

COUNCIL MINUTES

February 17, 2004

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 February 17, 2004 at 4:45 p.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Dennis Kavanaugh
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

Mayor Hawker excused Councilmember Griswold from the beginning of the meeting. He arrived at 4:47 p.m.

1. Review items on the agenda for the February 17, 2004 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: 3a, 3b (Whalen), 3d (Griswold), 5i (Whalen)

Items removed from the consent agenda: 7a

Items added to the consent agenda: 8.1

Items deleted from the consent agenda: 5k, 5m

2. Discuss and consider a legislative report.

Assistant to the City Manager Jim Huling addressed the Council and advised that staff is tracking 200 bills and closely monitoring 14 bills that are currently in the State Legislature. He reported that the transportation half-cent sales tax extension would be placed on the November 2004 ballot. Mr. Huling noted that Mayor Hawker and State Representative Gary Pierce were instrumental in the passage of the bill. He also noted that House Bill 2149, introduced by State Representative Andy Biggs on behalf of Williams Gateway to update the provisions of the Joint Powers Airport Authority, passed the House by a vote of 56 to 0 and has been sent to the Senate to await committee assignments.

Mr. Huling reported that Senate Bill 1356 would create a uniform local sales tax base and preempt the Model Cities Sales Tax Code as well as repeal the Municipal Tax Code Commission. He advised that the Arizona Chamber of Commerce supports the bill, but that a quick analysis by the City's Tax and Licensing Division indicated that passage of the bill could result in a \$6.7 million loss to the City of Mesa. Mr. Huling stated that staff's recommendation was that the Council express opposition to the bill.

Discussion ensued relative to the fact that the proposed bill would establish uniform taxes for certain items; that some of the areas where the City would experience a loss in sales tax revenues included mobile homes as a result of being reclassified from retail to contracting, transient occupancy tax and privilege tax license application fees; that staff will prepare a chart or spreadsheet to indicate the impact of the bill on the City of Mesa; and that the Governor's taskforce on revenues was attempting to eliminate many of the sales tax exemptions that have been implemented in past years.

Mayor Hawker stated the opinion that an attempt to reduce the number of sales tax exemptions was warranted, and that the League of Cities and Towns should review the proposed legislation.

Additional discussion ensued relative to the fact that the proposed legislation could result in shifting control regarding local sales tax to the State level; that the legislation was being proposed in a piecemeal approach rather than as a comprehensive package; that Councilmember Walters serves as an appointed member of the State Municipal Tax Code Commission, which provides local municipalities with representation and input regarding tax issues; and that staff is directed to prepare a document that indicates the effects of the legislation on the City of Mesa.

Mr. Huling continued his presentation and advised that Senate Bill 1043, Municipal Business Locations Incentives Rebate, states that any city or town that provides a tax incentive for retail businesses would have a like amount withheld from that city's portion of State Shared Revenues. He noted that an amendment allows for rebates within redevelopment areas; that the bill's sponsor is planning to submit a floor amendment stipulating that the legislation would apply to only Maricopa County; and that the revenues withheld would be redirected to the Department of Commerce for economic redevelopment. Mr. Huling stated that staff's recommendation to the Council is that the proposed legislation be opposed.

Further discussion ensued relative to the fact that a bidding war for retail business is perceived to exist in the Valley; that the Maricopa Association of Governments (MAG) could consider a regional approach to sharing sales tax revenue to eliminate the need for local communities to provide incentives to large retailers; that the "Maricopa County Only" option was an issue of concern due to the fact that Mesa borders Pinal County, which could continue to offer incentives; that the vote in the Senate Finance Committee was six to three along party lines in favor of the legislation except that one Republican voted in opposition, and one Democrat voted in favor of the bill; that representatives of several communities have been discussing a regional approach, but have been unable to reach a consensus; that an amendment to exempt regional malls may be introduced; and that staff believes the issue requires additional study prior to legislation being enacted.

City Council Assistant Saul Larsen reported that Senate Bill 1024 would allow police officers to stop a vehicle for seatbelt violations. He explained that presently officers could issue a citation for failure to utilize the seatbelt only if the vehicle was stopped for another reason.

Discussion ensued relative to the fact that there is no direct correlation of responsibility if the driver is cited for the passenger's failure to utilize the seatbelt; that the Police Department is in support of the legislation; that a study completed by the Department of Public Safety indicates that primary enforcement legislation resulted in increased seatbelt utilization of approximately 15 percent; that the fine for the violation would be nominal; that the administrative costs for an officer to enforce this type of violation would exceed the revenue generated; that the goal of primary enforcement is to save lives; and that the Councilmembers would like additional information regarding the legislation.

Mr. Larsen stated that due to time constraints, the next bill that he would address would be House Bill 2401: Municipal Annexation; Procedures. He explained that the proposed legislation would change petition requirements for annexation from 50 percent plus one to 80 percent for approval, and staff recommends that the Council express opposition to the bill.

Councilmember Thom stated the opinion that the Council should support the legislation. She expressed the view that in the past property was annexed into the City without the approval of the property owners, and she supports the rights of individuals to choose where they live. Councilmember Thom also expressed the opinion that the Council should support bills introduced by Mesa's representatives in the State Legislature.

Councilmember Jones expressed the opinion that the Council should not automatically support bills that are introduced by East Valley State legislators. He requested that additional information be provided to the Council.

Discussion ensued relative to the fact that the proposed legislation would prevent the future annexation of County islands; that the current requirement of 50 percent plus one continues to be effective; that the Council should not acquiesce to the Legislature, but serve the interests of the community; and that changing the requirement to 80 percent would enable the minority to prevail over the majority.

Mr. Larsen and Mr. Huling agreed to meet with the Councilmembers individually to obtain direction regarding legislative issues.

3. Appointments to boards and committees.

Mayor Hawker and Councilmember Walters declared potential conflicts of interest and refrained from discussion/participation in this agenda item.

Vice Mayor Kavanaugh recommended the following appointments to Boards and Committees:

AD HOC REDEVELOPMENT ADVISORY COMMITTEE

Councilmember Rex Griswold

Councilmember Kyle Jones

Steve Adams
Bev Tittle-Baker
Manny Cortez
Louise Daggs
Alex Finter
Art Jordan
Alan Rash
Dave Richins
Chuck Riekona
Jordan Rose
Joe Shipley

It was moved by Councilmember Whalen, seconded by Councilmember Jones, that the Council concur with the Vice Mayor's recommendation and the appointments be confirmed.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Kavanaugh-Thom-Whalen
NAYS - None
ABSTAIN - Hawker-Walters

Vice Mayor Kavanaugh declared the motion carried unanimously by those voting.

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

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

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

Wednesday, February 18, 2004, 7:30 a.m. – Joint Meeting with Mesa Public Schools

Thursday, February 19, 2004, 7:30 a.m. – Study Session (Cancelled)

Tuesday, February 24, 2004, 7:00 p.m. – Town Hall for Ad Hoc Police Oversight Committee

Wednesday, February 25, 2004, 6:30 p.m. – Mesa 2025: Financing the Future Committee

Thursday, February 26, 2004, 7:30 a.m. – Study Session

Thursday, February 26, 2004, 9:30 a.m. – Police Committee

Saturday, February 28, 2004, 10:00 a.m. – Town Hall for Ad Hoc Police Oversight Committee

Monday, March 1, 2004, TBA – Study Session

Monday, March 1, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, March 4, 2004 – TBA – Study Session

6. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

7. Adjournment.

Without objection, the Study Session adjourned at 5:44 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 Study Session of the City Council of Mesa, Arizona, held on the 17th day of February 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

baa