

# COUNCIL MINUTES

August 30, 2001

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 August 30, 2001 at 7:35 a.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Jim Davidson  
Bill Jaffa  
Dennis Kavanaugh  
Pat Pomeroy  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Mike Hutchinson  
Barbara Jones

1. Discuss and consider proceeding with a contract with Young and Company for fundraising activities associated with the Mesa Arts Center.

Arts and Cultural Director Geri Gerber addressed the Council and reported that her staff and the Mesa Arts and Entertainment Alliance have been laying the groundwork for several years in preparation of the fund raising campaign to raise an additional \$2.7 million to fund construction of the two smaller theaters in the new Mesa Arts Center project and \$1 million for an endowment.

Ms. Gerber commented on the Financial Development Study performed by Young and Company and referred to staff's report, which outlines the findings of the study. Ms. Gerber said that one of the recommendations from the study is to retain a capital campaign consultant to orchestrate the campaign. Ms. Gerber also reported that the study outlined an 18-month, methodical process to raise the \$3.7 million and identified appropriate gift levels for naming recognition as part of the project.

Ms. Gerber reported that it is staff's recommendation that the City enter into an agreement with Young and Company to provide consulting services to implement the proposed capital and endowment campaign.

Joanie Flatt, representing the Mesa Arts and Entertainment Alliance, addressed the Council and stated that the Alliance voted to undertake the \$3.7 million fund raising campaign in partnership with the City. Ms. Flatt stated that the volunteer group supports the recommendation to retain a professional capital campaign consultant to guide the campaign process. Ms. Flatt added that

former Mayor Wayne Brown and his wife, Kathe Brown, have agreed to chair the campaign cabinet and lead the campaign for the Alliance.

Councilmember Kavanaugh voiced support for staff's recommendations, the Financial Development Study and the consultant. He stated that the project represents a good partnership between the private and public sectors for promotion of an asset that will benefit the entire community.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Pomeroy, that the City enter into a contract with Young and Company for fundraising activities associated with the Mesa Arts Center.

Mayor Hawker noted that the total projected campaign costs are \$140,000, that the Mesa Arts and Entertainment Alliance has pledged to contribute \$71,500, and that the remaining balance would be borne by the City.

In response to concerns voiced by Mayor Hawker regarding the City's responsibility to oversee the funds that are collected due to its contribution to the campaign, Interim City Attorney Joe Padilla advised that staff is in the process of drafting an agreement which provides the City with significant control and involvement in the fund raising and the expenditures.

In response to a question from Councilmember Pomeroy regarding funds raised to date by the Alliance, Ms. Flatt advised that the amount raised to date is minimal and will go toward initial campaign costs.

Councilmember Pomeroy stated that having met with Ms. Gerber and the consultant, he is impressed with the campaign plan and supports staff's recommendations.

Councilmember Walters voiced appreciation to the Alliance and to former Mayor Wayne Brown and Mrs. Brown for their commitments to this endeavor. She stressed the importance of pursuing a campaign that includes all levels of contributors.

Councilmember Jaffa also stated appreciation to the members of the Alliance for their work in this matter and requested that fund raising events be conducted in a first-class manner.

Carried unanimously.

(Mayor Hawker acknowledged the presence of Tom Rhodes in the audience and noted that Mr. Rhodes is retiring from the Library Advisory Board. Mayor Hawker thanked Mr. Rhodes for his many years of service to the City.)

2. Discuss and consider authorizing the Utilities Manager to execute power resource contracts in an amount not to exceed a blended cost of \$48/MWH.

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

Utilities Manager Dave Plumb addressed the Council and reported that the City was able to purchase electricity at dramatically reduced rates rather than at the projected peak rate at the

beginning of the summer of \$600/MWH. He reported that the purchase rate for June was \$175/MWH, the July rate was \$97/MWH, the August rate was \$63.20/MWH and the September rate is \$49.50/ MWH. Mr. Plumb also reported that due to reduced market rates, the electric generating equipment purchased by the City at the beginning of the summer did not pay for itself over the course of the summer, as projected by staff.

