

# COUNCIL MINUTES

September 19, 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 September 19, 2005 at 4:15 p.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  
Barbara Jones

### 1. Review items on the agenda for the September 19, 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: 5c (Hawker)

Items added to the consent agenda: 6.1a

Items removed from the consent agenda: 6.1b

### 2. Receive and discuss the final report of the Mesa 2025: Financing the Future Committee.

Councilmember Jones, Chairman of the Mesa 2025: Financing the Future Committee, reported that the Committee met for more than 18 months, and he expressed appreciation to all of the Committeemembers for their service. He introduced Committeemembers Eric Jackson and Scott Rhodes, who were present to provide a summary of the final report (See Attachment).

Mr. Rhodes stated that the Committee believed that they served at a pivotal moment in the history of the City of Mesa, and that this was an opportunity to address the immediate financial problems as well as plan the City's financial future for the next twenty years. He said that he would address the expenditure aspect of the report and that Mr. Jackson would summarize the revenue side. He urged the Council to consider the report as a whole.

Mr. Rhodes noted that many of the revenue recommendations would be subject to voter approval in May 2006, but many of the expenditure recommendations could be implemented immediately. He stated that the Committee found no management deficiencies in the operation of the City. Mr. Rhodes outlined the Committee's recommendations, which are based on the Statement of Principles listed on page 6 of the report and address the areas listed below:

1. Prioritization and Revitalization of City Services
2. Outcome Orientation and Program Accountability
3. Sunset Review Process
4. City Council Budget Process
5. Expenditure Reviews
6. Establish a Committee to Examine City Employee Compensation and Benefits

Mr. Jackson stated that the revenue-related recommendations are designed to provide the City with a more diversified, balanced and dependable revenue portfolio. He outlined the following revenue enhancements recommended by the Committee, and he noted that the tax issues would require voter approval:

1. Institute a Primary Property Tax
2. Adjust the Local Sales Tax Rate to 1.75%
3. Adopt a Policy to Establish Transfer Limits from the Utilities Enterprise Fund to the General Fund
4. Evaluate the Options Related to the Pinal County Water Farms

Mr. Jackson summarized his presentation by emphasizing the relevance of the Statement of Principles to the entire report.

Mayor Hawker thanked Mr. Rhodes and Mr. Jackson for the presentation, and he also expressed appreciation to the entire Committee for participating in this process and preparing the report. He stated that he would like to schedule a future Study Session to address the report in detail, and he added that the Committee's recommendations would be considered during the Council's upcoming planning session.

3. Discuss, consider and provide direction on proposed League of Arizona Cities and Towns resolutions.

Assistant to the City Manager Jim Huling noted that the meeting of the League of Arizona Cities and Towns would convene their meeting tomorrow, and he was present to finalize the Council's position relative to several of the proposed resolutions. He explained that the League resolutions are listed in a report (included in the Council Packet) that is divided into the following four sections:

- I. Proposed Consent Agenda (Prior direction given by City Council) – Pages 1 – 3
- II. Proposed Consent Agenda (With Mayor's recommended position) – Pages 4 – 8
- III. Discussion Agenda (Prior direction given by City Council) – Page 9
- IV. Discussion Agenda (With Mayor's recommended position) – Pages 10 - 13

Mr. Huling advised that Resolutions No. 8, 28 and 37 have been withdrawn. He stated that Mayor Hawker is seeking Council direction on a number of resolutions.

Mayor Hawker requested that the Councilmembers express their opposition or support for the following resolutions by a show of hands (the results of which are indicated below):

- Resolution No. 41, Pay Day Lending Regulations: Majority opposed.
- Resolution No. 46, HOPE VI Reauthorization: Majority opposed.
- Resolution No. 47, Low Income Energy Assistance Fund: Majority opposed.
- Resolution No. 5, Economic Development Tools: Majority in support.
- Resolution No. 6, Economic Development Tax Incentives: Unanimously opposed.

Mr. Huling noted that the Council discussed Resolution No. 21 at the August 25<sup>th</sup> Study Session and failed to obtain a majority vote in support of this resolution, which addresses pseudoephedrine restrictions.

Mayor Hawker advised that the City of Phoenix recently passed an ordinance regulating the sale of pseudoephedrine. He expressed the opinion that implementation of a Statewide regulation would avoid shifting a drug problem from one community to another, and he suggested that Resolution No. 21 be reconsidered.

Vice Mayor Walters noted that the Council's lack of support for the resolution was based on the requirement that only a pharmacist could dispense pseudoephedrine, which would negatively impact rural areas of the State.

In response to a question from Mayor Hawker, Mr. Huling advised that an amendment to the resolution could be offered.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that the Mayor be directed to support Resolution No. 21, if amended to eliminate the requirement that only a pharmacist or a licensed pharmacy technician would be allowed to dispense pseudoephedrine.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried by majority vote.

Vice Mayor Walters noted that the Council did not discuss Resolution No. 24, which addresses truck bed passenger restraints. She expressed support for this regulation, particularly in urban areas.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that the Council support Resolution No. 24, with an amendment stipulating that the regulation would be applicable in urban areas only.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion failed by majority vote.

Mayor Hawker stated that he has Council direction regarding the League resolutions, and he thanked Mr. Huling for the presentation.

4. Acknowledge receipt of minutes of various boards and committees.

- a. 2005 Citizen Bond Committee held August 31, 2005
- b. Mesa 2025: Financing the Future Citizen Committee meeting held on September 7, 2005
- c. Utility Committee meeting held on September 15, 2005

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

Carried unanimously.

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

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

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Thursday, September 22, 2005, 7:30 a.m. – Study Session - Cancelled

Thursday, September 29, 2005, 7:30 a.m. – Study Session

Monday, October 3, 2005, 3:00 p.m. - Fire Committee

Thursday, October 6, 2005, 7:30 a.m. – Study Session

Thursday, October 6, 2005, 8:30 a.m. – Council Planning Session

Monday, October 10, 2005, TBA – Study Session

Monday, October 10, 2005, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 5:38 p.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 Study Session of the City Council of Mesa, Arizona, held on the 19th day of September 2005. 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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Attachment: Mesa 2025: Financing the Future Committee  
Final Report (September 2005)