



COUNCIL MINUTES

July 1, 2013

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on July 1, 2013 at 5:50 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

Invocation by Vice Mayor Finter.

Pledge of Allegiance was led by Councilmember Somers.

Mayor's Welcome.

Mayor Smith welcomed everyone to the meeting. A videotaped presentation was aired that outlined meeting procedures and provided attendees with instructions relative to addressing the Council.

Awards, Recognitions and Announcements.

Mayor Smith acknowledged the passing of City Clerk Assistant Barbie Woods and her husband Marty, who were killed in a tragic automobile accident last week. He stated that Ms. Woods was an integral part of the City Clerk's Office and will be deeply missed. He noted that the Council's thoughts and prayers go out to Ms. Woods' family, as well as her co-workers in the City Clerk's Office.

Mayor Smith also spoke regarding the 19 members of the Granite Mountain Hotshots, an elite crew of firefighters from the Prescott Fire Department, who lost their lives on Sunday battling the Yarnell Hill Fire. He remarked that all Arizonans are saddened by the loss of these young men, who were tasked with fighting a vicious wildfire and "never came home." He added that he would like to extend the Council's thoughts and prayers to the families of those brave men.

Mayor Smith asked everyone in the Council Chambers to join the Council in a moment of silence to honor the untimely passing of the above-mentioned individuals.

1. Take action on all consent agenda items.

All items listed with an asterisk (*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

It was moved by Councilmember Somers, seconded by Councilmember Kavanaugh, that the consent agenda items be approved.

Carried unanimously.

2. Take action on the following liquor license application:

*2-a. Mimi's Café

New Restaurant License for Mimi's Café, 1250 South Alma School Road, SWH Mimi's Café, LLC – Andrea Dahlman Lewkowitz, agent. This location has a Restaurant License held by Mimi's Café, Inc., that will revert back to the State. **(District 3)**

3. Take action on the following contracts:

*3-a. Three-Year Term Contract for Printing Election Publicity Pamphlets for the City Clerk's Office. **(Citywide)**

This contract will establish printing requirements for election publicity pamphlets printing. Printing services will be needed for the City's next General Election to be held November 4, 2014, as well as any Special Elections that the City Council may call. Publicity pamphlets are distributed to all Mesa households with registered voters.

The evaluation committee representing the City Clerk's Office and Purchasing recommend awarding the contract to the highest scored proposal from Century Graphics, Inc., at \$33,300 annually, based on estimated requirements.

*3-b. Re-Award of Term Contract for Uniform Garments for Citywide Use. **(Citywide)**

On August 20, 2012, Council awarded the Uniform Garment contract to Skaggs Companies. Skaggs Companies failed to perform to the required terms and specifications of the contract. After extensive efforts to coordinate departments' orders, troubleshoot issues and after numerous meetings, a Notice of Default was issued in April. Skaggs has been unable to resolve the ongoing problems during the cure period for default. It has been determined to be in the best interest of the City to terminate the contract with Skaggs and recommend re-award to the next lowest bidder, International Corporate Apparel.

Purchasing recommends awarding the contract to the second lowest, responsive and responsible bidder, International Corporate Apparel, at \$200,000 annually, including applicable sales tax, based on estimated requirements.

*3-c. One-Year Term Contract for the Purchase of Police Duty Firearms, including Trade-In for the Replacement of the Current Inventory. **(Citywide)**

This contract will provide new duty firearms for the Mesa Police Department, replacing the current inventory of Glock handguns. The last time the Police Department traded in their duty firearms was May of 2005 and because of the increase in repairs needed, inventory will need replacement at this time. This replacement timeline is also consistent with other Valley police agencies.

Police and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder with the highest trade-in unit price offer, ProForce Marketing, Inc., dba ProForce Law Enforcement, at \$230,000, based on estimated requirements. This purchase is 57% funded by the Public Safety Equipment Fund and 43% by the Police Department operating budget.

*3-d. Four-Month Contract for Generator Rental for the Water Resources Department. **(Citywide)**

Maintenance is needed on a 42" waterline that feeds the Pasadena Pump Station and it will require several months to complete. During the maintenance period, water will be re-routed through Transfer Station #3. This transfer station is normally used for canal dry-up in November, therefore, it does not have a back-up generator. Water Resources requests renting a generator to support the possible loss of power at Transfer Station #3, particularly during the high energy use months from July through October.

