



COUNCIL MINUTES

December 21, 2000

The City Council of the City of Mesa met in a Study Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 21, 2000, at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Jim Davidson
Bill Jaffa
Dennis Kavanaugh
Pat Pomeroy
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Neal Beets
Barbara Jones

1. Hear a report on the Day Labor Task Force report.

Human Services Coordinator Karen Kurtz addressed the Council relative to this agenda item and explained that over a nine-month period of time, an 18-member Task Force committee studied the issues surrounding day labor. Ms. Kurtz advised that the Task Force garnered testimony regarding the social and economic aspects of day labor, day labor centers and the manner in which other communities have addressed this issue.

Ms. Kurtz explained that although the Task Force members did not reach a consensus on the most appropriate manner in which to address the day labor matter, it did establish five recommendations including:

- The recommendation of the Day Labor Task Force together comprise a comprehensive, integrated approach to a complex social issue in our community. For maximum effectiveness in impacting the day labor issue, these recommendations must be considered and implemented as a package.
- The City of Mesa should actively support the efforts of the State and Federal government to create the programs or law changes needed for day laborers to work in the United States legally.

- The City of Mesa should create a day labor work center, available to all workers regardless of their immigration status, where workers and employers will be encouraged to go to conduct their employment transactions (other criteria will be identified separately).
- The City of Mesa should vigorously enforce existing local ordinances and State laws to encourage both employers and day laborers to continually use the day labor work center. This includes laws such as impeding traffic, loitering, trespassing, and public urination.
- The Task Force strongly recommends that before a day labor work center is created, a feasibility study be completed and the center be operated as a pilot project for at least one year, then evaluated before a more permanent program is created.

Ms. Kurtz stated that it is the determination of the Task Force that the City cannot impact or change an individual's ability to legally immigrate into the United States; the establishment of a day labor center will not totally remove hiring practices from the streets, but that it would create a high probability for success; that a day labor center should be operated by a non-profit organization and not by the City or any other governmental entity; that the day labor center should be located in a commercial/industrial area; that the day labor center must be accessible and conveniently located for workers and employers, and that the day labor center must be structured as a meeting place where an employer and worker can privately conduct a transaction.

Ms. Kurtz noted that the Task Force obtained a legal opinion from the City Attorney which delineated that if the center is open to the Immigration and Naturalization Service (INS), the City will not be in violation of the law. Ms. Kurtz stated that it is the consensus of the Task Force to conduct a feasibility study to address the issue of how to avoid the City from becoming an attraction for the entire region.

City Attorney Neal Beets informed the Council that the successful operation of day labor centers in California is due to the fact that Federal law which governs the employment of undocumented workers does not require the employer to obtain identification if the employment is deemed "casual employment" including domestic service, sporadic, irregular or intermittent. Mr. Beets added that the California centers are not considered employment agencies, but simply provide an environment in which transactions can take place in a safe and orderly manner.

Vice Mayor Davidson and Councilmember Pomeroy expressed appreciation for the Task Force's efforts and the fact that an enormous amount of data was generated as a result of this long and arduous process.

Discussion ensued regarding the position of the INS relative to the guest worker program and minimum wage laws; OSHA safety laws; the exploitation of workers, and the responsibilities of the Department of Labor.

In response to a question from Councilmember Pomeroy, Ms. Kurtz explained that the Task Force studied day labor work centers in Los Angeles and Brea, California. Ms. Kurtz added that the representatives from Los Angeles came to Mesa and provided information regarding the structure of the centers in Los Angeles as well as their history and successful record. Ms. Kurtz added that some of the issues to be addressed in the feasibility study are projected user numbers, facility size and location.

Councilmember Walters commended Ms. Kurtz and the Task Force members for their many hours of hard work and said that she continues to have questions regarding the day labor issue. Councilmember Walters commented that she would like the cities of Mesa, Chandler and Phoenix to collaborate on this issue and stated the opinion that the collaborative efforts would help to diminish concerns regarding the City of Mesa becoming a day labor magnet for other communities.

