

# COUNCIL MINUTES

June 26, 2006

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 26, 2006 at 6:23 p.m.

## COUNCIL PRESENT

Keno Hawker  
Red Griswold  
Kyle Jones  
Scott Somers  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

Tom Rawles

## OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Barbara Jones

(Councilmember Somers participated in the meeting through the use of teleconferencing equipment.)

Mayor Hawker excused Councilmember Rawles from the meeting.

### 1. Take action on the following resolutions:

- a. Approving a budget for Fiscal Year ending June 30, 2007 – Resolution No. 8761

Bryan Soller, 11225 E. Adobe Road, President of the Mesa Fraternal Order of Police, expressed appreciation to City Manager Christopher Brady for responding to the input of Police personnel regarding a Police pay range adjustment and bringing the issue forward to the Council for consideration. He also thanked Mr. Brady for recommending George Gascon for appointment as Mesa Police Chief.

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that the Council adopt the legal three-page budget (See Attachment 1) for the City of Mesa for Fiscal Year 2006/07 in the amount of \$836,911,000 for the Operating portion and \$136,430,000 for the scheduled Bond Capital Improvements, for a total City budget appropriation of \$973,341,000, and that Resolution No. 8761 be adopted.

Vice Mayor Walters voiced appreciation to Mesa residents who voted to approve the sales tax increase. She stated that the budget represents significant monies that have been earmarked for street improvements throughout the entire community and noted that it was very meaningful that Mesa voters recognized the importance of creating a dedicated funding source for this purpose. Vice Mayor Walters also spoke regarding increased funding for Public Safety, and the fact that the City would receive Proposition 400 funds as a result of the Regional Transportation election.

Mayor Hawker called for the vote.

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8761 adopted.

- b. Approving a Five-Year Capital Improvement Program for Fiscal Years 2006-2011 – Resolution No. 8762.

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that the Council adopt the Five-Year Capital Improvement Program for Fiscal Years 2006/07 to FY 2010/11, and that Resolution No. 8762 be adopted.

Mayor Hawker said he appreciates the fact that the Five-Year Capital Improvement Program is revenue constrained and corresponds to the City's model for the next 20 to 25 years. He noted that although the primary property tax was defeated, Mesa is a fiscally restrained community and will continue to provide essential services to its residents. Mayor Hawker also acknowledged the Mesa 2025: Financing the Future Citizen Committee for their efforts and hard work in this regard.

Mayor Hawker called for the vote.

Mayor Hawker declared the motion carried unanimously by those present and Resolution No. 8762 adopted.

2. Adjournment.

Without objection, the Special Council Meeting adjourned at 6:30 p.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 Special Council Meeting of the City Council of Mesa, Arizona held on the 26<sup>th</sup> day of June 2006. I further certify that the meeting was duly called and held and that a quorum was present.

---

BARBARA JONES, CITY CLERK

pag  
attachment

CITY OF MESA, ARIZONA  
 FINAL BUDGET  
 FOR FISCAL YEAR ENDING JUNE 30, 2007

SUMMARY OF REVENUES BY SOURCE

| Source                          | Adopted<br>Budget<br>Past Year | Revised<br>Estimates<br>Past Year | Estimated<br>Ensuing<br>Year |
|---------------------------------|--------------------------------|-----------------------------------|------------------------------|
| Sales & Use Tax                 | \$117,169,000                  | \$126,196,000                     | \$129,507,000                |
| Local Streets Sales Tax         |                                |                                   | \$24,512,000                 |
| Other Taxes                     | 1,724,000                      | 2,113,000                         | 2,272,000                    |
| Licenses and Permits            | 19,214,000                     | 23,401,000                        | 23,419,000                   |
| Intergovernmental Revenues      |                                |                                   |                              |
| Federal Grants                  | 35,235,000                     | 44,765,000                        | 42,653,000                   |
| State Grants                    | 1,472,000                      | 2,191,000                         | 3,720,000                    |
| County Grants and IGA's         | 861,000                        | 909,000                           | 701,000                      |
| Auto In Lieu Tax                | 18,209,000                     | 19,000,000                        | 19,543,000                   |
| Highway User Gas Tax            | 30,038,000                     | 31,236,000                        | 29,987,000                   |
| Regional Transportation Funding |                                |                                   | 5,983,000                    |
| 3% HURF Funds                   | 6,675,000                      | 6,938,000                         | 6,660,000                    |
| State Sales Tax                 | 39,510,000                     | 41,200,000                        | 40,297,000                   |
| State Revenue Sharing           | 41,625,000                     | 41,647,000                        | 48,790,000                   |
| Transportation Assistance       | 2,248,000                      | 2,627,000                         | 3,386,000                    |
| Charges for Services            | 20,534,000                     | 18,603,000                        | 21,054,000                   |
| Fines and Forfeitures           | 13,374,000                     | 11,048,000                        | 11,441,000                   |
| Miscellaneous Revenue           | 4,841,000                      | 10,148,000                        | 5,780,000                    |
| Other Receipts                  | 5,875,000                      | 4,383,000                         | 532,000                      |
| Enterprise Revenues             | 283,107,000                    | 283,442,000                       | 298,478,000                  |
| Trust Fund Revenues             |                                | 48,034,000                        | 52,823,000                   |
| Internal Service Credit Revenue |                                |                                   | 19,821,000                   |
| <b>Gross Revenues</b>           | <b>641,711,000</b>             | <b>717,881,000</b>                | <b>791,359,000</b>           |
| Restricted Funds                | (13,272,722)                   | (40,714,215)                      | (88,779,767)                 |
| Funds Released                  | 25,725,576                     | 31,338,409                        | 40,714,215                   |
| Less Bad Debt                   | (4,300,000)                    | (4,300,000)                       | (4,300,000)                  |
| Funds Carried Forward           |                                |                                   |                              |
| Adjusted July 1                 | 55,804,146                     | 86,188,684                        | 97,917,552                   |
| Less: Estimated June 30         | 0                              | (97,917,552)                      | 0                            |
| <b>Net Operating Budget</b>     | <b>\$705,668,000</b>           | <b>\$692,476,326</b>              | <b>\$836,911,000</b>         |
| Bond Proceeds & Revenues        | 110,473,000                    | 132,095,000                       | 138,391,000                  |
| Funds Carried Forward           |                                |                                   |                              |
| Adjusted July 1                 | 83,467,314                     | 110,232,063                       | 89,504,320                   |
| Less: Estimated June 30         | (25,087,314)                   | (89,504,320)                      | (91,465,320)                 |
| <b>Net Bond Resources</b>       | <b>\$168,853,000</b>           | <b>\$152,822,743</b>              | <b>\$136,430,000</b>         |
| <b>CITY TOTAL</b>               | <b>\$874,521,000</b>           | <b>\$845,299,069</b>              | <b>\$973,341,000</b>         |



