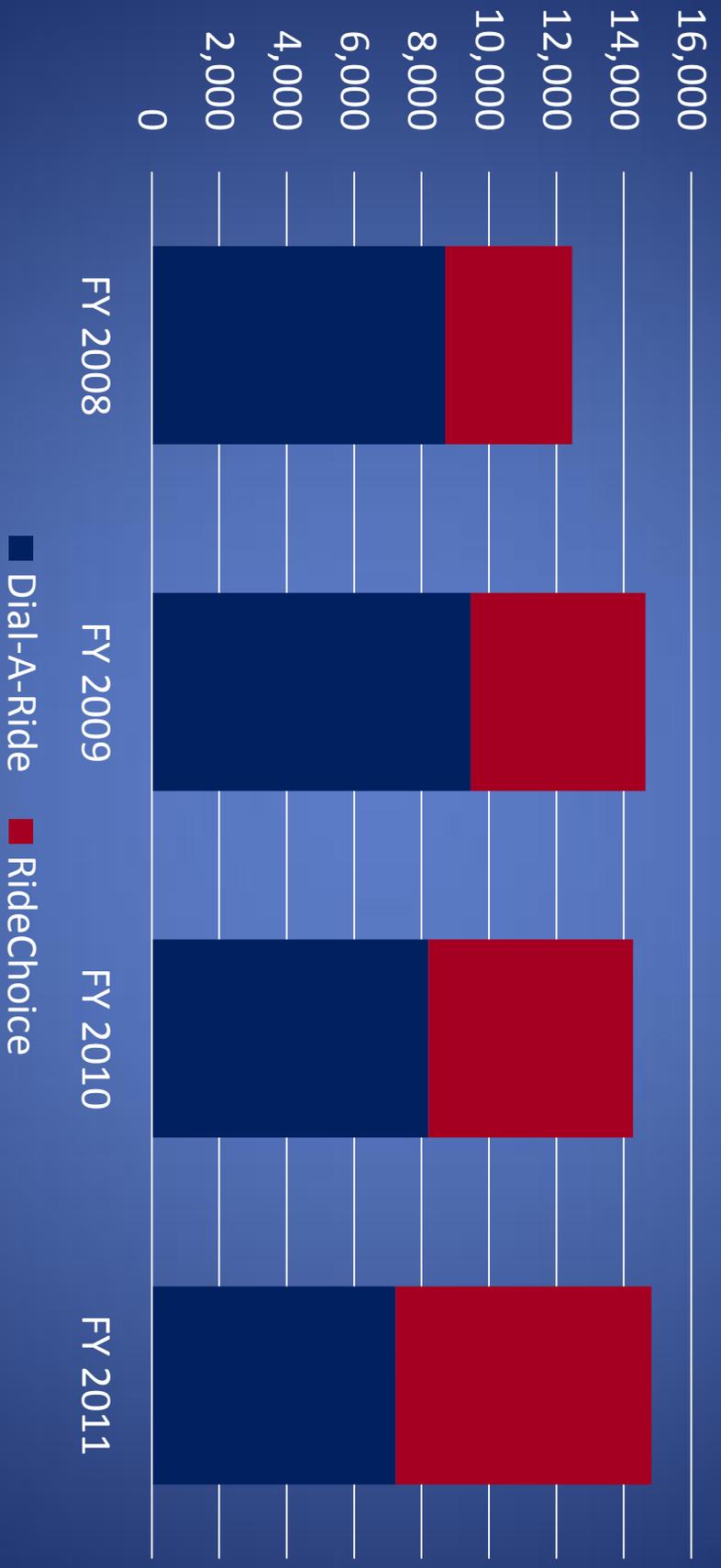


# Mesa Funded Transit Service

- Route 30 (University Drive)
- Route 45 (Broadway Road)
- Route 77 (Baseline Road)
- Route 104 (Alma School Road)
- Route 108 (Elliot Road)
- Route 120 (Mesa Drive)
- Route 128 (Stapley Drive)
- Downtown Buzz
- Dial-a-Ride (50 percent)
- RideChoice
- Light Rail



