

# COUNCIL MINUTES

May 17, 2001

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 17, 2001 at 10:00 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Bill Jaffa  
Dennis Kavanaugh  
Pat Pomeroy  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

Jim Davidson

## OFFICERS PRESENT

Mike Hutchinson  
Neal Beets  
Barbara Jones

### 1. Council Study Session.

The Study Session convened at 7:30 a.m. and adjourned at 8:56 a.m.

### 2. Utilities

Utilities Manager Dave Plumb outlined the goals and objectives of the Utilities Department including the development of human resources; development and enhancement of communications; improvement of work processes and practices; management of regulatory issues; improvement of products and services; and improvement of employee safety.

Mr. Plumb discussed the key issues of the Utilities Department. He said that some areas of the City have low water pressure due to the fact that Mesa's growth has outpaced the development of utilities infrastructure and noted that projects are carefully scheduled and constructed based upon the most immediate need of the City. He advised the Council that the City's natural gas supply contract with Enron expires on July 31, 2001 and that proposals are out to 11 energy suppliers; and that there is regional concern regarding the fact that the El Paso gas line transmission system is at peak capacity. Mr. Plumb stated that the Mobile Home Park Gas Line Replacement Program continues to improve the safety of the City's natural gas system by rebuilding systems in mobile home parks.

Mr. Plumb reported that the department's biggest issue is increased electric and natural gas commodity costs and potential shortages, and he spoke about the shortage of electric power in California and how it is affecting Arizona and the City of Mesa. He also commented on the City's purchase of 16 generators to meet electric needs this summer and to provide backup generation for the future.

Mr. Plumb informed the Council that the Department's proposed budget for FY 2001/02 is \$129,738,426, which is an increase of approximately \$35.5 million, due to an increase in commodity costs of \$34.5 million. He noted that staff proposes the addition of 20 full-time employees (FTE) due to operation of the Northwest Water Reclamation Plant expansion and the conversion of contract employees to City employees. He said that the Department's proposed budget for FY

2002/03 is reduced to \$118,977,859 due to the anticipated reduction in commodity costs and also due to a significant decrease in capital expenses as major projects are completed.

Mr. Plumb discussed the Department's major CIP projects planned for FYs 2001-2003 and noted that the largest CIP project in the history of Mesa is the Northwest Water Reclamation Plant expansion budgeted at \$24,521,372 (\$50 million total project budget). He also commented on the 91<sup>st</sup> Avenue Wastewater Treatment Plant upgrades budgeted at \$16,790,793; and the CAP Water Treatment Plant expansion budgeted at \$15,060,446.

Mr. Plumb identified the Department's points of pride including the increase of annual revenue by \$4 million due to the reduction of unaccounted-for-water; that the Water-Use it Wisely campaign has received regional and national recognition; that the natural gas system growth rate continues at 7%, with 88% of new homes incorporating natural gas; and that the Northwest Water Reclamation Plant is on schedule for operation in 2002. He said that the biggest point of pride is Mesa's 100-year supply of renewable surface water, which is the best water rights portfolio of any city in the State.

Discussion ensued regarding benefits associated with the purchase of electric generators and the best use of the generators within the City; current negotiations with Salt River Project for purchases of electric power; the height of the digesters at the Northwest Water Reclamation Plant; and the use of Open Line, Currents and other methods to educate the public regarding conservation and the current power crisis.

In response to concerns voiced by Councilmember Whalen regarding impacts to Arizona from the power crisis, Mr. Plumb stated the opinion that there is a greater possibility that Arizona will be impacted by the loss of a major power unit or transmission line than the possibility of rolling black-outs.

Discussion ensued regarding present and future uses of Mesa's Water Farm in Pinal County, the City's current available water credits, and current EPA standards for arsenic levels in water.

Councilmember Walters requested that staff explore the possibility of utilizing Open Line to inform Mesa residents regarding current arsenic standards.

Councilmember Jaffa requested that staff brief him regarding potential uses of the Water Farm and suggested that a Council tour of the property be arranged.

Discussion ensued regarding natural gas piping rebates offered to builders; the issue of reclaimed water rights; and the small number of Mesa homeowners that installed natural gas fueling stations in conjunction with the Arizona's Alternative Fuels program.

Councilmember Jaffa stated the opinions that it is important that Mesa continue to explore new technology with respect to conservation, alternative fuels and fueling systems; and that Mesa would benefit from pursuing a leadership role with respect to Statewide deregulation issues.

Mayor Hawker voiced appreciation to Mr. Plumb and staff for the presentation.

3. Break.

Omitted.

4. Development Services.

Development Services Manager Jack Friedline addressed the Council and said that the Development Services Department is comprised of nine divisions including Development Services Administration, Real Estate Services, Environmental Programs, Solid Waste, Planning, Building Safety, Engineering, Transportation and Facilities Maintenance.

Mr. Friedline outlined the Department's overall strategic plan goals including the automation of processes; improve the quality of Mesa's built environment; improve the development review process; inventory and analysis of city facilities, maintenance and costs; identify alternative funding for operation and management of city facilities; prepare for full six-district system in June 2002; utilize Citizen Contact System; communicate and educate the public regarding various programs within the Department; improve staff communication through teamwork; identify staffing requirements for current and future needs; fill all approved vacant positions within 60 days; identify training options to address department needs; and attract and retain a quality work force.

Mr. Friedline commented on key administrative issues including the challenge of overseeing CIP contracts and payments in excess of \$278 million during the biennial budget period, and administration of the five-year CIP plan, which is in excess of \$900 million.

Capital Improvement Project Administrator Anthony Araza provided an overview of the employee space needs issue and commented on the space needs study currently underway; findings of the 1999 study; that hiring of a space planner is proposed in conjunction with the FY 2001/02 budget; that the City's current overall space shortage for the period of FYs 2000-2005 is 75,000 sq. ft.; that the current downtown shortage for the period of FYs 2000-2005 is 45,000 sq. ft.; and that the projected increase in downtown space for the period of FYs 2005-2010 is 125,000 sq. ft.

Councilmember Kavanaugh voiced appreciation for the information provided regarding the long-term space needs of the City and stressed the importance of adequately communicating the projected needs of the City when presenting bond issues to voters.

Mayor Hawker emphasized the importance of analyzing long-term citywide needs and suggested that a five-year budget forecast be utilized in conjunction with the projected five-year CIP and that revenues be projected in conjunction with future build-out conditions. He also stressed the importance of being able to ensure voters that the City has analyzed its ability to support long term bonded debt when bond issues are proposed.

Discussion ensued regarding the City's current teleworking pilot project (Valley Telework Project) and the potential benefits associated with a teleworking program including the reduction of space requirements. Councilmember Jaffa voiced support for implementing teleworking where appropriate and requested that staff update the Council regarding the pilot project.

Mr. Friedline discussed the key issues affecting the Real Estate Services Division including managing 297 City-owned properties, 96 leases, 800 acres of citrus groves and revenues in excess of \$1 million annually; and acquiring property needed for City projects within a time line that minimizes the need for condemnation.

Mr. Friedline commented on the key issues affecting the Environmental Programs Division including particulate pollution efforts and control, customer satisfaction through timely response to environmental complaints, and underground storage tanks owned by the City.

Solid Waste Management Director Kari Kent addressed the Council and discussed the key issues of the Solid Waste Division including the collection and disposal/recycling of Mesa's solid waste to over 100,000 residential households and 2000 multi-family apartments and commercial businesses; support of Clean Sweep program and the Opportunity Zones program; and proposed rate increases for resident landfill use (increase from \$5.00 to \$7.50 per use) and residential and commercial collection.

Discussion ensued regarding a proposed pilot program to evaluate environment-friendly alternative fuels for the refuse fleet; staff's efforts regarding a future refuse station; projected use of the Salt River-Pima landfill and the possibility of purchasing capacity (vs. tipping charges) at the landfill; the continued growth of the green barrel program; staff's efforts regarding the implementation of smaller refuse barrels; and the City's requirements regarding the location of refuse barrels.

Planning Director Frank Mizner outlined the key issues of the Planning Division including the update of the General Plan; update of Design Guidelines, Residential Development Guidelines, Desert Uplands standards, zoning ordinances and sign ordinances; expansion of GIS capabilities; and fee increases.

Building Safety Director Crystal Pearl reported that the key issues facing the Building Safety Division are streamlining the land development process; development and maintenance of web page providing on-line development process information and permit processing; automation updates including computer, telephone and document imaging systems; and update of Mesa's Building Codes to meet current standards.

Discussion ensued regarding the Maricopa Association of Governments' (MAG) involvement in the update of local building codes; and the update of City development guidelines including big box issues, setbacks, landscaping and buffers between different types of development.

City Engineer Keith Nath commented on the Engineering Division's key issues including coordination of the Mesa 2025-A Shared Vision process; design and management of \$278 million in CIP projects during FYs 2001-2003; inspection of all city construction projects and private development; and filling vacant positions in highly skilled areas.

In response to questions from Mayor Hawker and Councilmember Walters regarding the Gilbert Road/University Drive intersection widening project, Mr. Nath advised that although widening of the bridge on Gilbert Road south of University Drive is complete, expansion of the intersection has been postponed until the Loop 202/Red Mountain Freeway is completed to Higley Road.

Transportation Director Ron Krosting discussed the key issues of the Transportation Division including participation in the Mesa 2025-A Shared Vision process; participation in the planning of the Light Rail Transit System; maintenance of streets, storm drain system, parkway landscaping and alleys; planning for adequate funding of transportation system operations and maintenance; neighborhood enhancement; traffic control maintenance and technology enhancements; bicycle, pedestrian and traffic safety education program; transit and para-transit (Enabling Transportation) services; partner and continue partnerships with ADOT, Maricopa County, MAG, Governor's Office and other valley cities to secure all available supplemental funding for transportation programs and projects.

Discussion ensued regarding funds budgeted for arterial overlays (\$5 million in FY 2001/02 and \$4.2 million in FY 2002/03); current funding sources for streets projects; the regional Light Rail System and the number of stops/stations proposed by Tempe.

Mayor Hawker suggested that the Council transmit a unified letter to the Cities of Tempe and Phoenix urging them to limit the number of stops/stations along the system to ensure that commute times are reasonable for all users.

Councilmember Walters commented on the improvement in the overall appearance of the built environment in Mesa and commended staff for their efforts in this regard.

Councilmember Kavanaugh voiced approval of expansion of the Enabling Transportation program to include disabled users. He expressed concern regarding the unfunded Sunday bus service and said that residents were advised that this service would become available in the upcoming fiscal year.

Facilities Superintendent Chris Albright outlined the key issues of the Facilities Maintenance Division including the maintenance, repair and cleaning of City buildings (approximately 175 buildings, 2 million sq. ft. of space), systems, grounds and parking areas; the appropriation of additional shop and storage space in the east and southeast areas of Mesa; the challenge of maintaining facilities at an acceptable level within current budget constraints; and analysis and implementation of energy conservation measures. Mr. Albright noted that the Facilities Maintenance budget for FY 2001/02 is \$6.7 million, and \$7.3 million for FY 2002/03.

Mr. Friedline commented on the proposed overall budgets of Development Services for FY 2001/02 (\$219,731,499) and FY 2002/03 (\$204,238,340). Mr. Friedline said that the proposed budgets are significantly reduced from previous proposed budgets due to a more realistic approach regarding proposed CIP projects. He noted that budgeting was difficult throughout all divisions of Development Services and commented on budget adjustment requests (BARS) that were unfunded in Transportation and Facilities Maintenance.

Mayor Hawker thanked staff for the presentation.

5. Williams Gateway Regional Economic Activity Area.

Mayor Hawker stated that due to time constraints, this agenda item will be continued to the May 21, 2001 Budget Session.

6. Adjournment.

Without objection, the Budget Session adjourned at 12:00 p.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 Budget Review Session of the City Council of Mesa, Arizona, held on the 17<sup>th</sup> day of May, 2001. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2001.

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BARBARA JONES, CITY CLERK

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