



COUNCIL MINUTES

March 23, 2006

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 March 23, 2006 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

COUNCIL-ELECT PRESENT

Scott Somers

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Barbara Jones

1. Hear a presentation from the City Manager's Department concerning the service impacts of potential budget reductions.

Financial Services Manager Bryan Raines referred to a graph displayed in the Council Chambers depicting an analysis of budget reductions implemented proportionally throughout the organization based on a percentage of each department's operating budget as compared to the \$25 million in budget reductions currently proposed by the City Manager's Office. (See Attachment 1.)

Deputy City Manager Debbi Dollar displayed a PowerPoint presentation and offered a short synopsis of the departments that comprise the City Manager's Office (Administration, Quality & Organizational Development, Public Information/Marketing and Communication, and Mesa Channel 11); the FY 2006/07 adjusted budget; and the mission of the City Manager's Office. (The PowerPoint presentation is available for review in the City Clerk's Office.)

Ms. Dollar reviewed the following budget reductions and their associated impacts:

- Reduce 1 Quality & Organizational Development Advisor; eliminate 1 Management Intern; eliminate membership in the Innovations Organization; reduce the transfer of the City's bed tax revenues to the Mesa Convention and Visitors Bureau; reduce City Council Assistant positions from 3 to 2. (City Manager)

Assistant to the City Manager Jim Huling highlighted further reductions and budget impacts including:

- Cancel membership in Valley Forward; Eliminate 1 Marketing & Communications Specialist II. (Marketing & Communications)
- Reduce Broadcast Communications activities (i.e., original programming, production and A/V service). (Mesa Channel 11)
- Eliminate Management Assistant I. (Diversity Office)

Ms. Dollar also spoke regarding the following budget reductions/associated impacts relative to the Economic Development and Town Center Offices:

- Transfer an Economic Development Program Manager to Falcon Field.
- Reduce funding for Economic Impact Studies.
- Reduce division funding and eliminate 1 Economic Development Specialist.
- Eliminate funding for the Greater Phoenix Economic Council (GPEC).
- Eliminate 2 staff positions, eliminate holiday lighting, and reduce funding for the Safe and Clean Program through the Downtown Mesa Association. (Town Center)

Williams Gateway Area Project Manager Wayne Balmer offered a brief review of the proposed budget reductions and potential impacts with regard to Williams Gateway Airport:

- Reduce Mesa's contribution to the Williams Gateway Airport Authority (WGAA) as part of a phased implementation.
- Eliminate 1 Marketing & Communications Specialist II.
- Reduce the Williams Gateway AREA staffing from 2 to 1.

a. Items from group representatives.

Lynn Kusy, 5835 S. Sossaman Road, Executive Director of the Williams Gateway Airport Authority, referred to a PowerPoint presentation and highlighted the potential impacts to Williams Gateway Airport if Mesa reduces its contribution to the WGAA.

Pat Schroeder, 2525 E. Florian Circle, expressed a series of concerns regarding the City of Mesa's possible elimination of funding for the Greater Phoenix Economic Council (GPEC).

Barry Broome, President and CEO of the Greater Phoenix Economic Council, 2 North Central Avenue, Suite 2500, Phoenix, provided an extensive overview of the advantages to the City of Mesa in continuing its membership in GPEC.

Roc Arnett, 2327 E. Grandview, President of the East Valley Partnership, encouraged the Council to reconsider reducing Mesa's funding contribution to the WGAA. He also spoke regarding the long-term economic benefit of Williams Gateway Airport not only to Mesa, but the entire region.

Tom Verploegen, 58 W. Main Street, Executive Director of the Downtown Mesa Association (DMA), spoke regarding the proposal to reduce the Public Space Management contract by 50%. He explained that downtown Mesa is an estimated \$2 billion asset and stressed the importance of maintaining it as a clean and safe environment.

2. Hear a presentation from the Fire Department concerning the service impacts of potential budget reductions.

Fire Chief Harry Beck and Administrative Services Specialist Radona Orlando addressed the Council relative to this agenda item. Chief Beck displayed a PowerPoint presentation and highlighted the Fire Department's potential budget reductions for FY 2006/07; and the duties/responsibilities of Fire Operations, Emergency Management, Fire Administration, Fire Training/Emergency Medical Services (EMS), Resource Management, and the Fire Prevention Bureau. (The PowerPoint presentation is available for review in the City Clerk's Office.)

