



COUNCIL MINUTES

December 8, 2008

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 December 8, 2008 at 3:30 p.m.

COUNCIL PRESENT

Mayor Scott Smith
Alex Finter
Dina Higgins
Kyle Jones
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Linda Crocker

1. Review items on the agenda for the December 8, 2008 Regular Council meeting.

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

Conflicts declared: None

Items added to the consent agenda: None

2. Hear a presentation, discuss and provide direction on FY 08/09 and 09/10 budget issues including, but not limited to:

a. Parks, Recreation and Commercial Facilities

Parks, Recreation and Commercial Facilities Department (PRCF) Director Rhett Evans introduced Fiscal Analyst Sue Deck and Assistant PRCF Director Mike Holste, who were prepared to respond to any questions the Council may have.

Mr. Evans displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that in response to the Citywide budget adjustments, the PRCF Department proposes to implement "a new strategy." He expressed appreciation to his staff for their dedication to the community and the development of new models that would provide programs and services in a more streamlined fashion. Mr. Evans added that staff's core focus throughout this process has been to protect and maintain recreational assets (i.e., parks and

basins, amenity pools and facilities) and prioritize youth, teen and adult programs (including adaptive).

Mr. Evans commented that with regard to Mesa's parks and basins, staff intends to prioritize park maintenance based on use, consider different levels of maintenance service (i.e., trash removal, mowing, tree trimming), consolidate maintenance operations, and continue to maintain a limited Park Ranger Program to protect such assets. He also noted that there has been increased vandalism and graffiti in City parks as a result of fewer Park Rangers monitoring the areas.

Mayor Smith requested that staff track the costs related to increased vandalism in City parks as compared to the cost of having Park Rangers present in Mesa's parks.

Mr. Evans further indicated that relative to Mesa's aquatic facilities, staff proposes to maintain and program the City's seven regional amenity pools (Carson, Brimhall, Fremont - until Skyline opens, Kino, Shepherd, Stapley and Taylor - until Rhodes opens). He said that the regional pools would continue their current level of operation, offer swim lessons, public swim, competitive programs, year-around reservations and maintain access to the City's partner, Mesa Public Schools, and other user groups.

Mr. Evans also commented that the remaining Mesa pools would no longer offer City-sponsored programs, but said that staff would continue to secure and maintain the facilities. Mr. Evans added that the pools would be available for use by Mesa Public Schools if the City and the district were able to come to an agreement with regard to maintenance charges.

Councilmember Finter said that District 2 has only two pools, neither of which is a regional amenity pool. He noted, however, that there would be an opportunity for Mesa Public Schools to maintain and provide access to the facilities for the benefit of District 2 residents.

In response to Councilmember Finter's comments, Mr. Evans clarified that Mesa Public Schools would not house programs that are open to the general public in the District 2 pools. He explained that the district's use of the pools, which would be during school hours, would be primarily for the students attending those schools.

Mayor Smith further advised that the City proposes to engage in joint ventures with Mesa Public Schools and noted that the district would continue to use the pools as part of its educational program. He added that during the summer months, the City would not make available the secondary pools to the general public during non-school hours.

Councilmember Richins inquired if it would be appropriate for the City to develop a Request for Proposals (RFP) for concessionaires that might be interested in operating the two pools during the summer.

City Manager Christopher Brady stated that the City would be willing to consider any options that are brought forward by an interested party.

Discussion ensued relative to the City's regional pools, which are newer, have amenities and few maintenance issues; and the City and Mesa Public Schools' funding commitments with regard to the Skyline pool project.

Mr. Evans reported that Mesa's recreation programs are currently held at City facilities and Mesa Public Schools sites. He explained that as part of the PRCF's new model, staff would concentrate programming at Red Mountain Multigenerational Center, Jefferson, Webster and Broadway Recreation Centers, and the Washington Activity Center. Mr. Evans stated that the focus of these facilities would be youth and teen fee-based activities. He added that the City would also utilize temporary and seasonal staffing at the facilities, maximize capacity and participation levels, and reduce the General Fund subsidy.

Further discussion ensued relative to the fact that the continued operation of the Washington Activity Center, currently funded by a Community Development Block Grant (CDBG), is contingent upon the successful completion of an RFP process or CDBG funding; that staff proposes to eliminate all Adult Sports Programs except softball and flag football; that staffing would be centralized at the South Center Campus and the various recreation centers, resulting in the closure of the Decatur office; that the "TimeOut" publication would be phased out; and that residents would be encouraged to obtain registration/reservation information online, via telephone or in person at the PRCF office.

Councilmember Somers suggested that during the phasing out of the "TimeOut" publication, that staff work with Mesa Public Schools and the City library to create a computer link to assist Mesa residents with the registration/reservation process for Parks and Rec programs

Mr. Evans reported that regarding the Riverview and Dobson Ranch golf courses, there has been a slight downward trend in the number of rounds of golf being played. He stated, however, that staff has made minor fee adjustments and believe that the facilities would remain profitable. Mr. Evans also advised that staff is considering options to lower maintenance costs at the Mesa Convention Center and Amphitheatre, including utilizing a contractor to perform maintenance work outside of Hohokam Stadium, Fitch Park and other areas in the City's park system.

Mr. Evans displayed a document entitled "PRCF – Fiscal Impact" and reviewed the projected savings in FY 08/09 and FY 09/10 as a result of the reductions in service, programs and staffing. (See Attachment 1)

Additional discussion ensued relative to the fact that in 2009, staff intends to offer 4,650 recreation/aquatics programs as compared to 5,607 in 2008.

Mayor Smith thanked staff for the presentation.

b. Arts and Cultural

Mesa Arts Center Executive Director Johann Zietsman reported that his presentation would address budget issues related to the Arts and Cultural Department, which includes the Mesa Arts Center (MAC), the Arizona Museum for Youth (AMY) and the Arizona Museum of Natural History (AMNH). He stated that staff from the three facilities were present and available to respond to any questions the Council may have. Mr. Zietsman also thanked his staff for their hard work and positive attitude during this difficult budget adjustment process.

Mr. Zietsman explained that the vision of the Arts and Cultural Department is to engage, entertain and educate everyone. He advised that the venues offer, among other things, a safe environment, relevant programs and economic development opportunities. Mr. Zietsman noted,

however, that the department faces challenges relative to changing perception, earning social capital, relevance and impact, being accessible to everyone, and creating financial sustainability and less reliance on the City's General Fund.

Mr. Zietsman displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and offered a brief comparative analysis of the revenues generated by the MAC, AMY and AMNH for FY 2006/07 (\$5.3 million), FY 2007/08 (\$5.8 million) and FY 2008/09 (\$884,284 to date). He explained that current revenues are approximately 10% to 15% lower overall than last year.

Discussion ensued relative to various initiatives instituted at the three facilities; that examples of such initiatives include "blockbusters" exhibits or programs, "Free Sundays" at AMY and AMNH, "Friday Night Out," shared resources, and partnerships (i.e. collaboration with the Police Department relative to at-risk youths); and that for FY 2008/09, the funding sources for the Arts and Cultural Department include approximately \$3 million from the General Fund and \$4.5 million from the Quality of Life (QOL) sales tax program (56% of the budget for both sources), \$4.46 million in earned revenues and \$1.5 million in contributions from the private sector, boards and foundations (44% of the budget).

Mr. Zietsman said that the Arts and Cultural Department was asked to reduce its operations and program budget by 30% and referenced a document demonstrating the proposed FY 08/09 budget for the MAC, AMY and AMNH. (See Attachment 2)

City Manager Christopher Brady stated that two years ago, the percentage of the Arts and Cultural Department's budget funded through the General Fund and QOL was much higher than the current 56%. He explained that the decrease in those funding sources is due in part to staff's aggressive marketing strategy and increased programming, resulting in the generation of higher revenues.

Councilmember Somers requested that staff provide the Council data relative to the amount of sales tax that is generated as a result of activities occurring at the MAC.

Mayor Smith expressed disappointment that the City has not sponsored, for example, joint promotions with the Chicago Cubs spring training games at Hohokam Stadium and the MAC in downtown Mesa. He stated that staff should take advantage of these complimentary assets which, in his opinion, could bring individuals to both venues and reap direct economic benefits for the City.

Councilmember Richins said that when the MAC first opened, many individuals expected full cost recovery of the facility before it had an opportunity to gain a constituency and earn a well-deserved reputation. He noted that the decrease in General Fund and QOL funding sources for the Arts and Cultural Department budget is a compliment not only to Mr. Zietsman's management capabilities, but also staff's efforts and hard work.

Further discussion ensued relative to the Arts and Cultural Department's reduction strategy, which includes redefining and retaining core services, minimizing job losses, focusing on fiscal efficiencies, and leveraging economies of scale; that the MAC, AMY and AMNH operate as one department and the individual "silos" have been eliminated; and that the proposed budget

reductions would result in the elimination of 19 positions, fewer exhibitions and programs, a reduced operations/program budget, and a reduction in certain hours of operation.

Mr. Zietsman further reported that in an effort to manage the proposed reductions, the Arts and Cultural Department has revised its organizational chart and reassigned various responsibilities, modified programming and contracted services during peak times. He said the Department has also expanded its focus on shared resources, strengthened enterprise initiatives (i.e., rental of facilities, box office and events), adjusted fees, and engaged in ongoing collaboration with staff, stakeholders and other community organizations.

Mayor Smith stated that the MAC, like other City facilities, is a community asset and thanked Mr. Zietsman and his staff for their efforts to bring not only Mesa residents to the venue, but also individuals from other communities.

Mr. Zietsman also spoke regarding the Arts and Cultural Department's shared resources concept, which is a component of its restructuring efforts. He explained that the MAC, AMY and AMNH would pool resources in order to save costs, labor and resources. Mr. Zietsman cited examples of the shared resources including, but not limited to, marketing, custodial staff, rentals, box office/registration and exhibit installation.

Mr. Zietsman concluded his presentation by announcing that with the proposed reductions for the FY 2009/10 budget, the City's contribution to the Arts and Cultural Department (i.e., General Fund and QOL sales tax program) would be slightly less (47% of budget) than the contribution from earned and contributed revenue (53% of budget). He stated that this is a significant turnaround from previous years.

Mayor Smith thanked staff for the presentation.

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

- a. Economic Development Advisory Board meeting held on November 4, 2008
- b. Public Safety Committee meeting held on November 17, 2008

It was moved by Vice Mayor Jones, seconded by Councilmember Somers, that receipt of the above-referenced minutes be acknowledged.

Carried unanimously.

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

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

5. Scheduling of meetings and general information.

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

Tuesday, December 9, 2008, 3:00 p.m. – "Mesa: Your Business, Your City" Open House

Thursday, December 11, 2008, 7:30 a.m. – Study Session

6. Adjournment.

Without objection, the Study Session adjourned at 5:38 p.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 8th day of December 2008. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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