# RideChoice Effectiveness

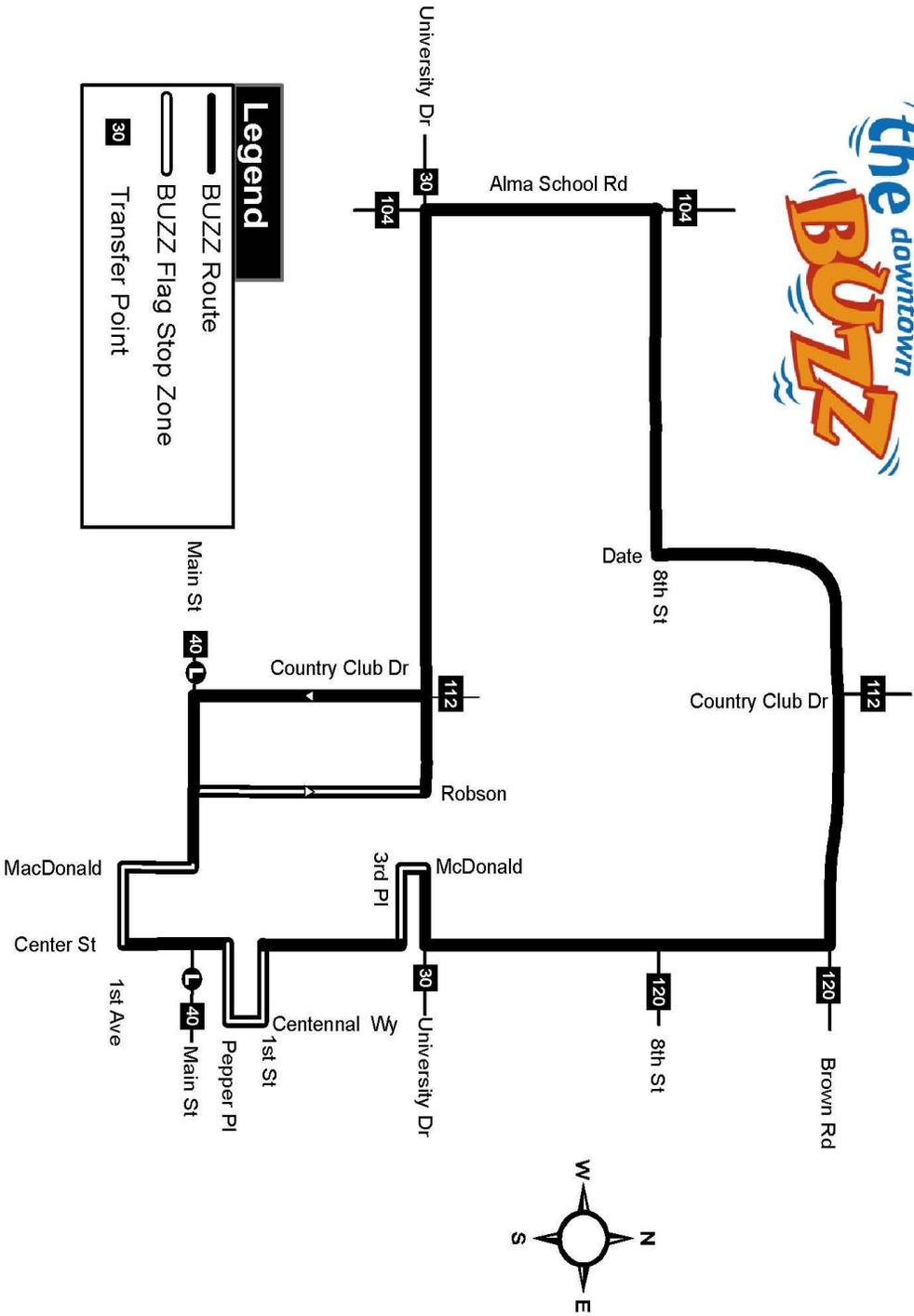


# Downtown Buzz

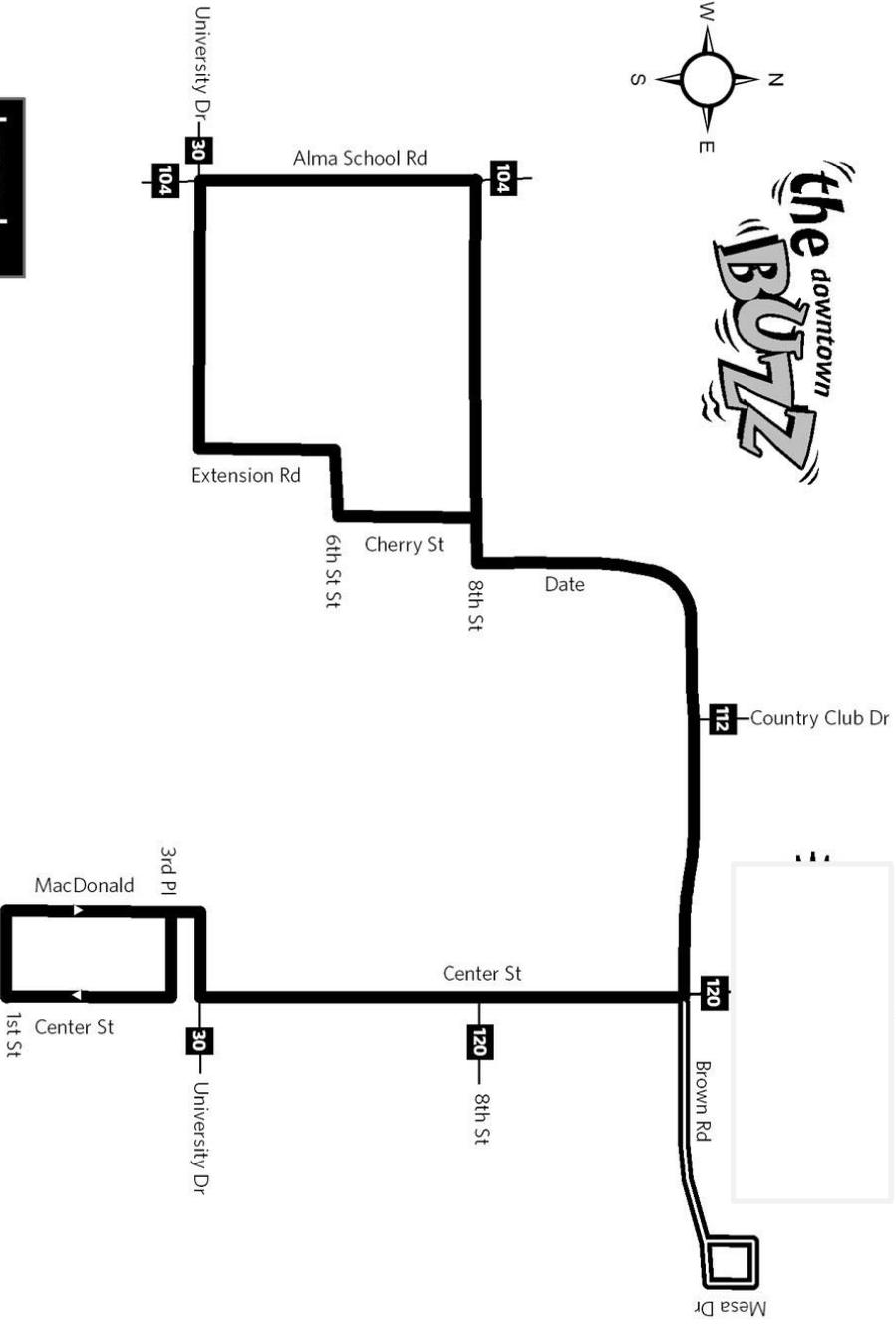
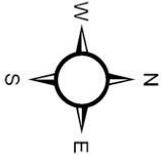


- 757 average weekday boardings
- Provides service to low income/disabled population
- Evaluate duplicative service could increase efficiency and save \$220,000/year

# Existing Buzz Route



# Proposed Buzz Route



## Legend

- BUZZ Route
- BUZZ Additional Round Trips
- Transfer Point

# Buzz Outreach

- April 2
  - Legal Notice printed in Republic 30 days prior to public hearing
- April 2 - 30
  - Notice on Buzz Vehicles
  - Information on Mesaaz.gov and ValleyMetro.org
  - In-Person Outreach
- May 2
  - Public Hearing
- July 25
  - Implement route changes



# Transit Credits

- FY 10/11
  - LTAf II funding of \$370,000
  - ARRA Dial-a-Ride one-time contribution of \$351,000 for operations
- FY 11/12
  - Potential Alternative Fuel Tax Credit up to \$222,000



# Future Budget Impacts

- RideChoice funding from New Freedom Grant
  - \$377,155 will expire in FY 13
- Mobility Management Pilot Program
- Potential for increase in fuel costs
- TLCF reductions to regional service
- Bus Shelter Advertising Program
- Savings from FY 10/11 RPTA agreements
  - Fixed-Route Bus - \$467,000
  - Dial-a-Ride - \$249,000
- Delay one time savings from FY 10/11

