

COUNCIL MINUTES

May 4, 1999

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 4, 1999 at 7:08 a.m.

COUNCIL PRESENT

Mayor Wayne Brown
Jim Davidson
John Giles
Keno Hawker
Bill Jaffa
Dennis Kavanaugh
Pat Pomeroy

COUNCIL ABSENT

None

STAFF PRESENT

C.K. Luster
Kevin Adam
John Albin
Lisa Andrews
Wayne Balmer
Cindy Barris
Neal Beets
Denise Bleyle
Mike Brennan
Jamie Brennen
Mike Claspell
Mark Coon
Harold Decker
Jerry Dillehay
Tim Dougherty
Dean Ellsworth
Mike Hutchinson
Barbara Jones
Ken Jones
Bob Jorgensen
Karen Kille
Jerry Kos
Rich Lorig
Greg Marek
Mark Meyers
Frank Mizner
Ruth Anne Norris

STAFF PRESENT (CONT.)

Ellen Pence
Bill Petrie
Don Pfohl
Shirley Pichoff
Bryan Raines
Andrea Rasizer
Jackie Redpath
Tom Remes
Becky Richardson
Donna Salemi
Kit Savagian
Sharon Seekins
Jenny Sheppard
John Smoyer
Walter Switzer
Larry Talley
Jamie Warner
Kim West
Mindy White
Brenda Yost

OTHERS PRESENT

Barrett Marson
Robbie Sherwood
Others

1. Budget overview.

City Manager Charles Luster reported that the proposed budget for Fiscal Year 1999/00 is currently estimated at \$535,338,000, representing an increase of approximately \$52,685,000 (10.9 percent) over the previous year's budget. Mr. Luster indicated that approximately \$34.6 million of that total is the result of the new half-cent sales tax and that without the tax, the increase would equate to \$18 million (3.3 percent). Mr. Luster stated that based on anticipated revenues, the budget is \$5.2 million out of balance at this time and that staff is recommending an increase in water and sewer rates to offset the shortfall.

Mr. Luster provided statistical data pertaining to factors which affect the budget, including population growth, inflation, and weather. Mr. Luster noted that sales tax revenue has decreased.

Mr. Luster advised that the proposed budget includes a recommended 3 percent cost-of-living adjustment. Mr. Luster provided a comparison illustrating that from 1990 to 1998 Mesa's salary range adjustment has not met the consumer price index changes for the metropolitan Phoenix area.

Mr. Luster said that a salary adjustment for police officers and Police Department employees is recommended and will be discussed at an upcoming meeting.

Mr. Luster distributed a handout of Council budget requests to date, a portion of which have been included in the proposed budget. Mr. Luster stated that these requests will be reviewed further at the Budget Session scheduled for Monday, May 10, 1999.

Mr. Luster expressed appreciation to staff for their efforts in preparing the proposed budget.

Growth Issues

Planning Director Frank Mizner presented maps and provided an overview of current and anticipated growth and development trends. Mr. Mizner spoke concerning City boundaries, annexations, historic growth patterns, existing population/forecasts, and current/anticipated residential development.

Discussion ensued pertaining to development in southeast Mesa, the capability of existing revenue sources to sustain estimated population levels at buildout, the feasibility of utilizing State trust land for recreational purposes, impact fees, and potential development incentives.

2. Mayor and Council budget and the City Manager's Office budget.

Assistant City Manager Mike Hutchinson advised that the Mayor and Council budget reflects the addition of a full-time Council administrative aid in anticipation of the newly approved district system.

Mr. Hutchinson reviewed the proposed budget for the City Manager's Department, including the City Manager's Office, Public Information, Internal Audit, and the City Clerk's Office. Mr. Hutchinson noted increased expenses relating to the expansion of the City's diversity efforts, staffing/equipment for Video Production, the addition of a full-time internal auditor position, and the biannual transition from a nonelection year to an election year.

Council and staff spoke briefly regarding the televising of meetings. Mr. Luster advised that the Budget Sessions will be televised beginning on Tuesday, May 5.

3. General Services Department.

General Services Manager Rich Lorig distributed an organizational chart of the General Services Department and introduced staff members present at the meeting.

Mr. Lorig provided an overview of the proposed General Services, Fleet Support Services, and Materials and Supply programs. Mr. Lorig noted that the General Services Department provides internal services and that budget adjustments are based on the needs of user departments.

Mr. Lorig reviewed estimated expenditures included in the General Services program relating to the City's PC lease-purchase program and the microwave communications system.

Mr. Lorig indicated that requested capital for the Fleet Support Services program includes an exhaust ventilation system, expansion of the Pasadena CNG fuel storage, remodel of three bays at the 6th Street Center facility, and three floor hoists.