The City's current generator rental contract does not include this specific size generator, although it does offer a similar size generator with a higher output, but at a significantly higher rental rate.

Water Resources and Purchasing recommend authorizing a Four-Month Term Contract using the Chandler cooperative contract with Valleywide Generator Service (a Mesa business), at \$42,000, based on estimated requirements.

*3-e. One-Year Term Contract for Residential Gas Meters for the Materials and Supply Warehouse (for Energy Resources). **(Single Bid) (Citywide)**

This contract will provide residential gas meters for new construction, maintenance and repair of existing utilities. These residential meters monitor the volume of gas usage for customer billing purposes. Materials and Supply will order as needed.

Materials and Supply, Energy Resources and Purchasing recommend awarding the contract to the single bidder, Itron, Inc., at \$52,000 annually, based on estimated requirements.

*3-f. Three-Year Term Contract for Large Gas Meters for the Materials and Supply Warehouse (for Energy Resources). **(Single Bid) (Citywide)**

This contract will provide large capacity rotary gas meters for new construction, maintenance and repair of existing utilities. These are commercial meters that are used to monitor the volume of customer gas usage on high-demand services for billing purposes.

The meters comply with national and industry standards. Materials and Supply will order as needed.

Materials and Supply, Energy Resources and Purchasing recommend awarding the contract to the single bidder, Tri-Pacific Supply, Inc., at \$275,000 annually, based on estimated requirements.

- *3-g. Three-Year Term Contract for Managed Information Technology Services for the Mesa Center for Higher Education as requested by the Economic Development Department. **(District 4)**

This contract will provide a comprehensive managed Information Technology solution, to include network and systems monitoring, server and network infrastructure support and help desk/desktop support services for the Mesa Center for Higher Education (MCHE). As part of the lease agreement with each of the institutions approved by Council on December 10, 2012, the City agreed to provide these services for the term of the lease. The selected vendor will be responsible for forming a strategic partnership with the City of Mesa (as the contract administrator) and the institutions leasing space in the MCHE as the beneficiary of the services.

A committee representing Economic Development, Information Technology, Engineering, Westminster College, Wilkes University and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the highest scored proposal from Valor IT for year one, at \$166,300; year two, at \$182,400; and year three, at \$194,970; based on estimated requirements.

- *3-h. One-Year Service Agreement for Maintenance and Technical Support for the Access Control and Video Surveillance System at the Mesa Center for Higher Education (MCHE) as requested by the Economic Development Department. **(Sole Source) (Citywide)**

This Service Agreement will augment the warranty and services of the original system installation and provide for up to 416 hours of support for the year. The following services will be covered as part of this contract: firmware and software revisions and upgrades; additional training for the MCHE tenants and Mesa maintenance staff; future system programming and changes; future design-build consultation services, if needed; labor to perform equipment adds, moves and removals; and in-depth programming that requires factory assistance and preventative maintenance.

The Economic Development Department and Purchasing recommend awarding the contract to DH Pace at \$36,000, based on estimated requirements.

- *3-i. Authorizing the Mayor to sign an Employment Contract with the City Clerk.

4. Take action on the following resolutions:

- *4-a. Approving and authorizing the City Manager to accept a grant award from The Fireman's Fund Insurance Company Heritage Grant for \$20,000 to conduct Community Emergency Response Team training **(Citywide)** – Resolution No. 10294.