Chief Beck highlighted the proposed reductions and their impacts on the Fire Department as follows:

- Eliminate 1 Program Assistant and 1 Fire Operations Project Captain. (Fire Operations)
- Eliminate 1 Emergency Management Captain. (Emergency Management)
- Eliminate 1 Documentation Specialist and 1 Administrative Support Assistant I. (Fire Administration)
- Eliminate 1 Firefighter Training position and 1 EMS Specialist. (Fire Training/EMS)
- Eliminate 1 Program Assistant, 1 Equipment Technician, 1 Parts & Supply Assistant, 1 Parts & Supply Specialist, 1 Program Assistant and 1 Fire Resource Management Superintendent. (Fire Resource Management)
- Eliminate 1 Fire Inspector and 1 Fire Inspector Supervisor. (Fire Prevention Bureau)
- As an alternative option, eliminate the Fire Prevention Bureau. (Fire Prevention Bureau)

Discussion ensued relative to future Fire recruit training classes; the purpose of multiple fire units being called to a fire incident; and the economic pros and cons of "contracting out" certain services within the Department.

a. Items from group representatives.

Joe Gardner, 3130 E. Broadway, a representative of Springdale Health Care Center Hospital, expressed appreciation to the Mesa Fire Department for conducting various safety inspections at the facility to ensure the safety and welfare of its residents.

David Aiken, 3431 N. Reseda Circle, a representative of Special Devices, Inc., voiced concerns regarding the potential reduction and/or elimination of fire inspections on the company's premises.

Dave Nichols, 3347 N. Chestnut, a representative of the International Code Council, concurred with the comments of the previous speaker.

Jackson Shaver, 9710 E. Plana Avenue, a Safety Manager at Special Devices, Inc., commented that his company relies on the City's inspection and Fire prevention programs and urged their continued support.

3. Hear a presentation from the General Services Department concerning the service impacts of potential budget reductions.

General Services Manager Rich Lorig introduced staff members who were prepared to assist with the presentation. He displayed a PowerPoint presentation in the Council Chambers and discussed the mission of the General Services Department; the four divisions that comprise the Department (Communications, Fleet Support Services, Human Resources, and Information Services); and the FY 2006/07 adjusted budget, including the reduction in operating funds (General Fund). (The PowerPoint presentation is available for review in the City Clerk's Office.)

Mr. Lorig informed the Council that effective February 16, 2006, 36.5 Full-Time Employees (FTEs) and \$2.9 million were transferred from General Services to the Financial Services Department. He stated that Employee Benefits and Workers' Compensation Trust Fund dollars, as well as related Employee Benefits staff and expenses, in the amount of \$45.9 million, have been removed from the General Services' FY 2006/07 budget.

Mr. Lorig reviewed the proposed budget reductions and impacts as follows:

- Eliminate General Services Manager. (Mr. Lorig is retiring in June.) (General Services Administration)
- Eliminate Communications Director and reduce 1 Communications Technician III. (Communications Division)
- Reduce 1 Equipment Service Worker and 2 Equipment Repair Assistants. (Fleet Support)
- Reduce 1 Safety Coordinator, eliminate 1 Human Resources Analyst, 1 Office Assistant, 1 Human Resources Aide, 2 Human Resources Specialist II, 1 Senior Human Resources Analyst, and 1 Employee Development Specialist. (Human Resources)
- Reduce 1 Administrative Services Specialist, 1 Office Assistant II, 2 Office Assistants; and eliminate 1 IT Architect, 1 IT Engineer, 2 IT Services Leaders and 1 Staff Support for E-Streets Broadband. (Information Services)

a. Items from group representatives.

There were no items from group representatives.

4. Discuss the March 29, 2006 review of budget reduction recommendations.

Mr. Raines updated the Council relative to the tentative process for the March 29, 2006 proposed budget reduction review meeting. He requested that the Council provide staff with suggestions or input relative to the reduction list in advance of the meeting so that such comments can be addressed in a timely manner.

