

# FINANCE COMMITTEE MINUTES

May 18, 2000

The Finance Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 18, 2000 at 9:38 a.m.

## COMMITTEE PRESENT

John Giles, Chairman  
Jim Davidson  
Bill Jaffa

## COUNCIL PRESENT

Keno Hawker

## STAFF PRESENT

Mike Hutchinson  
Dan Brewer  
Linda Crocker  
Joe Holmwood  
Mike Hutchinson  
Barbara Jones  
Wayne Korinek  
Kathy Pace  
Ellen Pence  
Bryan Raines  
Tom Remes  
Jenny Sheppard  
Mark Woodward  
Larry Woolf  
Others

## OTHERS PRESENT

Barrett Marson  
Others

1. Discuss and consider a recommendation to select Deloitte and Touche as the City's external auditors for the next five fiscal years.

Committeemember Jaffa indicated that he had a potential conflict of interest in connection with the matter currently under discussion which he wanted reflected in the minutes of the meeting and because of such conflict, he would refrain from discussing and/or participating in any manner in connection with same.

Finance Director Larry Woolf addressed the Committee relative to this agenda item and advised that approximately six weeks ago, a Request for Proposals (RFP) seeking proposals from accounting firms to serve as the City's external auditors for the next five fiscal years was issued to the "Big Five" nationally registered accounting firms. Mr. Woolf reported that two bids were received in response to the RFP and noted that the firm of Deloitte and Touche's bid was approximately \$80,000 less than the bid submitted by the City's current auditors, KPMG. Mr. Woolf informed the Committee that the firm of Deloitte and Touche has served as auditors for the cities of Scottsdale and Phoenix and previously worked for the City of Mesa. Mr. Woolf stated the opinion that Deloitte and Touche possesses the expertise to perform auditing services for the City of Mesa and discussed staff's recommendation that the bid be awarded to this firm.

It was moved by Committeemember Davidson, seconded by Chairman Giles, to recommend to the Council that the firm of Deloitte and Touche be selected as the City's external auditors for the next five fiscal years.

Upon tabulation of votes, it showed:

AYES - Giles-Davidson  
NAYS - None  
ABSTAIN- Jaffa

Chairman Giles declared the motion carried unanimously by those voting.

2. Discuss and consider a recommendation concerning City of Mesa cemetery fees.

Parks, Recreation and Cultural Director Joe Holmwood addressed the Committee relative to this agenda item and stated that the Department reviews cemetery fees on an annual basis. Mr. Holmwood reported that over the past ten years, cemetery fees have been increased six times and noted that the increases were on a selected rather than across the board basis.

Parks and Recreation Administrator Mark Woodward discussed a market comparison of the fees currently charged by East Valley and Valley-wide cemeteries and highlighted the contents of four options that were presented to the Committee for their consideration.

Assistant City Manager Mike Hutchinson informed the Committee that the City of Mesa has had a philosophy of being one of the least expensive cemeteries in the Valley and stated the opinion that it is time that this philosophy be changed. Mr. Hutchinson recommended that the Committee consider Option D, which would place the City of Mesa's cemetery fees at 10% below the Valley market average and requested input and recommendations from the Committee.

Councilmember Hawker commented on the fact that the cemetery has limited remaining space and stressed the importance of ensuring that once all of the sites are sold, sufficient interest is generated from the operating fund to cover the expense of all future maintenance costs. Councilmember Hawker stated that he would encourage the Committee to support revising the fees to a level at least 10% below the market rate and added that the fees should be reviewed and evaluated on a year to year basis. Councilmember Hawker also suggested that staff consider purchasing plots that are advertised for sale in the newspapers by individual owners in order to increase the cemetery's available plots and said that the Committee should consider setting aside funding for this purpose.

Mr. Hutchinson informed the Committee that a Perpetual Care fund is in place but said that there is not enough funds in the account to cover maintenance costs twenty to thirty years from now.

Mr. Woolf provided the Committee with a brief overview of the cemetery's expense and revenue summary and noted that the total number of plots that have been sold through March 2000 is 37,916.

Councilmember Hawker commented on the fact that based on the limited available space, staff should consider increasing the cost of the plots now in an effort to extend the inventory available at the cemetery.

Discussion ensued relative to the importance of aggressively funding the Perpetual Care fund.

It was moved by Committeemember Jaffa, seconded by Committeemember Davidson, to recommend to the Council that Option D as recommended by staff, which would place the City of Mesa's cemetery fees at 10% below the Valley market average, be approved.

Chairman Giles stressed the importance of ensuring that the fee increases are sufficient to maintain the high level of quality that exists at the Mesa Cemetery.

Mr. Hutchinson noted that staff will present this issue to the Committee on an annual basis and added that staff may recommend additional fee increases in the future. Mr. Hutchinson stated the opinion that Option D is appropriate at this time.

Carried unanimously.

3. Adjournment.

Without objection, the meeting of the Finance Committee adjourned at 9:55 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Finance Committee of the City of Mesa, Arizona, held on the 18th day of May 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2000

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BARBARA JONES, CITY CLERK