



COUNCIL MINUTES

April 21, 2011

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 April 21, 2011 at 7:30 a.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Chris Glover*
Dave Richins

COUNCIL ABSENT

Dennis Kavanaugh
Dina Higgins
Scott Somers

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

(Councilmember Glover participated in the entire meeting through the use of teleconferencing equipment)

The Mayor excused Councilmember Kavanaugh, Councilwoman Higgins and Vice Mayor Somers from the entire meeting.

1-a. Hear a presentation, discuss and provide direction on Solid Waste Management budget issues.

Assistant Budget Director Candace Cannistraro, displayed a PowerPoint presentation (**See Attachment 1**) outlining the utility rate recommendation for the year 2011/12 and said that each of the City's utilities operates as a separate business.

Ms. Cannistraro briefly highlighted the Enterprise Operations Financial Summary and explained that debt service is based on the Capital Improvement Program and included in the financial model. She advised that the total transfer amount from the Enterprise fund remained the same and that each year rates are adjusted based on the fund balance. (See Page 2 of Attachment 1)

Mayor Smith commented that existing and future debt service rates are projected using a consistent disciplined financial approach.

Ms. Cannistraro advised that certain factors have contributed to the rate changes. She reported that the Solid Waste Department experienced some savings and would be providing a presentation to Council. She added that while there has been an increase in the number of water and wastewater accounts, consumption has drastically decreased, resulting in lower than expected revenues. (See Page 3 of Attachment 1)

Ms. Cannistraro displayed the proposed utility rate adjustments for Fiscal Year 11/12. (See Page 4 of Attachment 1) She advised that the factors contributing to the rate recommendations would be addressed during specific department presentations.

Mayor Smith stated that each department operates independently however, the bill that Mesa residents receive is a consolidated bill. He said that even though there might be some changes in the individual department rates a combined total is what is reflected on the bill.

Ms. Cannistraro advised that water and wastewater revenues are reliant upon water consumption and therefore, it is recommended that a minimum charge be set in order to stabilize decreasing revenues. (See Page 5 of Attachment 1)

Ms. Cannistraro displayed a chart comparing the average homeowner's annual rates for City services to those of other municipalities in the area. She explained that the chart indicates what the average Mesa resident would pay for similar services in other cities. (See Page 6 of Attachment 1)

Discussion ensued regarding the comparison of annual charges to those of other cities. Mayor Smith pointed out that the average sales price of a home and property tax in Gilbert did not compare to that of a home in Mesa.

City Manager, Christopher Brady said that the chart comparing homeowner charges for city services will be revised to reflect the accurate home price and property tax information for each city and brought back to Council.

Ms. Cannistraro outlined the utility rate schedule for Fiscal Year 11/12 as follows:

- May 16, 2011 – Adopt Utility Rate Notice of Intention
- June 6, 2011 – Introduce Utility Rate Ordinance
- June 27, 2011 – City Council Action on Utility Rates
- August 1, 2011 – Effective date for Utility Rate Changes

Director of Solid Waste Willie Black, displayed a PowerPoint presentation (**See Attachment 2**) outlining the Solid Waste Department's budget. He said that the Solid Waste Department is projecting increases in revenue and decreases in expenses. (See Page 2 of Attachment 2) He reported that the Department's net income was increased by reducing the number of staff and a reduction in landfill fees.

Mr. Black advised that the projected increase in revenue is directly related to recycling, which is up by 88.1%. In addition, he said that a number of mobile home communities have converted to barrel service. He explained that customer service has been improved by converting the mobile home parks to barrel service and allowing those customers to participate in recycling.

Mr. Black reported that Solid Waste's largest expense was for fuel and equipment usage. He advised that equipment usage costs have decreased slightly due to the fact that most of the trucks are under warranty which saves on repair costs. In addition, he said the price of diesel fuel is a concern, due to the fact that the Solid Waste Department uses approximately 55,000 gallons of diesel fuel per month. (See Page 5 of Attachment 2)

Mr. Black displayed a graph demonstrating the decline in trash tonnage directly related to the number of vacant homes in the community. He said that the average pound per barrel has declined due to increased participation in recycling. He added that Mesa customers continued to be active participants in recycling. (See Page 5 of Attachment 2)

Mayor Smith commented that due to the downturn in the economy people are buying less and therefore, throwing less away.