Information Services Director Karen Kille responded to questions regarding the PC lease-purchase program and the City's website. Councilmember Kavanaugh commended Mr. Lorig and Ms. Kille for efforts to date relative to the Internet and electronic commerce.

Communications Director Don Pfohl presented an update pertaining to the microwave system. Mr. Pfohl spoke concerning funding, projected time frames, and actions to ensure security and reliability.

Discussion ensued relative to departmental supplemental requests and disaster recovery plans.

4. Break.

At 8:27 a.m., Mayor Brown called for a short recess. The meeting reconvened at 8:44 a.m.

5. Community Development Department.

Community Development Manager Wayne Balmer distributed an overview of the proposed 1999/00 budget for the Community Development Department and introduced personnel present at the meeting. Mr. Balmer referred to organizational charts for each of the divisions within the Community Development Department.

Planning Director Frank Mizner outlined the primary responsibilities of the Planning Division and presented statistical data pertaining to activities during the past year. Mr. Mizner noted anticipated impacts of the recently adopted Growing Smarter legislation (e.g., General Plan update). Mr. Mizner identified supplemental personnel requests for a GIS technician, clerical position, Planner I, and Senior Planner and related difficulties in continuing to meet demands for service given current staffing levels.

Councilmember Davidson expressed appreciation for the efforts of Mr. Mizner and staff.

Community Development Administrator Kit Savagian advised that Council previously determined programs to be funded within the Community Development Division and that all are federally funded with the exception of two contracts from the Community Aid program. Ms. Savagian indicated that capital projects are primarily funded through the Public Works Department but that monies have been budgeted within Community Development to purchase properties for nonprofit agencies. Ms. Savagian said that a COE position has been requested, which would additionally be federally funded.

Ms. Savagian responded to questions from Councilmember Hawker pertaining to the capital funding budgeted within Community Development.

Mr. Balmer stated that the proposed budget for the Economic Development Division essentially reflects no changes from the previous year's budget. Mr. Balmer said that staff is in the process of readvertising for the position of Economic Development Director and anticipates a final decision in July. Mr. Balmer noted that \$165,000 is included within the Economic Development budget for the Greater Phoenix Economic Council (GPEC) contract.

Council and staff spoke concerning the anticipated joint utilization of a GIS technician for both planning and economic development purposes, the GPEC contract, and marketing incentives offered by surrounding communities. Councilmember Davidson related his personal experiences while accompanying GPEC on a recent visit and encouraged other Councilmembers to join future GPEC trips.

Mr. Balmer provided an overview of the proposed budget for Community Development Administration and advised that \$3,510,000 has been included to fund Williams Gateway Airport.

Discussion ensued regarding Williams Gateway Airport and citizen concerns, potential cargo operations, and infrastructure.

Councilmember Hawker suggested a briefing at a future meeting pertaining to the 5-year and 20-year plan for Williams Gateway Airport, growth trends, and cost-benefit analyses. Mr. Balmer said that staff anticipates presentation of a draft airport master plan for Williams Gateway Airport in early June.

Redevelopment Director Greg Marek advised that the Redevelopment Division fulfills two primary functions: redevelopment and historical preservation. Mr. Marek noted that the proposed budget for Redevelopment includes an additional staff member in a continuing effort to provide a level of service expected by citizens as noted in the recent survey conducted by the City. Mr. Marek stated that supplemental requests for the division include a redevelopment specialist, COE student (to be utilized jointly with the Economic Development Division), funding for expansion of the seasonal lighting program, and funding for the downtown facade improvement program. Mr. Marek outlined anticipated time frames for the second phase of the Main Street improvement project.

Councilmember Kavanaugh questioned the availability of funds to acquire downtown properties. Mr. Luster indicated that monies could be available from the contingency fund should an opportunity arise.

Discussion ensued regarding redevelopment, incentives, concerns pertaining to condemnation, and the acquisition of property for "green belt park spots" in the downtown area.

Code Compliance Director Bill Petrie stated that the Code Compliance Division has received additional personnel to address the issue of neighborhood appearance, including the effects of traffic and crime. Mr. Petrie reported that three additional staff members have been included as a supplemental request in the event a housing code is approved by voters at the Primary Election to be held in March 2000.

Mayor Brown and Councilmember Jaffa commended Mr. Petrie and staff for their efforts.

Airport Director Mark Meyers presented statistical data pertaining to activities at Falcon Field Airport and estimated the economic impact at \$2 million per day. Mr. Meyers provided a brief overview of the proposed FY1999/00 budget, noting federal and state funding of projects.

Mr. Meyers responded to questions from Council regarding the potential relocation of the Champlin Museum/reuse of the facility and revenue generated by the Airport.

6. Adjournment.

Mayor Brown thanked staff for the budget update.

Without objection, the Budget Session adjourned at 10:04 a.m.

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 4th day of May 1999. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 1999

BARBARA JONES, CITY CLERK