

## **AUDIT & FINANCE COMMITTEE MINUTES**

April 19, 2007

The Audit & Finance Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 19, 2007 at 10:03 a.m.

COMMITTEE PRESENT	COUNCIL PRESENT	STAFF PRESENT
Claudia Walters, Chairman Rex Griswold Tom Rawles Christopher Brady, Ex-Officio	None	Debbie Spinner

1. Items from citizens present.

There were no items from citizens present.

2. Hear a presentation, discuss and provide direction on the following audits:

a. Audit of Traffic Citations:

1. 11/01/06 through 11/30/06
2. 12/01/06 through 12/31/06
3. 01/01/07 through 01/31/07
4. 02/01/07 through 02/28/07

City Auditor Gary Ray reported that this would be the last time the Audit & Finance Committee would review audits of traffic citation records. He explained that in the future, the Police Department's Fiscal Management staff would conduct the audits, which would then be reviewed by his office. Mr. Ray noted that in the January 2007 audit, there was one finding, which has since been corrected and resolved.

b. 2006 Minimum Accounting Standards (MAS) External Review performed for the Mesa Municipal Court.

Mr. Ray stated that the 2006 Minimum Accounting Standards (MAS) External Review, which is conducted every three years, is a required audit per the Arizona Supreme Court. He advised that there were three findings and added that copies of the report were sent to the Arizona Supreme Court and the Maricopa County Superior Court.

c. Adult Softball League Revenues.

Chairman Walters invited Parks, Recreation and Commercial Facilities (PRCF) Director Rhett Evans to join Mr. Ray to respond to any questions the Committee may have regarding this item.

Mr. Ray reported that the objectives of the audit were to determine the nature and extent of any financial losses the City may have realized as a result of employee theft, identify any internal control weaknesses, and recommend changes. He advised that his office provided information to the Mesa Police Department to aid in its investigation of the case. Mr. Ray further explained that all findings/recommendations were discussed with PRCF management and added that staff has already implemented various procedures to correct internal control problems.

Committeemember Griswold noted that the Council was proactive in their efforts to create the position of a Council-appointed Auditor who would report directly to the Council and conduct audits regarding, for instance, employee fraud. He acknowledged that employee theft is a common occurrence in many organizations and commended staff for implementing steps to prevent similar incidents.

Committeemember Rawles stated the opinion that this audit is perhaps one of the best he has seen. He expressed appreciation to staff for implementing a series of policies, regulations and procedures designed to minimize the risk of thefts in the future.

City Manager Christopher Brady advised that on April 20<sup>th</sup>, a Fraud & Ethics Hotline will be activated, which would allow City employees or vendors to report to a third party vendor any irregularities or improper conduct they suspect or observe in the workplace. He stated that such information would be forwarded to him or Mr. Ray so that the matter could be investigated and appropriate action taken to resolve the issue.

In response to a question from Chairman Walters, Mr. Ray clarified that the fee for the vendor is based upon the number of calls that are received, so the use of the hotline is intended to be limited to City employees, vendors, contractors and developers. He noted, however, that if citizens call the hotline, they would not be prohibited from reporting their concerns.

In response to a question from Chairman Walters, Mr. Evans explained that although the employee theft incident was unfortunate, it has provided staff with an opportunity to review and improve various training methods within the department. He cited examples of several policies that have already been enacted such as employees who handle cash are now required during their annual Performance Appraisal to sign an Employee Acknowledgement form (similar to the Computer Resources Policy) confirming that they have reviewed and understand management's cash handling policy. Mr. Evans also stated that the department has created its own internal process to conduct "spot checks" of those individuals who handle cash and added that if discrepancies were noted, appropriate training would be implemented to rectify such discrepancies.

Chairman Walters thanked staff for their efforts and hard work with regard to this item.

3. Discuss and provide direction on the FY 2007/2008 Annual Audit Plan.

Chairman Walters stated that absent any other direction, she would suggest that the Committee make a recommendation to the Council regarding the FY 2007/2008 Annual Audit Plan and then obtain full Council approval of the Plan.

Mr. Ray referred to a document that outlines a draft of the Audit Plan for FY 2007/2008 and the Audit List for FY 2006/2007. (See Attachment 1.) He explained that the bolded items listed under FY 2007/2008 "Recurring Audit Activities" and "Scheduled Audits" represent audits that were moved from the FY 2006/2007 list.

