



OFFICE OF CITY CLERK

TRANSPORTATION & INFRASTRUCTURE COMMITTEE

April 17, 2008

The Transportation and Infrastructure Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 17, 2008 at 10:45 a.m.

COMMITTEE PRESENT	COMMITTEE ABSENT	STAFF PRESENT
Kyle Jones, Chairman Scott Somers Darrell Truitt	None	Jack Friedline Alfred Smith

Chairman Jones excused Committeemember Truitt from the remainder of the meeting at 11:07 a.m.

(Items on the agenda were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

The Committee held an Executive Session between 10:57 a.m. and 11:14 a.m. after the discussion of agenda item 3 and before the discussion of agenda item 2.

1. Items from citizens present.

There were no items from citizens present.

2. Discuss and make recommendation on adjustments to business rules, rates and fees for City of Mesa utility customers as proposed by the Utilities and Financial Services Operations Departments.

Following an Executive Session, the Committee meeting reconvened at 11:14 a.m. to address agenda item 2 with Chairman Jones and Committeemember Somers present.

a. Fees and Charges for Utility Customers

Assistant Financial Services Manager Jenny Sheppard advised that the changes addressed by agenda items 2a and 2b were relatively minor. She stated that the deposit amount for the hydrant meter reflects the increased cost of the meter, and she added that the costs for meter testing have not been increased in many years (see Attachment 1).

b. Terms and Conditions for the Sale of Utilities (a copy is available for review in the City Clerk's Office).

Ms. Sheppard said that the proposed changes to Terms and Conditions strengthen the City's capability to collect utility bill payments.

c. Utility Service Fees

Deputy City Manager Jack Friedline advised that the fees (see Attachment 2) referenced in the Utilities Rate Book are proposed to be updated, and he stated that the City has moved closer to full cost recovery. He noted that the proposal also enables staff to address unique situations and to maintain costs that are comparable to other Valley cities.

d. Utility Rates

Budget Director Chuck Odom outlined the following proposed rate increases for each utility:

Electric	0.0%
Water	3.0%
Wastewater	4.5%
Natural Gas	3.0%
Solid Waste – Barrel Collection	3.0%
Solid Waste – Bin Collection	5.4 % (composite average)
Solid Waste – Household Hazardous Waste Fee	+\$0.07/residence/month

Mr. Odom advised that the proposal (a copy is available for review in the City Clerk's Office) also includes a third tier water rate in order to increase conservation efforts, a new reclaimed water rate, a separate gas rate for customers in the Magma service area, and full-cost recovery for the Interim District Cooling rate.

Committeemember Somers commented that the City's proposed rate increases are less than the increases proposed by other cities, and he commended staff for their efforts.

It was moved by Committeemember Somers, seconded by Chairman Jones, to recommend to the Council that staff's recommendation for adjustments to business rules, rates and fees for City of Mesa utility customers be approved.

Upon tabulation of votes, it showed

AYES – Jones-Somers
NAYS – None
ABSENT – Truitt

Chairman Jones declared the motion carried unanimously by those present.

3. Hear a presentation, discuss and provide direction on alternative funding and construction strategies for arterial street improvements associated with new development.

Building Safety Director Terry Williams displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide information on the options for changes to the arterial street improvement requirements. He stated that the current policy requires certain exactions of developers, such as up to 24 feet of paving, concrete curbing, sidewalks,

landscaping, street lighting, storm water retention, etc. Mr. Williams explained that Mesa's "City Share" is a program in which the City pays a portion or all of the additional expense for arterials wider than 24 feet, additional lighting and/or intersection signalization. He said the development industry does not fully pay for the costs of new development, and he added that the City Share Program faces a funding shortfall. He noted that Mesa is the only City in the Valley that utilizes the "City Share" concept. Mr. Williams advised that it is difficult to project the amount of City Share funding that will be required in any given year. He reported that Council-approved City Share agreements presently total an outstanding balance of \$2.85 million that the City budgets at \$3 million annually in the event all expenditures are required during the same fiscal year. Mr. Williams said that the average annual expense has been approximately \$1 million during the past five years. He outlined the options as follows:

- Option 1 would maintain the status quo. No changes would be made to the current City Share Program and the exactions required of developers for arterial streets would remain the same.
- Option 2 modifies the exaction requirements. The requirements would be increased to require the developer to pay for full half-street improvements and all street lighting. Additionally, the four property owners at arterial intersections would pay for the costs of signalization.
- Option 3 would create a new Streets Impact Fee that addresses the City's traffic system costs that are attributable to new development.

In response to a question from Committeemember Truitt regarding the costs to signalize an intersection, Traffic Engineer Alan Sanderson said he did not have a complete survey of the policies of other cities. He noted that the City of Goodyear has a policy in place similar to that proposed in Option 2.

Discussion ensued relative to the fact that the cost for signalization could be prohibitive for a small development on a corner; that a corner section is typically part of a larger development; and that staff would include language to address small developments on corners.

It was moved by Committeemember Truitt, seconded by Committeemember Somers, to recommend to the Council that staff's recommendation for Option 2 be approved.

In response to a question from Committeemember Somers, Mr. Williams advised that the proposal before the Committee is to approve Option 2 for implementation in January 2009 and that Option 3 could be considered at a future date.

Chairman Jones called for the vote.

Carried unanimously.

Committeemember Truitt stated the opinion that Option 3 is also a viable alternative, and he added that staff should be encouraged to pursue that option for the future.

Chairman Jones thanked staff for the presentation.

It was moved by Chairman Jones, seconded by Committeemember Truitt, that the Committee enter into an Executive Session.

Carried unanimously.

The Executive Session convened at 10:57 a.m. and adjourned at 11:14 a.m., at which time the Committee meeting was reconvened to address agenda item 2.

4. Adjournment.

Without objection, the Transportation and Infrastructure Committee meeting adjourned at 11:19 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Transportation & Infrastructure Committee meeting of the City of Mesa, Arizona, held on the 17th day of April 2008. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

baa

Attachments (2)