

COUNCIL MINUTES

May 5, 1997

The City Council of the City of Mesa met in a Budget Review Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 5, 1997 at 7:30 a.m.

COUNCIL PRESENT

Mayor Wayne Brown
Pat Gilbert
John Giles
Dennis Kavanaugh
Joan Payne
Wayne Pomeroy
Jim Stapley

COUNCIL ABSENT

None

STAFF PRESENT

C.K. Luster
Lisa Andrews
Ed Archibald
Dan Brewer
Jerry Brouwer
Mick Byerley
Mike Claspell
Mark Coon
Linda Crocker
Tim Dougherty
Jack Friedline
Mike Hutchinson
Barbara Jones
Bob Jorgensen
Sharon Joyce
Harry Kent
Karen Kille
Ron Krosting
Rich Lorig
Tom Mattingly
Keith Nath
Frank Mizner
Ellen Pence
Don Pfohl
Darrel Pichoff
Shirley Pichoff
Bryan Raines
Jackie Redpath

STAFF (CONT.)

Tom Remes
Becky Richardson
Donna Salemi
John Smoyer
Larry Talley
Doug Tessoroff
Jamie Warner
Jim Wright
Mindy White
Others

OTHERS PRESENT

Chris Moeser
Keno Hawker
Others

(Items on the agenda were discussed out of order but for purposes of clarity will remain as listed on the agenda.)

Mayor Brown excused Councilmember Payne from the beginning of the meeting. Councilmember Payne joined the meeting at 7:58 a.m.

1. Budget Overview.

a. Introduction - C.K. Luster

City Manager Charles Luster reported that the proposed budget for Fiscal Year 1997-98 is currently estimated at \$412,607,000, which represents an increase of 4.4% over the previous year's budget. Mr. Luster estimated that based on anticipated revenue projects, the budget is currently \$2 million out of balance at this time and stated the opinion that the budget will balance as final year-end figures become available.

Discussion ensued relative to factors which affect the budget, such as population growth, inflation and the consumer price index.

Mr. Luster informed the Council that the proposed budget reflects the addition of 62 employees, 19 of which have been requested by the Police Department. Mr. Luster added that 12 of the proposed positions are grant funded, 24 positions represent additional personnel to staff the remodeled library, and the remaining positions are scattered throughout various City departments.

Mr. Luster advised that staff is recommending a 3% cost of living increase for employees and noted that proposed utility rate increases will be presented to the Council for consideration during the ensuing budget review process.

Mr. Luster referred to an April 30, 1997 memorandum to the Council relative to budget issues and priorities recommended by staff and expressed appreciation to staff for their efforts in preparing the proposed budget.

b. Budget Issues and Growth Trends

Planning Director Frank Mizner provided the Council with a brief overview of current and proposed growth and development trends.

Discussion ensued relative to Mesa's size, annexations, population increases, residential composition, increases in housing developments, land use, and commercial and mobile home development.

c. The Budget Process - Mike Hutchinson

1. Departmental Review Process
2. Tentative Budget Plan Adoption Schedule
3. Revenue & Rate Issues - See attachments

Assistant City Manager Mike Hutchinson advised that departmental reviews will continue during the two remaining Budget Review Sessions. Mr. Hutchinson stated that the development of the preliminary FY 1997-98 budget is based on priorities established by Council during various discussions and on the needs expressed by individual departments. Mr. Hutchinson stated that staff's goal is to have tentative adoption of the budget at the June 2, 1997 Regular Council Meeting with final adoption occurring at the June 16, 1997 Regular Council Meeting.

Discussion ensued relative to legal requirements relative to the adoption of the budget, departmental budget preparation and ongoing operational expenditures and supplemental items.

Mr. Hutchinson briefly highlighted proposed residential utility rate adjustments and noted that staff is anticipating a 7% increase in sales tax during the upcoming fiscal year.

In response to question from Mayor Brown relative to the proposed budget, City Manager Charles Luster stated that proposed projects included in the budget reflect input received from the Council. Mr. Luster stressed that major revisions may occur based on Council direction received during the budget process.

Budget Director Jamie Warner provided the Council with a brief overview of the budget process.

2. Mayor's Office & Manager's Office - Mike Hutchinson.

- a. Legislative Program #5100
- b. Executive Program #5200
- c. Capital Improvement & Operations Program #5970
Capital Improvement Bonds #9854

Assistant City Manager Mike Hutchinson referred to materials distributed to the Council relative to these programs and advised that staff is recommending that funding to provide staff assistance to the Council and Mayor be approved. Mr. Hutchinson noted that no increases in personnel exist for any of the responsibility centers and added that funding for video production equipment has also been included in the proposed budget for Council consideration.

Mr. Hutchinson briefly highlighted the Capital Improvement and Operations Program Budget and noted that costs for constructing the Red Mountain Multigenerational Center and reconfiguring the 6th Street Service Center are included in the proposal.