In response to an inquiry from Mr. Ray, City Attorney Debbie Spinner stated that if the Annual Audit Plan were forwarded to the Council for approval, she suggested that Mayor Hawker or his designee sign the Plan along with the City Auditor and the City Manager.

Mr. Ray spoke regarding the purpose of various audits such as "Unscheduled assistance to others," "Citywide Duplicate Services Review," "MAC; Satellites" and "FS: Print Shop; Feasibility Review."

The Committeemembers provided the following input with regard to the Annual Audit Plan:

Committeemember Griswold:

- Suggested that it would be appropriate for the City Auditor to conduct an audit of Utility cash payments.
- Supports the audit of the Building Permit payment process by check or credit card. (To gauge the success of the process after one year's time.)
- Prefers that the "PD: Police Evidence Room; Policies and Procedures" audit be moved from an alternative to the primary "Scheduled Audits" list.

Mr. Ray commented that the Utility cash payments audit could be included under "Citywide Surprise Cash Counts."

Committeemember Rawles:

- Commented that the "FS: Print Shop; Feasibility Review" and "Citywide Duplicate Services Review" are not necessarily financial audits and he would prefer that the reviews be conducted by the appropriate City department that would focus on substantive policy direction.
- Requested that the City Auditor's Office provides the Council with a one or two sentence explanation of each of the audits contained in the draft Audit Plan for FY 2007/2008.

Chairman Walters:

- Stressed the importance of having the necessary processes in place for the collection of a recently approved Fire Department fee.
- Stated that it is the direction of the Committee that 1.) The Utility Department receipt issue be placed on the primary "Scheduled Audits" list; 2.) That the "FS: Print Shop;

Feasibility Review” and “Citywide Duplicate Services Review” be removed from the primary list.

- Expressed interest in the “Purchasing:RFP/Bid Process” and suggested placing it on the primary “Scheduled Audits” list.

It was moved by Committeemember Rawles, seconded by Committeemember Griswold, to recommend to the Council that the FY 2007/2008 Annual Audit Plan, as revised, be approved.

Carried unanimously.

Chairman Walters thanked Mr. Ray for the presentation.

4. Discuss and make a recommendation on adjustments to rates, fees and fines as proposed by the Neighborhood Services Department, the City Attorney’s Office and Real Estate Services:

a. Property Re-inspection – Code Compliance

Committeemember Rawles stated that it appears as though staff’s proposal involves cost recovery “far and above” the \$200 Property Re-inspection Fee. He commented that many individuals whose properties are not in compliance with the City Code would respond to staff’s Courtesy Notice or Notice of Violation (at no cost to the property owners). Committeemember Rawles also indicated that an estimated 2,244 property owners would fail to respond to the above-referenced notices and be required to pay the \$200 Re-inspection Fee, thereby placing a \$448,000 burden on those individuals that would benefit the entire City.

Code Compliance Director Ray Villa provided an extensive overview of this agenda item and referred the Committee to the Neighborhood Services (Code Compliance) Proposed Changes to Fees and Charges. (See Attachment 2.) He reported that the City has approximately 90% voluntary compliance and acknowledged that property owners are not charged a fee if they respond to the Courtesy Notice or the Notice of Violation. Mr. Villa explained that the \$200 re-inspection fee would be charged and a civil citation issued to those property owners who do not come into voluntary compliance. He also stated that staff spends a considerable amount of time dealing with those cases in which the property owners do not come into voluntary compliance and noted that the proposal would be a mechanism by which some of those costs could be recovered. Mr. Villa added that a \$100 re-inspection fee would be charged each time the Code Officer re-inspects the property after issuance of a civil violation until the violation has been abated.

In response to a question from Chairman Walters, Mr. Villa clarified that staff is attempting to recover some of the staff costs for each individual case.

Committeemember Rawles commented that at this point, he does not have adequate data with which to make a determination regarding staff’s proposal.

Chairman Walters requested that staff provide the Committee with backup data that would suggest why the \$200 Re-inspection fee is the cost recovery amount as opposed to “a number that has just been generated.”

Mr. Brady commented that in addition to the cost recovery component, staff has also considered the fact that many property owners consider the current \$50 civil citation that is imposed for failing to bring their property into compliance as “the cost of doing business.” He added that Mr. Villa has attempted to create a system that would incentivize early compliance through the process.

Committeemember Griswold commented that he has dealt with various slum landlords in his district for the past three years and suggested that the fee increases would give Mesa “more teeth” in the process with regard to those property owners who do not come into voluntary compliance.

