

# COUNCIL MINUTES

October 20, 2005

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 October 20, 2005 at 7:33 a.m.

**COUNCIL PRESENT**

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

**COUNCIL ABSENT**

None

**OFFICERS PRESENT**

Mike Hutchinson  
Debbie Spinner  
Barbara Jones

Mayor Hawker excused Councilmember Jones from the beginning of the meeting. He arrived at 7:35 a.m.

1. Review items on the agenda for the October 24, 2005 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 5c

Items added to the consent agenda: None

Items removed from the consent agenda: 6b; 7c; 9a

2. Discuss and consider fees for adult art classes (Winter Session) at the Mesa Arts Center.

Arts and Cultural Director Gerry Fathauer introduced Daniel Harper, a member of the Museum and Cultural Advisory Board, and Arts Center Administrator Rob Schultz. She advised that staff is present to report on the impact of increased fees for adult arts classes at the Mesa Arts Center.

Ms. Fathauer noted that as a result of a prior Council discussion regarding marketing efforts, additional fall class brochures were printed and widely distributed. She reported that classes were also advertised for four weeks in three newspapers, including the Sunday Arizona Republic, and an "arts magazine" program was televised on Channel 11 during the class

registration period. Ms. Fathauer advised that staff is investigating ways of creating other revenue streams, including rental of the studios and partnerships with Arizona State University and Mesa Community College.

Mr. Schultz referred to the document titled, "Exhibit 1: Comparative Data for Mesa Arts Center Adult Arts Classes – October 13, 2005" (see Attachment). He noted that although the cost recovery percentages are trending upward, the higher class cancellation percentage and the reduced class enrollments for the fall session resulted in lost revenues to the City.

Ms. Fathauer advised that Mesa's fees are higher than those charged by other cities offering similar classes. She noted that the new facility enables Mesa to charge slightly higher fees, but she expressed the opinion that the fall registration indicates that Mesa's fees have increased beyond an amount that is acceptable to the public. Ms. Fathauer added that lower enrollments increases the City's cost per student. She explained that although the fall class registrations met the minimum enrollment requirement, many of the classes were not full.

Mr. Harper advised that the Museum and Cultural Advisory Board is concerned regarding the issue of fees. He said that the Board is aware of the City's financial condition, but he noted that the increased class fees resulted in a lower level of participation, which negatively impacted revenues. Mr. Harper suggested that returning class fees to the summer level of Fiscal Year 05/06 would result in increased revenues to the City, a lower cost per student and a decrease in the City's net cost to provide the programs. He stated the opinion that Mesa's fees are not competitive with the fees charged by other communities. Mr. Harper also noted that increased participation in Mesa's adult arts classes would improve revenues for the downtown area businesses, which results in additional City sales tax revenues.

In response to a question from Mayor Hawker, Ms. Fathauer advised that the 2004/05 fall session reflected a reduced class schedule in order to enable staff to transition to the new facility. She noted that the new Arts Center classrooms could accommodate a greater number of students, but many former students stated that they could not afford the higher fees.

Responding to a request from Councilmember Jones, Mr. Schultz said that staff could provide additional comparison data for prior years.

Councilmember Griswold noted that he had requested data regarding the feasibility of renting classrooms to other providers, such as Mesa Community College (MCC).

Ms. Fathauer stated that staff did not have an opportunity to fully address that issue, but they would continue to investigate the possibility of entering into agreements with other providers.

Discussion ensued relative to the fact that the costs for 13-week sessions are higher than the costs for 8-week summer sessions; that staff should contact MCC to obtain comparative cost information; that the City of Mesa has offered art classes for 25 years; and that the City has moved to full cost recovery for adult sports programs.

Vice Mayor Walters recommended that staff provide additional information prior to the Council making a decision on this issue.

Councilmember Rawles expressed the opinion that government should not be involved in a competitive business, and that this activity is “an inappropriate, non-essential and frivolous expenditure of government funds.” He explained that although he believes the activity is worthwhile, it should not be supported by taxpayer dollars. Councilmember Rawles further stated the opinion that the fact that the City has provided these programs for 25 years does not justify continuing to offer the programs.

Councilmember Whalen suggested that the Council should have more interaction with the City’s Advisory Boards. He also stated the opinion that the class fees were increased too quickly, and he expressed support for returning the fees to the summer rates.

Mr. Harper advised that the fees for the next session should be established in the near future in order to have the class brochures printed and available.

Mr. Hutchinson said that staff could provide the Council with additional data at the next Study Session.

Councilmember Griswold stated that he would like the Arts Center to provide reasonably-priced classes with 100 percent cost recovery. He suggested that staff investigate creative ways to provide the services at a reasonable cost.

Mayor Hawker said that staff has direction to provide additional information to the Council at the Monday, October 24<sup>th</sup> Study Session, and he thanked Mr. Harper for representing the Advisory Board regarding this issue.

3. Discuss, consider and provide direction regarding issues related to implementing a property tax in 2006.

City Attorney Debbie Spinner advised that State law requires the City to provide information to the Arizona Department of Revenue and the County Assessor regarding the City’s boundaries in the year prior to collection of a property tax. She clarified that this is a preliminary step to enable the implementation of a 2006 property tax if the issue is placed on a ballot and approved by the voters. Ms. Spinner stated that staff is requesting Council direction regarding the preparation of the boundary information in the form of a resolution for consideration by the Council at the Monday, October 24<sup>th</sup>, Regular Council meeting. She explained that this action has no fiscal impact, and it does not obligate the Council to place the property tax issue on a ballot.

In response to questions from Councilmember Thom, Ms. Spinner stated that the November 1<sup>st</sup> report to the State and County Assessor would be updated in March or April to include boundary changes and annexations that occurred in the interim. She added that an annual report regarding the City’s boundaries would be provided to the State and County Assessor on November 1<sup>st</sup> of each year if a property tax is approved by the voters and implemented by the City Council.

Vice Mayor Walters clarified that filing the City’s boundary information with the State Department of Revenue and the County Assessor simply keeps the Council’s options open and does not implement a property tax.

Mayor Hawker stated that the consensus of the Council is that staff should move forward to prepare the resolution for Council consideration at the October 24<sup>th</sup> Regular meeting.

4. Acknowledge receipt of minutes of various boards and committees.

- a. Downtown Development Committee meeting held September 15, 2005.
- b. Museum and Cultural Advisory Board meeting held September 14, 2005.
- c. 2005 Citizen Bond Committee meetings held September 14 and September 21, 2005.

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

Councilmember Jones: National League of Cities Public Safety and Crime Prevention Steering Committee Meeting.

Mayor Hawker: Valley Metro Rail Board Meeting.  
Maricopa Association of Governments (MAG) Transportation Policy Committee Meeting.

Vice Mayor Walters: Arizona Immigration Forum.

Councilmember Griswold: Welcome address to the Paleontologist Convention.  
Bureau of Land Management study.  
Arizona Hotel Association Forum.

6. Scheduling of meetings and general information.

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

Thursday, October 20, 2005, TBA – Executive Session

Thursday, October 20, 2005, 8:30 a.m. – Transportation Committee

Friday, October 21, 2005, 8:00 a.m. – General Development Committee

Monday, October 24, 2005, TBA – Study Session

Monday, October 24, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, October 27, 2005, 7:30 a.m. – Study Session – Cancelled

Thursday, November 3, 2005, 7:30 a.m. – Study Session

Monday, November 7, 2005, TBA – Study Session

Monday, November 7, 2005, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Items from citizens present.

Peter G. Cook, 560 North Macdonald, Vice Chair of the Museum and Cultural Advisory Board, addressed the Council regarding the Arts Center class fees. He expressed the opinion that the fee increases priced the City's classes "out of the market." He also advised that downtown merchants are experiencing a positive impact as a result of the opening of the Mesa Arts Center.

Lennee Eller, 720 South El Dorado, spoke in support of affordable fees for Mesa Arts Center classes.

Brian Allen, 3918 East Fox Circle, a member of the Mesa Arts Center Foundation and a Mesa taxpayer, stated the opinion that supporting the arts is an appropriate function of government. He also expressed concern regarding the non-resident fee structure, because the Foundation considers the Mesa Arts Center to be a regional facility for which funds are solicited from all areas of the Valley.

9. Adjournment.

Without objection, the Study Session adjourned at 8:31 a.m.

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KENO HAWKER, MAYOR

ATTEST:

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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 20th day of October 2005. 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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Attachment (1)