Discussion ensued relative to the potential "swapping out" of specific items on the reduction list; the pros/cons of the Council approving additional Community Development Block Grant (CDBG) funding for nonprofit agency programs as compared to City programs; that staff be directed to provide the Council with information regarding the possible branding of City facilities, the placement of ads on City buses/bus shelters, the implementation of a fee for fire inspections, and the option of combining the City's Fleet Support and Fire Fleet operations; the potential cost of funding a Council Auditor; and the importance of funding Williams Gateway Airport.

City Manager Christopher Brady stressed the fact that the March 29th meeting is the Council's "first look" at the reduction list and said that a variety of other budget issues such as fuel costs and healthcare benefits, have yet to be discussed.

5. Hear an update, discuss and provide direction to staff regarding the new Court building including:

a. Parking Needs

City Engineer Keith Nath referred to the March 17, 2006 City Council Report and provided a brief historical overview of the item. He reported that based on the architect's programming efforts, an immediate need for 12 courtrooms in the Court building has been identified, with an additional two courtrooms (or a total of 14) required by 2025. Mr. Nath explained that there are approximately 500 parking spaces that would be required to support the new Court building and said that 818 spaces currently exist at the Pomeroy Parking Garage (238 are allocated through long-term leases and 215 are licensed on a month-to-month basis by Brown and Brown). He noted that the car dealership has been notified that the licenses would terminate when the City requires the spaces for the new Court building, which would result in 580 spaces available for use by the new facility.

Discussion ensued relative to the implementation of a secured access area in the Pomeroy Parking Garage for City Court and City Prosecutor personnel; and that staff has proposed to retrieve only the short-term licenses currently utilized by Brown & Brown for the storage of its cars.

b. Location of the Court building

Mr. Nath commented that staff's current proposal for the location of the Court building is at the northwest corner of 1st Avenue and Pomeroy. He explained that recently, there has been interest expressed with regard to relocating the facility to the southeast corner of Hibbert and Main Street.

Presiding City Magistrate Matt Tafoya spoke regarding his vision for the new Court building and the importance of it becoming "a court of distinction." He stated that traditionally, a courthouse has been considered the centerpiece of a community and expressed a preference for the site at Main Street and Hibbert, which, in his opinion, would bring distinct character to Mesa.

David Hobstetter, a principal with KMD Architects, commented that the future Court building would be a significant investment in the community. He stated that in that regard, his firm routinely examines the proposed site selection of a project and provides input with regard to site capacity, security, and economic benefit. Mr. Hobstetter offered his services to the City on a pro bono basis to conduct such an analysis that would provide the Council with a basis upon which to make informed decisions regarding the future of the facility.

In response to an inquiry from Mayor Hawker, Mr. Nath clarified that the estimated cost for a consultant to evaluate the best and highest use of the alternative location would be \$10,000. (Note: This fee represents work conducted by a real estate economist which is outside of KMD Architects' contract. KMD would examine the site capacity study, security setback issues and urban design component.)

An extensive discussion ensued among the Council relative to a comparison of both sites; the fact that staff is in the beginning design phase of the Court building, including assessing space needs; that such programming is not site specific as to either location; and that the overall proposed budget for the project is \$32.8 million, of which \$28 million is estimated for construction costs.

Vice Mayor Walters commented that 1st Avenue is by no means a secondary historic location in the City of Mesa and suggested that the new Court building at either site could bring distinct character to the community.

Councilmember Whalen stated the opinion that the proposed Court building location at 1st Avenue and Pomeroy has always been the wrong site and noted that he would have preferred a more visible location on Country Club Drive. He commented that with the relocation of Southwest Ambulance, which is currently situated in the area of Main Street and Hibbert, and the "strong rumor" that a nearby car dealership may also leave the area, combined with a parking garage to the north that would suit future needs if the property was "given back to the City," a strong argument can be made for placing the new facility on Main Street and Hibbert. Councilmember Whalen added that he would prefer that the City not spend an additional \$10,000 for the site analysis.