3. Electric Department - Jerry Brouwer.

- a. Electric Program #8200
Electric Bonds #9200

Electric Utility Manager Jerry Brouwer informed the Council that the Electric Department's proposed budget does not contain increases in personnel or capital items. Mr. Brouwer noted that the City of Mesa's Electric Department services a 5 square mile area.

In response to a question from Mayor Brown, Mr. Brouwer advised that the City of Mesa's rates are approximately 5% below Salt River Project's current rates.

4. Break.

Mayor Brown declared a recess at 9:05 a.m. and the meeting resumed at 9:25 a.m.

5. Public Works Department - Harry Kent.

a. Engineering Program #5650

Public Works Manager Harry Kent introduced members of staff present at the meeting to the Council.

Engineering Design Director Keith Nath and Engineering Construction Director Mick Byerley provided the Council with a brief overview of the responsibilities of the Engineering and Construction Services Departments. Mr. Nath informed the Council that the departments are requesting minor budget changes and noted that a part-time position has been eliminated.

Mr. Nath advised that the Engineering Department is continuing to utilize outside consultants for design services and noted that proposed capital improvements include funding for aerial mapping and the storage and formatting of information on the electronic mapping equipment.

b. Building Inspection Program #6500

Building Inspections Superintendent Tom Mattingly provided the Council with statistics relative to the number of building permits issued and dollar value of construction-related projects. Mr. Mattingly highlighted the contents of the Department's unfunded supplemental budget list and provided justification for the hiring of an additional Development Services Clerk to meet increasing workloads. Mr. Mattingly added that a Plans Coordinator and Clerk position are also being requested.

Mr. Mattingly reiterated the Department's commitment to provide exceptional customer service and to improve the overall efficiency and effectiveness of the Building Inspections Department.

c. Streets Program #8100
Streets Bonds #9800
Mass Transit Program #8860

Transportation Director Ron Krosting informed the Council that the Streets Department's proposed budget includes a request for funding for one additional Senior Traffic Studies Analyst position. Mr. Krosting explained that increases in population levels necessitate the hiring of an additional analyst to handle current and anticipated workloads.

Mr. Krosting briefly discussed proposed projects including the Dobson and Guadalupe intersection project, which involves reconstructing the streets to six lanes with double left turn lanes in all directions; the Stapley Drive project, which involves widening Stapley Drive to six lanes from Baseline Road to the freeway; the Guadalupe and Alma School Road project, widening the streets to six lanes with double left-turn lanes, and the Dobson and Baseline intersection project which will add double left-turn lanes in the east-west direction.

Mr. Krosting briefly highlighted the Streets Bonds program and commented on the McKellips Road widening project and the Gilbert Road widening from Southern Avenue to

the Consolidated Canal. Mr. Krosting added that funds have also been included to cover the cost of designing the Southern Avenue project from Country Club Drive to Gilbert Road.

Mr. Krosting highlighted the contents of the Department's supplemental proposals and noted that a Traffic Operations Worker has been requested to assist in sign maintenance duties. Mr. Krosting stated the opinion that regular sign maintenance will provide long-term cost benefits to the City.

Mr. Krosting reported on the Mass Transit Program and stated the opinion that extending bus service hours of operation during the week an additional three hours until 10:00 p.m. should be the next priority considered by the Council.

Mr. Krosting discussed the development of three bus bays, two at the corner of Country Club Drive and University and one at the corner of University and Gilbert and reported that the projects should go out to bid late this summer.

Mayor Brown stressed the importance of improving mass transit and stressed the importance of developing accessible bus routes throughout the City of Mesa.

Councilmember Kavanaugh stated the opinion that the Council should readdress the issue of utilizing advertising on City buses to generate funds for the construction of additional bus shelters. Councilmember Kavanaugh added that extending weekday bus service is appropriate.

d. Solid Waste Management Program #8600
Solid Waste Bonds #9480

Solid Waste and Facilities Director Jack Friedline informed the Council that no additional personnel have been requested for the upcoming fiscal year. Mr. Friedline added that increased costs are the result of inflation and said that capital equipment carryovers and increased custodial services have also affected funding amounts.

Discussion ensued relative to the landfill, tipping fees, additional barrel fees, the blue-barrel recycling program, recycling costs and pickup schedules, and the green-barrel pilot program which is currently in operation at Dobson Ranch.

e. Storm Sewer program #8750
Storm Sewer Bonds #9550

Engineering Design Director Keith Nath presented the Council with a brief synopsis of the Storm Sewer and Storm Sewer Bonds programs. Mr. Nath advised that funding has been included in the program to implement the City's National Pollution Discharge Elimination System permit and to manage unexpected drainage problems which may arise.

f. Real Estate Services - Doug Tessororf

Real Estate Services Director Doug Tessororf stated that the Real Estate Services Department is not requesting any additional personnel or vehicles and added that no

supplemental requests have been submitted. Mr. Tessendorf responded to brief questions relative to the Pinal County Water Farm.

