

# COUNCIL MINUTES

May 28, 2002

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 28, 2002 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Dennis Kavanaugh  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

Jim Davidson  
Bill Jaffa  
Pat Pomeroy

## STAFF PRESENT

Mike Hutchinson

## COUNCIL-ELECT PRESENT

Kyle Jones  
Janie Thom

## COUNCIL-ELECT ABSENT

Rex Griswold

(Mayor Hawker excused Councilmember-Elect Griswold from the meeting.)

### 1. Williams Gateway Regional Economic Activity Area.

Williams Gateway Regional Economic Activity Area (WGREAA) Project Manager Wayne Balmer addressed the Council relative to this agenda item and introduced staff members present at the meeting. He reported that the Department's proposed budget for FY 2002/03 is \$3,961,924, of which \$3,510,000 represents Mesa's contribution to the Williams Gateway Airport Authority operating budget. Mr. Balmer commented that the Department will not experience significant changes as a result of the City's budget adjustments, but did note a reduction in travel expenses, commodities and capital expenditures.

Mr. Balmer briefly outlined a series of key issues including User Fee Port-of-Entry status, Federal Aviation Administration (FAA) funding for capital improvements and aviation employment prospects.

Discussion ensued relative to the possible utilization of Williams Gateway Airport (WGA) as a destination for air cargo service from Guaymas, Sonora, Mexico, and the marketing of WGA to attract airlines to the facility.

City Manager Mike Hutchinson advised that due to limited FAA funding for capital improvement projects at WGA, in the upcoming months, staff will present the Council with alternative strategies to improve the airport's infrastructure in anticipation of future economic development.

### 2. Police.

Police Chief Jan Strauss introduced personnel present at the meeting and provided an overview of the proposed budget for FY 2002/03. She advised that due to the fact the Police Department's budget is driven primarily by personnel costs, it has become necessary to consider various program reductions to minimize the impact on "essential services" to the community.

Chief Strauss reported that the proposed budget for FY 2002/03 is \$106,244,582, a reduction of 3.35 % of the Department's Recommended Budget for the same period of time. She stated that the adjustment will result in a hiring delay of 27 Sworn Police Officer recruit positions as well as 17 civilian positions; reduce proactive opportunities such as Community Action Team (CAT) work; increase the investigative workload, and delay the full implementation of the Computer Forensics Unit (Cyber Crimes). Chief Strauss added that the budget adjustment will also eliminate the Mesa Gang Intervention Project (MGIP); reduce departmental overtime by \$520,000, and delay Level Three of the Career Enhancement Program (CEP).

Chief Strauss noted that a key element in this year's budget is the addition of a third helicopter into the Department's air unit, which will result in an increased life span of the two existing helicopters, and is considered a major asset to police work in the City. She also stated that Police Bonds will provide the necessary funding for the aircraft.

Councilmember Kavanaugh spoke in support of the efforts of the Police Department and stressed that funds in the Quality of Life Program have been earmarked to enable the City to hire 12 additional police officers annually. He added that the Deferred Retirement Option Program (DROP) has assisted the Police Department in retaining its experienced police officers. Councilmember Kavanaugh also voiced support for the implementation of the CEP, noted that the third police helicopter is essential in order to provide a variety of services for many public safety purposes, and expressed concerns relative to the proposed elimination of the MGIP.

Councilmember-Elect Thom voiced a series of concerns regarding the Police Department's proposed budget adjustments.

Mayor Hawker questioned whether long-term Mesa police officers should be entitled to both stability pay and Career Enhancement pay.

Councilmember Walters expressed concerns regarding the elimination of overtime pay for police officers and requested that staff conduct further research relative to this matter.

Councilmember-Elect Jones stated the opinion that CAT officers are a critical component in working with neighborhood groups and stated the preference that the program remain intact and not be reduced.

Councilmember Whalen voiced concerns regarding the elimination of overtime for police officers; the necessity to hire civilian positions to assist police officers; the elimination of MGIP, and the importance of the CEP.

Mayor Hawker thanked Chief Strauss and her staff for their input.

### 3. Fire.

Fire Chief Dennis Compton addressed the Council relative to this agenda item and introduced staff members present at the meeting. He explained that the FY 2002/03 proposed budget totals \$41,204,329, which includes a \$350,000 domestic preparedness grant obtained through the U.S. Department of Justice.