Councilmember Rawles expressed support for the Council providing oversight and input regarding the design of the Court building.

Mayor Hawker voiced support for proceeding forward with an analysis of both sites and especially with regard to the demolition costs and possible reuse of the Tri-City Building. He also commented that if the Main Street/Hibbert location is selected as the ultimate site for the Court building, he requested that staff research the marketability of the 1st Avenue and Pomeroy property.

Mr. Hobstetter clarified that his firm had not proposed that they examine the reuse of the Tri-City Building and stated that in his professional opinion, the structure is at the end of its useful life. He added, however, that he would include that as part of the study if that were the direction of the Council.

Further discussion occurred among the Councilmembers regarding this item.

Mayor Hawker stated that it was the direction of a majority of the Council that staff proceed with the site analysis.

6. Discuss and provide direction to staff regarding the possible disposition or exchange of City property at 135 South Hibbert and 115 East University.

Vice Mayor Walters reported that she is currently serving as Chairman of the Mesa United Way Board of Directors and noted that in conferring with City Attorney Debbie Spinner, she was advised that she did not have a conflict of interest with regard to this item. She explained that the Board has been approached regarding the disposal of property it owns at 229 E. 1st Avenue, which is situated next to City-owned property located at 135 South Hibbert. (See Attachment 2.) Vice Mayor Walters further advised that the Mesa United Way also owns a building on University Drive, but said there is limited land surrounding it, which would inhibit its expansion in

the future. (See Attachment 3.) She noted that she has been authorized by the Mesa United Way Board of Directors and its Executive Committee to speak with the City concerning the possible exchange of property so that the City would control all of the property located on 1st Avenue and the Mesa United Way would obtain a City-owned parcel located next to its property on University Drive.

Vice Mayor Walters clarified that the March 21, 2006 City Council memo is misleading in that it states, "United Way has agreed to have their property appraised if Council authorizes the exchange." She noted that the Board gave no thought to the Council authorizing an exchange prior to having an appraisal conducted of the properties, but rather the issue was whether the Council had any interest in considering such an exchange. She added that the United Way intends to pay for an appraisal of its property regardless, and reiterated that if the Council were interested in the exchange, then the United Way would conduct the appraisal in conjunction with the City and the United Way would pay Mesa for the cost of the nonprofit agency's portion of the appraisal.

Real Estate Director Doug Tessendorf displayed slides in the Council Chambers depicting the location of the various properties in question. He stated that it is the recommendation of staff that they pursue an exchange of the City-owned property for the property owned by the Mesa United Way. Mr. Tessendorf noted that both properties are relatively close in value, but would need to be appraised in order to determine the exact prices. He added that the City has no use for the property situated on University Drive and said that the parcel on 1st Avenue would be more usable to the City, especially if it were sold.

Councilmember Griswold expressed support for staff looking at the exchange and suggested that if the properties are exchanged, that the City sell the 1st Avenue property to the private sector as soon as possible.

Mayor Hawker questioned whether there is "enough arms length" for the City to be exchanging parcels with a nonprofit agency as opposed to each entity selling its property independently.

Councilmember Thom concurred with Mayor Hawker's concerns and said that Mesa has been criticized in the past due to the "closeness" of certain transactions.

City Manager Christopher Brady acknowledged Mayor Hawker's concerns, but noted that such an exchange could be advantageous to the City because the Mesa United Way 1st Avenue parcel could easily be assembled with the City's adjacent property and sold for a future development project.

Discussion ensued among the Council regarding this item.

Mayor Hawker stated that it was the direction of a majority of the Council that staff look into the possible exchange of properties between the City of Mesa and the Mesa United Way.

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

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

8. Scheduling of meetings and general information.

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

Wednesday, March 29, 2006, 8:00 a.m. – Study Session

Thursday, March 30, 2006, 7:30 a.m. – Study Session

Monday, April 3, 2006, TBA – Study Session

Monday, April 3, 2006, 5:45 p.m. – Regular Council Meeting

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

There were no items from citizens present.

11. Adjournment.

Without objection, the Study Session adjourned at 10:46 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 23rd day of March 2006. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK