



COUNCIL MINUTES

June 3, 2013

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 June 3, 2013 at 5:16 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

(Mayor Smith excused Councilwoman Higgins from the beginning of the meeting; she arrived at 5:17 p.m.)

1. Review items on the agenda for the June 3, 2013 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 removed from the consent agenda: 11(Finter)

Planning Director John Wesley stated that with respect to item 7-d (Z13-23), it was necessary to correct the ordinance to read "**Meridian Road**" as opposed to Mountain Road. He noted that the corrected verbiage would be read into the record at tonight's Council meeting.

Mr. Wesley further indicated that regarding item 7-e (A13-01), it was also necessary to make revisions to this ordinance as follows: Page 2, the 17.51 acres will be corrected to read **35.79± acres**; and Page 3, Paragraph 2 of the ordinance will be deleted in its entirety.

Vice Mayor Finter expressed appreciation to the Office of Management and Budget Director Candace Cannistraro and her staff for their efforts and hard work in developing the tentative proposed FY 2013/14 Budget Plan.

Ms. Cannistraro addressed the Council and reported that the tentative proposed budget (**See Attachment 1**) contains two items that were not included in last year's budget. She explained that those items would increase the tentative budget maximum.

Ms. Cannistraro noted that the first item is the Access to Care Program, which is an assessment that the area hospitals requested that the City impose on them so that the City could draw down federal funds on their behalf. She pointed out that since the City would draw down those dollars, it was necessary that they be reflected in the City's adopted budget for expenditure limitation purposes. She added that \$30 million has been included in the tentative proposed FY 2013/14 budget for that purpose.

Mayor Smith stated that he wanted to make it perfectly clear that even though the \$30 million is included in the tentative budget, the City is simply acting as a conduit in this process and there will be no increased costs to Mesa's residents.

Ms. Cannistraro confirmed Mayor Smith's statement. She clarified that the City is a pass-through mechanism that allows the hospitals to draw down the federal funds that come through the City of Mesa. She reiterated that per State Statute, the City must include those monies in its maximum expenditure limitation.

Mayor Smith commented that another issue that has not been made clear is that one of the conditions that the Council placed on the assessment is that the hospitals would not pass on the cost to their patients.

Ms. Cannistraro confirmed Mayor Smith's statement.

Mayor Smith restated that the City would impose an assessment on the hospitals that would not be passed through to their patients. He said that such a program would enable the hospitals access to federal funds to help those facilities recover certain uncompensated costs.

Ms. Cannistraro further reported that the other item included in the proposed tentative budget is the Highway Project Advancement Notes (HPAN). She explained that each year, the City of Mesa receives funding from the Arizona Department of Transportation (ADOT) for the purpose of repaying the interest on those notes. She stated that in FY 2013/14, the City will accelerate some of the repayment of the principal, which will result in an increase to the budget of approximately \$20 million. She added that once the City receives the funds from ADOT, they will be forwarded on to repay the notes.

Ms. Cannistraro pointed out that since those monies are a reimbursement, they must also be included in the City's expenditure limitation maximum. She stated that both of the items, which total \$50 million, equate to a zero net effect to the citizens of Mesa and also to the City's operating budget.

City Attorney Debbie Spinner remarked that Ms. Cannistraro was prepared to make a recommended change to the ordinance for item 7-h (Modifying rates for water utility services). She stated that if the Council concurs with the recommendation, item 7-h will remain on the consent agenda.

Ms. Cannistraro advised that with respect to item 7-h, it was the recommendation of staff that Schedule WR3.3 be deleted from the ordinance. She stated that WR3.3 does not currently have any customers and noted that the incorrect rate schedule was attached to the ordinance. She indicated that staff will make the necessary corrections to the schedule. She added that when the agenda item is read into the record at the Council meeting, it would reflect "As revised in the Study Session," which would allow the ordinance to be introduced in a manner that would be approved at the June 17, 2013 Council meeting.

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

2-a. Mesa Redevelopment Authority Executive Board meeting held January 29, 2013.

2-b. Audit, Finance and Enterprise Committee meeting held April 11, 2013.

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

Carried unanimously.

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

Mayor Smith: Eastmark Grand Opening

4. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Thursday, June 6, 2013, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 5:28 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 Study Session of the City Council of Mesa, Arizona, held on the 3rd day of June, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

pag
(attachment – 1)