It was moved by Committeemember Griswold, seconded by Chairman Walters, to recommend to the Council that the Property Re-inspection Fees as proposed by the Code Compliance Division, be approved.

In response to a question from Committeemember Rawles, Ms. Spinner clarified that the amount of the civil fine imposed is based upon the recommendation of the City Prosecutor, the severity of the infraction, and the discretion of the judge.

Committeemember Rawles commented that because he did not attend the March 22, 2007 Study Session when this item and the “All Coming Together in Our Neighborhood” (A.C.T.I.O.N.) Team was presented, he requested to meet with Mr. Villa and Ms. Spinner to discuss those issues. He added that he could not support the motion at this time based upon his current level of knowledge regarding these matters.

Chairman Walters called for the vote.

Upon tabulation of votes, it showed:

AYES - Walters-Griswold  
NAYS - Rawles

Chairman Walters declared the motion carried by majority vote.

b. Neighborhood Preservation Civil Fines – City Prosecutor

Committeemember Rawles expressed concern relative to Mesa’s range of civil penalties and stated that it would be more appropriate to impose a specific fee. He added that the fee would be the same amount for an individual as it would be, for example, for an apartment complex.

Committeemember Griswold stated that he would prefer a “sliding scale” of civil penalties.

In response to a question from Chairman Walters, Ms. Spinner clarified that the Court would make the ultimate determination relative to the range of fines. (See Attachment 3.) She explained that the prosecutor would make a recommendation regarding the fee unless a Plea Agreement was entered into, in which case the parties would stipulate to a fine.

Chairman Walters concurred with Committeemember Griswold’s comment and added that she likes the idea of the Court having a level of discretion with regard to the imposition of fines.

It was moved by Committeemember Griswold, seconded by Chairman Walters, to recommend to the Council that the proposed increase of fines for violations of the City's Neighborhood Preservation Ordinance be approved.

Carried unanimously.

c. Alley Abandonment

Chairman Walters explained that 100% of the homeowners adjacent to an alley would be required to sign a petition indicating their approval in order for an alley abandonment to be processed. She emphasized that the City would not force the closure of the alleys.

Committeemember Griswold, as Chairman of the Community & Neighborhood Services Committee, provided a brief overview of this item.

It was moved by Committeemember Rawles, seconded by Chairman Walters, to recommend to the Council that the proposed elimination of the non-refundable \$350 Alley Abandonment Fee charged to single-family residential property owners, be approved.

Carried unanimously.

5. Discuss and make a recommendation on adjustments to rates and fees as proposed by the Arts and Cultural Department:

- a. Mesa Arts Center
- b. Arizona Museum for Youth

Committeemember Rawles advised that he is unfamiliar with the kind of fees that should be charged relative to the above-referenced City department. He stated that with regard to non-essential government services, staff should "charge whatever the market would bear."

It was moved by Committeemember Rawles, seconded by Committeemember Griswold, to recommend to the Council that the adjustments to the rates and fees as proposed by the Mesa Arts Center and the Arizona Museum for Youth (See Attachment 4.), be approved.

Carried unanimously.

6. Discuss and make a recommendation on adjustments to rates and fees for City of Mesa Utility customers:

- a. Fees and Charges for Utility Customers

It was moved by Committeemember Rawles, seconded by Committeemember Griswold, to recommend to the Council that the proposed adjustments to certain fees and charges assessed to City of Mesa Utility customers (See Attachment 5.), be approved.

Carried unanimously.

Deputy City Manager Bryan Raines commented that the additional rates and fees would provide revenue to the City so that additional Meter Readers and Customer Service Representatives could be hired to address significant service needs.

b. Terms and Conditions for the Sale of Utilities

It was moved by Committeemember Rawles, seconded by Committeemember Griswold, to recommend to the Council that the proposed changes to the Terms and Conditions for the Sale of Utilities, be approved.

Carried unanimously.

c. Utility Rates

Acting Budget and Research Director Chuck Odom reported that staff is proposing rate changes that are different than the financial forecast, being sensitive to pricing and overall increases. He reviewed the proposed FY 2007/2008 Utility Rate Adjustments as follows: Electric – 0.0%; Water – 4.5%; Wastewater – 7.0%; Natural Gas – 5.0%; Solid Waste – Barrel Collection – 5.0%; Solid Waste – Bin Collection – 5.5%; and Solid Waste – Household Hazardous Waste Fee – \$0.27/residence/month.

An extensive discussion ensued regarding this item and staff responded to a series of questions from the Committee. Some of those comments include, but are not limited to, the following:

- With the proposed changes, the monthly bill for a City of Mesa Natural Gas Utility residential customer is lower than a Southwest Gas customer's bill in both the summer and the winter.
- The proposed increase in wastewater rates is to pay the bond issues on the new South Water Reclamation Plant; the building/rebuilding of various lines, interceptors and associated facilities; and the future expansion of the facility due to increased capacity needs.
- Additional FY 2007/08 revenue from all rate increases would total \$9.15 million, with approximately \$20 million in operating costs for all utilities.
- Staff is holding true to the financial model; maintaining the General Fund through the transfer of utility revenues; maintaining the percentages; and the percentage of transfer decreases as total revenue over time.
- \$218 million in operating expenses for the utility fund.
- There are two components with regard to the projected \$90 million in utility transfers: 1.) \$60 million in transfers from the utility fund for the operations in the General Fund; and 2.) The balance of the transfer is related directly to the payment of the debt service increase in the General Obligation Bonds.

Chairman Walters expressed concern that the proposed rate increases equate to \$11 million less than the City's operating costs and do not capture the costs, for instance, to expand the wastewater treatment facility and all of the ancillary improvements and upgrades. She also questioned whether it would be appropriate to lower the proposed Household Hazardous Waste Fee from \$0.47/residence/month to \$0.40/residence/month.

Committeemember Rawles stated that he would not support utility rate increases when utility revenues are transferred to the General Fund and those monies are then used to fund programs/projects that he believes are inappropriate functions of government. He added that for the past three years, he has identified items that he would cut from the City's budget, but said he would no longer provide such a list because he is "tired of being ignored."

Responding to an inquiry from Committeemember Griswold, Committeemember Rawles stated that if the Council eliminated the entire Mesa Arts Center subsidy as well as the entire mass transit subsidy, he might consider voting in support of the utility rate increases.

Chairman Walters commented that the ballot language that was voted on in 1998 regarding the Quality of Life tax said "build and operate" the Mesa Art Center. She stated that she could envision residents objecting to Committeemember Rawles' suggestion that the subsidy for the facility be eliminated.

It was moved by Committeemember Griswold to recommend to the Council that the proposed Fiscal Year 2007/2008 utility rate adjustments be approved.

Chairman Walters inquired whether there was Committee consensus with regard to her recommendation that the Household Hazardous Waste fee be \$0.40/residence/month.

Committeemember Griswold amended his motion to include that the Sold Waste – Household Hazardous Waste Fee be modified to \$0.40/residence/month.

Chairman Walters commented that she has a remaining concern with regard to the Electric Utility issue because the City is not proposing a rate increase, but will raise the cost for its Electric Utility customers. She stated that the City's rate is still "out of line" with Salt River Project (SRP) and inquired relative to SRP's projected cost increases.

Utilities Director Dave Plumb responded that SRP has not published its projected cost increases, so staff reviewed the utility's historic projections and trended those into the future. He reported that it trends out to approximately two and a half to three percent. Mr. Plumb also stated that Mesa is currently within about 8% on the average Mesa residential customer annual cost and explained that it has closed considerably over the last few years and he anticipates that it would continue to do so.

Mr. Brady indicated that the City's financial forecast suggests no increase within 3% each year beginning in FY 2009/10 and further suggests that there would be no capital outlay available for the Electric Utility during that period of time. He added that there are some challenging issues the City must face with the utility, because without future rate increases, Mesa would be unable to keep pace with capital improvements and, as Chairman Walters suggested, would be further out of line with the rates that are comparable to SRP's.

Chairman Walters stated that philosophically, she has a problem with that concept when the City is transferring Electric Utility revenues to the General Fund and there is a subset of the community that is being asked to bear a disproportionate burden of the cost of service for Police and Fire.

Chairman Walters seconded the motion.

Chairman Walters stated that when the utility rates are presented to the Council for approval and voted on separately, she might reconsider her position with regard to the Electric Utility issue. She suggested that it would be appropriate for the Council to engage in a broader conversation regarding the Electric Utility at a future time.

Chairman Walters called for the vote.

Upon tabulation of votes, it showed:

AYES - Walters-Griswold  
NAYS - Rawles

Chairman Walters declared the motion carried by majority vote.

d. Landscape Rebate Program

Committeemember Griswold commented that the City encourages residents to save water and use it wisely and yet the Landscape Rebate Program would eliminate \$2 million in City revenues. He stated, on the other hand, that as Mesa raises its water rates, more residents would remove their grass yards and convert to desert landscaping.

Water Resources Coordinator Kathryn Sorensen reported that the Utilities Department is recommending the transition of its current Landscape Rebate Program into a conversion program to provide residential property owners with an incentive to remove turf from their landscape. She explained that staff is proposing that no more than \$50,000 be spent annually on rebates, which would save the City approximately \$70,000 annually.

Utilities Conservation Specialist Donna DiFrancesco offered a brief overview of various guidelines of the program including, but not limited to: 1.) Mesa will pay \$1 per square foot, up to \$500, for each conversion; 2.) The program would be available to single-family residential Mesa water customers only; 3.) At least 200 square feet of grass must be removed; 4.) The converted area must be replaced with low water-usage plants that would cover a minimum of 50% of the area; and 5.) Rebate applications for qualifying conversions would be approved on a first-come, first-serve basis until a total of \$50,000 has been distributed each fiscal year.

It was moved by Chairman Walters, seconded by Committeemember Rawles, to recommend to the Council that the existing Landscape Rebate Program as defined by City Ordinance 5-17-8 (E) be repealed and replaced with a new Grass-to-Xeriscape Program.

Carried unanimously.

7. Discuss and make a recommendation on adjustments to rates and fees as proposed by the Parks, Recreation and Commercial Facilities Department.

It was moved by Committeemember Rawles, seconded by Committeemember Griswold, to recommend to the Council that the adjustments to various rates and fees as proposed by the Parks, Recreation and Commercial Facilities Department, be approved.

Chairman Walters commented that in 2003, the Council directed staff to work towards full cost recovery of adult sports. She noted, however, that the direction was apparently taken to mean that adult sports overall achieve full cost recovery. She stated that while there is a benefit to the community to subsidize youth sports, she does not believe that holds true for adult sports.

Fiscal Analyst Sue Deck provided a brief statistical analysis of the cost recovery percentages for the adult sports program as follows: Basketball - 97%; Flag football - 83%; Soccer - 69%; Volleyball - 74%; Baseball - 80%; and Softball - 135%. She noted that the total overall cost recovery for the adult sports program is 114% and added that staff considered the cost recovery percentages as a whole rather than for each individual league.

Chairman Walters stated that because it is apparent that the adult softball program is capable of making a substantial profit, she would like to see youth sports subsidized by that program. She indicated that the cost of youth sports is increasing and voiced concern that the revenues from the adult softball program are used to subsidize other adult sports.

Mr. Evans assured the Committee that staff is implementing a two to three year plan to raise the fees for adult sports in an effort to achieve a higher percentage of cost recovery.

Chairman Walters requested that staff go back and review the adult sports with the lowest percentages of cost recovery to assess methods by which those programs can reach full cost recovery more quickly.

Committeemember Rawles expressed support for each adult sport achieving full cost recovery. He added that although he is unsure whether he would want the adult sports program to subsidize youth sports, he does not believe it is fair, as an example, for adult softball to subsidize adult soccer.

Mr. Evans stated that staff would review the various programs as they relate to cost recovery and bring back additional proposals for Council consideration. He also discussed the potential that exists to capitalize on concession revenues at tournaments and various sporting events in the coming year.

Chairman Walters suggested that in addition to staff analyzing specific program fees and charges and whether a program is recovering its costs, staff should also consider whether the program actually generates revenue.

Committeemember Rawles concurred with Chairman Walters' comments and added that he would like to see progress with regard to cost recovery of the adult sports program in one year as opposed to two or three years.

Chairman Walters called for the vote.

Carried unanimously.

8. Discuss and make a recommendation on adjustments to rates and fees as proposed by the Mesa Public Library.

It was moved by Committeemember Griswold to recommend to the Council that the adjustments to rates and fees as proposed by the Mesa Public Library, be approved.

Library Director Heather Wolf offered a short synopsis of the Mesa Public Library's proposed changes to fees and charges. (See Attachment 6.) She also reviewed the current procedure with regard to overdue fines, books that are not returned, and the sale of used books.

Committeemember Rawles commented that because of the large amount of overdue items at the library, he suggested a daily overdue fine of \$1.00 as opposed to the proposed \$0.25.

Chairman Walters stated that she is comfortable with the proposed \$0.25 increase for daily overdue fines.

Chairman Walters seconded the motion.

Carried unanimously.

9. Discuss and make a recommendation on adjustments to rates and fees as proposed by the Engineering Department.

It was moved by Committeemember Griswold, seconded by Chairman Walters, to recommend to the Council that the adjustments to rates and fees as proposed by the Engineering Department, be approved.

