



COUNCIL MINUTES

May 15, 2002

The City Council of the City of Mesa met in a Joint Dinner Meeting with the City Council of the Chandler City Council at Ocotillo Golf Course Club House, 3751 S. Clubhouse Drive, Chandler, on May 15, 2002 at 6:00 p.m.

MESA COUNCIL
PRESENT

Keno Hawker
Bill Jaffa
Claudia Walters
Mike Whalen

MESA STAFF
PRESENT

Mike Hutchinson
Debra Dollar
Paul Wenbert
Jim Huling
Barbara Jones

CHANDLER COUNCIL
PRESENT

Jay Tibshraeny
Boyd Dunn
Lowell Huggins
Donna Wallace
Phillip Westbrook

CHANDLER STAFF
PRESENT

Donna Dreska
Richard Dlugas
Patrick McDermott
Patrice Kraus

MESA COUNCILMEMBER-ELECT
PRESENT

Kyle Jones
Janie Thom

1. Opening comments – Mayor Jay Tibshraeny and Mayor Keno Hawker.

Mayor Tibshraeny welcomed everyone to the meeting and commented that these joint meetings have proven to be very beneficial in the past. Mayor Hawker stated his appreciation to Chandler for hosting the dinner meeting and concurred with Mayor Tibshraeny regarding the benefits derived from meeting with surrounding communities.

2. Introductions.

At the request of Mayor Tibshraeny, all Councilmembers and Councilmembers-Elect present introduced themselves and outlined a specific issue(s) that was of the greatest importance to them.

(The priority issues outlined included the following: transportation, neighborhoods, growth, high quality development and redevelopment, utility services, public safety, economic development, quality of life, youth programs, and day labor.)

At 6:48 p.m. meeting was recessed, (dinner was served at this time) and reconvened at 7:12 p.m.

3. Discussion of future transportation funding proposals.

Mayor Hawker provided a draft of proposed timelines as it relates to various transportation target dates and depicted the various studies and projects currently underway. Mayor Hawker pointed out the fact that the half-cent sales tax for transportation funding expires December 31, 2005 and commented that the draft timeline reflects a ballot proposal for the November 2004 election in order to extend the tax.

Mayor Hawker informed those present that the most unique study is the Southeast Regional Transportation Study due to the fact that it not only comprises the cities of Mesa, Chandler and Gilbert, but also extends its borders to include Pinal County. Mayor Hawker stated that because Pinal County will have an impact on transportation issues, the study would evaluate those impacts and devise mitigation efforts.

Mayor Hawker stated that in the event the tax is extended for the next twenty years, transportation priorities on a regional basis need to be established to ensure funding is appropriately allocated for those priorities.

4. Update and discussion of MAG Transportation Policy Committee and proposed regional development program.

Mayor Hawker commented that upon completion of the various studies that are outlined in the draft, the information will be forwarded to a new regional body at Maricopa Association of Governments' (MAG), the Transportation Policy Committee, which is comprised of twenty-five individuals. Mayor Hawker said that the Transportation Policy Committee is responsible for providing final direction as it relates to the selection of projects, funding allocations and the development of construction timelines and priorities.

Mayor Hawker stated that nominations (individuals selected from the business community) will be submitted to the Regional Council on Wednesday, May 22nd. Mayor Hawker encouraged the City of Chandler to submit its recommendations promptly in order to meet the deadline.

5. Update and discussion regarding the State's budget and other legislative issues.

Mayor Tibshraeny pointed out the fact that the State-shared revenues are at risk with the current State budget proposal and said that the proposed reduction is 14.8% for two years which equates to just under \$11 million Statewide. Mayor Tibshraeny calculated Chandler's impact based on this reduction to be approximately \$475,000 for two years and commented that Mesa's total is over \$1 million for the two-year period. Mayor Tibshraeny stated that currently the Bill is in the Senate for discussion and outlined other controversial issues related to the budget.

Mayor Tibshraeny stated the opinion that for the current budget the State, in utilizing creative accounting methods, has merely deferred payments until next year, which does not resolve the State's budget problems. Mayor Tibshraeny pointed out that by deferring payments the State may be saving \$190 million in this year's budget however the State is doubling the liability for the next budget year.

Mayor Tibshraeny informed those present that the State Legislature is not able to pass any tax increases without a two-thirds vote of the whole County system and pointed out the difficulty in obtaining a majority vote on such a controversial issue.

In response to a question posed by Councilmember Walters relative to the lawsuit for retirees, Intergovernmental Liaison Patrice Kraus indicated that the costs associated with the class action lawsuit have been estimated at \$600 million. Ms. Kraus stated that \$75 million has been set aside for budget year 2003 and commented that an additional \$75 million will be allocated the following year to cover the accounts for that lawsuit. Ms. Kraus commented on the likelihood that monies will continue to be allocated for the future relative to this lawsuit.

6. Stadium update.

Councilmember Whalen discussed the Memorandum of Understanding (MOU) between the Tourism and Sports Authority (TSA) and the City of Mesa relating to the methods for recovery of the \$38.5 million for infrastructure costs. Councilmember Whalen pointed out that the TSA has also agreed to indemnify any losses in the event that revenue projections are less and stated the opinion that this agreement is unique eliminating any risk to the City of Mesa. Councilmember Whalen stated that currently the City of Mesa and the TSA are in the 45-day negotiating period to finalize items for the development agreement and leases.

Councilmember Whalen informed those present that on April 29th the City Council adopted a Resolution to enter into the Lease Purchase Financing Agreement to initially fund the \$38 million and that the legislative act was referable. Councilmember Whalen stated that following action by the Council two citizen groups have subsequently filed an application for referendum. Councilmember Whalen spoke of the clause in the agreement, which reflects that TSA can withdraw the contract if sufficient signatures for the referendum are secured.

Councilmember Whalen pointed out the many benefits associated with this project and outlined the numerous convention type venues that would induce economic development to the surrounding areas.

Mayor Hawker outlined the reasons he supports the current proposal for a multipurpose facility in Mesa and suggested that this meeting is an excellent opportunity for anyone in attendance to discuss the pros and cons of this project.

Councilmember-Elect Thom commented on her involvement with the previous stadium issue, the Rio Salado Project, and stated that like Mayor Hawker, she was adamantly opposed to that project.

Councilmember-Elect Thom commented that as far as the current proposal, the referendum applicants (Valley Business Owners and Concerned Citizens) have had extensive experience in the initiative and referendum process and indicated that this political action committee has accumulated within the last twenty-four hours sufficient funding to support the entire campaign. Councilmember-Elect Thom stated that the other referendum applicants (Stand Against the Stadium Site) currently report that they have collected in excess of 4,500 signatures to date. Councilmember-Elect Thom pointed out that the 4,500 signatures exceed the minimum signature requirement to place this issue on a ballot (4,043).

Mayor Tibshraeny commended Mayor Hawker for his willingness to thoroughly review both sides of an issue and evaluate every aspect of the proposal.

7. Closing remarks.

Mayor Hawker thanked the City of Chandler for hosting the meeting and reiterated that because of its benefits, these meetings should continue in the future. Mayor Hawker emphasized that exchanging ideas and sharing information with those communities that share a common border is highly efficient and effective in resolving issues. Mayor Hawker stated his appreciation for staff's continual interaction with their surrounding communities.

Mayor Hawker commended the City of Chandler's efforts in securing development that maintains the balance between housing and employment.

In closing, Mayor Tibshraeny thanked everyone for their attendance and also expressed his appreciation for staff's hard work.

8. Adjournment.

Without objection the meeting adjourned at 7:50 p.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 Joint Dinner Meeting between the Councils of the City of Mesa and the City of Chandler held on the 15th day of May 2002. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 2002

BARBARA JONES, CITY CLERK