Mr. Brady remarked that trash tonnage was a trend that followed the economy.

Mr. Black reported that March was the first month that Solid Waste experienced an increase in trash and recyclables. He stated that this could be an indication that the economy is turning around.

Mr. Black advised that the number of homes serviced during the summer months drops and does not begin to increase until October when the mobile home communities begin to fill up with winter visitors. He reported that the number of barrels set out on the curb has declined due to the large number of vacant homes in the community. He said when trash barrels are not set out on the curb, collection routes are reduced which saves on trash tonnage, equipment and personnel costs.

Mr. Brady explained that the rate for solid waste is a fixed rate and the same amount of revenue is collected regardless of whether trash barrels are set out on the curb or not. He said that the water rates are different as they are not fixed and are based on consumption.

In response to a question from Mayor Smith, Mr. Black explained that in the winter months there is an average of 10,000 more trash pickups than in the summer. He stated that this amount does not include mobile home parks that have consolidated garbage bins. He noted that more mobile home parks were switching over to individual barrel pick ups.

Mr. Black advised that the Solid Waste Department diligently manages overtime and only fills vacant positions when necessary. He stated that currently the department has saved over \$375,000 in personnel costs and it is expected that by the end of the year a total of over \$500,000 will have been saved.

Mr. Black reported that the Solid Waste Department will not be requesting a rate increase this year. (See Page 9 of Attachment 2) He said the cost of City solid waste pickup compared to that of a private company demonstrates how efficient Mesa has been by keeping trash collection "in-house." He advised that the City of Chandler utilizes Waste Management Services for their trash collection and charges \$5.98 a home where the City of Mesa charges only \$5.69 a home.

Mr. Black provided an update on the landfills and said that the Solid Waste Department will continue to negotiate a landfill contact with the Salt River Indian Community. He advised that the current contract is due to expire in 2015 and an extension is being pursued that will continue the City's use of the landfill to 2020. He stated that the City also has a contract with Waste Management Services and currently uses two of their landfill facilities. He said that the Waste Management contract has also been extended for an additional two years. He added that the landfill contracts allow residents to also utilize the landfills.

Mr. Black highlighted some of the Solid Waste Department's accomplishments and goals and reported that an Inter-Governmental Agreement has been signed with Mesa Public Schools (MPS) to continue solid waste service for the next five years. In addition, he said that the Earth Day Plastic Bag Challenge netted more plastic bags than anticipated and provided a way to educate the public on plastic bag recycling. He advised that an activity book was developed that includes the artwork of Solid Waste Equipment Operator Dave Grims and next year recycling presentations will be conducted in the classrooms. He said that Solid Waste will also explore the possibility of partnering with the Boy Scouts and Girl Scouts to earn a recycling patch. He added that the Mesa Recycles video, logo, and the Solid Waste website have all been updated.

Councilmember Finter commented that he and the community are impressed with the efforts made by the Solid Waste Department.

In response to a question from Councilmember Finter, Mr. Black explained that one-sided curb service was implemented in all the mobile home communities. In addition, he said that one-sided service is being explored for other communities as well, as it saves wear and tear on the asphalt by not having a large vehicle driving across it numerous times. He advised that in single family neighborhoods, one-sided curb service can result in "back tracking" and is not efficient.

Mayor Smith thanked Mr. Black for the presentation.

1-b. Hear a presentation, discuss and provide direction on Water Resources budget issues and utility rate recommendations.

Water Resources Department Director Kathryn Sorensen displayed a PowerPoint presentation (**See Attachment 3**) highlighting the Water Resources Budget. She advised that the City of Mesa utilities compared favorably with other cities across the country in a national survey that was conducted by the Association of Metropolitan Water Agencies. (See Page 1 of Attachment 3) She said that the results of the survey indicate that the Water Resources Department is a cost efficient enterprise and is also conservative with capital spending.

Ms. Sorensen provided a brief financial overview and said that in the past few years the Water Resources Department was able to cut some of their direct costs however, there will be an increase in debt service. She advised that the water utility ending fund balance is projected to drop significantly low in the year 2011/12. (See Page 3 of Attachment 3)

Ms. Sorensen reported that debt service for wastewater was increasing and that the projected ending fund balance should also increase over the next few years. She advised that combining Water and Wastewater Programs is being explored in an effort to bolster the water utility ending fund balance.