Chief Compton outlined a series of changes to the Department as a result of the budget adjustments including a BAR reduction salary savings of \$787,880; a delay in recruit/paramedic

training; a delay in the implementation of a Volunteer Coordinator to minimize the out-of-service time for emergency response units; a delay in the expansion of Fire and Life Safety Education; a delay in the annual fire inspection of approximately 125 occupancies, and the restriction of all Fire Department programs. He assured the Council, however, that the budget reductions will not disrupt any of the Department's service areas, nor will it compromise the Department's accreditation.

Discussion ensued relative to the DROP Program and its impact on all public safety organizations; various grant programs; the role of the Department to remain proactive regarding domestic preparedness training, and enhanced security in City buildings.

Councilmember Walters requested that the Council be permitted to participate in the Department's domestic preparedness training, and also stated that it is imperative that Mesa residents be made aware of the fact that the City remains vigilant in this regard.

In response to a question from Councilmember Whalen, Management Services Assistant Dorinda Larsen advised that the proposed budget contains a 4.4% reduction in the Department's minimum staffing.

Assistant Fire Chief Paul Wilson spoke regarding the Department's proposed Capital Improvement Projects (CIP) for FY 2002/03.

Further discussion ensued relative to the Department's ability to fight wildfires, and its reliance on the Mesa Police Department's helicopter unit.

Mayor Hawker thanked everyone for their presentation.

#### 4. Economic Development.

MEGACORP Economic Development Director Dick Mulligan highlighted the Department's proposed budget for FY 2002/03 totaling \$1,019,883, which represents a reduction of 1.8% of the Recommended Budget. He explained that the budget adjustment was achieved through allowing the City's Accredited Economic Development Organization (AEDO) designation to expire in February 2002; that the Greater Phoenix Economic Council (GPEC) contract remains at the FY 2001/02 level, and that as a result of the events of September 11<sup>th</sup>, as well as a downturn in the nation's economy, staff has become more selective in their participation at future prospect trips and industry trade shows.

Mr. Mulligan briefly discussed a series of key issues which the Department will address this fiscal year including the finalization of the Mesa Economic Development Strategy, the Falcon Field and Environs Strategy, Connecting Mesa (Phase II), and the initiation of a Retail Recruitment Task Force. He also stated that the Department has created a Website entitled "Entrepreneurial and Small Business – Guide To Opening and Operating a Business" which was designed to assist Mesa residents who wish to start a small business within the community.

Discussion ensued relative to the expansion of existing businesses in Mesa; the potential for future biotechnology facilities in the City; the challenge to replace large employers such as Motorola and General Motors, and future retail developments within the City.

Councilmember Kavanaugh expressed appreciation to staff for their assistance in the relocation of his law firm to Mesa. He stated that although it is difficult to replace large corporations that relocate

outside of Mesa, it is equally important that the Economic Development Office continues to attract small businesses to the community.

Councilmember Whalen commented that the proposed multipurpose facility in northwest Mesa will provide many opportunities for economic development, and he urged those citizens who are opposed to the current site to reevaluate the benefits that such a facility could bring to the entire community.

Mayor Hawker thanked Mr. Mulligan for his presentation.

5. Mesa Town Center Corporation.

Mayor Hawker declared a potential conflict of interest and refrained from discussion/participation in this agenda item.

Mayor Hawker yielded the gavel to Councilmember Kavanaugh for action on this agenda item.

Chuck Hultstrand, Vice President of the Mesa Town Center Corporation (MTCC), and Tom Verploegen, Director of the MTCC, presented a budget summary for FY 2002/03 relating to three contracts with the City of Mesa. Mr. Hultstrand reported that the Mesa Town Center Improvement District assessments will be \$236,061; that the City assessment participation for Town Center public space management services will be \$219,528 plus \$10,000 of in-kind solid waste roll-off containers, and that the proposed parking management contract is \$140,000.

Discussion ensued regarding the Building Rehabilitation Code; the current vacancy rate in the Town Center area, and the impact of the construction phase of the Mesa Arts Center on the downtown area.

In response to a question from City Manager Mike Hutchinson, Mr. Verploegen clarified that relative to the Sculptures in the Street IV exhibit, MTCC staff is currently in negotiations to bring a new set of sculptures to Mesa for the upcoming fall and winter season.