Councilmember Whalen expressed the opinion that concentrated law enforcement in just one area of a community presents a difficult task for law enforcement.

Mr. Beets cautioned that targeting a particular population or a particular segment of the City for selective law enforcement may lead to civil rights violations and added that carefully enhanced enforcement of traffic laws throughout the City with respect to motorists stopping in the middle of arterial streets, jaywalking and loitering around schools may be a feasible option to pursue.

Councilmember Walters commented on her inspection of day labor centers in California and stated that the center located in a Home Depot store was clean and well run in contrast to a center in the downtown area that was problematic because of its location.

Vice Mayor Davidson expressed appreciation to the members of the Task Force for the information they compiled regarding the issue of day labor and for providing the Council direction. Vice Mayor Davidson indicated support for moving the issue to the General Development Committee for further action.

Councilmember Kavanaugh also expressed appreciation to the Task Force for their reports, which he described as consistent with Mesa's mission to provide a safe and orderly environment. Councilmember Kavanaugh stressed the importance of consistently providing services to the people of Mesa without regard to residency status and concurred with Councilmember Walters' comments relative to the importance of locating an appropriate site for the center. Councilmember Kavanaugh expressed support for moving forward with the recommendations of the Task Force.

Councilmember Jaffa also voiced appreciation to Ms. Kurtz and the members of the Task Force for their efforts. Councilmember Jaffa stated support for the proposed recommendations, but stressed the importance of protecting the City from liability issues while moving forward with the day labor issue. Councilmember Jaffa also commented on Mesa's opportunity to assume a leadership role by addressing day labor, promoting productivity and improving relations with Mexico.

In response to questions from Councilmember Pomeroy, Ms. Kurtz confirmed that the Task Force recommended that the preparation of a feasibility study be the next step in addressing questions/issues identified in the report.

Councilmember Pomeroy indicated support for moving forward with the feasibility study.

Councilmember Whalen voiced appreciation to the Task Force members and support for their findings. Councilmember Whalen also indicated support for moving the issue to the General Development Committee. Councilmember Whalen noted that the day labor centers in California were widely used and stated the opinion that a functional day labor center would be successful in Mesa. Councilmember Whalen added the opinion that other valley communities should build similar centers.

Mayor Hawker stated his appreciation to the members of the Task Force and said that the report provides mixed viewpoints on a wide variety of issues, together with recommendations on methods in which to

proceed. Mayor Hawker said that he empathized with workers from Mexico who are trying to improve their standards of living and added that the lack of Federal involvement in day labor issues places the burden on local governments. Mayor Hawker also expressed concern regarding the preferential treatment of workers from Mexico in view of the millions of people who would like the opportunity to immigrate to the United States. Mayor Hawker stated the opinion that strict border enforcement by the Federal government, coupled with work assistance programs from local governments, sends a mixed signal to illegal immigrants, which he philosophically opposes. Mayor Hawker also expressed the opinion that selecting a site for the center and addressing zoning issues will be a tremendous task and will result in contentious discussions. Mayor Hawker indicated support for moving the issue to the General Development Committee and stressed the importance of ensuring that day labor issues are addressed in accordance with all applicable laws.

Vice Mayor Davidson commented that Mesa should focus on what can be done within the City and State to address day labor issues. Vice Mayor Davidson further commented that Governor Hull is sensitive to issues involving Mexico and interested in improving Arizona's relationship with that country.

Mayor Hawker noted that a majority of the Council support moving the issue to the General Development Committee.

City Manager Mike Hutchinson said that there was sufficient time to discuss this issue at the January 8, 2001 General Development Committee meeting and added that staff will be prepared to discuss the steps involved in the preparation of a feasibility study.

2. Hear an evaluation and consider recommendations on the Simply Citrus! and A Merry Main Street events.

City Manager Mike Hutchinson provided the Council with a brief overview relative to the inception of the Simply Citrus and A Merry Main Street events and commended staff and the community volunteers for their tireless efforts in this regard. Mr. Hutchinson advised that the purpose of the agenda item is to provide the Council with the opportunity to consider the extension of future support for either/both events.

