

# FINANCE COMMITTEE MINUTES

April 7, 2003

The Finance Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 7, 2003 at 3:00 p.m.

**COMMITTEE PRESENT**

Kyle Jones, Chairman  
Rex Griswold  
Dennis Kavanaugh

**COUNCIL PRESENT**

Keno Hawker

**OFFICERS PRESENT**

Debbi Dollar  
Paul Wenbert

1. Discuss proposed fees and charges review process.

Deputy City Manager Debbi Dollar addressed the members of the Finance Committee and provided a brief overview of this agenda item. She reported that in the past, as a component of the budget review process, staff would traditionally present the Council with proposed changes to fees and charges for the entire City organization at one time. Ms. Dollar commented that this year, each City department has reviewed its respective fees and charges, and in those instances where rate changes are recommended, such items will be presented to the Committee first for input/suggestions prior to being forwarded on to the full Council. She added that the only exception to the review process is the Building Safety Division fees, which will initially be presented to the members of the General Development Committee for their consideration.

2. Discuss and consider proposed changes to:

a. Engineering fees (inspection services)

Capital Improvement Project Administrator Anthony Araza and Assistant City Engineer Peter Knudson addressed the Committee relative to this agenda item.

Mr. Araza discussed the proposed changes to fees and charges for inspection services which are provided by the Engineering Division and Transportation Division. (See Attachment 1.) He explained that last fall, the Council approved the establishment of two new Barricade Coordinator positions in the Transportation Division (subject to budgetary issues) to assist with the enforcement and management of traffic barricading throughout the City. Mr. Araza advised that the newly proposed Traffic Management Barricade Fees would fund a portion of the salaries for the two Barricade Coordinator positions and that the remaining portion of the salaries would be funded by CIP projects.

Discussion ensued relative to the fact that street barricading is used for a combination of capital improvements (utility lines, landscaping and street projects) and developer-driven projects; that no permit fee is required for City capital projects, and that the Traffic Barricade Management Fees would apply only to permit projects that developers and utility companies are pursuing in public rights-of-way.

Committeemember Kavanaugh voiced support for staff's recommendations and commented that the proposal is sound and reasonable.

In response to a question from Chairman Jones, Mr. Araza clarified that the primary duties of the Barricade Coordinator would include working closely with the City's Engineering Inspectors and private developers to ensure that barricades are displayed in accordance with the Traffic Barricade Manual in an effort to eliminate as much undue traffic congestion as possible.

Committeemember Griswold stated that he is supportive of the Traffic Management Barricade Fees, but encouraged staff to delay the hiring of the Barricade Coordinators at this time.

In response to Committeemember Griswold's comment, Committeemember Kavanaugh stressed the fact that several months ago, the Council approved the establishment of two new Barricade Coordinators and commented that the hiring of the two positions may be a cost effective way in which to assist the City in completing an extensive amount of road construction projects.

Further discussion ensued relative to a comparison of Mesa's Engineering Construction Services fees and charges with other Valley communities.

Chairman Jones requested that staff provide the members of the Committee with comparative analyses between Mesa and the surrounding communities relative to all of the proposed changes to fees and charges.

It was moved by Committeemember Kavanaugh to recommend forwarding staff's proposed changes to fees and charges relative to Engineering Construction Services to the full Council for further review and consideration.

Committeemember Griswold seconded Committeemember Kavanaugh's motion, but added that he would prefer that the hiring of the two Barricade Coordinators be delayed for one year.

Carried unanimously.

b. Real estate fees (abandonments)

Real Estate Director Doug Tessororf addressed the Committee relative to this agenda item. He referred to a listing of Real Estate Services' proposed changes to fees and charges, copies of which were distributed to the members of the Committee, and reported that it is the recommendation of staff to increase all Abandonment Fees (from \$300 to \$750), which have not been adjusted since 1984. (See Attachment 2.) Mr. Tessororf advised that the only exception would be the residential extinguishment of easements that would be increased from \$300 to \$350. He also stated that the purpose of the fee adjustment is a cost recovery measure for the

amount of staff time related to processing the abandonments and added that Mesa's current fees are substantially lower than those of the surrounding municipalities.

Discussion ensued relative to the City of Chandler's current method of vacates on residential and commercial properties and Mesa's efforts to propose a similar option in the future.

Committeemember Kavanaugh expressed support for the increase in fees and concurred with Mr. Tessendorf's comments that Mesa's fees and charges remain some of the lowest in the Valley. He also encouraged staff to conduct further research relative to Chandler's method of vacates on residential and commercial properties and to present the issue to the full Council at a future Study Session.

Chairman Jones voiced support for staff's recommendations. He also stated the opinion that although he is opposed to increasing fees and charges solely for the purpose of remedying Mesa's current budget shortfall, he acknowledged that it is essential that staff assess the fees, especially with regard to cost recovery measures.

It was moved by Committeemember Griswold, seconded by Committeemember Kavanaugh, to recommend forwarding staff's proposed changes to fees and charges relative to Real Estate Services to the full Council for review and consideration.

Carried unanimously.

c. Transportation fees (block party barricades)

Traffic Engineer Alan Sanderson addressed the Committee relative to this agenda item. He reported that for many years, the City has provided barricades free of charge for neighborhood block parties, with the rental cost for the barricades being paid through the Transportation Division's operating funds. Mr. Sanderson advised that barricades are furnished for an estimated 400 block parties annually and that the direct rental cost to the City for the barricades is \$25 per event. He stated that as a result of the City's current budget constraints, it is the recommendation of staff that a fee be established to cover the direct cost of renting barricades for block parties as an alternative to completely eliminating the service. (See Attachment 3.)

Mr. Sanderson provided a brief comparative analysis of neighboring communities regarding this issue and commented that Chandler and Tempe provide barricades for block parties at no charge; Glendale has three sets of barricades which residents can use, and if there are four or more parties, those individuals must provide their own barricades, and Phoenix allows block parties, but does not provide the neighborhoods with barricades.

Committeemember Kavanaugh expressed opposition to staff's recommendations and commented that the impact that the community receives by organizing neighborhood functions far outweighs the cost that the City incurs to provide the block party barricades.

Chairman Jones advised that although he concurs with Committeemember Kavanaugh's comments, he would support staff's recommendations in an effort to forward the matter on to the full Council.

It was moved by Chairman Jones, seconded by Committeemember Griswold, to recommend forwarding staff's proposed changes to fees and charges relative to the Transportation Division to the full Council for further review and consideration.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones  
NAYS - Kavanaugh

Chairman Jones declared the motion carried by majority vote.

d. Planning fees (various)

Acting Planning Director Dorothy Chimel addressed the members of the Committee relative to this agenda item. She reported that the last increase in Planning fees was in August 2001, and that in January of this year, staff completed a review of all current fees, as well as a comparative analysis of similar fees in Gilbert, Chandler, Tempe, Scottsdale and Phoenix. (See Attachment 4.) Ms. Chimel stressed that although the costs associated with providing Planning services have increased annually, the fees have not. She stated that based on the fee review process, it is the recommendation of staff that fees be increased for approximately half of the Planning Division services.

Ms. Chimel provided the Committee with a brief analysis of the proposed changes to fees and charges provided by the Planning Division. (See Attachment 5.)

(Mayor Hawker arrived at the meeting at 3:48 p.m.)

Discussion ensued relative to the fact that the Pre-Submittal Conference Meeting Fee is good for six months; that the Planning Division works in conjunction with Code Compliance in an effort to collect City-imposed fees, and the Design Review Board process.

It was moved by Committeemember Kavanaugh, seconded by Committeemember Griswold, to recommend forwarding staff's proposed changes to fees and charges relative to Planning Services to the full Council for further review and consideration.

Carried unanimously.

3. Adjournment.

Without objection, the Finance Committee Meeting adjourned at 3:50 p.m.

Finance Committee  
April 7, 2003  
Page 5

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Finance Committee meeting of the City of Mesa, Arizona, held on the 7<sup>th</sup> day of April 2003. 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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Attachments (5)