- *4-b. Approving and authorizing the City Manager to execute a Subgrantee Agreement with the Arizona Department of Homeland Security for \$22,000 in grant funds for toxicology medications and training – Resolution No. 10295.
- *4-c. Approving and authorizing the City Manager to accept funding made available through a Highway Safety contract with the Governor’s Office of Highway Safety. This contract provides \$87,500 to the Police Department’s Forensic Division toward the purchase of DUI equipment (**Citywide**) – Resolution No. 10296.
- *4-d. Approving and authorizing the City Manager to execute a Lease Agreement with Sunshine Acres Children’s Home for the use of City-owned property located at 3511 North Higley Road (**District 5**) – Resolution No. 10297.
- *4-e. Approving and authorizing the City Manager to execute a Joint Project Agreement with the State of Arizona for a pavement preservation project at Falcon Field Airport. The estimated total cost of the project is \$491,571.00. The State will fund 90% of the project cost (\$442,413.90), with the City funding the remaining 10% (\$49,157.10). Funds have been included in the FY 2013-2014 Airport Capital Improvement Program and Airport Operations budget to pay the City match portion of this project (**District 5**) – Resolution No. 10298.
- *4-f. Approving and authorizing the City Manager to execute an Intergovernmental Agreement with the Arizona Department of Transportation (ADOT) for Railroad Safety Improvements at Dobson Road, approximately 650 feet south of 1st Avenue (**District 3**) – Resolution No. 10299.

The total project construction cost, including both Union Pacific Railroad’s (UPRR) and Mesa’s costs, is estimated to be \$720,334.00. ADOT will fund one hundred percent (100%) of Mesa’s portion of the project cost, not to exceed \$115,444.00. In accordance with the terms of the IGA, Mesa will be responsible for any and all actual costs that exceed \$115,444.00. Mesa is not responsible for any actual costs associated with the UPRR’s portion of the Project.

- *4-g. Approving and authorizing the City Manager to execute an Intergovernmental Agreement with the Arizona Sports and Tourism Authority pertaining to the Hohokam Stadium facility renovation project (**Districts 1 and 4**) – Resolution No. 10300.
- *4-h. Extinguish a 16’ waterline easement in the 2200 block of West Main Street (**District 3**) – Resolution No. 10301.

The waterline easement was dedicated in 1946 to allow for the extension of waterlines and to provide water service to the area. The easement is no longer needed at this location and needs to be extinguished to allow a property owner full use of their property.

- 4-i. (**See “Items not on the Consent Agenda”**)

5. Introduction of the following ordinance and setting July 8, 2013, as the date of the public hearing on this ordinance:

- *5-a. **Z13-08 (District 5)** The 7100 and 7200 blocks of East McDowell Road (north side) Parcel 51 of the Las Sendas PAD. Located east of Power Road on the north side of McDowell Road (22.73± acres). Modification of the Desert Creek PAD and Site Plan Modification of the residentially-zoned portion of the development in the RM-2-PAD. This request will allow the development of single-residence/townhomes. Talon Properties, LLC, owner; EPS Group, Inc./Reese Anderson, applicant.

Staff Recommendation: Approval with conditions

P&Z Recommendation: Approval with conditions (Vote: 4-0, Boardmembers DiBella, Hudson and Johnson absent.)

6. Discuss, receive public comment, and take action on an ordinance introduced at a prior Council meeting. Any citizen that wants to provide comment should submit a blue card to the City Clerk before the item is voted on. If a citizen wants to comment on an item listed with an asterisk (*), a blue card must be given to the City Clerk before Council votes on the Consent Agenda.

- *6-a. Modifying rates for water utility services related to Commercial and Multi-Unit Dwelling Water Services. **(CONTINUED TO THE JULY 8, 2013 COUNCIL MEETING.)**

Items not on the Consent Agenda

- 4-i. Levying the amount to be raised by a Secondary Property Tax and the rate upon each one hundred dollars (\$100) of the assessed valuation of property subject to taxation within the City of Mesa for Fiscal Year ending June 30, 2014 – Resolution No. 10302.

Mayor Smith noted that Vice Mayor Finter asked that this item be removed from the consent agenda.

Thomas Schuelke, a Mesa resident, addressed the Council and stated that the citizens of Mesa deserve to have certain questions answered relative to the imposition of a secondary property tax. He inquired whether any authorization for the secondary property tax is derived from pre-2008 Bond Elections and also questioned which Bond Election was being used as authorization for the tax. He stated that “invoking a secondary property tax on pre-2008 bonds means breaking promises made to voters when they approved the bonds.”

Mr. Schuelke further remarked that aside from the secondary property tax, the Council has other choices for raising revenues and cutting expenses. He urged that the Council remove any secondary property taxes due to pre-2008 authorizations from the Resolution, and if not, identify which Bond Election authority they are using.