Parks and Recreation Administrator Terri Palmberg introduced Recreation Coordinator Terry O'Neill, Chairman of Simply Citrus, and Redevelopment Planner Tony Felice, Chairman of A Merry Main Street.

Ms. O'Neill provided the Council with a videotape depicting the highlights of the Simply Citrus festival. Ms. O'Neill indicated that the cost for the premier event was \$603,000, with \$132,000 in sponsorships and revenues, and a net cost to the City of \$470,877. Ms. O'Neill advised that the 2001 Simply Citrus costs are estimated at \$560,000, including \$200,000 in sponsorships/revenue, resulting in a net cost to the City of approximately \$345,000. Ms. O'Neill thanked staff, the community volunteers and the sponsors for their dedication and generous contributions.

Mr. Felice provided a brief overview of A Merry Main Street and commented that the second annual event, attended by approximately 20,000 individuals, was a great success. Mr. Felice highlighted some of the activities including Santa's arrival on a fire truck, the creation of 50 tons of snow, the recognition of the "Sculptures in the Streets," a food court, multicultural entertainment venues and Christmas lights. Mr. Felice explained that this year's budget was slated at \$48,442, but with corporate sponsorships, vendor fees and sales, the City's net cost was \$39,467. Mr. Felice spoke in appreciation of staff, the community and the corporate sponsors.

Councilmember Walters stated the opinion that although she is appreciative of staff's enthusiasm and dedication regarding Simply Citrus, she does not envision the event as a revenue generator for the community and added that the proposed cost may have been underestimated. Councilmember Walters spoke in opposition to the continuation of Simply Citrus as a signature event, but indicated that she will support its expansion upon completion of the Mesa Arts Center. Councilmember Walters voiced support for the continuation of A Merry Main Street.

Councilmember Jaffa concurred with Councilmember Walters' comments regarding A Merry Main Street and noted that the final figures generated by staff have excluded sales tax revenues generated by the Town Center merchants. Councilmember Jaffa urged that staff extend the time the white holiday lights are displayed in the Town Center in an effort to attract more visitors to the area. Councilmember Jaffa commented that although he supports the continuation of Simply Citrus, it is imperative that there be a reduction in Mesa's costs as well as the implementation of additional corporate sponsors.

Vice Mayor Davidson voiced support for the continuation of A Merry Main Street, but expressed concerns regarding the infusion of additional City funds for the Simply Citrus festival.

Mr. Hutchinson requested that the Councilmembers indicate whether they are supportive of a City expenditure of approximately \$400,000 to fund the 2001 Simply Citrus festival.

Vice Mayor Davidson voiced support for the continuation of Simply Citrus and requested that staff seek additional input relative to booking national musical events and also encouraged the readjustment of the festival budget.

Councilmember Pomeroy voiced his support for a signature event, but clarified that if there is not sufficient Council support for two festivals, he would favor their merger into one signature event. Councilmember Pomeroy expressed support for the continuation of A Merry Main Street.

Councilmember Whalen spoke in support of the continuation of A Merry Main Street, but noted Simply Citrus will be in competition for attendees due to the fact many communities schedule events during early November.

Councilmember Kavanaugh expressed the opinion that both Simply Citrus and A Merry Main Street were well-produced events. Councilmember Kavanaugh stressed the fact that Simply Citrus was a major undertaking and that staff was forthright with the Council regarding the proposed costs. Councilmember Kavanaugh added that staff disclosed the fact there was the potential for a substantial loss to the City and that Council directed staff to proceed with the festival in a first-class manner. Councilmember Kavanaugh stated that although it is imperative that there be a reduction in the proposed budget for the 2001 Simply Citrus event, he urged Council to entertain ongoing discussions regarding the continuation of both events. Councilmember Kavanaugh thanked both event staffs for their hard work and dedication.

Mayor Hawker stated that despite the fact Simply Citrus was a well-organized festival, he will not support its continuation due to an upcoming tight budget year. Mayor Hawker encouraged staff to explore the establishment of corporate-sponsored/City participation multiple events in the downtown area upon completion of the Mesa Arts Center. Mayor Hawker voiced support of A Merry Main Street.