Councilmember Kavanaugh thanked Mr. Hultstrand and Mr. Verploegen for their presentation.

With action on this agenda item being completed, Councilmember Kavanaugh yielded the gavel back to Mayor Hawker.

6. Mesa Convention & Visitors Bureau.

Robert Brinton, Executive Director of the Mesa Convention and Visitors Bureau (MCVB), Kevin Thorpe, General Manager of the Dobson Ranch Inn and President of the MCVB, and Kathy Spangenberg, General Manager of the Mesa Sheraton and Vice President of the MCVB, addressed the Council relative to this agenda item. Mr. Brinton reported that MCVB's proposed budget for FY 2002/03 is \$1,310,000, and also stated that as a result of the events of September 11<sup>th</sup> and the country's economic downturn, the MCVB has been forced to reduce its budget dramatically in order to remain fiscally responsible. He explained that although Mesa faces competition from other Valley communities with regards to an increase in the construction of new hotels/motels, it is the primary goal of the MCVB to continue to aggressively market the Valley and the City in particular. Mr. Brinton also noted that funding through Proposition 302 (stadium tax) has been reduced by 50%, which will severely impact the MCVB's budget for the upcoming year.

Mayor Hawker thanked everyone for the presentation.

7. Arts & cultural grants.

Community Arts Coordinator Nancy Wolter addressed the Council relative to this agenda item. She reported that for FY 2002/03, there were 12 arts and cultural groups requesting City of Mesa funding for a total of \$349,950. Ms. Wolter commented that due to the City's current budget constraints, it is the recommendation of the Museum and Cultural Advisory Board that 11 of the grants submitted receive a 5% reduction in funding from their FY 2001/02 award; that the Mesa City Band, a new applicant, receive \$3,000 of their \$6,250 request, and that the mini-grant contingency fund be reduced from \$15,000 to \$13,393.

Discussion ensued relative to the anticipated use of the new Mesa Arts Center by the various arts organizations receiving grants and City of Mesa grant funding, and the future use of the existing Mesa Arts Center to provide rehearsal space, storage space and office space for the various organizations.

Council expressed appreciation to staff and the Museum and Cultural Advisory Board for their efforts.

8. Human Services Advisory Board Recommendations.

Community Revitalization Director Kit Kelly, Human Services Coordinator Debbra Determan, Human Services Specialist Nichole Wamble, and Greg Holtz, Chairman of the Housing and Human Services Advisory Board, addressed the Council relative to this agenda item.

Ms. Determan presented the Human Services funding recommendations for FY 2002/03 as proposed by the Housing and Human Services Advisory Board, in the sum of \$1,362,000. She noted that Emergency Shelter Grant (ESG) funds contribute \$122,000 to the total budget and that the remaining \$1,240,000 is derived from General Funds. Ms. Determan reported that the funding recommendation represents a \$21,949 decrease over FY 2001/02 funding based on the City's current budget constraints. She briefly outlined the priority funding allocations including transitional services, crisis services, long-term support, prevention/early intervention, and system support.

Councilmember Walters suggested that efforts be made to coordinate the identification of agencies for funding between the Mesa United Way Board and the Housing and Human Services Advisory Board.

Councilmember Whalen declared a potential conflict of interest and refrained from discussion/participation in this agenda item.

Discussion ensued relative to the establishment of a partnership between the City and the Mesa United Way to develop a needs assessment, to identify gaps and/or duplications in services, and to recognize nonprofit organizations that are in need of funding.

Mayor Hawker concurred with Councilmember Walters' comments.

Mayor Hawker thanked staff for the presentation.

(Mayor Hawker declared a brief recess at 10:00 a.m. and the meeting reconvened at 10:30 a.m.)

9. Compensation issues and miscellaneous issues.

City Manager Mike Hutchinson addressed the Council relative to this agenda item and reported that in an effort to recruit and retain quality employees, it is imperative that Mesa remain competitive with other Valley communities. He provided the Council with a handout displaying a comparison of Cost of Living Proposals in other cities, and advised that for the FY 2002/03 budget, he is recommending a 2.5% Citywide salary range adjustment (COLA) which would commence on September 1, 2002.