SUMMARY OF REVENUES BY FUND

| Source                                   | Adopted<br>Budget<br>Past Year | Revised<br>Estimates<br>Past Year | Estimated<br>Ensuang<br>Year |
|--|--------------------------------|-----------------------------------|------------------------------|
| General                                  | \$251,941,000                  | \$269,172,000                     | \$289,616,000                |
| Quality of Life Sales Tax                | 45,196,000                     | 51,906,000                        | 34,991,000                   |
| Local Streets Sales Tax                  |                                |                                   | 24,512,000                   |
| Enterprise                               | 277,630,000                    | 276,709,000                       | 291,462,000                  |
| Utilities Development Fund/Impact Fees   | 5,477,000                      | 6,733,000                         | 7,016,000                    |
| Internal Services                        | 0                              | 0                                 | 19,821,000                   |
| Local Transportation Assistance          | 5,051,000                      | 5,985,000                         | 6,654,000                    |
| Mesa Housing Authority                   | 12,313,000                     | 12,256,000                        | 11,507,000                   |
| Cemetery Reserve Fund                    | 193,000                        | 352,000                           | 1,613,000                    |
| Public Arts                              | 1,000                          | 21,000                            | 13,000                       |
| Arts Center Restoration                  |                                | 7,000                             | 7,000                        |
| Impact Fees                              | 6,239,000                      | 7,232,000                         | 6,855,000                    |
| Court Construction Fee Fund              | 572,000                        | 404,000                           | 590,000                      |
| Highway User Revenue Fund                | 37,098,000                     | 39,070,000                        | 37,696,000                   |
| Regional Transportation Fund             |                                |                                   | 5,983,000                    |
| Trust Funds                              |                                | 48,034,000                        | 52,823,000                   |
| <b>Total Revenues</b>                    | <b>\$641,711,000</b>           | <b>\$717,881,000</b>              | <b>\$791,359,000</b>         |
| Funds (Restricted)                       | (13,272,722)                   | (40,714,215)                      | (88,779,767)                 |
| Funds Released                           | 25,725,576                     | 31,338,409                        | 40,714,215                   |
| Less Bad Debts                           | (4,300,000)                    | (4,300,000)                       | (4,300,000)                  |
| Funds Carried Forward<br>Adjusted July 1 | 55,804,146                     | 86,188,684                        | 97,917,552                   |
| Less: Estimated June 30                  | 0                              | (97,917,552)                      | 0                            |
| <b>Net Operating Budget Resources</b>    | <b>\$705,688,000</b>           | <b>\$692,476,326</b>              | <b>\$836,911,000</b>         |
| Bond Proceeds & Revenues                 | \$110,473,000                  | \$132,095,000                     | \$138,391,000                |
| Funds Carried Forward<br>Adjusted July 1 | 83,467,314                     | \$110,232,063                     | \$89,504,320                 |
| Less: Estimated June 30                  | (25,087,314)                   | (\$89,504,320)                    | (91,465,320)                 |
| <b>Net Bond Resources</b>                | <b>\$168,853,000</b>           | <b>\$152,822,743</b>              | <b>\$136,430,000</b>         |
| <b>CITY TOTAL</b>                        | <b>\$874,521,000</b>           | <b>\$845,299,069</b>              | <b>\$973,341,000</b>         |

SUMMARY OF APPROPRIATIONS BY FUND

|  |                        |                        |                        |
|--|------------------------|------------------------|------------------------|
| General  | \$340,514,146          | \$331,405,000          | \$379,279,666          |
| Quality of Life Sales Tax                              | 69,416,409             | 49,175,326             | 59,893,429             |
| Local Streets Sales Tax                                |                        |                        | 17,298,358             |
| Enterprise   | 202,202,975            | 189,471,000            | 218,094,064            |
| Utilities Development Fund/Impact Fees                 | 5,506,025              | 5,444,000              | 6,222,936              |
| Internal Services                                      | 333,836                | 224,000                | 19,995,385             |
| Local Transportation Assistance                        | 10,373,195             | 10,921,000             | 10,392,646             |
| Mesa Housing Authority                                 | 12,783,000             | 12,689,000             | 11,936,000             |
| Cemetery Reserve Fund                                  | 0                      | 5,000                  | 1,030,000              |
| Impact Fees  | 11,474,998             | 4,341,000              | 6,055,790              |
| Public Art   | 472,000                | 62,000                 | 361,546                |
| Highway User Revenue Fund                              | 52,591,416             | 39,935,000             | 48,736,814             |
| Regional Transportation Fund                           |                        | 0                      | 5,982,366              |
| Trust Funds  |                        | 48,804,000             | 51,632,000             |
| <b>Total Budget Appropriations</b>                     | <b>\$705,668,000</b>   | <b>\$692,476,326</b>   | <b>\$836,911,000</b>   |
| <b>Bond Capital Improvements Scheduled</b>             | <b>\$168,853,000</b>   | <b>\$152,822,743</b>   | <b>\$136,430,000</b>   |
| <b>CITY TOTAL</b>                                      | <b>\$874,521,000</b>   | <b>\$845,299,069</b>   | <b>\$973,341,000</b>   |
| <b>EXPENDITURE LIMITATION COMPARISON</b>               |                        |                        |                        |
| Budgeted Expenditures                                  | \$874,521,000          | \$845,299,069          | \$973,341,000          |
| Less: Estimated Exclusions                             | (874,521,000)          | (845,299,069)          | (973,341,000)          |
| Estimated Expenditures Subject to Limitation           | 0                      | 0                      | 0                      |
| Expenditure Limitation                                 | 440,034,413            | 440,034,413            | 461,251,652            |
| <b>Over (Under) State Limit</b>                        | <b>(\$440,034,413)</b> | <b>(\$440,034,413)</b> | <b>(\$461,251,652)</b> |
| State Lid Limit Carrover                               |                        |                        |                        |
| <b>Over (Under) State Limit W/Carrover Adjustments</b> |                        |                        |                        |

SUMMARY OF APPROPRIATIONS BY PROGRAM

| Program                                    | Adopted<br>Budget<br>Past Year | Current &<br>Prior Year<br>Contingency<br>Allocations | Revised<br>Estimates<br>Past Year | Estimated<br>Ensuang<br>Year |
|--|--------------------------------|---|-----------------------------------|------------------------------|
| LEGISLATIVE                                | 1,365,000                      | 0   | 1,290,000                         | 1,619,000                    |
| EXECUTIVE                                  | 1,723,000                      | 0   | 684,000                           | 527,000                      |
| WILLIAMS GATEWAY                           | 2,957,000                      | 1,565,000   | 4,522,000                         | 3,772,000                    |
| REDEVELOPMENT                              | 5,180,000                      | 250,000   | 5,430,000                         | 2,287,000                    |
| JUDICIAL                                   | 10,475,000                     | 0   | 8,488,000                         | 11,156,000                   |
| LEGAL                                      | 4,716,000                      | 4,000   | 4,720,000                         | 4,993,000                    |
| BUILDING MAINTENANCE                       | 1,407,000                      | 104,000   | 1,505,000                         | 1,184,000                    |
| CITY CLERK                                 | 1,337,000                      | 14,000  | 1,351,000                         | 932,000                      |
| ECONOMIC DEVELOPMENT                       | 1,582,000                      | 0   | 1,138,000                         | 3,718,000                    |
| ENGINEERING                                | 4,452,000                      | 85,178  | 3,929,000                         | 4,689,000                    |
| FINANCIAL SERVICES                         | 4,273,000                      | 909,000   | 5,182,000                         | 6,778,000                    |
| E-STREETS & CABLE TV LIC.                  | 1,048,000                      | 216,000   | 1,264,000                         | 1,904,000                    |
| GENERAL SERVICES                           | 3,366,000                      | 1,054,000   | 4,164,000                         | 6,247,000                    |
| PLANNING                                   | 4,634,000                      | 208,654   | 4,194,000                         | 4,717,000                    |
| CAPITAL IMPROVEMENT & OPERATIONS           | 1,827,000                      | 368,000   | 2,195,000                         | 2,001,000                    |
| LAW ENFORCEMENT                            | 140,976,000                    | 265,070   | 136,635,000                       | 159,907,000                  |
| FIRE PREVENTION                            | 61,814,000                     | 423,000   | 61,618,000                        | 67,540,000                   |
| BUILDING INSPECTION                        | 11,902,000                     | 0   | 11,072,000                        | 10,752,000                   |
| CODE COMPLIANCE                            | 2,210,000                      | 0   | 1,994,000                         | 2,022,000                    |
| ENVIRONMENTAL MANAGEMENT                   | 2,218,000                      | 65,000  | 971,000                           | 3,341,000                    |
| GOLF COURSE                                | 2,370,000                      | 16,000  | 2,370,000                         | 2,499,000                    |
| PARKS & RECREATION                         | 34,075,000                     | 176,215   | 31,691,000                        | 20,678,000                   |
| ARTS AND CULTURAL                          | 15,154,000                     | 3,570,527   | 18,479,326                        | 12,315,000                   |
| AQUATICS                                   | 2,830,000                      | 323,000   | 3,153,000                         | 7,670,000                    |
| LIBRARY                                    | 14,367,000                     | 50,000  | 12,626,000                        | 13,162,000                   |
| COMMUNITY AID                              | 2,452,000                      | 1,084,000   | 3,477,000                         | 3,551,000                    |
| MESA CENTENNIAL CENTER                     | 4,385,000                      | 275,000   | 4,660,000                         | 4,685,000                    |
| HOHOKAM STADIUM/FITCH SPORTS COMPLEX       |                                |   |                                   | 6,202,000                    |
| SOUTHWEST MUSEUM                           | 3,045,000                      | 0   | 2,746,000                         | 2,196,000                    |
| MUSEUM FOR YOUTH                           | 1,758,000                      | 0   | 1,653,000                         | 1,395,000                    |
| NEIGHBORHOOD/COMMUNITY ASSIST.             | 3,659,000                      | 0   | 3,372,000                         | 2,764,000                    |
| CEMETERY                                   | 1,044,000                      | 24,000  | 1,057,000                         | 1,030,000                    |
| COMMUNITY DEVELOPMENT                      | 7,889,000                      | 0   | 6,475,000                         | 5,596,000                    |
| STREETS                                    | 57,619,000                     | 1,925,870   | 48,959,000                        | 72,193,000                   |
| ELECTRIC                                   | 28,213,000                     | 459,000   | 28,122,000                        | 30,307,000                   |
| GAS  | 30,497,000                     | 8,877,000   | 39,374,000                        | 40,613,000                   |
| WATER                                      | 46,880,000                     | 3,807,000   | 48,967,000                        | 52,467,000                   |
| WASTEWATER                                 | 52,740,000                     | 155,552   | 38,735,000                        | 38,719,000                   |
| SOLID WASTE MANAGEMENT                     | 27,058,000                     | 0   | 25,365,000                        | 30,439,000                   |
| MESA HOUSING AUTHORITY                     | 12,783,000                     | 0   | 12,689,000                        | 11,922,000                   |
| DISTRICT COOLING                           |                                | 17,000  | 17,000                            | 264,000                      |
| STORM SEWER                                | 4,308,000                      | 111,000   | 4,419,000                         | 3,833,000                    |
| AIRPORT                                    | 7,254,000                      | 51,000  | 7,305,000                         | 6,564,000                    |
| MASS TRANSIT                               | 18,416,000                     | 10,055,000  | 27,837,000                        | 33,450,000                   |
| FLEET SUPPORT SERVICES                     | 270,000                        | 10,350  | 219,000                           | 17,577,000                   |
| WAREHOUSE                                  | 2,000                          | 2,000   | 4,000                             | 1,029,000                    |
| MISCELLANEOUS SERVICES                     | 662,000                        | 6,893,000   | 7,555,000                         | 581,000                      |
| TRUST FUNDS                                |                                |   | 48,804,000                        | 51,632,000                   |
| CONTINGENCIES-GENERAL                      | 52,620,000                     | (39,557,416)  | 0                                 | 60,704,000                   |
| CONTINGENCIES RESV., PRIOR YR. ENC         | 3,856,000                      | (3,856,000)   | 0                                 | 788,000                      |
| <b>Total Budget Appropriations</b>         | <b>\$705,668,000</b>           | <b>\$0</b>  | <b>\$692,476,326</b>              | <b>\$836,911,000</b>         |
| <b>Bond Capital Improvements Scheduled</b> | <b>168,853,000</b>             |   | <b>152,822,743</b>                | <b>136,430,000</b>           |
| <b>CITY TOTAL</b>                          | <b>\$874,521,000</b>           |   | <b>\$845,299,069</b>              | <b>\$973,341,000</b>         |