In response to a question from Mr. Hutchinson regarding staff providing additional input regarding a merger/scaling back of events, Mayor Hawker clarified that the Council is not in support of such a suggestion.

Vice Mayor Davidson clarified his position that Merry Main Street should proceed as a separate venue and added that he is in support of Simply Citrus, but is not currently prepared to approve a budget.

Discussion ensued regarding potential costs for signature events, headliner entertainment and weather insurance.

It was moved by Councilmember Walters, seconded by Councilmember Pomeroy, that the continuation of A Merry Main Street be approved.

Carried unanimously.

It was moved by Vice Mayor Davidson, seconded by Councilmember Pomeroy, that Simply Citrus, designated as the signature event for the City of Mesa, at the net cost of approximately \$350,000 to the City, be approved.

In response to a question from Mayor Hawker, Ms. Palmberg clarified that the proposed budget for 2001 Simply Citrus is estimated at approximately \$560,200, including revenues of \$214,500, with a net cost to the City of \$346,700.

Councilmember Whalen voiced opposition to the motion and advised that due to the impending tight budget year, it would not be prudent to expend a sizeable amount of funds for the Simply Citrus festival. Councilmember Whalen added that the proposed November timeframe is inappropriate and suggested Christmas or early spring as alternatives.

Vice Mayor Davidson emphasized the fact that corporate sponsors will be more inclined to participate in Simply Citrus if the City demonstrates greater commitment and leadership regarding the event.

Councilmember Jaffa voiced opposition to the motion due to the costs that would be assessed to the City.

In response to a question from Councilmember Jaffa, Ms. Palmberg advised that staff previously considered alternative dates for the two festivals and determined it would not be feasible to compete with signature events held in neighboring communities.

Upon tabulation of votes, it showed:

AYES - Davidson-Pomeroy
NAYS - Hawker-Jaffa-Kavanaugh-Walters-Whalen

Mayor Hawker declared the motion failed by majority vote.

Councilmember Kavanaugh requested that in light of budget concerns, that staff provide the Council with further recommendations regarding this matter.

Further discussion ensued among the Council relative to various festival/event alternatives

Mr. Hutchinson advised that staff will conduct further research relative to this issue and provide recommendations to the Council at a future date.

Mayor Hawker thanked staff for the presentation.

(Mayor Hawker declared a recess at 9:30 a.m. The Study Session reconvened at 9:35 a.m.)

3. Hear a report on activities currently underway in the Neighborhood Services Department.

Neighborhood Services Manager Wayne Balmer provided the Council with a brief overview of this agenda item and advised that the Neighborhood Services Department has compiled a document entitled "Projects-In-Progress" (See Attachment 1) and is requesting Council's feedback regarding the document to ensure that the projects conform to the Council's neighborhood goals and priorities.

In response to a question from Mayor Hawker concerning Item No.15, "Falcon Field Airport," Mr. Balmer clarified that the Neighborhood Services Department assists Falcon Field Airport in an effort to promote a good working relationship with the surrounding neighborhoods.

Vice Mayor Davidson voiced opposition to Item No. 2, "Tool Bank," and commented that there are many liability and physical risks associated with such a program. Vice Mayor Davidson added that with regard to Item No. 4, "Neighborhood Survey," the survey should identify neighborhood assets and liabilities. Vice Mayor Davidson spoke in support of Item No. 5, "Opportunity Zones In Selected Neighborhoods."

Councilmember Kavanaugh commended staff for the concise report and also stated that the Neighborhood Services Department has been the recipient of numerous positive comments throughout the City. Councilmember Kavanaugh expressed the opinion that the projects identified in the report are consistent with the responses delineated on the citizen surveys. Councilmember Kavanaugh spoke in support of Item 2, "Tool Bank," and Item No. 5, "Opportunity Zones."

In response to a question from Councilmember Pomeroy regarding the City providing assistance to homeowners relative to the maintenance of existing trees and shrubs, Mr. Balmer advised that staff has approached neighborhood homeowners associations with regard to pooling money or approaching nurseries for the purchase of trees at a reduced rates.