6. General Services Department - Rich Lorig

- a. General Services Program #5800
- b. Fleet Support Services Program #8900
- c. Warehouse Program

General Services Manager Rich Lorig distributed copies of a Departmental-wide organization chart to the Council and briefly highlighted the responsibilities of the nine divisions which comprise General Services.

Mr. Lorig noted that the General Services Department provides services to other City departments and noted that operating expenses remain relatively low since costs are charged back to the departments utilizing such services.

Mr. Lorig stated that the Department's budget contains a funding request for the leasepurchase of a color copier for the self-help area of the Printing and Graphics division, significant communication enhancements and testing equipment, and two additional staff members, an Assistant Director for the Communications Department and a Compressed Natural Gas (CNG) Analyst/Coordinator for Fleet Support Services. Mr. Lorig briefly highlighted the remaining budget items and discussed the proposed extension of the City's CNG Program.

Mr. Lorig introduced members of the Department present at the meeting and expressed appreciation to the Council for their on-going support.

7. Management Services Department - Dan Brewer.

- a. City Clerk Program #5500

City Clerk Barbara Jones informed the Council that the City Clerk's Office's proposed budget does not contain any additional staffing or capital improvement requests. Ms. Jones noted that increases in the budget reflect anticipated 1998 election costs and stated the opinion that Maricopa County election equipment and service charges will significantly increase during the upcoming fiscal year.

Discussion ensued relative to anticipated increases in early voting, proposed advertising to be initiated by the City Clerk's Office in an effort to enhance early voting and educate citizens on the convenience of the process, the increasing number of citizen initiatives received and processed by the City Clerk's Office, and anticipated involvement in campaign finance issues.

In response to a question from Mayor Brown, Ms. Jones stated the opinion that the City Clerk's Office has experienced difficulties in filling and maintaining staffing positions within the Department due to the shorthand requirement for the minute-taking responsibilities of those positions. Ms. Jones commented on the fact that previous City Council members

directed the Clerk's office to maintain in-depth minutes and added that shorthand skills greatly enhanced staff's ability to provide this service.

Mayor Brown requested that the issue of minutes be discussed at a future Council Policy Session. Mayor Brown also briefly discussed the fact that the City Clerk reports to the Management Services Manager. City Manager Charles Luster advised that this arrangement is the result of a previous City Attorney's opinion. Mayor Brown also requested that this issue be further discussed by the Council at a future meeting.

b. Management Services Program #5700

Management Services Manager Dan Brewer briefly highlighted anticipated challenges for the upcoming fiscal year including preparation in meeting goals for the Year 2000 project, computer hardware and software replacement requirements, the need to address the financial needs of the Computer Aided Dispatch (CAD) System, problems associated with the computer network infrastructure, and Library equipment upgrades.

Discussion ensued relative to the completed purchase of all desktop telephone equipment throughout the City and anticipated savings and the implementation of a 'pay-by-phone' credit card payment system implemented at the City Court building.

Budget Director Jamie Warner addressed the Council and provided a brief synopsis of the responsibilities of the Budget and Research Department.

Discussion ensued relative to audits and efforts initiated by the Department to meet all legal requirements.

Information Services Director Karen Kille informed the Council that the Information Services Department is responsible for the acquisition and support of the City's hardware and software and the training of users on the equipment. Ms. Kille noted that primary changes in the proposed budget represent funding increases for the Computer Aided Drafting (CAD) System for the Police and Fire Departments, equipment to enhance the City's network and improve new construction processes, and Year 2000 projects.

Ms. Kille added that four new positions are also requested, three in the applications area and one associated with the utilities organization for geoprocessing.

Discussion ensued relative to Year 2000 goals, utility billing, departmental backlogs, and the fact that the City's payroll system will be replaced as part of the year 2000 project.

Finance Director Don Ayers distributed a two-page handout to the Council relative to the Finance Department's budget proposal and personnel. Mr. Ayers noted that 22 staff positions were eliminated during Fiscal Year 1989-90 and reported that it has become necessary to refill some of those positions in order to meeting increasing workload demands.

Discussion ensued relative to residential development growth and increasing demands for services, supplemental requests for an additional Accounts Payable Clerk and Meter Reader, and various duties and responsibilities of the Finance Department.

Mayor Brown expressed appreciation to staff for their presentations.

8. Adjournment.

Without objection, the Budget Review Session adjourned at 10:58 a.m.

Carried unanimously.

WAYNE BROWN, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Budget Review Session of the City Council of Mesa, Arizona, held on the 5th day of May 1997. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 27th day of May 1997

BARBARA JONES, CITY CLERK