



COUNCIL MINUTES

May 29, 2014

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 May 29, 2014 at 7:31 a.m.

COUNCIL PRESENT

Alex Finter
Terry Benelli
Dennis Kavanaugh
David Luna
Scott Somers

COUNCIL ABSENT

Christopher Glover
Dave Richins

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

Mayor Finter excused Vice Mayor Glover and Councilmember Richins from the entire meeting.

1. Review items on the agenda for the June 2, 2014 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: None

2-a. Hear a presentation and discuss This is My Mesa: Mesa 2040 General Plan.

Planning Director John Wesley displayed a PowerPoint presentation (**See Attachment 1**) and reported that staff was in the process of updating the Mesa 2025 General Plan, the Transportation Plan and the Transit Plan, all of which were adopted in 2002. He explained that the Parks Plan has previously been completed and adopted. He also noted that today, staff from the Transportation Department and the Transit Department will provide the Council a brief synopsis of their respective plans.

Transit Department Director Jodi Sorrell addressed the Council and discussed the Transit Plan themes, which include developing transit priority corridors, connecting activity centers, prioritizing frequency over coverage, and balancing local and regional transit needs.

Ms. Sorrell also displayed a series of maps illustrating Mesa's existing transit system, average daily boardings, average daily boardings by stop, short-term scenario for high-capacity transit and short-term bus routes. (See Pages 4, 5, 6, 7 and 8 respectively of Attachment 1)

Ms. Sorrell commented that with respect to the short-term bus routes, staff proposes to extend METRO light rail east to Gilbert Road; modify the Main Street LINK to originate at Gilbert Road; modify the Country Club LINK to also serve the Fiesta District; increase peak frequency to 15 minutes on a number of routes; increase Sunday frequency to 30 minutes on Route 61; and add four new trips for Route 533 and one new trip for Route 535.

Ms. Sorrell, in addition, advised that the updated Transit Plan provides for a variety of opportunities, such as the development of an intercity/commuter rail that might connect to the Phoenix-Mesa Gateway Airport; the potential to extend light rail east or south from Gilbert Road; and the consideration of transit priority corridors and performance standards/measures as it relates to Mesa's bus system.

Councilmember Kavanaugh expressed support for modifying the Country Club LINK on Southern Avenue. He stated that in the long term, it might be possible to create a high-capacity transit corridor in order to extend light rail to downtown Chandler in the future.

Councilmember Somers commented that he was pleased to see the addition of four new trips for Route 533 which, in his opinion, was long overdue. He also inquired how the Transit Plan, either in the mid-term or the long-term scenario, will dovetail with the Gateway Strategic Plan as it relates to the anticipated accelerated growth in southeast Mesa and the possible extension of LINK service to that area of the community.

Ms. Sorrell responded that the Transit Plan proposes to extend LINK service along Power Road south to the Arizona State University (ASU) Polytechnic campus. She stated that City staff is working with airport representatives to identify transit options to the site once the terminal is relocated to the east side of the runway. She added that although staff has not considered Park-and-Ride options in that area, they would be happy to do so.

Senior Transportation Engineer Mark Venti addressed the Council and provided a short synopsis of the Transportation Plan update. He reported that since the current Transportation Plan was adopted in 2002, certain changes have occurred, such as the completion of the freeway system and the development of the surrounding areas. He also advised that through the public outreach process, citizens have expressed a desire to return to "a livability standard" with respect to transportation.

Mr. Venti offered a brief overview of the three main sections of the Transportation Plan update, which include Part One – Vision and Goals; Part Two – Transportation Plan Elements; and Part Three – Transportation Integrations. (See Pages 13, 14 and 15 respectively of Attachment 1) He indicated that the vision for the Transportation Plan is that Mesa will develop a transportation system that supports shorter trips, sustainable mode choices, a high quality of life, economic development and the creation of high-quality jobs.

Mr. Venti explained that with respect to Part Two – Transportation Plan Elements, the Complete Streets Element refers to a concept of developing streets for all users and building each street to suit a particular area. He cited, for instance, that a street in an industrial park might be

different from a street located in another area of the community. He also said that the unique streets would be achieved through roadway design guidelines that “move away” from specific standards and provide greater flexibility in a certain location. He added that the Transportation Advisory Board (TAB) has approved the proposed Complete Streets policy, which will be included in the updated Transportation Plan that is presented to the Council for adoption.

Responding to a question from Mayor Finter, Ms. Sorrell clarified that staff has been working with the Arizona Department of Transportation (ADOT) on the agency’s passenger rail study. She explained that currently, ADOT is considering three options, two of which traverse through Mesa. She stated that staff is addressing both such options in the Transit Plan’s long-term scenarios. She further indicated that in one option, the rail line would run along the U.S. 60, while the second option would bring the rail line north through Gilbert.

Mayor Finter stressed the importance of transit options being developed in and around the Phoenix-Mesa Gateway Airport that would eventually extend south toward Tucson.

Mr. Venti continued with his presentation and discussed the integration of the Transportation Plan Elements, with the goal of not only connecting activity centers, but also providing better access within individual neighborhoods. He said that in July, the final draft of the Transportation Plan will be presented to the TAB for their approval, with Council adoption of the document slated for August.

In response to a question from Councilmember Luna, Ms. Sorrell explained that approximately two-thirds of Mesa’s bus routes are funded by Proposition 400 revenues. She noted that as a result of the economic downturn in 2007, certain bus routes included in the Transit Plan were delayed or eliminated. She also commented that as revenues begin to increase, staff will assess which routes can be added back into the Plan or, in the alternative, if the Council would prefer to redistribute those dollars, staff would discuss the matter with Valley Metro. She added that it may be necessary to delay the start of some routes until a future sales tax is imposed in order to fund such routes.

Councilmember Kavanaugh remarked that during staff’s presentations of the Transportation Plan to the community, he learned that a member of one of the City’s advisory boards received significant media attention when the person was critical of the document which, in that person’s opinion, was de-emphasizing the use of the automobile. He stated the opinion, in response to those remarks, that the Plan is going in the right direction and that staff is planning for what the demographics indicate will be “the new reality.” He also noted that he was pleased those elements remain in the Plan.

Mr. Wesley continued with the presentation and provided a brief historical overview of the General Plan update process, which began two years ago. He explained that staff solicited public input at a series of community events; attended meetings of various groups and organizations; conducted two rounds of village meetings; established a Plan Advisory Committee, which assisted with the update process; and created a website so that citizens could view the draft General Plan and a variety of background information.

Mr. Wesley commented that in the past 30 years, Mesa has grown rapidly as a bedroom community and advised that in the next 30 years, it is projected that 170,000 additional people will move to the community. He also indicated that the primary focus of the update process has

been to answer the following question: What do we need to do to create a more recognizable, self-sufficient city that attracts employment and provides a high-quality living environment?

Mr. Wesley, in addition, reported that as staff has proceeded through the General Plan update process, their primary focus has been on putting the “general” back into the document; emphasizing quality development; establishing more flexible land uses based on character areas; and creating a useful and usable document.

Mr. Wesley advised that the draft documents are available online at mymesa.org, including strike-through versions of suggestions made by the Design Review Board (DRB) and the Planning & Zoning Board (P&Z), as well as clean versions of the Plan.

Mr. Wesley provided an extensive overview of the Plan Outline (See Page 19 of Attachment 1), which includes four main sections. He noted that Section II comprises a majority of the document and discussed the following: Chapter 3: A Vision for the Future (See Pages 20 and 21 of Attachment 1); Chapter 4: Creating and Maintaining a Variety of Great Neighborhoods (See Pages 22 and 23 of Attachment 1); Chapter 5: Growing and Maintaining Diverse and Stable Jobs (See Page 24 of Attachment 1); Chapter 6: Providing Rich, High Quality Public Spaces and Cultural Resources (See Pages 25 and 26 of Attachment 1); and Chapter 7: Community Character. (See Page 27 of Attachment 1) He also referenced maps illustrating the different types of Character Areas and Development Intensity. (See Pages 28 and 29 respectively of Attachment 1)

Mr. Wesley further discussed Section III of the Plan Outline, including Chapter 8: Energy Resources; Chapter 9: Environment Planning, Preservation and Conservation (See Page 30 of Attachment 1); Chapter 10: Public Facilities (See Page 31 of Attachment 1); Chapter 11: Public Safety; Chapter 12: Transportation (See Page 32 of Attachment 1); and Chapter 13: Water Resources. (See Page 33 of Attachment 1) He also reviewed Section IV, consisting of Chapter 14: Financing a Maturing City; Chapter 15: Development Review; and Chapter 16: Plan Implementation and Amendment. (See Page 34 of Attachment 1)

Mr. Wesley pointed out that the proposed General Plan will offer a more flexible approach to land uses and focus on three guiding principles (i.e., how to maintain neighborhoods, develop jobs and create public spaces). He also stated that the document improves the connection between sub-area and neighborhood plans and more efficiently links various land uses with transportation options.

Mr. Wesley, in addition, highlighted a timeline related to Council adoption of the General Plan update and its inclusion on the November 4, 2014 General Election ballot as a measure to be submitted to Mesa voters for approval. (See Page 36 of Attachment 1)

Mayor Finter expressed appreciation to staff for their hard work and dedication throughout the General Plan update process. He stated that he was pleased by staff’s outreach to the community in an effort to solicit citizen feedback and input. He added that Mesa voters will have “the final say” in this matter.

Councilmember Somers commented that with respect to the issue of economic development, he wanted to ensure that as the proposed General Plan is developed, that staff stresses the importance of the Phoenix-Mesa Gateway and Falcon Field Airports being utilized as tools in

the City's "economic development tool chest." He pointed out that residential development is not compatible with such an economic development goal at either site. He also noted that he would not object to seeing that issue included as a very open part of the discussion between citizens and the City prior to the election.

Councilmember Luna stated that he was aware of the fact that the Mesa Chamber of Commerce has offered a number of recommendations relative to the General Plan update. He also remarked that he was pleased to see that staff has incorporated those suggestions into the document.

Mayor Finter said that the City has "learned lessons from decades past" that must be incorporated into the General Plan. He noted that such lessons, among other things, relate to creating high-wage jobs to ensure that Mesa residents can live and work in their community and not have to seek employment elsewhere.

Mayor Finter thanked staff for the presentation.

2-b. Hear a presentation, discuss and provide direction on the continuation of the alternative expenditure limitation – Home Rule option.

Office of Management and Budget Director Candace Cannistraro displayed a PowerPoint presentation (**See Attachment 2**) and reported that at the June 2 and June 16, 2014 Regular Council meetings, public hearings will be conducted relative to the alternative expenditure limitation – Home Rule option. She explained that at the June 16th meeting, the Council will consider the resolution in this regard.

Ms. Cannistraro advised that Home Rule allows the City to retain local control over the annual budget amount adopted by the Council. She stated that the Arizona Constitution requires the adoption of a balanced budget; imposes an expenditure limitation for all cities and towns based on FY 1979/80, adjusted for population growth and inflation; and allows for local election approval of an expenditure limitation alternative.

Ms. Cannistraro briefly highlighted the different types of expenditure limitation alternatives. (See Page 3 of Attachment 2) She indicated that Mesa voters have approved the continuance of a Home Rule expenditure limitation option since it was established in 2000. She further reviewed various sanctions that the State of Arizona can impose upon a city if it has exceeded its expenditure limitation. (See Page 4 of Attachment 2)

Ms. Cannistraro remarked that in March 2000, Mesa voters approved the City of Mesa's Home Rule alternative. She said that the option was renewed by the voters in March 2004, March 2008 and November 2010. She added that on June 30, 2015, the current authorization will expire.

Ms. Cannistraro, in addition, commented that although the state-imposed expenditure limitation is adjusted for population growth and inflation, locally-approved funds are not taken into consideration. She noted that such funds would include Mesa's Quality of Life sales tax, Local Streets sales tax and Proposition 400 regional transportation improvements. She pointed out that the Quality of Life sales tax currently funds 120 police officers and 65 firefighters; that the

Local Streets sales tax partially funds the operations of the Transportation Department; and that the Proposition 400 revenues are used for construction projects to improve Mesa's roads.

Ms. Cannistraro further reported that if an expenditure limitation alternative had not been in effect for FY 2013/14, it would have been necessary for the City to reduce its budget by approximately \$184 million. She explained that if the City exceeded the expenditure limitation by more than 10%, the anticipated penalty that would be applied to the FY 2014/15 budget would be \$17.7 million, which is based on one-third of the FY 2014/15 state-shared revenues.

Ms. Cannistraro advised that the Home Rule option may be referred to Mesa voters by a two-thirds vote of the Council; that it can only be considered at elections in which Councilmembers are also being considered; and that if the Home Rule option is approved by the voters in the November 2014 election, the alternative would apply to FY 2014/16 through FY 2018/19.

Ms. Cannistraro briefly discussed a timeline of upcoming actions related to the Home Rule option. (See Page 9 of Attachment 2)

Responding to a question from Councilmember Benelli, City Manager Christopher Brady clarified that the Home Rule option has been approved overwhelmingly by Mesa voters each time the measure has been included on the ballot.

Mayor Finter thanked staff for the presentation.

3. Information pertaining to the current Job Order Contracting project.

(This item was not discussed by the Council.)

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

- 4-a. Economic Development Advisory Board Marketing/Outreach Subcommittee meeting held April 29, 2014.
- 4-b. Transportation Advisory Board meeting held March 18, 2014.
- 4-c. Library Advisory Board meeting held March 18, 2014.
- 4-d. Parks and Recreation Advisory Board meeting held January 8, 2014.

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

Mayor Finter declared the motion carried unanimously by those present.

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

Councilmember Kavanaugh: Memorial Day Event at the Mesa Cemetery

Councilmember Luna: District 5 "Mobile Office Hours" at the Red Mountain Multigenerational Center

Councilmember Benelli: Participated in an Artspace event in Minneapolis, Minnesota

6. Scheduling of meetings and general information.

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

Monday, June 2, 2014, 5:20 p.m. – Study Session

Monday, June 2, 2014, 5:45 p.m. – Regular Council Meeting

7. Adjournment.

Without objection, the Study Session adjourned at 8:31 a.m.

ALEX FINTER, MAYOR

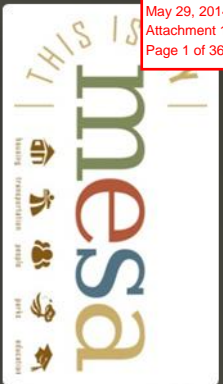
ATTEST:

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 29th day of May, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

abg/pag
(attachments – 2)



General Plan Update

City Council Study Session



May 29, 2014



Introduction

☞ Time to update the Mesa 2025 General Plan

☞ Also updating:

- Parks Plan (previously completed)
- Transportation Plan
- Transit Plan

☞ Today

- Update on status of Transportation and Transit Plans
- Review of final draft of General Plan

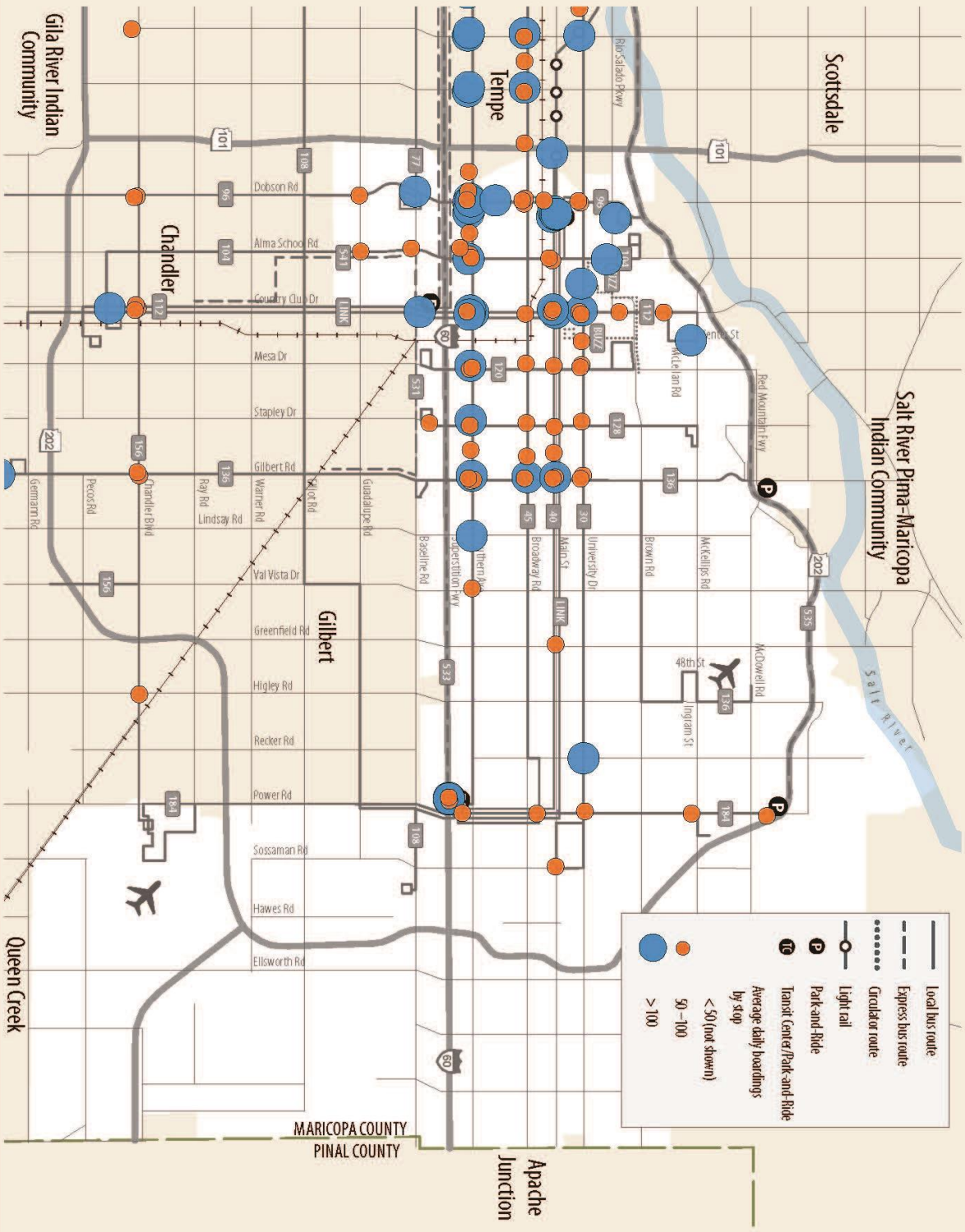


Transit Plan Themes

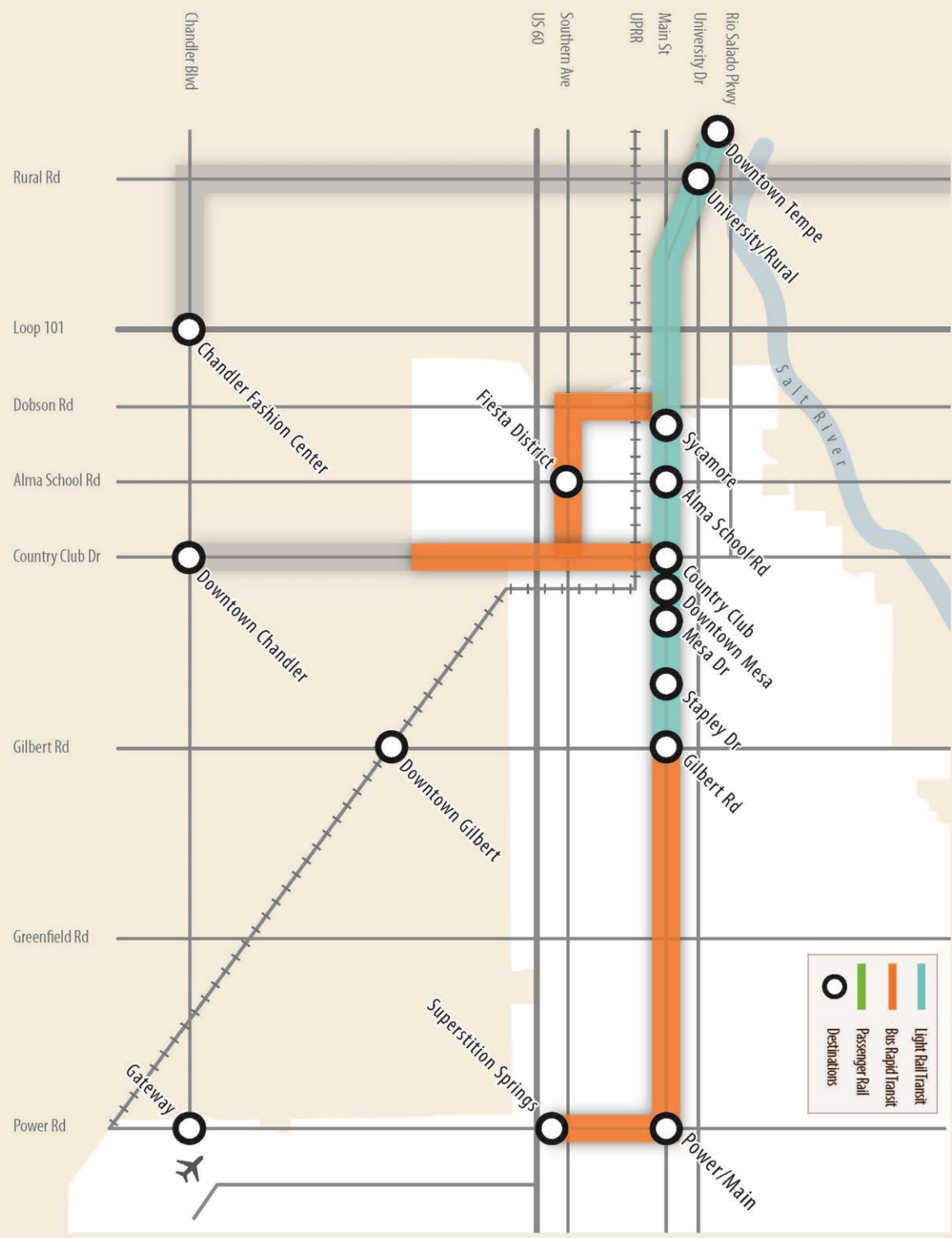
- ⌘ Develop transit priority corridors
- ⌘ Connect activity centers
- ⌘ Prioritize frequency over coverage
- ⌘ Balance local and regional transit needs



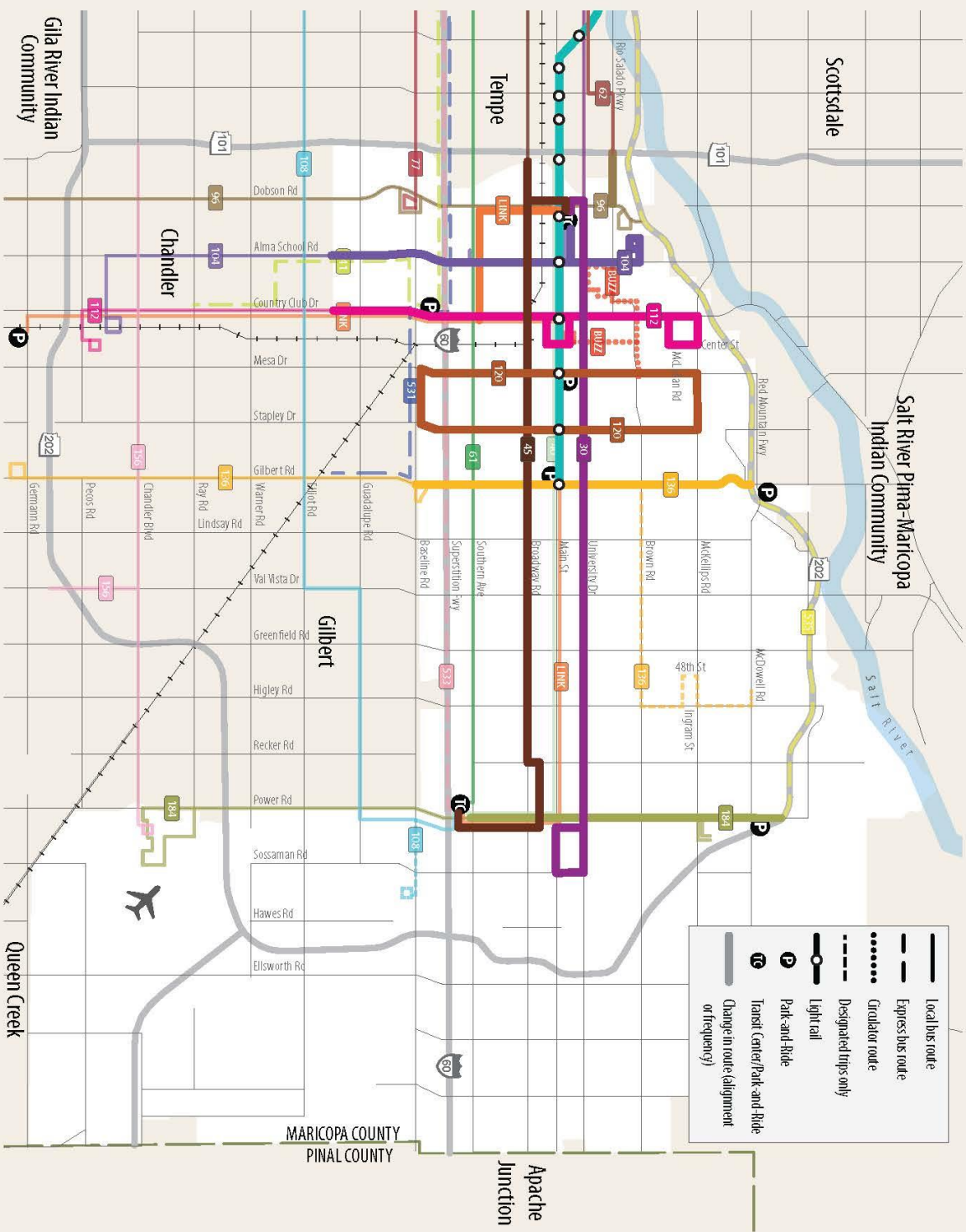
Average Daily Boardings by Stop



Short Term - High Capacity Transit



Short Term





Short Term

- ☞ Extend METRO light rail east to Gilbert Road
- ☞ Modify Main Street LINK to originate at Gilbert Road
- ☞ Modify Country Club LINK to also serve Fiesta District
- ☞ Increase peak frequency to 15 minutes on Country Club LINK and Routes 30 (University), 45 (Broadway), 104 (Alma School), 112 (Country Club), 120 (Mesa), 136 (Gilbert), and 184 (Power)
- ☞ Increase Sunday frequency to 30 minutes on Route 61 (Southern)
- ☞ Add 4 new trips for Route 533; 1 new trip for Route 525



Opportunities

∞ Intercity/commuter rail

- Connect Gateway Airport

∞ Light rail

- Extend east or south from Gilbert Rd?

∞ Bus

- Transit priority corridors
- Performance standards/measures



Transit Plan

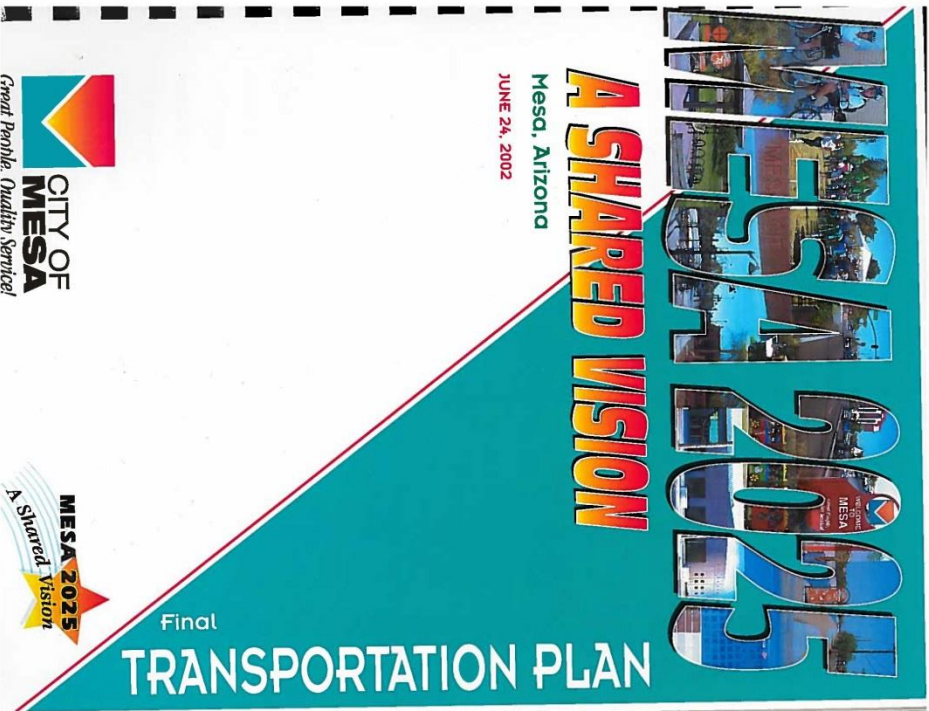
∞ Transit Master Plan scenarios

- One Short Term – 5-10 years
- Two Mid Term – 10-20 Years
- Two Long Term - 20-30 years

∞ Council adoption scheduled for August 2014



Transportation Plan Update



**Current Transportation
Plan**

Adopted June 24, 2002



Part One – Vision and Goals

Mesa's Shared Vision for Transportation

Mesa will develop a transportation system that supports shorter trips, sustainable mode choices, a high quality of life, economic development and the creation of high-quality jobs.

Goal #1 Develop a safe and efficient transportation system that provides access to all public places by multiple modes of travel and by various users.

Goal #2 Develop inviting streets that identify with the context of the surrounding neighborhood and help to create a sense of community and vibrant public space.

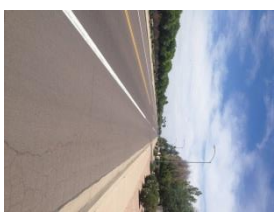
Goal #3 Develop a transportation network concentrated around activity centers that encourages dense, diverse public places and fosters economic growth.



Part Two - Transportation Plan Elements



Complete
Streets Element



Roadway
Element



Transit
Element



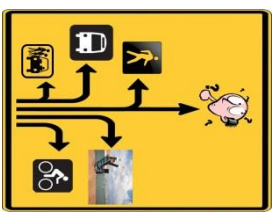
Pedestrian
Element



Bicycle
Element



Aviation
Element



Travel Demand
Management
Element



Intelligent
Transportation
Systems
Element



Part Three – Future Transportation Integrations





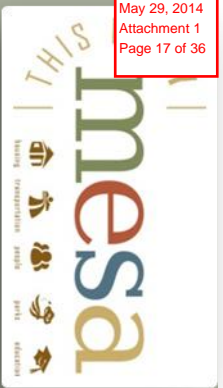
General Plan Background

☞ Began 2 years ago

☞ Public input process included:

- Going to various community events
- Going to meetings of groups and organizations
- Holding 2 rounds of village meetings
- Plan Advisory Committee
- Website





General Plan Background

- ☞ Mesa has grown rapidly as a bedroom community over the last 30 years
- ☞ Expect an additional 170,000 residents over next 30 years
- ☞ People want connections, walkability, sense of place
- ☞ Focus has been trying to answer the question: *What do we need to do to create a more recognizable, self-sufficient city that attracts employment and provides a high quality living environment?*



Focus for General Plan Update

- ☞ Put the “general” back into the General Plan
- ☞ Emphasis on quality
- ☞ More flexible land use based on character areas
- ☞ Useful and usable document
 - Focus long term vision with key goals, policies and strategies
 - Supplement with functional and area plans



Plan Outline

☞ Section I: Introduction

☞ Section II: Building a Better Mesa

- Chapter 3. A Vision for the Future
- Chapter 4. Creating and Maintaining a Variety of Great Neighborhoods
- Chapter 5. Growing and maintaining stable and diverse jobs
- Chapter 6. Providing rich, high-quality public spaces and cultural resources
- Chapter 7. Community Character

☞ Section III. Supporting Services and Infrastructure

☞ Section IV: Administration



Review of Plan

Chapter 3: Vision

- Establishes 5 challenges and opportunities
 - High quality development
 - Changing demographics
 - Public health
 - Urban design and placemaking
 - Desert environment
- Lists the vision statements for Mesa in 2040

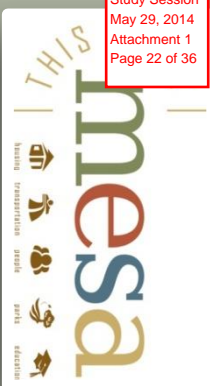


Review of Plan

Chapter 3. (cont.)

- Guiding Principles
 - Creating and maintaining a variety of great neighborhoods
 - Grow and maintain stable and diverse jobs
 - Providing rich, high quality public spaces and cultural resources





Review of Plan

Chapter 4: Creating and Maintaining a Variety of Great Neighborhoods

- Key elements needed for strong neighborhoods:
 - Safe, clean and healthy living environment
 - Build community and foster social interaction
 - Connectivity and walkability
 - Provide for diversity
 - Neighborhood character and personality
 - Quality design and development
- Goal: Create and maintain a variety of great neighborhoods



Review of Plan

Chapter 4 (cont.)

- Housing
 - Executive & Professional
 - Manufactured Homes
 - Multi-resident
 - Missing Middle
 - Workforce
 - Transitional and Supportive
- Redevelopment
 - Neighborhood programs
 - Neighborhood planning
 - Neighborhood retrofitting
- Historic Preservation





Review of Plan

Chapter 5: Growing and Maintaining Diverse and Stable Jobs

- Key elements:
 - Business climate - HEAT
 - Skilled and knowledgeable human capital
 - Creation of place/Quality employment centers
 - Regional collaboration
 - Infrastructure
 - Retail redevelopment and revitalization
- Goal: Grow and maintain diverse and stable jobs



1-3. Commercial sprawl



1-4. Complete community

Review of Plan

Chapter 6: Providing Rich, High Quality Public Spaces and Cultural Resources

- Keys for public spaces:
 - Accessible and connected
 - Active
 - Appropriately scaled
 - Integrated
 - Inviting and comfortable
 - Safety
 - Unique Character





Review of Plan

Chapter 6: (cont.)

- Keys for cultural resources:
 - Variety
 - Accessibility
 - Active participation and sense of ownership
 - Regional and local scale
 - Preserve the past and create a future identity
 - Supporting and encouraging artists
- Goal: Provide rich, high quality public spaces and cultural resources
- Chapter includes Parks and Recreation, Mesa Arts Center and Museums, Libraries





Review of Plan

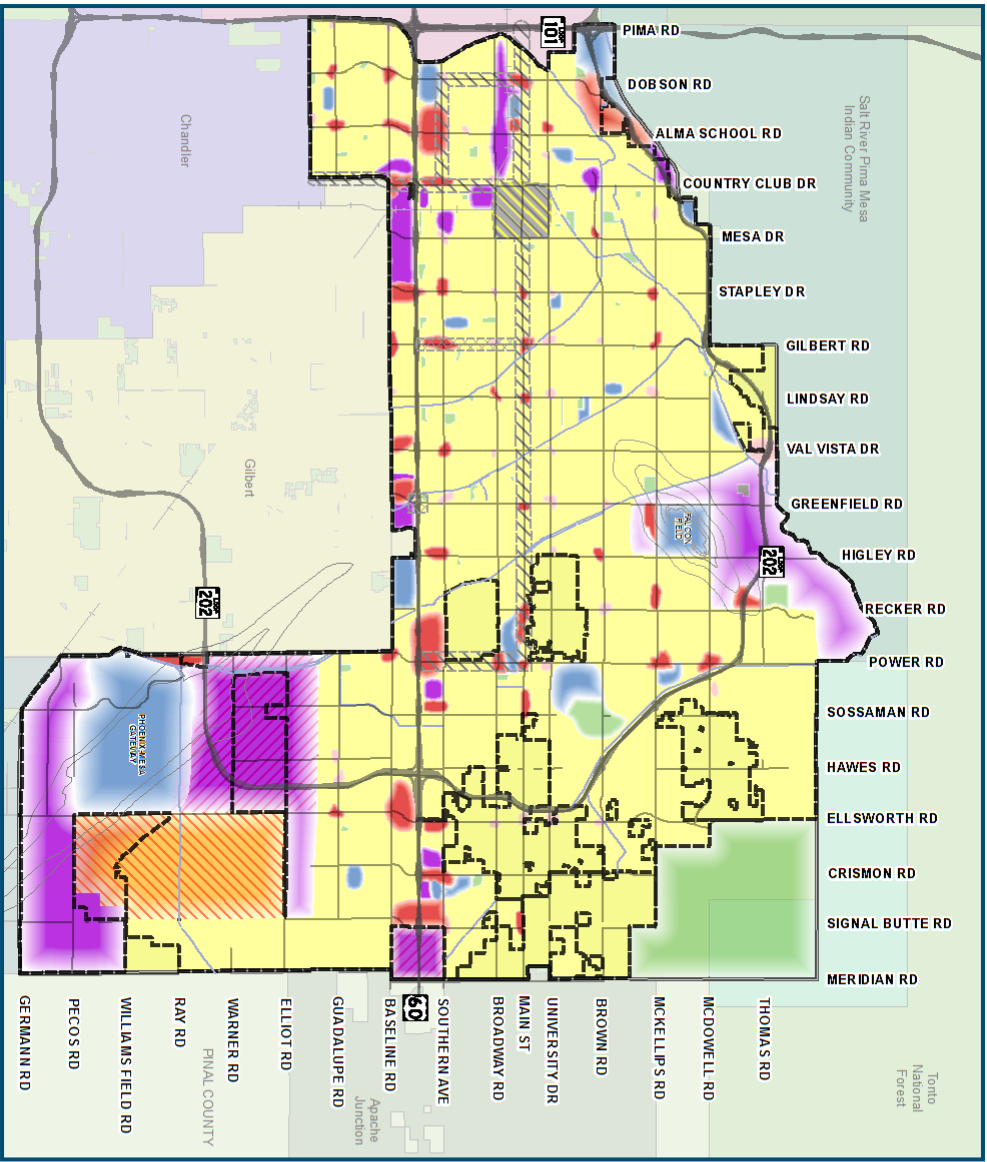
Chapter 7. Community Character

- Establishes 9 character types to replace existing land uses
 - General description
 - Form and guidelines
 - Typical uses
 - Zoning districts
- Sub-area and Neighborhood Plans provide more detail
- Land uses – general land use intensity map
- Growth Areas Map





Character Areas



Mesa 2040 General Plan

NEED DIVERSITY IN OUR WOODS - INNOVATIVE JOBS - REGIONAL ECONOMIC SERVICES

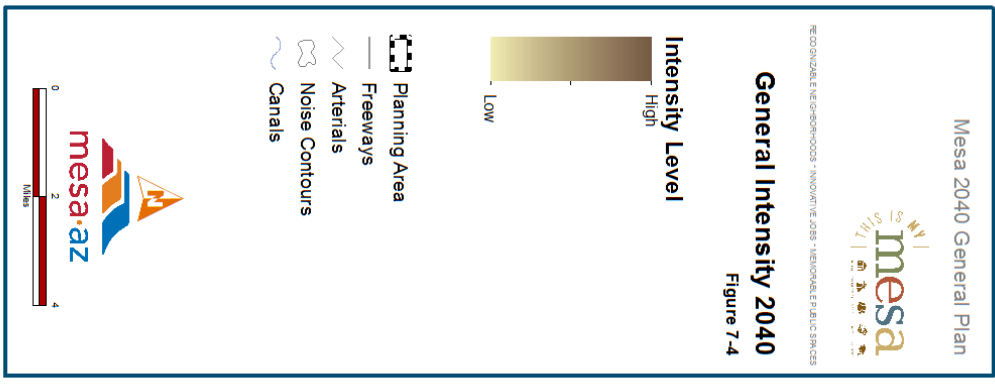
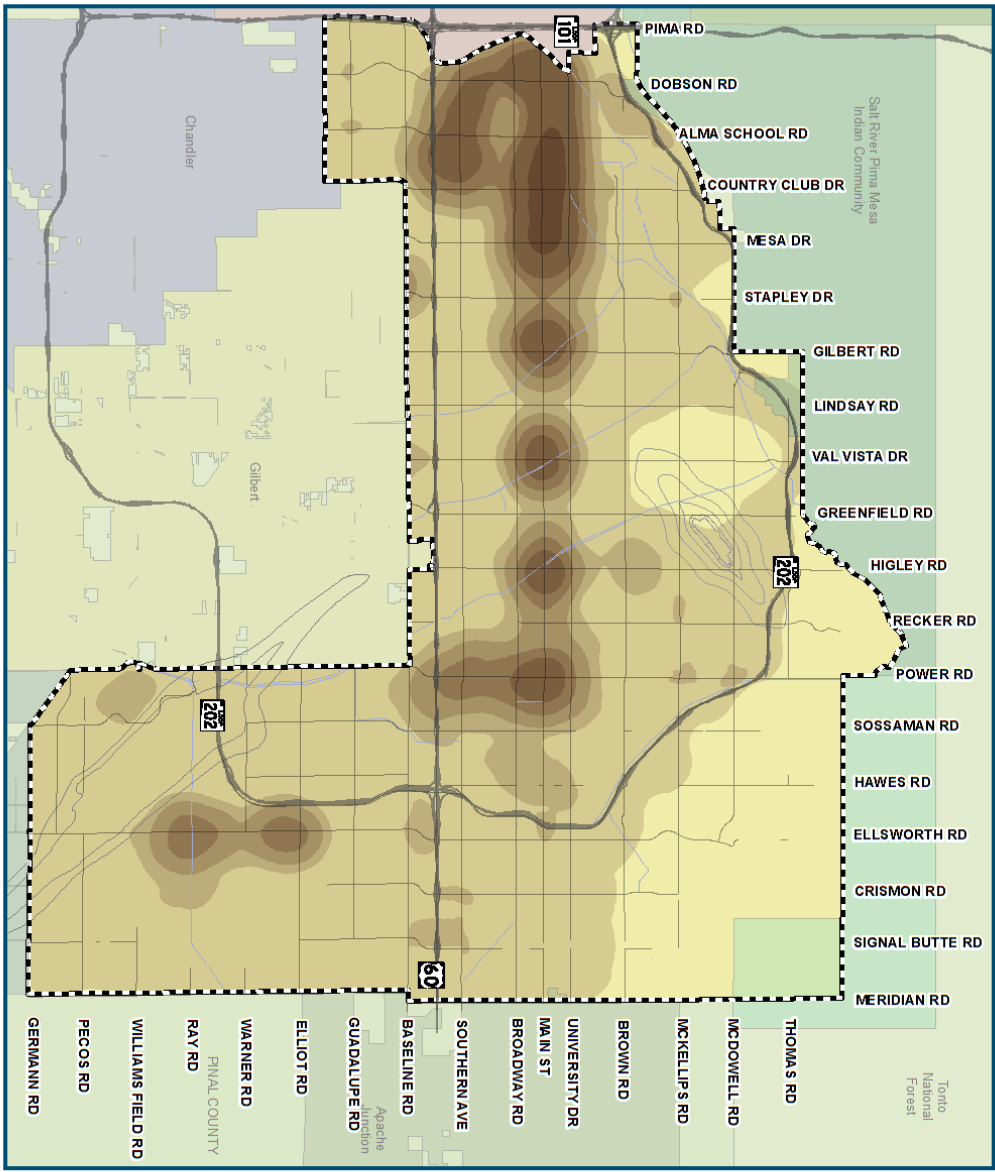
Character Areas

Figure 7-1

	Downtown
	Park
	Mixed Use Community
	Neighborhood Village Center
	Mixed Use Activity District
	Specialty District
	Employment
	Neighborhoods
	Employment / Mixed Use Activity District
	Transit Corridor
	Proposed Transit Corridor
	Freeways
	Arterials
	Noise Contours
	Canals
	City Limits



Development Intensity





Review of Plan

Chapter 8: Energy Resources

- Development and maintenance of City Electric and Natural Gas operations

Chapter 9: Environment Planning, Preservation, and Conservation

- Air Quality
- Water Conservation
- Energy Conservation
- Stormwater Quality
- Community Sustainability and Environmental Protection
- Natural Habitat Preservation



Review of Plan

Chapter 10: Public Facilities

- City and non-city facilities
 - City Center
 - Law Enforcement
 - Fire Protection
 - Health Care
 - Educational
 - Stormwater Drainage
 - FEMA Flood Zones
 - Solid Waste Collection and Disposal/Recycling



Review of Plan

Chapter 11: Public Safety

- Fire and Medical Services
- Environmental Hazards
- Man Made Hazards
- Emergency Preparedness Planning

Chapter 12: Transportation

- Summary of new Transportation Plan
- Primary elements:
 - Complete Streets
 - Roadways
 - Transit
 - Pedestrian
 - Bicycle
 - Aviation
- Travel Demand Management



Review of Plan

Chapter 13: Water Resources

- Meeting Demand
- Drought Planning
- Wellhead Protection
- Aquifer Management
- Water Reuse
- Potable Water Service and Facilities
- Wastewater/Sewage Collection and Treatment



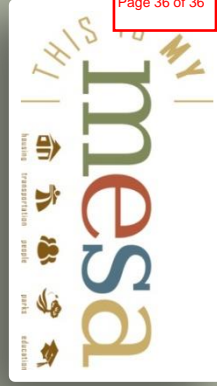
Review of Plan

- ∞ Chapter 14: Financing a Maturing City
 - Outlines and describes funding mechanisms available to the City
- ∞ Chapter 15: Development Review
 - Provides the criteria to be used in reviewing development proposals
- ∞ Chapter 16: Plan Implementation and Amendment
 - Describes implementation tools
 - Use of neighborhood and functional plans
 - Assigns responsibilities for implementation of policies and strategies
 - review of policies and strategies every 3 years
 - Defines major and minor amendments – will not be as many needed



Major Differences

- ⌘ More flexible approach to land use
 - Neighborhoods and community vs. individual developments
 - Less likely to have general plan amendments
- ⌘ Focus on 3 guiding principles
- ⌘ Improves connection to sub-area and neighborhood plans
- ⌘ Better connects land use with transportation



Adoption

- ☞ Public Hearing June 16
- ☞ Council approval, call for election July 1
- ☞ Vote November 2014

City of Mesa

State Imposed Expenditure Limitation Home Rule Continuation

May 29, 2014

Presented by the Office of Management and Budget



The Arizona Constitution

Requires the adoption of a balanced budget. Estimated revenues and resources equal to appropriated expenditures.

Imposes an expenditure limitation for all cities and towns based on FY1979/80, adjusted for population growth and inflation.

Allows for local election approval of an Expenditure Limitation Alternative.

Types of Expenditure Limitation Alternatives

Home Rule – allows the city to maintain local control of the annual budget amount and determine the necessary expenditure limitation while remaining within available revenues and resources. Effective for four years.

Permanent Adjustment of Expenditure Base – allows the City to permanently adjust the expenditure base to a level other than the FY1979/80 amount. The new base is then adjusted for population and inflation in future years.

One-Time Override Alternative – allows for exceeding the State imposed expenditure limitation for one fiscal year.

Sanctions for Exceeding the Expenditure Limitation

If the State Auditor General determines a city has exceeded the expenditure limitation, a portion of its share of the state income tax allocation is withheld.

The penalty is assessed as follows:

- Exceeding by less than 5% - penalty will equal the amount of the excess.
- Exceeding by more than 5%, but less than 10% - penalty will be three times the excess.
- Exceeding by more than 10% - penalty will be five times the excess or 1/3 of the state income tax allocation, whichever is less.

City of Mesa Current Home Rule

A home rule alternative was approved by voters in March 2000.

It was renewed in March 2004, March 2008 and November 2010.

The current authorization will expire June 30, 2015.

The State Limitation Formula

The State imposed expenditure limitation is adjusted for population growth and inflation.

Locally approved funds are not taken into consideration. Examples are Mesa's Quality of Life sales tax, Local Streets sales tax and the Proposition 400 regional transportation improvements.

Mesa's Quality of Life sales tax currently funds 120 police officers and 65 firefighters.

The Local Street sales tax partially funds the operations of the Transportation Department while the Prop 400 revenues are used for construction projects to improve roads.

Effect of Nonrenewal of Home Rule

If an expenditure limitation alternative had not been in effect for FY2013/14, the City would have been required to reduce its budget by approximately \$184M to comply with the State imposed expenditure limitation.

If the State limitation had been exceeded by more than 10%, the expected penalty to apply to FY2014/15 would be \$17.7M (based on one-third of the FY2014/15 state shared revenue).

A Home Rule Election

May be referred to voters by a 2/3 vote of the City Council.
(5 votes)

Is required to be presented at a regularly scheduled election for the nomination or election of City Councilmembers.

If approved, it will apply for the four succeeding fiscal years.

A November 2014 approval would apply to fiscal years 15/16 through 18/19.

Home Rule Actions

For submission of a Home Rule Alternative on the November 2014 Ballot:

- May 17 and 24 notice of public hearings published in newspaper
- June 2 Regular Council Meeting – First public hearing
- June 16 Regular/Special Council Meeting – Second public hearing, then consideration of resolution

