

COUNCIL MINUTES

May 12, 2005

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 May 12, 2005 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Review items on the agenda for the May 16, 2005 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: 3, 5d, 5e, 5g, 7a (Hawker); 3, 7a (Whalen); 11a (Walters)

Items removed from the consent agenda: 6f, 6i, 6j, 6k, 6l, 6m, 10b, 11b and 11c

Items added to the consent agenda: 8 and 9

2. Hear a report on the proposed downtown Municipal Campus Plan and provide direction regarding the renovation of the Municipal Building at 55 North Center Street.

Due to time constraints, this item was continued to the May 16, 2005 Study Session.

3. Discuss and consider ordering the sale of Series 2005 General Obligation Bonds, Utility Systems Revenue Bonds, and Street and Highway User Revenue Bonds.

Financial Services Manager Bryan Raines reported that staff is seeking Council approval for the placement of various resolutions on the May 16, 2006 Regular Council meeting agenda to order the sale of \$91,200,000 of Utility Systems Revenue Bonds, \$11,705,000 of General Obligation Bonds, and \$10,225,00 of Street and Highway User Revenue Bonds through competitive sale. He explained that such action represents the City's annual bond sale and said that the debt

service on the sale has not only been included in the FY 2005/06 budget, but also as part of the restricted CIP allocations upon which staff's financial forecasts are established. Mr. Raines noted that there is short-term maturity on the debt of certain Fire equipment apparatus and stated that there would be a corresponding amount of General Obligation debt retired within the 12-year lifespan of the purchases funded by such bonds. He added that CIP Administrator Anthony Araza and Larry Given, the City's Financial Manager, are prepared to respond to any questions the Council may have.

Discussion ensued relative to various projects scheduled to be funded by the bond sale; and the estimated debt service requirements for the Utility Systems Revenue Bonds.

Mayor Hawker stated that it is the consensus of the Council that the resolutions for the sale of the previously identified bonds be placed on the May 16, 2005 Regular Council Meeting agenda.

4. Discuss, consider and provide direction concerning various FY 2005/06 and 2006/07 budget priorities/issues.

Mayor Hawker stated that the Council has been provided with a spreadsheet created by staff to "model out" the City's revenues/expenses. He commented that one of the issues the Council has discussed during this year's budget process is the possible implementation of a five-year budget and the ramifications of such a financial forecast when making budget decisions in reference to the operations/maintenance of various City operations. Mayor Hawker also briefly discussed the Council's previous direction to staff regarding an 8% ending fund balance in non-restricted funds (General Fund and Enterprise Fund).

Deputy City Manager Debbi Dollar referred to a document entitled "Summary of budget discussions from May 2 and 5, 2005" and requested Council input regarding the items listed under Section B. (See Attachment 1.)

Extensive discussion ensued among the Council regarding the following items and their pertinent direction to staff includes:

1. Tuition reimbursement costs (based on past usage of approximately 25% of participants "maxing out" the benefit, the additional cost would be \$22,500. On average, 300 employees participate annually.)

Mayor Hawker called the question for those in favor of a \$22,500 increase for tuition reimbursement costs.

Upon tabulation of votes, it showed:

AYES - Griswold-Thom-Whalen
NAYS - Hawker-Jones-Rawles-Walters

Mayor Hawker declared the motion failed.

2. Health Care Increases; Comparison with what other cities offer.

Vice Mayor Walters commented that the high cost of health insurance is an issue that many governmental entities are facing, including the City of Mesa. She stated that it may be appropriate to discuss the matter on a regional basis and suggested, for example, that Mayor Hawker bring the issue to the Maricopa Association of Governments (MAG) as a possible forum for such a dialogue.

Mayor Hawker stated that it is the consensus of the Council that a 4.5% rate increase in health care insurance be implemented in fiscal year 05/06, a 9% increase in fiscal year 06/07, and that the matter be brought back to the Council prior to open enrollment in November of this year.

3. Convention and Visitors Bureau Funding for the Super Bowl.

Mayor Hawker stated that the majority of the Council, with the exception of himself and Councilmember Thom, supports the Convention and Visitors Bureau's funding of \$77,547 for the 2008 Super Bowl.

4. Human Service Grants – individual review of programs recommended for funding.

Mayor Hawker commented that the Council was provided a document by Vice Mayor Walters containing her suggestions relative to the applications for grant funding. He suggested that this item be continued to a future Study Session to provide the Council an opportunity to review the document.

5. Increase Marketing Budget for Commercial Facilities Division.

Commercial Facilities Division Director Rhett Evans explained that staff is requesting an additional \$110,000 to increase the Division's marketing budget in order to generate new and needed revenue at all of its venues, Mesa Convention Center, Dobson Ranch and Riverview Golf Courses, Mesa Cemetery, Hohokam Stadium and Fitch Park Baseball Complex.

Mayor Hawker requested that staff provide the Council with additional information regarding this item.

6. Reduce Park Ranger Program to 5 FTEs.

Community Services Manager Joe Holmwood reported that at the May 2, 2005 Study Session, the Council recommended a reduction in the Park Ranger Program from 10.7 FTEs to 5.0 FTEs. He explained that in follow-up to that recommendation, staff is requesting that the Council further consider the reduction to 8.5 FTEs.

It was moved by Vice Mayor Walters that the Council approve 8.5 FTEs in the Park Ranger Program.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Rawles-Thom-Walters-Whalen
NAYS - Hawker

Mayor Hawker declared the motion carried by majority vote.

6. After-school Programs; Scholarships or more support from schools.

Vice Mayor Walters declared a potential conflict of interest and said she would refrain from discussion/participation in this agenda item.

Parks and Recreation Director Bob White provided a brief update of this matter and reported that representatives from Mesa Public School have indicated that the district would not be able to assist the City in providing additional funding to offset the cost of the after-school 7th and 8th grade intramural sports programs. He advised that the cost of the current program is \$270,000.

Councilmember Rawles suggested that staff consider the restructuring of the programs; assess the application fees; that those individuals who can afford to pay such fees do so; and that the programs not be eliminated at this time, but that staff move toward a combination of full cost recovery, scholarships and perhaps a reduction of the programs.

Mayor Hawker stated that the Council concurred with Councilmember Rawles' comments.

7. Basin Maintenance – Potential responsibility of HOAs?

No Council action was taken on this item.

8. Reduce Library Hours – Review options.

Library Director Patricia Sorensen provided the Council with the following options to reduce Library service hours in FY05/06: 1.) Close Red Mountain and Dobson Ranch Branch Libraries on Sunday; 2.) Change the hours of operation at all three locations (reduce 10 hours a week); and 3.) Change the hours of operation at all three locations (reduce 7 hours a week).

Discussion ensued among the Council regarding alternative options.

City Manager Mike Hutchinson requested that this item be brought back to the Council within one week for further Council discussion and consideration.

(Mayor Hawker left the meeting at 10:30 a.m.)

9. Town Center Staffing.

Neighborhood Services Manager Lisha Garcia provided a brief overview of the reorganization of the Neighborhood Services Division.

It was moved by Councilmember Whalen that the vacant Senior Specialist position in the Town Center Development Division be filled.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Walters-Whalen
NAYS - Rawles-Thom
ABSENT - Hawker

Vice Mayor Walters declared the motion carried by majority vote of those present.

10. Historic Preservation Program.

Ms. Garcia reported that staff is requesting two Historic Preservation positions to be used exclusively for the Historic Preservation Program. She explained that one position would involve the transfer of a budgeted position from the Town Center Development Office to Neighborhood Services and that staff is also requesting funding for one full-time Historic Preservation Officer.

It was moved by Councilmember Rawles, seconded by Councilmember Thom, that the request for an additional Historic Preservation Officer position be denied.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Rawles-Thom-Walters

NAYS - Whalen

ABSENT - Hawker

Vice Mayor Walters declared the motion carried by majority vote of those present.

It was moved by Councilmember Rawles, seconded by Councilmember Jones, that staff implement a fee structure for Section 106 Reviews or Zoning Reviews for historic preservation.

Vice Mayor Walters declared the motion carried unanimously by those present.

11. Eliminate Part-Time Public Art Staff; Have other departments absorb duties.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that the funding of the part-time Public Art staff be continued, and that as that individual's duties are eliminated, the position also be eliminated.

Upon tabulation of votes, it showed:

AYES - Jones-Walters-Whalen

NAYS - Griswold-Rawles-Thom

ABSENT - Hawker

Vice Mayor Walters declared the motion failed for lack of a majority vote by those present.

12. Role of Marketing and Communications/Public Information.

Due to time constraints, this item was continued to a future Study Session. (No changes with regards to the current budget.)

13. Police Department Manpower Issues; SRO Program.

The Council concurred with the recommendations contained in Police Chief Dennis Donna's May 9, 2005 memo.

14. Cell Phone Usage/Costs.

Vice Mayor Walters stated that it is the consensus of the Council that those staff members who are issued City cell phones become more cognizant of their usage, especially with regard to local calls.

15. City Attorney Staffing.

Vice Mayor Walters stated that the Council concurs with the City Attorney's recommendation to defer for 6 to 12 months the hiring of additional staff attorneys to better estimate what the outside counsel needs would be in the coming years.

16. Utility Rate Recommendation.

Vice Mayor Walters requested that this item be continued to the May 16, 2005 Study Session in order for Mayor Hawker to participate in the Council discussions.

5. Acknowledge receipt of minutes of boards and committees.

- a. Economic Development Advisory Board meeting held April 5, 2005.

It was moved by Councilmember Rawles, seconded by Councilmember Whalen, that receipt of the above-listed minutes be acknowledged.

Vice Mayor Walters declared the motion carried unanimously by those present.

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

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

7. Scheduling of meetings and general information.

Deputy City Manager Debbi Dollar stated that the meeting schedule is as follows:

Monday, May 16, 2005, TBA – Study Session

Monday, May 16, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, May 19, 2005, 7:30 a.m. – Study Session

Thursday, May 26, 2005, 7:30 a.m. – Study Session

Thursday, June 2, 2005, 7:30 a.m. – Study Session

Monday, June 6, 2005, TBA – Study Session

Monday, June 6, 2005, 5:45 p.m. – Regular Council Meeting

8. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

9. Items from citizens present.

Sheila Mitton, 615 W. Pueblo Avenue, expressed support for the continuation of the Park Ranger Program. She also urged Mesa residents to vote in the May 17, 2005 Special Election.

10. Adjournment.

Without objection, the Study Session adjourned at 11:27 a.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 12th day of May 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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Attachment

Summary of budget discussions from May 2 and 5,2005

A. General direction and/or consensus items

1. Consider ramifications of 5-year financial forecast when making budget decisions
2. Add Tax Attorney to City Attorney's staff
3. Develop a long-term plan for implementation of a new financial software system
4. Increase fuel budget to reflect market conditions
5. Do not increase vacation allowance for city employees
6. Keep Council Assistant staffing at two
7. Add after-hours/weekend monitoring of business licenses
8. **Budget \$50,000 for holiday lights; start with MCP Building and Arts Center**
9. **Bring back cost recovery discussion on Arts Center classes before next brochure printing (June 2005)**
10. **Keep arts grants at recommended \$226,600 amount**
11. **Keep code compliance staffing at current levels; bring back broader philosophy discussion at future Study Session**
12. **Tuition reimbursement - bring back clarification on budget impact**
13. **Add one Personnel Day to be used by employees July 2005 December 2005. Monitor usage before approving additional day on an ongoing basis**
14. **Reduce City special events budget to \$270,000. Gradually reduce amount over time to have events be self-supporting**
15. **Move to full cost recovery of senior programs that are not tied to any agreements with our facility partners. Revisit agreements when feasible.**
16. **Maintain health insurance opt out program as currently implemented.**

B. Issues where final direction is needed

1. Tuition reimbursement costs (*based on past usage of approximately 25% of participants "maxing out" the benefit, the additional cost would be \$22,500. On average, 300 employees participate annually.*)
2. Health care increases; comparison with what other cities offer **(P4a)**
3. CVB funding for Superbowl **(P4b)**
4. Human service grants - individual review of programs recommended for funding **(P4c)**
5. Increase marketing budget for Commercial Facilities Division **(P4d)**
6. Reduce Park Ranger program to 5 FTEs **(P4e)**
7. After school programs; scholarships or more support from schools? **(P4f)**
8. Basin maintenance - potential responsibility of HOAs? **(P4g)**
9. Reduce Library hours - review options **(P4h)**

10. Town Center staffing **(P4i)**
11. Historic Preservation program **(P4j)**
12. Eliminate part-time Public Art staff; have other departments absorb duties **(P4k)**
13. Role of Marketing and Communications/Public Information **(P4l)**
14. Police Department manpower issues; SRO program **(P4m)**
15. Cell phone usage/costs **(P4n)**
16. City Attorney staffing **(P4o)**
17. Utility rate recommendation **(P4p)**

C. Longer term issues (will require more extensive analysis and/or scheduling future study sessions)

1. Sale of electric utility
2. Contracting out of Solid Waste
3. Require paramedic certification before hiring
4. Measure reciprocity of Fire Department with other municipalities in answering calls across city/town borders
5. Analyze time and dollars spent in response to County islands (fire)
6. Study session on model city tax code
7. Discuss exchanging information with state on tax audits
8. Discuss jailing and home detention issues and costs
9. Discuss recovery cost for replacing meters and corresponding increase in water bills
10. Study session on code compliance; comparison with other cities; mission, philosophy
11. Discuss coordination of Block Watch and Neighborhood Outreach
12. Update on chilled water system and cost-effectiveness
13. Selling of water to County residents
14. Add a fee for Clean Sweep versus eliminating the program
15. Pursue new fee structure for fire inspections
16. Police/Fire dispatch - recover more costs as IGAs are renewed
17. Use civilian accident investigators instead of trained off officers
18. Further analysis of staffing (frozen positions vs. authorized, etc.)
19. Reduce or combine Diversity Office with other city operations
20. Review/understand role of Quality and Organizational Development Office
21. Reduce Channel 11 operations (need more info on cost of canned programming)
22. Eliminate General Fund portion of support for Neighborhood Outreach programs
23. Revisit arrangement with schools for building and supporting community pools (in regards to new pool construction)