Ms. Sorensen briefly highlighted the proposed budget reductions for Fiscal Year 11/12 and recognized Water District Supervisor James West who has worked to significantly reduce overtime.

Ms. Sorensen advised that in order to save on the cost of arsenic remediation a decision was made to not utilize the Falcon Well at this time. (See Page 5 of Attachment 3)

Discussion ensued regarding the naturally occurring arsenic found in ground water. Ms. Sorensen advised that it would cost \$520,000 to remediate the arsenic in the Falcon Well before the well water could be pumped into the water distribution system.

Ms. Sorensen displayed a list of projects and costs that would be added back into the budget. She pointed out that \$1.4 million was cut from the Water Resources budget however, \$1 million will be added back into the budget to support the various projects. (See Page 6 of Attachment 3)

Ms. Sorensen advised that approximately \$100 million in projects have been delayed including the Signal Butte Water Plant and the waterline to the Central Arizona Project (CAP). She stated that replacement of the aging infrastructure has also been postponed a couple of years. She added that the Department continually evaluates each project to determine if there is a less expensive way to provide efficiency, redundancy and future growth.

Ms. Sorensen reported that other cities have spent millions of dollars for disinfectant by-product removal in their distribution systems. She said that Assistant Director of Water Services Susan Miller has focused on using in-house expertise, as well as technological innovations for disinfectant by-product removal which costs the City an estimated \$3 million. She remarked that \$3 million is a "far cry" from what other cities were spending for disinfectant by-product removal.

In response to a question from Councilmember Finter, Ms. Sorensen explained that when pavement needs to be cut to make repairs the Water Resources Department will coordinate with other departments to complete any necessary projects jointly and efficiently. She added that the goal is to only work in an area once every five years.

Mr. Brady commented that Water Resources also coordinates with external service providers such as Salt River Project (SRP) and Qwest when there is work to be completed. He said that coordinating with other providers and determining what projects can be completed jointly prevents having to remove the asphalt a second time.

Ms. Sorensen advised that the costs of chemicals as well as water commodity expenses and energy expenses have increased. She said despite the increased expenses the Water Resource Department has managed to keep operating costs at a minimum. (See Page 7 of Attachment 3)

Ms. Sorensen remarked that the State Legislature did not want to raise taxes to cover water programs and the cities will be required to fund the costs of Arizona Department of Water Resources. She stated that the City's share of these costs are estimated \$612,000 a year and will impact customer accounts by \$.37 per month. She added that it is proposed that this \$.37 per month be an actual line item on the utility bill in order for customers to be aware of where the cost initiated. (See Page 8 of Attachment 3)

Councilmember Finter remarked that there have been several environmental costs pushed down upon the City. In addition, he said having these costs captured as a line item on the customers' bills could be beneficial.

In response to a question from Councilmember Finter, Ms. Sorensen explained that environmental costs have been lumped into one miscellaneous charge. She said that the environmental permits from the City, County and State are also more expensive than they have been in the past.

Ms. Sorensen briefly highlighted the financial overview of the Water Program for Fiscal Year 09/10. She said that Water Resources generated \$104.5 million in revenue and an additional \$9.6 million on investments and impact fees. She reported that expenses totaled \$110 million and the net operating loss is \$5.1 million. She added that it is projected that this year Water Resources would experience a net operating loss of \$6 million. (See Page 9 of Attachment 3)

Mayor Smith said that Water Resources was not operating at a deficit and that the City was not losing money on water operations. He clarified that the negative \$5.1 million reflected on the Financial Overview was not actually a net operating loss.

Discussion ensued relative to the operating costs and expenses of the Water Resources Department and the reduction in available resources.

Ms. Sorensen displayed a map indicating the number of foreclosures in the City and reported that the number of vacancies in Mesa is much higher this year than it has been in the past.

Discussion ensued regarding the 136,000 water accounts in the City and the effects that the foreclosures have had on water consumption.

Mayor Smith pointed out that the number of multi-family residences and commercial property was not included on the map of foreclosures.

Ms. Sorensen advised that the water system is built to provide water to houses that exist. She said the cost to run the infrastructure, which includes pipes, pumps, wells, and water treatment plants, is not eliminated when a house is vacant. She added that vacancies create a volatile type of revenue stream.