Councilmember Walters spoke regarding the creation of business improvement districts and also expressed support for a City-sponsored program which would link volunteers with homeowners who are in need of assistance to complete home improvement projects. Councilmember Walters voiced support for Item 2, "Tool Bank," pending assurances from the City Attorney that the project will not impose excess liability on the City.

Councilmember Whalen thanked Mr. Balmer for the report and voiced encouragement regarding alley cleanup programs.

Mayor Hawker concurred with Councilmember Walters with regard to the volunteer/neighborhood assistance program.

Discussion ensued relative to the fact that there are six "Opportunity Zones" delineated on the map provided by staff; the fact that the City does not have the necessary resources to develop and carry out detailed neighborhood revitalization programs in each zone; the fact that one zone will be selected as a pilot area, and the fact that programs will subsequently be implemented in other zones when funding becomes available. Mr. Balmer requested input from the Council regarding which neighborhood should be selected for the pilot program.

Councilmember Jaffa voiced interest in staff providing additional City models in the future. Councilmember Jaffa stressed the importance of homeowners maintaining their neighborhoods with recognition by the Council. Councilmember Jaffa also requested that staff provide further input relative to commercial/industrial development at Falcon Field Airport and Williams Gateway Airport.

In response to a question from Vice Mayor Davidson, Mr. Balmer clarified that due to the ongoing efforts of the Day Labor Task Force, staff did not include the issue of day labor centers under #5, "Opportunity Zones." Mr. Balmer added that if the proposed feasibility study recommends a location for a day labor center, that site will be included in the "Opportunity Zones."

Mayor Hawker thanked Mr. Balmer for his presentation.

(Councilmember Jaffa left the Study Session at 10:00 a.m.)

4. Hear an update on issues for the FY 2001/2002 and FY 2002/2003 Budget Plan.

Deputy City Manager Debbi Dollar addressed the Council relative to this agenda item and advised that for the first time in the City's history, staff is in the process of formulating a biennial budget. Ms. Dollar explained that while City departments historically return approximately 9% to 10% of their annual operating budgets to create an ending fund balance, it is anticipated that there will be a reduction in the current percentages, thus reducing the ending fund balance. Ms. Dollar advised that as a result of the pending reductions, the departments have been requested to develop budgets based on the current allocations of -9% for FY 2001/2002 and ±3% for FY 2002/2003.

Discussion ensued relative to the fact that the projected revenue growth for FY 2001/2002 will be 4% and 5% in FY 2002/2003; the fact that the projected revenue growth rate is lower than the projected growth of expenditures due to a general slowing of revenue growth and the loss of the food sales tax, and the fact that utility rates are not included in the revenue forecast for either fiscal years.

In response to a question from Mayor Hawker, Budget Director Jamie Warner clarified that a 3% increase in utility rates will result in approximately \$4 million per year in additional revenue to the City.

Councilmember Kavanaugh voiced concerns relative to the projected revenue due to Census growth and additional funding sources available under Congress' new budget and also revenue losses resulting from Internet sales and the State's alternative fuel program.

Further discussion ensued regarding the fact that the State's alternative fuel program will affect shared income tax revenues, but will not impact the City until FY 2003/2004; the fact that there is an increase in Internet sales losses; the fact that the baseline budget figures exclude all grant revenues and bonds and that City departments added such figures in addition to the baseline figures, and the fact that there is a significant increase in Federal grants.

Vice Mayor Davidson and Councilmember Walters expressed concerns regarding the effect of increased fuel costs on the projected budget. Vice Mayor Davidson also spoke regarding the possibility of a recession.

Mr. Warner said that despite the fact that an increase in electricity costs is not automatically passed on to Mesa's utility customers, natural gas costs have increased.

In response to a question from Councilmember Whalen regarding the manner in which the 9% budget cuts will affect the City's work force, Mr. Warner commented that staff will endeavor to fill vacant positions through the utilization of supplemental funding. Assistant to the City Manager Bryan Raines added that although the 9% reduction applies to all departments, reductions will be adjusted based on the Council's expressed priorities.

In response to a question from Councilmember Whalen, Mr. Raines explained that the voter-mandated Quality of Life issues will not be impacted by budget reductions unless there is a significant, unanticipated loss in sales tax revenues.

Mayor Hawker requested that due to the proposed changes in the budget process, that staff make a presentation to the Council at a future Study Session regarding the basics of city government financing.

Mr. Raines spoke regarding current and long-term planning associated with Quality of Life issues.

Mayor Hawker stressed the importance of considering the fiscal impact of new shopping malls in Chandler and Gilbert when staff projects future sales tax revenues. Mayor Hawker also thanked staff for the budget update.

Vice Mayor Davidson voiced appreciation to Mr. Warner and Mr. Raines for their efforts regarding this agenda item.

5. Discuss and consider the proposed City Council Work Plan.

City Manager Mike Hutchinson addressed the Council relative to this agenda item and advised that staff has developed a 2000/2001 City Council Work Plan (See Attachment 2) which is based on the objectives and priorities voiced by the Councilmembers during the September 2000 Council retreat. Mr. Hutchinson explained that the projects will take several years to complete and also that some of the projects will be impacted by current budget restraints. Mr. Hutchinson requested input from the Council with regard to this agenda item.

Mayor Hawker stressed the importance of continued planning and budget scrutiny relative to future freeway enhancement expenditures. Mr. Hutchinson clarified that staff will make a presentation to the Council regarding freeway enhancements on the 202 between Country Club Drive and Gilbert Road and also east of Gilbert Road.

Vice Mayor Davidson requested an addition to the Work Plan topic "Health and human services system to support people below poverty level" to provide Neighborhood Economic Development Corporation (NEDCO) with assistance in achieving Community Development Financial Institution (CDFI) status. Vice Mayor Davidson commented that CDFI status will permit NEDCO to make loans to small businesses that cannot otherwise obtain money through conventional lending mechanisms.

Mayor Hawker voiced support for the recommendation of Vice Mayor Davidson and instructed staff to include such an amendment in the Work Plan.

Councilmember Walters requested that staff provide the Council with a briefing on current zoning laws.

Mayor Hawker concurred with the comments of Councilmember Walters and added that it would be appropriate to conduct a joint meeting with the Planning and Zoning Board.

Councilmember Kavanaugh thanked staff for the compilation of the Work Plan and suggested that the Work Plan be placed on the City's web page to illustrate to Mesa's residents the variety and depth of the issues that the Council endeavors to address.

In response to a question from Councilmember Pomeroy, Mr. Hutchinson explained that the Work Plan topics are the result of the objectives expressed by the Council and that the corresponding strategies were elicited from the respective departments.

Councilmember Pomeroy stressed the fact that the topic "Beauty spot of the State" be enhanced and expanded further.

Mayor Hawker voiced appreciation to staff for their efforts in this regard.

It was moved by Councilmember Whalen, seconded by Councilmember Kavanaugh, that the 2000-2001 Work Plan, as amended, be approved.

Mayor Hawker declared the motion carried unanimously by those present.

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

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

7. Scheduling of meetings and general information.

City Manager Mike Hutchinson advised that the meeting schedule is as follows:

Wednesday, January 3, 2001, TBA – Mesa/Tempe Joint Council Meeting

Thursday, January 4, 2001, 7:30 a.m. – Study Session

Monday, January 8, 2001, 3:00 p.m. – General Development Committee

Monday, January 8, 2001, TBA – Study Session

Monday, January 8, 2001, 5:45 p.m. – Regular Council Meeting

Wednesday, January 10, 2001, 6:30 p.m. – Transportation Committee Meeting at Shepherd Jr. High School

Thursday, January 11, 2001, 7:30 a.m. – Study Session

8. Prescheduled public opinion appearances.

There were no public opinion appearances.

9. Items from citizens present.

There were no items from citizens present.

10. Adjournment.

Without objection, the Study Session adjourned at 10:40 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, 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 21st day of December, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 2000

BARBARA JONES, CITY CLERK

Pag/pjt

Attachments