Mr. Hutchinson briefly outlined the various health care plans offered to City employees; the importance of ongoing employee training/education programs, and security measures currently in place in City buildings. He also recommended that the implementation of Phase IV of the Police Career Enhancement Program be included in the FY 2002/03 budget.

Councilmember Kavanaugh spoke in support of Mr. Hutchinson's recommendations regarding the proposed 2.5% COLA.

Discussion ensued relative to the employee Deferred Compensation Program; adjusting pay ranges; graduated pay scales, and the potential sale of the Langley Ranch.

10. City Council discussion.

Mayor Hawker spoke in support of a 10% increase in the City's irrigation water rate; the allocation of additional funds for the Neighborhood Outreach Coordinator, and annual updates on impact fees. He also expressed concerns regarding the City's pavement inventory, Mesa's role in conducting educational programs for its citizens, and the transfer of five FTEs from the City Attorney's Office to the Self-Insured Public Liability Trust Fund. Mayor Hawker recommended that the City elect not to contribute to the Town Center sculpture fund in FY 2002/03; that the downtown pedestrian connection be coordinated with the expansion of the City's chilled water plant, and that if the Council approves the City's participation in the Light Trail Transit (LRT) project, that it be considered in the context of other capital improvement programs and prioritized in that manner.

Councilmember Kavanaugh expressed support for the budget as recommended; however, he urged staff to reevaluate the feasibility of allocating funds for the speed hump program, and also voiced disappointment regarding the closure of the Red Mountain Multigenerational Center on Sundays.

Councilmember Walters concurred with Mayor Hawker's comments regarding the allocation of funds for the Neighborhood Outreach Coordinator; the transfer of five FTEs from the City Attorney's Office to the Self-Insured Public Liability Trust Fund, and annual updates on impact fees. She stressed that it is imperative that the City remain proactive relative to apprising staff of the changing nature of employee benefits. Councilmember Walters voiced support for the City's role in educating its citizens with regards to various City services. She also expressed concerns relative to a reduction in various education and travel expenses.

Councilmember Whalen voiced support that the City provide funding for the speed hump program. He also expressed concerns regarding unfunded BARS in the Police Department including 911

operators, dispatchers and records clerks; the inadequacy of proposed future additions to the police force, and the elimination of overtime in the Police Department. Councilmember Whalen also suggested that staff consider imposing stormwater fees as another source of revenue for the City.

City Manager Mike Hutchinson advised the Council that staff will evaluate the stormwater fees in the upcoming months.

Councilmember-Elect Thom voiced concerns about increases in City utility rates and suggested a variety of alternatives in which reductions could be made.

Councilmember-Elect Jones concurred with Mayor Hawker's comments regarding the necessity of an additional Neighborhood Outreach Coordinator and also expressed support for an increase in the number of CAT officers that interact in the community's neighborhoods.

In response to a question from Mr. Hutchinson requesting input from the Council regarding the City's contribution to the Town Center sculpture program, Councilmember Walters stated that she would prefer that the City reduce its contribution to the program by at least 50% due to the current budget shortfall.

Councilmember Kavanaugh concurred with Councilmember Walters' comments. He added, however, that he would not like to see the City's contribution totally eliminated due to the fact that Mesa has established a strong partnership with the private sector relative to this issue.

Mayor Hawker stated the opinion that his preference would be to completely eliminate the City's contribution to the sculpture program; however, he would concur with the other Councilmembers that Mesa's donation should, at a minimum, be substantially reduced for FY 2002/03.

Mr. Hutchinson informed the Council that at the May 23, 2002 Study Session, staff will respond to the Council's direction regarding any changes to the submitted budget documents. He added that a public hearing and tentative budget adoption is scheduled for June 3, 2002, with final budget adoption and a subsequent public hearing on June 24, 2002.

Discussion ensued relative to the potential to fund the hiring of additional police officers; mid-year/quarterly reviews of revenue streams, and the necessity of staff to conduct research with regards to the appropriate ratio of police officers to support staff.

Mayor Hawker and the Councilmembers voiced appreciation to staff for their efforts throughout the budget process.

10. Adjournment.

Without objection, the Budget Session adjourned at 11:43 a.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 28<sup>th</sup> day of May 2002. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2002.

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BARBARA JONES, CITY CLERK

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