Mr. Plumb stated that due to improved market conditions, another Request for Proposal (RFP) has been issued and staff expects to receive proposals for power resource contracts that will enable the City to achieve a blended cost of \$48/MWH. Mr. Plumb spoke about the variety of resources requested in the RFP and stated that producers are now willing to offer periods that are seasonal specific and time specific power. He advised that the proposals are due at noon on September 5, 2001 and that proposals are effective for a 24-hour period only, due to market volatility.

Mr. Plumb requested that Council authorize him to accept appropriate proposals within the 24-hour response period, which will result in a maximum blended cost of \$48/MWH, and thereafter return to Council for ratification of the power resource contracts. He explained that blended cost is derived by combining the blended purchase price of electricity resources with the City's Federal hydro resources and existing coal contracts. Mr. Plumb stated that his two primary criteria in operating the electric utility is insuring that the utility is competitive and that it meets projected revenue transfers to the City's general fund.

In response to a question from Mayor Hawker regarding the Arizona Public Power Pool, Mr. Plumb reported that due to unacceptable transmission constraints, Mesa and other entities declined to participate and that the Arizona Public Power Pool will not exist in the manner that was planned.

Mayor Hawker stated approval of Mr. Plumb's criteria for operation of the utility and voiced approval of staff's recommendations.

Councilmember Whalen stated approval of staff's recommendations. He also expressed concerns regarding problems associated with electricity transmission and said that the Utility Committee will hear a report from Salt River Project in the near future regarding this issue.

It was moved by Councilmember Whalen, seconded by Councilmember Walters, that Utilities Manager Dave Plumb be authorized to execute power resource contracts in an amount not to exceed a blended cost of \$48/MWH.

Mayor Hawker commended Councilmember Whalen for his work as the Chairman of the Utility Committee and as a member of the Line Siting Committee, which evaluates transmission lines throughout the State of Arizona.

In response to a question from Councilmember Walters regarding the City's conservation program, Mr. Plumb advised that the City is asking its employees and citizens to continue the summer conservation practices through the end of September.

Discussion ensued regarding the terms of the RFP, the future electric power needs of the City and the risks associated with purchasing an excessive amount of power.

In response to a question from Councilmember Jaffa regarding the various contract periods provided in the RFP, Mr. Plumb explained that the RFP contained a request for 3, 5, 10 and 20-year proposals to allow staff the opportunity to evaluate the price advantages of long term contracts. Mr. Plumb said that preliminary discussions have indicated that the best prices will occur at the 10-year point and he commented on the terms of the City's existing power contracts.

Discussion ensued regarding the 24-hour time limit to accept proposals.

City Manager Mike Hutchinson stated that staff would update the Councilmembers on the results of the proposals received.

Councilmember Jaffa voiced tentative support for staff's recommendations and said he has concerns regarding committing the City to an inflexible 10-year or longer contract.

Upon tabulation of votes it showed:

AYES - Hawker-Kavanaugh-Jaffa-Pomeroy-Walters-Whalen  
NAYS - None  
ABSTAIN - Davidson

Mayor Hawker declared the motion carried unanimously by those voting.

3. Hear an update on the Va Shly'ay Akimel Salt River Restoration Project.

Government Relations Assistant Kevin Adam addressed the Council and stated that the next phase of this project is the feasibility study. He reported that in order to proceed with the feasibility study, the City must enter into formal agreements with the U.S. Army Corps of Engineers and the Salt River Pima-Maricopa Indian Community and referred to two draft agreements (Project Management Plan and Feasibility Cost Sharing Agreement), which were provided to the Councilmembers. He added that staff will return to seek formal approval of these documents from Council in the near future.

Mr. Adam reported that the Feasibility Cost Sharing Agreement is the contract which outlines the cost sharing percentages for all the parties as well as the methodology and timeline for the payments. He noted that law requires that local governments provide a 50% cost share and that local governments are authorized to provide in-kind services as part of its cost share. He reported that staff determined that the City could contribute approximately 50% of its local share through in-kind services.