CITY OF MESA, ARIZONA
 TENTATIVE BUDGET
 FOR FISCAL YEAR ENDING JUNE 30, 2014

SUMMARY OF REVENUES BY SOURCE

Source	FY 2012/13 Adopted Budget	FY 2013/14 Estimated Revenues
Taxes		
Sales & Use Tax	\$130,668,000	\$135,898,189
Secondary Property Tax	\$14,141,000	\$22,103,000
Transient Occupancy Tax	\$2,106,000	\$2,815,000
Other Taxes	\$62,000	\$106,845
Total Taxes	\$146,977,000	\$160,923,034
Intergovernmental		
Federal Grants & Reimbursements	\$43,820,000	\$46,005,140
State Shared Revenues	\$128,392,000	\$136,739,921
State Grants & Reimbursements	\$8,988,000	\$2,996,792
County and Other Gov't Revenues	\$15,931,000	\$37,286,850
Total Intergovernmental	\$197,131,000	\$223,028,703
Sales and Charges for Services		
General	\$19,281,000	\$22,926,771
Culture and Recreation	\$5,458,000	\$5,687,415
Enterprise	\$311,186,000	\$318,302,381
Total Sales and Charges for Services	\$335,925,000	\$346,916,567
Licenses, Fees and Permits		
Business Licenses	\$4,726,000	\$4,785,994
Permits	\$5,335,000	\$6,898,285
Fees	\$4,407,000	\$8,748,332
Court Fees	\$5,089,000	\$5,191,187
Culture and Recreation	\$480,000	\$173,418
Total Licenses, Fees and Permits	\$20,037,000	\$25,797,216
Fines and Forfeitures		
Court Fines	\$10,632,000	\$4,341,781
Other Fines	\$518,000	\$508,286
Total Fines and Forfeitures	\$11,150,000	\$4,850,067
Other Revenue		
Interest	\$700,000	\$688,784
Contributions and Donations	\$2,282,000	\$1,996,316
Other Financing Sources	\$6,128,000	\$5,422,967
Sale of Property	\$800,000	\$870,960
Self Insurance Contributions	\$74,874,000	\$72,579,088
Other Revenues	\$7,813,000	\$38,945,083
Total Other Revenue	\$92,597,000	\$120,503,198
Operating Revenues Subtotal	\$803,817,000	\$882,018,785
Reimbursements/Previous Grant Awards Carried Over	\$37,352,300	\$33,132,762
Funds Carried Forward	\$164,084,700	\$150,973,443
Total Non-Bond Resources	\$1,005,254,000	\$1,066,124,990
Existing Bond Proceeds	\$82,586,000	\$191,396,010
New Bond Proceeds	\$176,160,000	\$72,479,000
Total Bond Resources	\$258,746,000	\$263,875,010
City Total Resources	\$1,264,000,000	\$1,330,000,000

SUMMARY OF EXPENDITURE APPROPRIATIONS BY DEPARTMENT

Department	FY 2012/13	FY 2013/14
	Adopted Budget	Expenditure Appropriation
Mayor & Council	\$515,000	\$514,179
City Manager	\$5,711,000	\$5,347,001
Arts & Culture	\$12,419,000	\$12,351,778
Business Services	\$12,179,000	\$15,445,063
City Attorney	\$11,616,000	\$11,734,560
City Auditor	\$646,000	\$612,295
City Clerk	\$1,250,000	\$823,607
Communications	\$540,000	\$3,797,897
Development & Sustainability	\$8,104,000	\$11,331,100
Economic Development	\$7,493,000	\$7,373,163
Energy Resources	\$44,024,000	\$43,326,671
Engineering	\$4,116,000	\$4,435,276
Facilities Maintenance	\$7,762,000	\$10,970,281
Falcon Field Airport	\$1,627,000	\$1,652,975
Financial Services	\$4,979,000	\$4,483,818
Fire and Medical Services	\$66,265,000	\$66,993,116
Fleet Services	\$5,818,000	\$22,582,571
Housing & Community Development	\$20,531,000	\$20,969,720
Human Resources	\$68,830,000	\$71,690,187
Information Technology	\$27,617,000	\$28,257,065
Library Services	\$7,640,000	\$7,399,156
Management Performance & Accountability	\$428,000	\$0
Municipal Court	\$8,693,000	\$8,863,234
Neighborhood Outreach & Animal Control	\$1,037,000	\$1,096,348
Office of Management and Budget	\$0	\$1,966,093
Parks, Recreation & Commercial Facilities	\$26,978,000	\$27,776,279
Police	\$152,565,000	\$155,417,393
Public Information & Communications	\$987,000	\$1,169,672
Solid Waste Management	\$23,291,000	\$23,550,011
Transit Services	\$10,003,000	\$8,480,581
Transportation	\$48,070,000	\$47,589,078
Water Resources	\$53,045,000	\$62,081,620
Project Management Program-Lifecycle/Infrastructure Projects	\$10,206,000	\$5,887,733
Centralized Appropriations	\$164,066,000	\$182,932,270
Operating Program Subtotal	\$819,051,000	\$878,901,792
Operating Program Carryover	\$33,836,000	\$48,200,412
Operating Appropriation and Carryover Subtotal	\$852,887,000	\$927,102,204
Contingency Appropriation	\$71,000,000	\$62,714,900
Operating Program Undesignated		\$4,182,896
Total Operating Appropriation	\$923,887,000	\$994,000,000
Capital Improvement Program: Non-Bond	\$53,971,000	\$30,648,776
Capital Improvement Program: Bond	\$199,105,000	\$169,754,810
Capital Improvement Program Subtotal	\$253,076,000	\$200,403,586
Non-Bond Capital Improvement Program Carryover	\$27,396,000	\$40,847,438
Bond Capital Improvement Program Carryover	\$59,641,000	\$94,120,200
Capital Improvement Program Carryover Subtotal	\$87,037,000	\$134,967,638
Capital Improvement Program Undesignated		\$628,776
Total Capital Improvement Program Appropriation	\$340,113,000	\$336,000,000
City Total Appropriation	\$1,264,000,000	\$1,330,000,000