Upon tabulation of votes, it showed:

AYES - Walters-Griswold  
NAYS - Rawles

Chairman Walters declared the motion carried by majority vote.

10. Discuss and make a recommendation on adjustments to rates and fees as proposed by Falcon Field Airport.

Falcon Field Airport Director Corinne Nystrom reported that staff distributed notices to the Falcon Field Airport tenants regarding the proposed rate changes and invited them to attend today's meeting. She stated that tonight, she would meet with the Falcon Field Tenants' Association and respond to any questions or concerns they may have regarding this issue.

Chairman Walters noted that the Federal government regulates the kind of items that can be stored at the airport and suggested that Ms. Nystrom remind the attendees at tonight's meeting of that fact.

Ms. Nystrom provided a brief overview of the proposed fees and charges for Falcon Field Airport. (See Attachment 7.) She reported that over the past few years, Falcon Field's rate increases have been across the board. Ms. Nystrom also commented that although Falcon's T-hangar rates are high, Deer Valley's rates are strongly subsidized by Sky Harbor Airport and noted that general aviation traffic is encouraged to relocate to that airport. She added that there is no recommendation for an increase in the Fuel Flowage rates, but said she would anticipate coming back to the Council next year to recommend an increase to become more in line with the surrounding airports.

It was moved by Committeemember Griswold, seconded by Committeemember Rawles, to recommend to the Council that the adjustments to rates and fees as proposed by Falcon Field Airport, be approved.

Carried unanimously.

11. Discuss and make a recommendation on adjustments to rates and fees as proposed by the Development Services Department:

a. Building Safety Permit Fees

In response to a question from Chairman Walters, Building Safety Director Terry Williams clarified that staff recently outlined for the development community “the gist” of the adjustments to the rates and fees, but have not yet distributed the proposed fee schedule. He explained that the Building Safety Division is proposing changes to those permit fees that are not subject to the International Code Council (ICC) Tables. Mr. Williams briefly reviewed the Minimum Building Permit Fees, Minimum Hourly Rate, Civil Engineering Sheet Fees, Outside City Utility Service Request Fees, Expedited Plan Review Fees, and Miscellaneous Fee Changes.

Committeemember Rawles stated that with regard to these fees and charges, staff should impose “whatever the market will bear.” He commented that these fees are required by the City from individuals in order to utilize their property and to benefit the community as a whole. He said, therefore, that he is not as convinced that each department should achieve full cost recovery because there are benefits beyond those individuals seeking, for instance, a building permit fee. He added that for those reasons, he would not support the proposed fee increases.

In response to a question from Committeemember Griswold, Mr. Williams clarified that the Building Safety Division, a portion of Planning and a few other positions are funded totally by permit revenues. He explained that it is a restricted fund within the General Fund and said the area is at full cost recovery in terms of its overall program for this year.

Planning Director John Wesley advised that the Planning Division is at approximately 45% cost recovery this year and indicated that the combined percentage for Building Safety and Planning is an estimated 80% to 90% cost recovery.

It was moved by Chairman Walters, seconded by Committeemember Griswold, to recommend to the Council that the adjustments to the Building Safety Permit Fees as proposed by the Development Services Department, be approved.

Upon tabulation of votes, it showed:

AYES - Walters-Griswold  
NAYS - Rawles

Chairman Walters declared the motion carried by majority vote.

b. Planning services and products

Committeemember Griswold reported that he attended the Developers Forum meeting when this item and item 11a were discussed. He explained that the feedback he received from the development community includes their desire for an efficient and streamlined planning process. He added that the developers also value the Preliminary Plan Review meetings and have indicated their willingness to be charged a fee for the service.

It was moved by Committeemember Griswold, seconded by Chairman Walters, to recommend to the Council that the adjustments to Planning services and products as proposed by the Development Services Department, be approved.

Upon tabulation of votes, it showed:

AYES - Walters-Griswold  
NAYS - Rawles

Chairman Walters declared the motion carried by majority vote.

c. Residential Development Tax

It was moved by Committeemember Griswold, seconded by Chairman Walters, to recommend to the Council that the adjustments to the Residential Development Tax as proposed by the Development Services Department, be approved.

Carried unanimously.

12. Adjournment.

Without objection, the Audit and Finance Committee meeting adjourned at 12:19 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Audit & Finance Committee meeting of the City of Mesa, Arizona, held on the 19<sup>th</sup> day of April 2007. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

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attachments (8)