Mr. Adam outlined the estimated costs associated with the feasibility study: 1) the total cost of the feasibility study will be \$4.8 million; 2) the local government share is \$2.4 million, which will be split equally with the Salt River Pima-Maricopa Indian Community; 3) Mesa's portion of the local government share is \$1.2 million; and 4) Mesa's cash contribution is estimated at \$600,000 and Mesa's in-kind services contribution is estimated at \$600,000. Mr. Adam discussed the various types of in-kind services proposed by staff.

Mr. Adam referred to a project map on display in the Council Chambers and stated that the area encompasses a 17-mile stretch of the Salt River bed from Price Road on the west to Granite

Reef Dam on the east. He reported that the most viable area of the total project area proposed for improvements is the area from Price Road to Country Club Drive. He added that proposed improvements in this area include a low flow water channel, revegetation and recreational trails.

Councilmember Kavanaugh voiced approval of the project and stated that it is an excellent example of partnership between neighboring communities and the Federal government.

Discussion ensued regarding the significant support received from Arizona's congressional representatives, particularly Representative Ed Pastor, and the cooperative efforts of the Salt River Pima-Indian Community and various other agencies and entities.

Mayor Hawker voiced approval of the project and said that it represents a model project.

Councilmember Jaffa requested that staff send letters of appreciation to Arizona's congressional representatives and stated support for providing increased public information regarding the project. He expressed concerns relative to securing all available funding from the Federal government related to the preservation of wildlife habitats, and the future issue of revenue sharing in connection with the project.

Mr. Adam stated that in addition to the two proposed agreements, staff will formalize agreements regarding local community contributions to the project in the near future.

Discussion ensued regarding the future redevelopment of sand and gravel mining operations along the Salt River bed; the wetlands that were replaced near the Red Mountain Multi-Generational Center by the Arizona Department of Transportation in connection with freeway expansion; the fact that the project site is outside of the five-mile area restricted by the Federal Aviation Administration in connection with bird habitats; and the fact that the Salt River does not fall within Mesa's city limits at any point.

Councilmember Whalen suggested that future dialogue regarding the impacts from rock and gravel mining along the Salt River bed include former Senator Rusty Bowers, in his new role with the Arizona Rock Products Association.

Discussion ensued regarding the timeline and budgeting of the project.

Mayor Hawker thanked Mr. Adam for the update.

4. Discuss and consider issues associated with the Northwest 2000 alternatives.

Assistant Development Services Manager Jeff Martin addressed the Council regarding this agenda item and stated that staff's goals with respect to the 45-day extended comment period of the Northwest 2000 Plan are: 1) to develop a Community Consensus Alternative in association with the four other impacted communities, Fountain Hills, Scottsdale, the Salt River Pima-Maricopa Indian Community and Gilbert; 2) to work extensively with the FAA, particularly the staff of the Phoenix TRACON to promote a satisfactory resolution of this matter; and 3) to communicate with the citizens of Mesa for a thorough understanding of their concerns regarding noise and other issues.

Mr. Martin reported that two public meetings were recently held in Mesa and one in the Salt River Pima-Maricopa Indian Community, that the FAA participated in all three meetings; that there was significant citizen participation at the meetings; that the City received 95 comment sheets from citizens; and that citizens expressed appreciation regarding the City Council's involvement in this issue.

Mr. Martin referred to two draft letters to the FAA and stated that the first letter is intended as a joint letter from the five communities in support of the Community Consensus Alternative and that the second letter is intended as an independent letter from Mesa regarding the importance of protecting airspace surrounding Falcon Field Airport and Williams Gateway Airport (WGA). Mr. Martin said that a third letter to the FAA is planned to request that the FAA begin any environmental work necessary in conjunction with the future of WGA as a reliever airport to Sky Harbor Airport.

Discussion ensued regarding the purpose and content of the third letter and its potential impact on the future of WGA.

Councilmember Jaffa stated the opinion that it is more appropriate that the Councilmembers sign the second proposed letter to the FAA rather than the Airport Director. He stated that he does not support any correspondence from the City that does not address the issue of the DryHeat departure and its impact on WGA. He also voiced the opinion that the joint letter regarding the Community Consensus Alternative should be signed by all members of the City Council. He voiced concerns regarding the fact that the Council did not meet with the City Councils of the other impacted communities concerning this matter.

(Councilmember Jaffa was excused from the remainder of the meeting at approximately 8:45 a.m.)

Mr. Martin voiced appreciation to all staff members involved in this effort and the Mayor for his leadership role. He reported that representatives from Mesa and other East Valley communities will meet with staff members of the Phoenix TRACON to discuss the Community Consensus Alternative on August 31, 2001.

In response to a question from Councilmember Davidson regarding the necessity of raising the issue of flight patterns in the southern hemisphere of the Sky Harbor Airport (SHA) service area, Mr. Martin explained that the primary purpose of raising the issue at this time is to insure that the FAA will conduct an Environmental Assessment and a public comment process in connection with the future evaluation of overflights in the southern hemisphere area.

Vice Mayor Davidson commended staff for their efforts in this matter and also expressed concerns regarding the effectiveness of negotiating more than one issue at a time with the FAA.

Councilmember Kavanaugh indicated approval of staff's efforts in this matter and stated that he supports keeping the issue of potential impacts to Falcon Field Airport and WGA in the forefront of discussions with the FAA.

It was moved by Councilmember Kavanaugh, seconded by Vice Mayor Davidson, that staff proceed with the drafting of three letters to the FAA, as recommended by staff and in consideration of the Council's comments.

Councilmember Walters reported that the issues surrounding Northwest 2000 were discussed at a recent Mesa Grande neighborhood meeting that she attended. She commented on an incorrect statement made by an FAA official at one of the public meetings regarding Mesa's participation in the public comment process and assured the citizens of Mesa that the Council and staff have participated in this process from the beginning. She spoke about the fact that residents of northwest Mesa are greatly impacted by overflights and that implementation of the Community Consensus Alternative will not diminish overflight impacts to residents west of Stapley Drive. She expressed concerns regarding the future expansion of SHA and noted that she requested that the City consider and possibly propose an alternative to the 4DME gate. She concurred with the comments of Councilmember Jaffa regarding the Councilmembers signing the second proposed letter instead of the Airport Director and stated support for addressing issues related to WGA.

Mr. Martin reported that staff expects additional input from Scottsdale regarding the joint letter supporting the Community Consensus Alternative and stated that both letters will be revised accordingly. He also commented on changes that will be made to the letters to reflect Council's input. He added that the consultant retained by the City has been asked to evaluate the 4DME gate.

Councilmember Pomeroy stated the opinion that Mesa has endured more than an equitable share of overflights from SHA. He also stressed the importance of evaluating the issue of future flight paths related to WGA.

Discussion ensued regarding time frames associated with completion and submission of the final letters to the FAA.

Mayor Hawker noted that Councilmembers have the option of transmitting personal letters to the FAA as they deem necessary.

Mayor Hawker declared the motion carried unanimously by those present.

5. Further discussion and consideration of the purchase of administrative sedans.

Fleet Support Services Superintendent Mark Coon addressed the Council and reported that pursuant to instructions from Council at the August 27, 2001 Council Meeting, he contacted ten local auto dealerships and found 46 comparable administrative sedans available for purchase. He further reported that the prices of the sedans ranged from \$1,900 to \$3,100 more than the State contract price from Courtesy Chevrolet.

Mayor Hawker thanked Mr. Coon for his efforts and noted that no further action was needed in this matter due to Council's approval of staff's recommendations at the August 27, 2001 Council Meeting.

6. Further discussion and consideration of Phase 4 streetscape improvements along the Mesa Arts Center project.

City Engineer Keith Nath addressed the Council and referred to an illustration on display in the Council Chambers depicting Center Street between Main Street and 1<sup>st</sup> Avenue. He reported

that previous Council discussions raised the issue of streetscape improvements in this area, including the possibility of using pavers or a raised median concept. He said that staff previously proposed an asphalt median with striping for a continuous left turn lane. He noted that the raised median concept was not favored by the Mesa Arts Center development and the businesses on the west side of Center Street due to decreased access.

Mr. Nath reported that the increased cost of using pavers in the median area instead of asphalt would be approximately \$30,000 if constructed during the initial road construction phase; and that the cost would increase to \$50,000 if the pavers are installed after the road has been constructed.

In response to questions from Mayor Hawker concerning the future mid-block crossing that is planned for this area, Mr. Nath advised that if pavers are used in the median area, the future mid-block crossing would also be constructed with pavers and that the two areas would match with respect to appearance and grade level.

Councilmember Pomeroy voiced support for constructing the median area with pavers in lieu of asphalt and stated the opinion that this street improvement project adjacent to the Mesa Arts Center is an important project for the City and justifies enhanced street improvements in this area.

It was moved by Councilmember Pomeroy, seconded by Vice Mayor Davidson, that pavers be used in the median area of Center Street from Main Street to 1<sup>st</sup> Avenue in conjunction with the Phase 4 Streetscape Improvements along the Mesa Arts Center Project.

Mayor Hawker declared the motion carried unanimously by those present.

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

Councilmember Kavanaugh reported on a conference he attended in Chicago concerning the new face of organized crime. He stated that the conference focused primarily on how criminals have been using technology to commit identity theft, banking and cyber crimes, and money laundering. He reported that the Mesa Police Department is considered to be on the leading edge regarding these types of crimes, particularly identity theft. Councilmember Kavanaugh also commented on his attendance at the recent Innovative Government Forum conference. He noted that many government entities are increasing the types of on-line services to its citizens, including court-related services.

Councilmember Pomeroy discussed a recent trip to Salt Lake City where he met with staff members and toured a number of redevelopment projects. He reported that the City has successfully replaced areas of blight with aesthetically pleasing developments that have boosted the local economy, enhanced the value of neighborhoods and attracted high-quality jobs for residents. Councilmember Pomeroy also reported that the new light rail system in Salt Lake City has proven more successful than projected.

Vice Mayor Davidson spoke about his recent attendance at an event celebrating the new expansion of the Center Against Family Violence. He reported that the expansion of the facility includes improved medical facilities and he voiced appreciation to the staff and volunteers of the Center for their work.

Mayor Hawker thanked the Councilmembers for their time and efforts to learn from other communities.

8. Scheduling of meetings and general information.

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

Thursday, September 6, 2001, 7:30 a.m. – Study Session

Thursday, September 6, 2001 – Planning Session immediately following Study Session

Monday, September 10, 2001, 3:15 p.m. – General Development Committee

Monday, September 10, 2001, TBA – Study Session

Monday, September 10, 2001, 5:45 p.m. – Regular Council Meeting

Thursday, September 13, 2001, 7:30 a.m. – Study Session

Thursday, September 20, 2001, 7:30 a.m. – Study Session

Monday, September 24, 2001, 3:15 p.m. – Police Committee Meeting

Monday, September 24, 2001, TBA – Study Session

Monday, September 24, 2001, 5:45 p.m. – Regular Council Meeting

Thursday, September 27, 2001, 7:30 a.m. - Study Session (CANCELLED)

Thursday, September 27, 2001, 10:00 a.m. – Transportation Committee Meeting

Monday, October 8, 2001, TBA – Study Session

Monday, October 8, 2001, 5:45 p.m. - Regular Council Meeting

Tuesday, October 9, 2001, 6:00 p.m. – Joint Dinner Meeting with Apache Junction City Council

Monday, October 22, 2001, TBA – Study Session

Monday, October 22, 2001, 5:45 p.m. - Regular Council Meeting

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

There were no items from citizens present.

11. Adjournment.

Without objection, the Study Session adjourned at 9:14 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 30<sup>th</sup> day of August 2001. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
BARBARA JONES, CITY CLERK

pjt