It was moved by Councilmember Richins, seconded by Councilmember Kavanaugh, that Resolution No. 10302 be approved.

Vice Mayor Finter commented that a majority of the valuation was approved by Mesa voters, which he also supported. He indicated that he had concerns with a small portion of the valuation, as mentioned by Mr. Schuelke, regarding “the old debt.” He stated that the mechanism has been

well described, the Council has used it in the past and it has been a fair valuation. He clarified, however, that “the urgency or the context of why we used it is a little different this time” and added that for those reasons, he would not support the motion.

Councilmember Richins expressed support for the motion and noted that he did not want to “go back to the financial practices of the past.” He commented that five years ago, the Council made the decision to change the way in which they handled the City’s finances which, in his opinion, has proven to be successful.

Councilmember Richins further indicated that the voters in his district have told him time and again that they expect “a high quality of life to be delivered in Mesa.” He said that they have encouraged the development of parks and added that Police and Fire services are also directly related to the ownership of property in the community. He also remarked that many of his constituents have expressed that a property tax is the most appropriate way in which to finance such services and specifically asked him “to not do it on the back of the utility rates any more.”

Councilmember Kavanaugh voiced support for the motion. He stated that in 2004 and 2005, he served as Chairman of the Financing the Future Committee before he left the City Council. He advised that during that time, the Committee engaged in significant discussion and analysis of City revenues and expenditures and also reviewed Mesa’s financial model. He said that there was a strong minority of Committeemembers, including him, who advocated that a secondary property tax should be levied on existing and future bond debt and indicated that has been his position ever since. He advised that what is being proposed at this time is to shift a small portion of the City’s existing bond debt to the secondary property tax, but pointed out that it was responsible in terms of what it allows General Fund monies to be used for as well.

Mayor Smith indicated that he would vote in support of the motion for the simple reason that “the world has changed.” He stated that when he ran for the Office of Mayor, he campaigned for the issue that paying for fixed debt expenses with volatile revenue sources, such as sales tax, was “a foolish way to do business.”

Mayor Smith pointed out, in response to Mr. Schuelke’s comments, that this issue has been discussed at Study Sessions on several occasions and noted that he even highlighted statistics illustrating that the City experienced a \$37 million decrease in sales tax revenues over a two-year period. He stressed the fact that the total tax load for the citizens of Mesa is less today than what they paid six years ago. He remarked that he was very comfortable with the manner in which the Council has handled the City’s finances and said that it was the City’s responsibility to provide quality services to its residents on a consistent basis. He added that he was not in support of increasing utility rates, which was a financial model that the City followed in the past.

Mayor Smith called for the vote.

Upon tabulation of votes, it shows:

AYES - Smith-Higgins-Kavanaugh-Richins-Somers
NAYS - Finter-Glover

Mayor Smith declared the motion carried by majority vote and Resolution No. 10302 approved.

7. Items from citizens present.

Mayor Smith commented that two citizens have requested to speak on items that the Council discussed at an earlier Study Session. He stated that the Council is not permitted to respond to the speakers' comments since the items they wish to address are not included on the Council meeting agenda.

Frank Piccioli, a Mesa resident and a 911 Emergency Dispatcher for the Phoenix Fire Department, discussed the important role that Phoenix 911 and Mesa 911 play in offering first aid/CPR instructions, dispatching emergency services and saving hundreds of lives on a daily basis. He explained that unlike Phoenix's 911 Dispatch Center, which is a state-of-the-art facility with backup power grids, multiple backup computers and a secondary location in case of disaster or a system-wide breakdown, Mesa does not have similar capabilities. He urged the Council to approve the inclusion of the Fire Communications Center project in the recommended Public Safety Bond package.

Thomas Schuelke, a Mesa resident, expressed concern regarding the proposed ballot authorization for a Baseball Museum Bond and questioned the proponents of the project who believe that it will operate profitably enough to repay the bonds. He stated that if that were the case, it might be more appropriate to issue Revenue Bonds as opposed to General Obligation Bonds. He urged that the Council conduct their due diligence to ensure that the museum is a viable enterprise before placing the project on the ballot.

8. Adjournment.

Without objection, the meeting adjourned at 6:15 p.m.

SCOTT SMITH, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 1st day of July, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK