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OFFICE OF THE CITY CLERK

COUNCIL MINUTES

September 16, 2010

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 September 16, 2010 at 7:34 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
Mayor Scott Smith	None	Christopher Brady
Alex Finter		Debbie Spinner
Dina Higgins		Linda Crocker
Kyle Jones		
Dennis Kavanaugh		
Dave Richins		
Scott Somers		

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

(At 8:16 a.m., the Executive Session adjourned (See Item 8) and the Study Session reconvened.)

1. Hear a presentation, discuss and provide direction on the proposal to accelerate the construction of Gateway Freeway, State Route 802, Phase 1.

Assistant to the City Manager Scott Butler displayed a PowerPoint presentation **(See Attachment 1)** and stated that he was seeking Council direction to place a resolution on the September 27, 2010 Regular Council meeting agenda that would authorize the City Manager to sign an Intergovernmental Agreement (IGA) with the Arizona Department of Transportation (ADOT) and the Maricopa Association of Governments (MAG).

Mr. Butler explained that the IGA would allow for the accelerated construction of Phase 1 of State Route 802 (Gateway Freeway), which includes the interchange with the Loop 202-Santan Freeway and an interim freeway connection to Ellsworth Road. He noted that the City would issue Highway Project Advancement Notes (HPANs) to finance the construction phase and said Mesa would be reimbursed by MAG utilizing Prop 400 funds.

Mr. Butler offered a brief historical overview of this project (See Page 3 of Attachment 1) and said that in 2006, advancement efforts began, but that in 2009, the State Legislature “swept” $20 million in Statewide Transportation Acceleration Needs (STAN) funds in order to balance

the FY 2009/10 State budget. He also advised that later that year, the City of Mesa was able to secure the restoration of $10 million from the FY 2009/10 State budget to assist in construction advancement efforts.

Mr. Butler further remarked that the construction advancement agreement was being presented to the Council at this time in order to protect the project from two potential setbacks in the coming months. He advised that due to the State's current budget difficulties, the $10 million appropriated by the State might not be available after the FY 2011/12 State budget is finalized. Mr. Butler noted that additionally, the MAG region may be placed under a "conformity freeze" by the Environmental Protection Agency (EPA) due to noncompliance with the Clean Air Act. He noted that under such sanctions, only transportation projects in the next four years of the Regional Transportation Improvement Plan (TIP) would be allowed to proceed. Mr. Butler added that advancing construction to 2012 would ensure that the project is eligible to proceed.

Discussion ensued relative to the fact that the construction costs for the project are estimated at $119 million (versus a 2007 estimate of $158 million); that Mesa would issue up to $130 million in HPANs to cover construction costs and contingencies; that the interest costs are estimated at $22.9 million, which would be reduced by the $10 million State allocation and $1.7 million in interest earnings; that the remaining cost of $11.2 million would be divided equally by MAG and the City of Mesa, ensuring that Mesa spends no more than $5.6 million on the advancement efforts; and that by advancing the project at this time, the City of Mesa has the potential to save the region approximately $40 million in Prop 400 funding.

Mr. Butler also indicated that the Council previously directed the Transportation Department to allocate up to $22.7 million for State Route 802 advancement of design, right-of-way and construction costs, from which the $5.6 million would be derived.

In response to a question from Vice Mayor Jones, Mr. Butler clarified that the construction advancement efforts of State Route 802 would provide earlier access to the future east side terminal at Phoenix-Mesa Gateway Airport and also benefit passengers traveling in and out of the airport.

Mayor Smith stated that it was his understanding that more than one million passengers would travel through Gateway Airport this year and that prior to 2014, the west side terminal would reach capacity. He also stressed the importance that the region "be ready" when the economy improves and said that completion of State Route 802 would provide access to the future east side terminal, which will accommodate not only Allegiant Airlines, but also the potential for additional airlines.

Mr. Butler responded that it was initially estimated that the current passenger terminal at Gateway Airport would reach capacity by 2018, but noted that just this week, airport officials revised that date to 2014. He added that residents in Queen Creek and San Tan Valley would also benefit by State Route 802 and said that north-south transportation in the area is currently a challenge for motorists commuting into Maricopa County.

Mayor Smith stated that it was the direction of the Council that staff place the resolution authorizing the City Manager to enter into an IGA with ADOT and MAG on the September 27, 2010 Regular Council meeting agenda for adoption.

Mayor Smith thanked Mr. Butler for the presentation.

(Mayor Smith declared a brief recess at 8:46 a.m. The Study Session reconvened at 8:56 a.m.)

2. Hear a presentation and discuss the 2011 Employee Benefits Program.

Human Resources Director Gary Manning introduced Employee Benefits Administrator Jody Topping, who is retiring next month, Margie Ward, who will assume Ms. Topping's position, and Acting Budget Director Candace Cannistraro.

Mr. Manning displayed a PowerPoint presentation **(See Attachment 2)** and reported that in addressing the City's rising healthcare costs and expenditures, staff was challenged to ensure that the Employee Benefit Trust Fund remains solvent and receives the revenue that is needed to meet growing expenditures. He noted that it was also important to address the needs of City employees, recognizing that any premium increases would likely impact the employees and their families.

Mr. Manning highlighted a series of national healthcare challenges (See Page 2 of Attachment 2) and said that the City of Mesa's healthcare costs are anticipated to increase by 10.8% per year. He stated that despite increases in costs, City employees and retirees have not experienced a premium increase since 2008. Mr. Manning also advised that the City did not anticipate an increase in retirement systems subsidies and added that additional revenues would be needed in order to meet growing expenditures. (See Page 4 of Attachment 2)

Mr. Manning provided a brief overview of various goals that his staff considered with respect to the proposed premium increases. (See Page 5 of Attachment 2) He explained that with respect to the City's medical plan, the 2010 budgeted premium contributions total $40.6 million and said that the 2013 required premium contributions are estimated at $66.2 million, resulting in $25.6 million in additional ongoing revenues required by 2013. Mr. Manning also provided a brief analysis of 2010 revenues compared to proposed 2013 revenues. (See Page 7 of Attachment 2)

Responding to a question from Councilmember Somers, City Manager Christopher Brady clarified that with respect to the proposed restructuring of the different healthcare plans, the cost to the employee is based on its utilization. He explained that if there was high utilization of a plan by an employee, the costs would continue to rise and ultimately impact the premium for that employee. Mr. Brady also stated that Employee Benefits is offering various wellness programs to employees to encourage positive health and lifestyle choices.

Councilmember Finter expressed support for the "My Health IQ" online questionnaire that the Employee Benefits Office recently implemented.

In response to a question from Councilmember Finter, Ms. Topping explained that the "My Health IQ" questionnaire is the first step in a strategy to help employees identify health issues they may have and to develop a plan with their physicians to mitigate those issues. She also stated that she has met with representatives of other municipalities and organizations in an effort to enhance the wellness component of the City's medical plans.

Mr. Manning further reported that the forecasted three-year estimated medical expenditures were based on City costs and national trends and said that the premiums were calculated based

on forecasted costs, plan utilization, and relative value of each plan. He noted that each year, the estimated expenses are subject to adjustment, based on utilization and new healthcare regulations, which could cause the premium model to be adjusted.

Mr. Manning displayed charts illustrating the Monthly Medical Premiums Through 2013 for active employees and retirees. (See Pages 9 and 10 of Attachment 2)

Mr. Brady said that the financial impact to employees of implementing all premium changes in one year would have been too costly, resulting in the implementation of a three-year phase-in process, which allows for a more gradual increase in premiums.

Responding to a question from Councilmember Somers, Mr. Manning clarified that staff extensively reviewed preventative health services and noted that under the new medical plans, such services would be covered at 100%.

Councilmember Kavanaugh stressed the importance of staff conducting outreach with City of Mesa retirees to apprise them of the reason for the increase in their medical premium costs.

Discussion ensued relative to the fact that the retiree monthly medical premiums through 2013 (identified on Page 10 of Attachment 2), although not shown, include Retirement System Contributions to offset the retiree's monthly contributions; that the medical premiums offered through the Retirement Systems are significantly higher than those offered by the City of Mesa; that when City of Mesa retirees become Medicare eligible, they are required to enroll in Medicare Part A and Part B, with Medicare as the primary insurer and the City as the secondary insurer; and that with the three-year phase-in of employee premiums, in 2013 the medical premium contribution for the City will be 80% of the benchmark plan (Choice PPO Plan).

Mr. Manning continued with his presentation and displayed various graphs illustrating the forecasted costs and contributions based on the three-year phase-in (See Page 12 of Attachment 2) and the 2010-2013 Estimated Revenue increases of $25.6 million. (See Page 13 of Attachment 2) He explained that per Federal healthcare reform, the 2011 Plan will cover adult children to age 26; remove maximum lifetime limits and annual maximums on "essential services;" will not require coinsurance or copays for preventative services; and the City will develop an external administrative appeal process.

Mr. Manning, in addition, reviewed the coverage highlights (See Page 15 of Attachment 2) of the 2011 Plan and stated that open enrollment would occur between October 25th and November 5th. He added that on October 27th, Employee Benefits will sponsor a Wellness and Benefits Fair, which will include health provider stations and Benefits educational seminars.

Mayor Smith thanked staff for the presentation.

3. Discuss and provide direction on the Chicago Cubs Spring Training Facilities.

City Manager Christopher Brady briefly highlighted the ongoing discussions between staff and the Chicago Cubs representatives in an effort to expand the Memorandum of Understanding (MOU) between the parties. He explained that staff endeavors to draft a document outlining the terms of the agreement, which would be presented to the Council and made public to the community in the near future.

Mr. Brady advised that staff also recently met with Waveyard representatives, whose project was slated for development at Riverview. He stated that discussions occurred regarding whether Waveyard and the Cubs could both be accommodated on the site, as well as the City compensating Waveyard for studies they commissioned if the project did not move forward.

Mr. Brady remarked that staff was seeking direction from the Council with regard to the potential sites for the training facilities (i.e., northeast Mesa, downtown Mesa and Riverview) and also requesting to proceed with their discussions/negotiations with the Cubs in order to provide more detail of the arrangements and to narrow down the sites upon which the City can focus its efforts.

Responding to a question from Councilmember Somers, Mr. Brady clarified that he would characterize staff's discussions with Waveyard representatives as being very productive and noted that Waveyard was willing to consider only focusing on the water park component of the development. He stated that if the project could be accommodated on the Riverview site, along with the Cubs' baseball headquarters, which includes spring training facilities and other community amenities, there was an opportunity for productive conversations. Mr. Brady added that per Council direction, staff would like to determine whether all of these activities could be programmed onto that space.

Responding to a series of questions from Mayor Smith, Mr. Brady confirmed that the Cubs are less interested in the northeast Mesa site based on the City's retail analysis and the Cubs' concern regarding the ability to attract regional commercial development (i.e., entertainment, retail facilities) to that location. He stated that because most of the effort is being focused on Riverview, it would be helpful to staff if the Council could narrow their focus and take the northeast Mesa site "off the table."

Vice Mayor Jones commented that it was readily apparent that the Cubs' organization was focusing its interest on the Riverview site and noted that it was important to narrow down a site for the November election. He cautioned, however, that he preferred not to "take all the cards off the table" and suggested that it might be appropriate to have a backup site, such as downtown Mesa, in case circumstances change in the future.

Councilmember Finter concurred with Vice Mayor Jones' comments.

Responding to a question from Councilmember Somers, Mr. Brady explained that Riverview was more attractive to the Cubs than the downtown site because the organization was interested in having a consolidated campus that was contiguous and would allow the players to rotate in a more compact area. He stated that although the downtown Mesa site could physically accommodate the programming with regard to the fields and buildings, the area was "somewhat spread out" from an operational standpoint.

Mayor Smith commented that the Cubs have recently been focusing on a baseball headquarters, which was unique to the organization because they would have much more of a year around presence in the community.

Mr. Brady concurred with Mayor Smith's comments and said that staff would like to focus on titling the site as the Western Baseball Headquarters for the Cubs organization. He noted that

although spring training, from the public's perspective, is an active period of time, it only represents a small portion of the Cubs' year around activities. He said a significant number of staff stay in Mesa to operate the Cubs' Minor League activities.

Councilmember Somers stated that although he supports the downtown site, which is part of the Council's Strategic Initiative to revitalize the downtown area, in reality, it is not the Cubs' preferred site. He suggested that the Council direct staff to focus their efforts on Riverview; maximize the benefit of the site by continuing to engage in negotiations with Waveyard representatives; and hold the Cubs' organization to its end of the bargain of creating a Wrigleyville West.

Councilmember Kavanaugh concurred with the comments of his fellow Councilmembers and also agreed that staff continue to work on the MOU and bring it back to the Council next week for review. He stated that the more details that are available to the voters, the better informed they will be in terms of reviewing the issues related to the election.

Mayor Smith clarified that he supports focusing on the Riverview site not specifically because the Cubs have expressed an interest in that location, but because the plans for the site "are pretty incredible." He acknowledged that each of the four sites were unique and could have been successful in their own right, but noted that it has become clear that there are some special things that can be accomplished at Riverview that cannot occur elsewhere.

Councilmember Richins stated that the residents in his district supported Waveyard because it was a well designed and high quality project. He suggested that the agreement between the City and the Cubs includes the preservation of the public component of Riverview Park and that it not be developed on; and that any development at Riverview, whether with Waveyard or the Cubs, must be of a high quality and with standards that are not compromised. Councilmember Richins stated that if those components are met, in his opinion, the residents in his district would be supportive of the Riverview site.

Mayor Smith stated that he envisioned a unique opportunity for the City to create significant upgrades to the lake and the public portion of Riverview Park and noted that such efforts could now be integrated with the spring training facilities.

Mayor Smith summarized the Council's direction as follows: that the northeast site no longer be considered as a possible location; that staff focus their efforts on the Riverview site and continue to work out the details with the Cubs' organization regarding the development of the spring training facilities at Riverview; and that staff continue to engage in discussions/negotiations with Waveyard with respect to potentially accommodating the water park portion of the Waveyard development at the site. He added that in the next week or so, he would hope that the City would release some of the initial renderings of the project to the public.

Mayor Smith thanked Mr. Brady for the presentation.

4. Hear a presentation, discuss and provide direction on the Zoning Code Update.

Zoning/Civil Hearing Administrator Gordon Sheffield addressed the Council regarding the Zoning Update process. He displayed a PowerPoint presentation **(See Attachment 3)** and stated that the purpose of this process was to "equalize" land use, impact and form and to

create a balanced approach to the Zoning Ordinance. He explained that this was the last of three presentations he has made to the Council this month so that staff can move forward with the final draft of the Zoning Ordinance Update.

Mr. Sheffield reported that contained in the Public Review Draft released on April 6, 2010 is a chapter titled TMX District, which was a set of regulations written with the idea of using a land use based approach to zoning for Transit Oriented Development (TOD). He explained that as the Council was aware, staff has contracted with a consultant regarding Form-Based ordinances.

Mr. Sheffield commented that in evaluating this issue, staff was "fairly certain" that the best approach for TOD is to use the Form-Based Code as opposed to using the TMX approach. He explained that it was the opinion of staff that if they move forward with both options at this time, it could result in competing regulations. Mr. Sheffield said that staff's recommendation would be to remove the TMX District from the final draft of the Zoning Code Update and make use of the Form-Based Code when it is completed sometime next spring. He referred to a chart illustrating the differences between the TMX District and the Form-Based Code. (See Page 3 of Attachment 3)

Mayor Smith stated that the Council concurred with staff's recommendation.

Mr. Sheffield briefly highlighted a series of changes to the administration and processing of the Zoning Code. (See Page 4 of Attachment 3)

Mr. Sheffield further commented that the next issue, which was raised during the comment period by various zoning attorneys that appear before the Council, was the role of the General Plan and how staff actually administers the Zoning Code. He stated that it was the opinion of staff that it would be helpful to remind the Council of the enabling statutes that relate to the relationship between the General Plan and the Zoning Code. He cited A.R.S. 9-462.01.F (See Page 4 of Attachment 2)

Mr. Sheffield noted that with respect to this statute, one of the fallacies that Planning staff encounters is that some individuals have a tendency to focus primarily on the land use element of the General Plan and ignore the other 12 to 14 elements. He stated that in order to achieve the vision of the City, when staff reviews cases, they consider all of the elements of the General Plan as a whole and not just the land use element.

Councilmember Kavanaugh stated that it was his understanding that the State Legislature extended the time to 2014 for the City of Mesa to re-adopt a General Plan. He commented that the current Zoning Ordinance Update process and future adoption was helpful so that staff could begin to review each of the General Plan elements. Councilmember Kavanaugh noted that by 2014, hopefully staff and the Council will have conducted a comprehensive review of those elements and adopted new elements, when necessary, which will make the General Plan re-adoption process easier.

Responding to a question from Councilmember Kavanaugh, Mr. Sheffield acknowledged that adoption of the Zoning Ordinance Update that staff and the Council have been discussing for the past year will help the General Plan process move forward in a more effective manner. He

stated that there are certain elements of the General Plan that work well, some that require "tweaking" and others that are outdated.

Mr. Sheffield further highlighted the purpose of the Zoning Code (Section 11-2-2 of the Zoning Code), which is to primarily implement the General Plan. (See Page 5 of Attachment 3) He stated that staff uses the General Plan quite often in their evaluation of cases and noted that staff presents those recommendations to the Council and the Planning & Zoning Board (P&Z).

Mr. Sheffield explained that with respect to Zoning Code Update Section 11-1-5 (See Page 6 of Attachment 3), various zoning attorneys have questioned the language in bold as follows: "Each application for Special Use Permit, Council Use Permit, site plan review, or site plan modification **shall be reviewed and evaluated for consistency** with the City of Mesa General Plan." He stated that it was staff's recommendation that there be a review and evaluation of such cases, which should be presented to the P&Z and the Council for consideration.

Mr. Sheffield also cited the current Zoning Ordinance language in Section 11-1-6 related to "Use Permit, Special." (See Page 6 of Attachment 3) He explained that staff expanded the definition in the Zoning Code Update under Section 11-32-5(E) – "Required Findings for Special Use Permits." (See Page 7 of Attachment 3)

Mr. Sheffield stated that staff was seeking direction from the Council as to whether they agree with the idea of continuing to use policies such as the General Plan and any other applicable City plan as guidelines with respect to individual cases and the granting of Special Use Permits. He noted that last night, staff met with P&Z and said that the Board requested that staff "work on the language" so that it was not quite so "absolute."

Mayor Smith concurred with P&Z's request and noted that he can see a conflict in what staff was trying to accomplish and how it would apply "in the real world." He stated that a special use implies "some sort of deviation from a standard and determining whether such a deviation fits in the overall acceptability range or not." He added that he would prefer to get back to the general premise of a Form-Based approach, which is much more goal, objective and standard driven as compared to specific rules.

Mr. Sheffield responded that staff anticipates making some edits to "soften" the approach, but maintain the same basic premise.

Mayor Smith stated that he did not want the City "to give up the standards," but provide individuals greater flexibility.

Mr. Sheffield noted that based on the Council's input, staff would make some minor revisions to the final draft of the Zoning Ordinance Update and added that they anticipate having it completed in early October.

Mayor Smith thanked Mr. Sheffield for the presentation.

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

There were no reports on meetings and/or conferences attended.

6. Scheduling of meetings and general information.

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

Thursday, September 16, 2010, 6:30 p.m. – District 2 Building Strong Neighborhoods Kickoff meeting

Thursday, September 23, 2010, 7:30 a.m. – Study Session

7. Items from citizens present.

There were no items from citizens present.

8. Convene an Executive Session.

It was moved by Councilmember Somers, seconded by Councilmember Kavanaugh, that the Council adjourn the Study Session at 7:34 a.m. and enter into an Executive Session.

Mayor Smith declared the motion carried unanimously and an Executive Session convened at 7:35 a.m.

a. 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)) 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))

1. Chicago Cubs Spring Training

9. Adjournment.

Without objection, the Study Session adjourned at 10:07 a.m.

_____
SCOTT SMITH, MAYOR

ATTEST:

_____
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 16th day of September, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

_____
LINDA CROCKER, CITY CLERK

pag
(attachments – 3)

SR802
Gateway Freeway
Construction Advancement

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PROJECT SCOPE

- Advance the construction of SR 802 (Gateway Freeway) from 2016 to January 2012
- City will enter into IGA with ADOT and MAG
- City will issue HPANs to finance the construction phase and will be reimbursed by MAG utilizing Prop 400 funds

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PROJECT HISTORY

- Advancement efforts began in 2006
- Project design, ROW and construction approved in January 2009; $20 million STAN funds "swept" by Legislature in February 2009
- $10 million of swept funds restored for construction phase in June 2009
- Design and ROW advancement approved in September 2009 utilizing regional funds

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WHY NOW?

- State budget difficulties jeopardize the $10 million allocated for the construction phase
- EPA may impose a "conformity freeze" on Maricopa County; advancing construction to 2012 will ensure the project is eligible to proceed
- Take advantage of competitive construction market

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FISCAL IMPACT

- Construction costs are estimated at $119 million (versus 2007 estimate of $158 million)
- City will issue up to $130 million in HPANs to cover construction costs and contingencies
- Interest costs are estimated at $22.9 million

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FISCAL IMPACT TO MESA

Total Interest Cost	$22.9 million
State Allocation	($10 million)
Interest Earnings	($1.7 million)
Subtotal	$11.2 million
• MAG	$5.6 million
• ***City of Mesa***	***$5.6 million***

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FISCAL IMPACT TO MESA

In response to previous Council actions, Transportation has set aside $22.7 million for SR802 advancement.

This proposal ensures the City will spend **no more than $5.6 million**.

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COUNCIL DIRECTION

If Council so directs, a resolution authorizing the City Manager to enter into an IGA with ADOT and MAG will be placed on the September 27 City Council agenda.

2011 EMPLOYEE BENEFITS PROGRAM

COUNCIL PRESENTATION
September 16, 2010

National Health Care Challenges

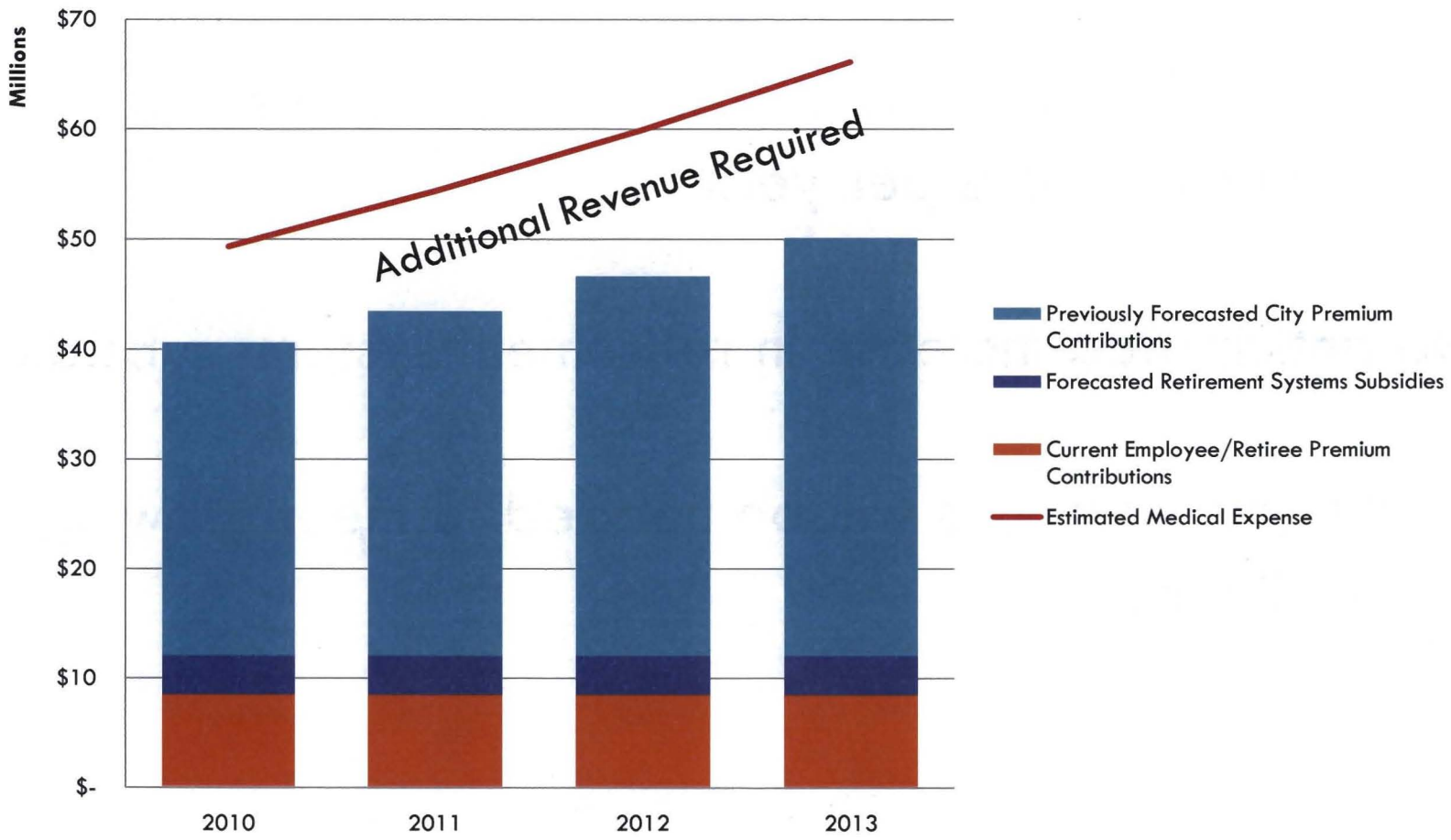
- National and local increases in health care costs
  - Drivers include technology, prescription drugs and chronic disease costs.
  - Nationwide, costs increased 10.6% per year in 2008 and 2009, with an expected 10.8% increase in 2010.
  - City of Mesa experienced higher utilization in 2008 and 2009 than in previous years or nationally.
- Despite increases in costs, employees and retirees have not experienced a premium increase since 2008.

Current Considerations

- City of Mesa health care costs are anticipated to increase by 10.8% per year
- No anticipated increase in retirement systems subsidies
- Additional revenues will be needed to meet growing expenditures

Additional Revenue Required Through 2013 if Premium Contributions Remain at Previously Forecasted Levels

4



Goals

- Agree on an appropriate contribution philosophy
- Provide employees the same credit amount toward each medical plan
- Employees and City pay increased costs consistently each year
- 80/20 Citywide medical premium contribution philosophy based on the benchmark Choice plan
- Provide a phased in premium contribution restructuring

2013 Contributions to Medical Plan

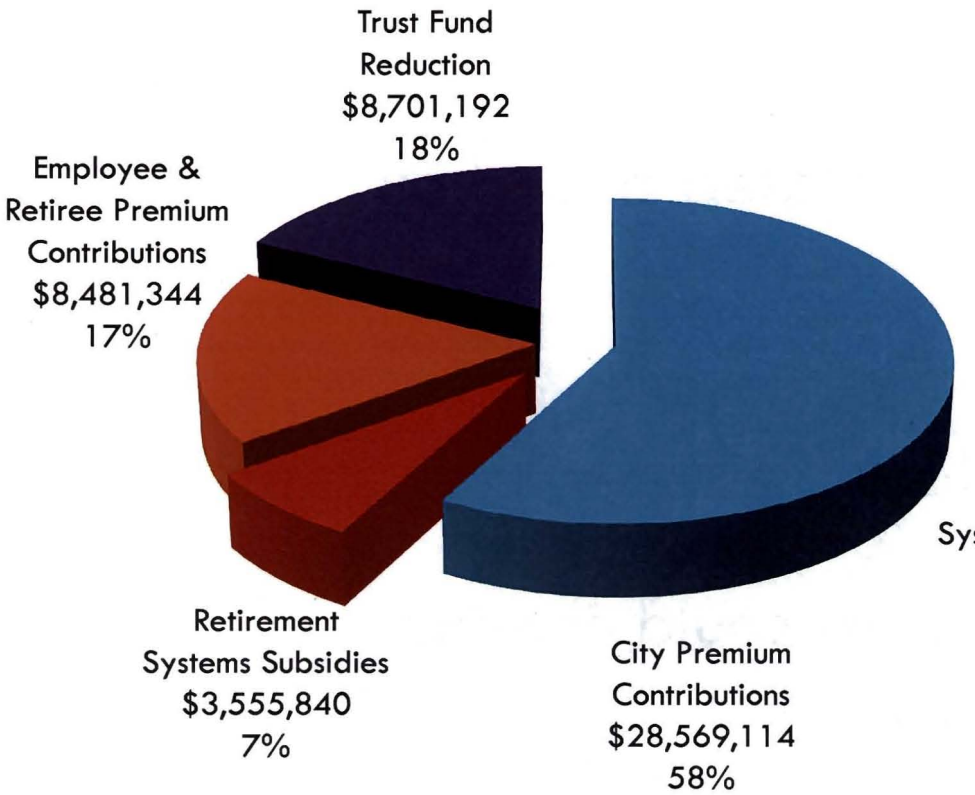
- Total 2010 budgeted premium contributions = $40.6M
- Total 2013 required premium contributions = $66.2M
- Additional ongoing revenues required by 2013 = $25.6M

Revenue Comparison: 2010 Compared to Proposed 2013

2010 Estimated Medical Expense: $49.3M

2010 Estimated Income: $40.6M

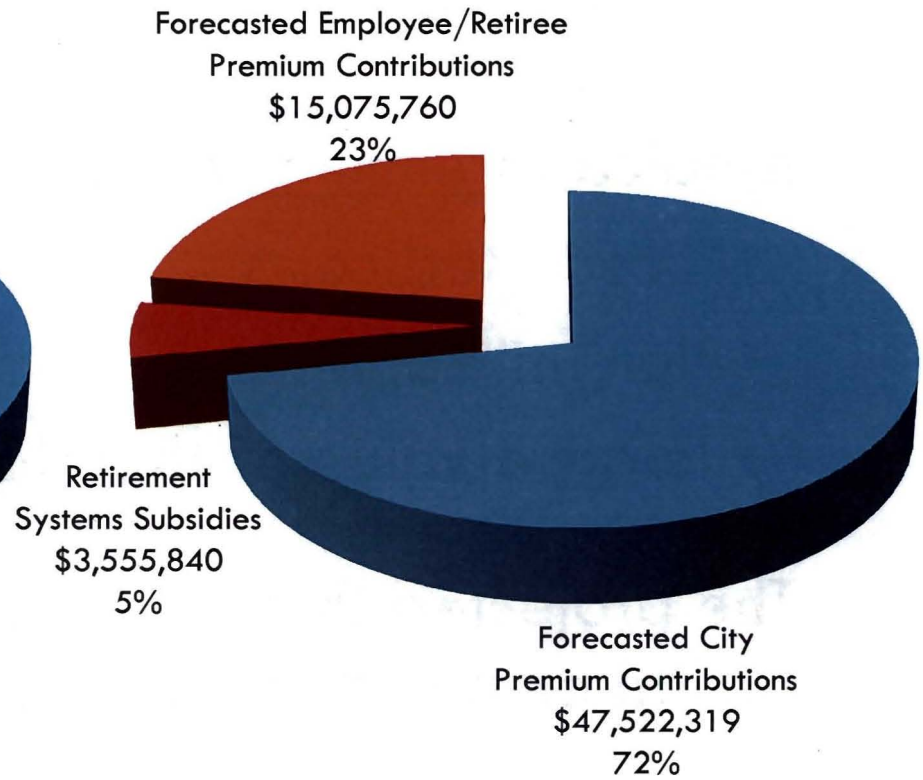
Trust Fund Reduction: $8.7M



2013 Estimated Medical Expense: $66.2M

2013 Proposed Premiums (All Sources): $66.2M

Trust Fund Reduction: $0



Premium Development

- Forecasted three year estimated medical expenditures are based on City of Mesa costs and national trend
- Medical premiums were calculated based on
  - Forecasted costs
  - Plan utilization
  - Relative value of the plans
- The projected three year costs could change based on health care utilization

Monthly Medical Premiums Through 2013 - Active Employees

ACTIVE EMPLOYEES

	2010 Current			2011 Planned			2012 Estimated			2013 Estimated		
	Total	City*	Employee	Total	City	Employee	Total	City	Employee	Total	City	Employee
CHOICE PPO PLAN (80/20)				CHOICE PPO PLAN (80/20)			CHOICE PPO PLAN (80/20)			CHOICE PPO PLAN (80/20)		
Single	$305.00	$274.50	$30.50	$429	$368	$61	$482	$395	$87	$523	$418	$105
Family	$840.00	$672.00	$168.00	$1,217	$1,001	$216	$1,336	$1,078	$258	$1,434	$1,147	$287
CHOICE PLUS PLAN (90/10)				CHOICE PLUS PLAN (90/10)			CHOICE PLUS PLAN (90/10)			CHOICE PLUS PLAN (90/10)		
Single	$500.00	$274.50	$225.50	$763	$368	$395	$938	$395	$543	$1,067	$418	$649
Family	$1,250.00	$672.00	$578.00	$1,819	$1,001	$818	$2,106	$1,078	$1,028	$2,324	$1,147	$1,177
COPAY CHOICE PLAN				COPAY CHOICE PLAN			COPAY CHOICE PLAN			COPAY CHOICE PLAN		
Single	$355.00	$274.50	$80.50	$480	$368	$112	$534	$395	$139	$577	$418	$159
Family	$1,000.00	$672.00	$328.00	$1,391	$1,001	$390	$1,523	$1,078	$445	$1,631	$1,147	$484
BASIC CHOICE PLAN (50/50)				BASIC CHOICE PLAN (50/50)			BASIC CHOICE PLAN (50/50)			BASIC CHOICE PLAN (50/50)		
Single	$274.50	$274.50	$0.00	$368	$368	$0	$395	$395	$0	$418	$418	$0
Family	$672.00	$672.00	$0.00	$1,001	$1,001	$0	$1,078	$1,078	$0	$1,147	$1,147	$0

*Does not Reflect Total Costs to the City

Monthly Medical Premiums Through 2013 - Retirees

RETIREES (with 20 Years of Service)^

	2010 Current			2011 Planned			2012 Estimated			2013 Estimated		
	Total	City*	Retiree	Total	City	Retiree	Total	City	Retiree	Total	City	Retiree
CHOICE PPO PLAN (80/20)				CHOICE PPO PLAN (80/20)			CHOICE PPO PLAN (80/20)			CHOICE PPO PLAN (80/20)		
Single	$450.00	$274.50	$25.50	$565	$368	$47	$611	$395	$66	$647	$418	$79
Family	$980.00	$672.00	$48.00	$1,376	$1,001	$115	$1,511	$1,078	$173	$1,622	$1,147	$215
CHOICE PLUS PLAN (90/10)				CHOICE PLUS PLAN (90/10)			CHOICE PLUS PLAN (90/10)			CHOICE PLUS PLAN (90/10)		
Single	$600.00	$274.50	$175.50	$819	$368	$301	$955	$395	$410	$1,055	$418	$487
Family	$1,150.00	$672.00	$218.00	$1,745	$1,001	$484	$2,055	$1,078	$717	$2,290	$1,147	$883
COPAY CHOICE PLAN				COPAY CHOICE PLAN			COPAY CHOICE PLAN			COPAY CHOICE PLAN		
Single	$650.00	$274.50	$225.50	$743	$368	$226	$770	$395	$226	$793	$418	$226
Family	$1,250.00	$672.00	$318.00	$1,597	$1,001	$336	$1,690	$1,078	$352	$1,770	$1,147	$363
BASIC CHOICE PLAN (50/50)				BASIC CHOICE PLAN (50/50)			BASIC CHOICE PLAN (50/50)			BASIC CHOICE PLAN (50/50)		
Single	$424.50	$274.50	$0.00	$518	$368	$0	$545	$395	$0	$568	$418	$0
Family	$932.00	$672.00	$0.00	$1,261	$1,001	$0	$1,338	$1,078	$0	$1,407	$1,147	$0

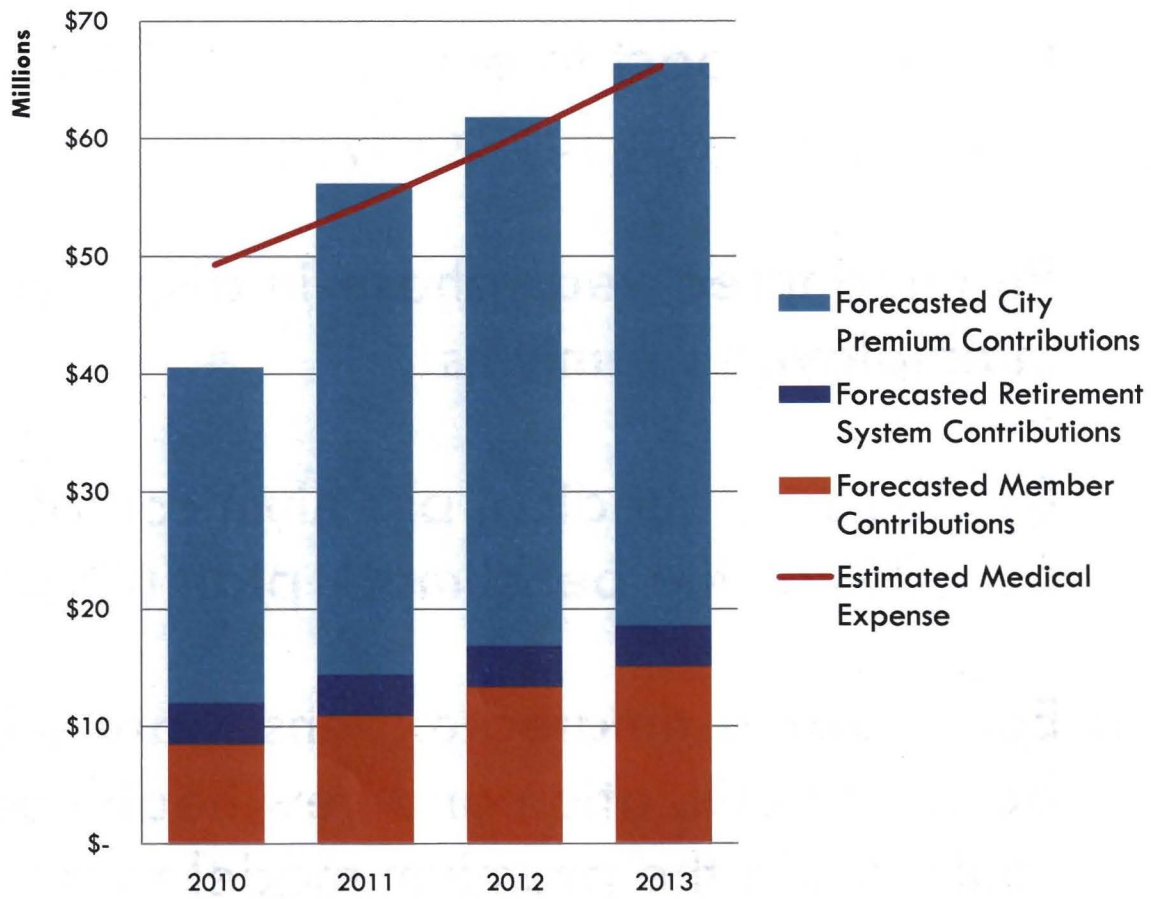
^Although not shown, the Retirement System Contribution of $150 Single/$260 Family is included to offset Retiree Monthly Contribution
*Does Not Reflect Total Costs to the City

Phased Approach

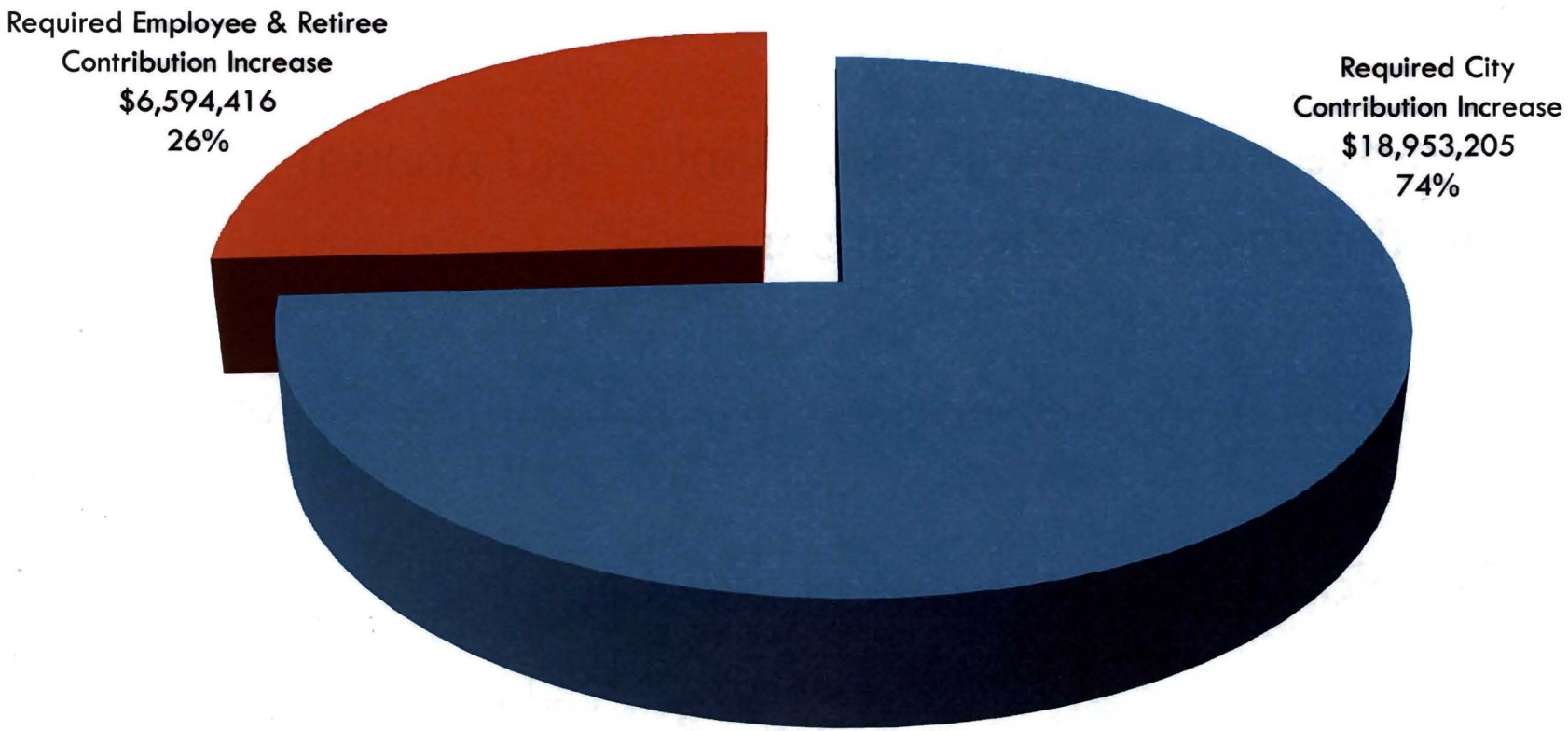
- Financial impact to employees of implementing all changes in one year was too costly
- Planned three year phase-in allows a more gradual increase in employee premiums
- By 2013 the medical premium contribution for the City will be 80% of the benchmark plan (Choice)
- Each year, estimated expenses are subject to adjustment based on utilization and new health care regulations, which could cause the premium model to be adjusted

Forecasted Costs and Contributions Based on Three Year Phase In

- 10.8% annual trend factor for medical services
- Forecasted City Premium Contributions (medical only) includes approximately $19M above Budgeted Funds from 2010 to 2013
- By 2013, the forecasted contributions support the estimated medical costs



2010-2013 Estimated Revenue Increases – 25.6M



Assumes No Increase in Retirement Systems Subsidies

Plan Design For 2011
As Required by Health Care Reform

- Cover adult children to age 26
- Remove maximum lifetime limits and annual maximums on "essential services"
- No coinsurance or copays for preventive services
- Develop external appeal process

Coverage Highlights

- Medical plan
  - No changes to deductibles, coinsurances or copays
  - No change to Out-of-Pocket Maximums
  - Medical out of network services will be subject to allowable costs based on regional schedules
- Dental plan
  - No changes to deductibles, coinsurances, maximums or premiums
  - Evaluating implementation of dental network
- Short term disability
  - Recommending new carrier with lower rates
- VSP vision plan
  - No changes to coverage or premiums

Open Enrollment 2011

- October 25 – November 5, 2010
- Benefits Fair – October 27, 2010
  - Convention Center – 8:30am-2:30pm
  - Wellness Booths
  - Wellness and Benefits Plan Classes

Questions?

mesa az

Zoning Ordinance Update

Transit Orient Development (TOD) Reqs, Administration & Processing, and Role of General Plan in the Administration of the Zoning Ordinance

Presentation to

City Council Study Session

September 16, 2010

1

Land Use - Impact - Form

Balanced Emphasis Leads to More Predictable Results

Current Ordinance	Land Use	Impact	Form
	Activities, Use, Res Density	Spacing, Buffering, Orientation	Aesthetics, Bulk, Site Design
Proposed Update	**Land Use**	**Impact**	**Form**

2

Board/Hearing Schedule

City Council

Scheduled Discussion of Changes Since Public Review Draft released on April 6, 2010

*9/2: **Revisions to Development Standards***
*9/9: **Revisions to Land Uses and Districts (Compare to Existing Districts)***
*9/16: **Revisions to Administration & Processing***

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TMX vs. Form-Based Code

- Staff is evaluating the idea of removing the TMX district from the Zoning Code Update
- Basic concern relates to two different zoning approaches being used to tackle the same issue: Transit Oriented Development. The result may be differing development patterns, or competing development rules, at same rail station.

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TMX District vs Form Based Code

TMX

- Primarily Narrative
- Fewer Illustrations
- Land Use Based Organization & Priority
- Site Plan designed to Meet Code
- Two Levels or Degrees of Scale
- Initially More Familiar
- Addresses Sites as Individual Parts

FBC

- Primarily Illustrations & Tables
- Narrative Fills in Gaps
- Predictability in Physical Forms
- Six Levels (Transects)
- Regulating Plan:
  - Fits Context of Site,
  - Organizes Area to Work as Whole

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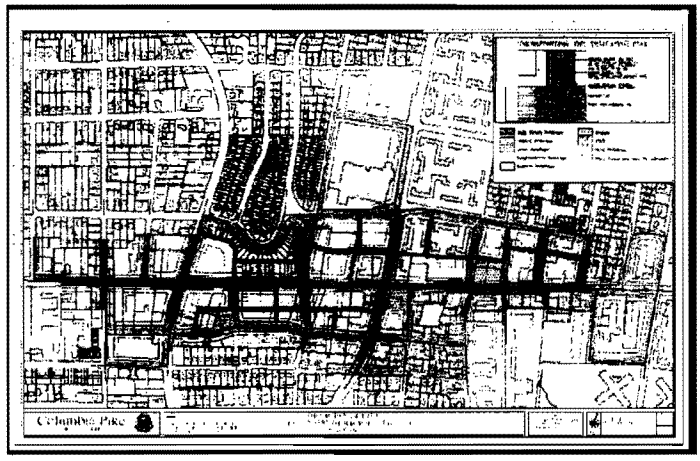
FBC: Regulating Plan Example



Arlington, VA: Columbia Pike FBC, Town Center Regulating Plan

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Changes to Admin & Processing

Based on Previous Direction by City Council:

- Addition of Temporary Use Permits
- Addition of Zoning Clearance Requirements
- Update Historic Preservation Processing
- Incorporate Updated Design Review Board Processing
- Addition of Rules of Interpretation and Measurement
- Use of Broader Land Use Classifications, rather than Specific Listing of Individual Uses

7

Role of the General Plan

ARS 9-462.01.F:

F. All zoning and rezoning ordinances or regulations adopted under this article shall be consistent with and conform to the adopted general plan of the municipality, if any, as adopted under article 6 of this chapter. In the case of uncertainty in construing or applying the conformity of any part of a proposed rezoning ordinance to the adopted general plan of the municipality, the ordinance shall be construed in a manner that will further the implementation of, and not be contrary to, the *GOALS, POLICIES AND APPLICABLE ELEMENTS* of the general plan. A rezoning ordinance conforms with the land use element of the general plan if it proposes land uses, densities or intensities within the range of identified uses, densities and intensities of the land use element of the general plan.

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Role of General Plan: Zoning Code

Sec 11-1-2: Purpose of Zoning Ordinance

The purpose of this Ordinance is to implement the City's General Plan and to protect and promote the public health, safety, peace, comfort, convenience, prosperity and general welfare. More specifically, this Ordinance is intended to:

- A. Provide a guide for the physical development of the City in a manner to progressively achieve the arrangement of land uses depicted in the General Plan, consistent with the goals and policies of the General Plan.

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Role of General Plan: Zoning Code

Section 11-1-2 Purpose (Continued)

C. Foster a harmonious, convenient and workable relationship among land uses and ensure compatible infill development, consistent with the General Plan

G. Promote the stability of existing land uses that conform to the General Plan, protecting them from inharmonious influences and harmful intrusions.

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Role of General Plan: P&Z Board Applications

- **<u>Zoning Code Update, Section 11-1-5:</u>**
  Requests to modify the zoning classification of a parcel of land must be consistent with the City of Mesa General Plan. Each application for Special Use Permit, Council Use Permit, site plan review, or site plan modification shall be reviewed and evaluated for consistency with the City of Mesa General Plan.

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Role of General Plan: Use Permits

- Current Ordinance Language: **Section 11-1-6 (Definitions)**

USE PERMIT, SPECIAL (S.U.P.):
A discretionary authorization issued by the Zoning Administrator/Board of Adjustment only upon a finding through a public hearing that the proposed activity is in conformance with the intent of this Code, the General Plan, and/or other specified plans or Council policies; will be compatible with, and not detrimental to, adjacent properties or the neighborhood in general; and may be limited by specific conditions, restrictions, terms, or time periods.

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Role of General Plan: Use Permits

Proposed Language in Zoning Code Update:

Sec 11-32-5(E) - Required Findings for Special Use Permits.

A SUP shall only be granted if the approving body determines that the project as submitted or modified conforms to all of the following criteria. It if is determined that it is not possible to make all of the required findings, the application shall be denied. The specific basis for denial shall be established in the record.

1. Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable City plan and/or policies:

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Role of General Plan: Use Permits

Section 11-32-5 of Zoning Code Update (Continued)

2. The location, size, design, and operating characteristics of the proposed project are consistent with the purposes of the district where it is located and conform with the General Plan and with any other applicable City plan or policies;
3. The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area, nor will the proposed project or improvements be injurious or detrimental to the neighborhood or to the general welfare of the City; and
4. Adequate public services, public facilities and public infrastructure are available to serve the proposed project.

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Does the Council concur with these revisions?

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