Councilmember Finter commented that the vacant homes create additional needs as they relate to Code Enforcement and the Police Department. He remarked that District 2 is a "sea" of vacant homes that has negatively impacted water services. He pointed out that the City has not been reimbursed in the foreclosure process for locks that have been cut on meters and water used in an attempt to maintain properties during the foreclosure process.

Ms. Sorensen stated that Water Resources is highly dependent upon water consumption. She said that customers who use more water will pay more for this utility.

Mayor Smith commented that water revenue has always been the City's stable source of revenue and this is the first time the City has experienced this type of shock.

Ms. Sorensen advised that there has been a 5% decline in revenue over the past 5 years, resulting in a loss of \$16.5 million. She said that it appears that the decline in water consumption has stabilized and the City should begin to see signs of improvement. (See Page 13 of Attachment 3)

Mr. Brady said that a slight increase or at least a stabilization of water accounts is projected. He added that next year water rates can be modified if vacant homes fill up faster than anticipated.

Ms. Sorensen briefly highlighted the fixed costs for Water Resources and reported that the General Fund transfer will be approximately \$52 million. She advised that debt service will increase to \$9 million and will continue to increase to an estimated \$20 million over the next 5 years. (See Page 14 of Attachment 3)

Responding to a question from Councilmember Finter, Ms. Canistraro explained that debt service could not be addressed this year and will be explored next year. She noted that the increase in debt service was a scheduled and projected increase.

Mayor Smith remarked that due to the decrease in water revenue the City has relied on reserve funds. In addition, he stated that the City of Mesa is not a heavily indebted City.

Ms. Sorensen commented that no other city in the area is lower than Mesa in terms of debt service and cash capital, which indicates that the Water Resources Department has been very conservative.

Mr. Brady commented that the dramatic decrease was due to the loss of consumption and will be reflected in the water rates.

Ms. Sorensen reported that the goal to maintain an ending fund balance of 8%-10% will not be obtained on the present course. She advised that based on 10,000 gallons of water usage the average residential customer currently pays \$36.41 per month. She said that this amount does not cover the direct cost of water delivery to a residence. She stated that water and wastewater are the largest money making utility enterprises for the City and when the ending fund balance of the Water Resources Programs falters the ending fund balance of the entire enterprise is at risk.

Ms. Sorensen commended the Water Resources staff for rising to the challenge and saving \$6 million this Fiscal Year.

Ms. Sorensen reported that the Water Resources Department is proposing that the water rates be restructured from revenue based on consumption to a fixed cost for service. She said that if the rates are not restructured and consumption does not rebound the situation will worsen.

Ms. Sorensen briefly highlighted the Furlough Program for customers that are not living in their residences year round. She said this program operated on an honor system, as the City does not have the staff to enforce and validate that residents are not living in the home. She advised that a cursory audit was conducted on the furlough accounts and 85% of those homes were showing activity year round. She stated that other communities in the Valley do not have a furlough type of program and is proposing that this program be eliminated.

Mayor Smith concurred with staff's recommendation for the elimination of the Furlough Program.

Ms. Sorensen outlined the proposed rate structure based on the cost of 5,000 gallons of water as well as a water rate increase of 6.5% for this year and 6% over the next couple of years. In

addition, she said a minimum charge for wastewater is proposed based on 4,000 gallons of water consumption and rate increases of 5% over the next few years. She advised that this structure could cause concerns for permanent low water consumers and therefore, an Affordability Program is proposed to help residents who may experience a problem with their utility bills. She added that if the rate change is implemented an ending fund balance of 8% can be maintained.

Ms. Sorensen explained that a second option would be to leave the current rate structure in place and increase water rates by 7.5% as well as wastewater by 6.5%, over the next couple of years. She pointed out that this rate structure continues to be totally reliant on water consumption.

Councilmember Richins commented that there should be a minimum charge for the infrastructure costs and residents should be charged for the water they use. He said charging a minimum amount for water consumption compromises any water conservation efforts.

Ms. Sorensen advised that Option 3 would require a minimum charge based on 3,000 gallons of water consumption in addition to increasing the rates by 6.8%.

In response to a question from Mayor Smith, Ms. Sorensen explained that water consumption of 3,000 gallons is considered a minimum amount of water necessary to maintain a certain standard of living.

Discussion ensued regarding the 3,000 gallon national average for water consumption and the direct costs associated with delivering water to a residence.

Mr. Brady advised that by starting with a 3,000 gallon minimum usage charge the City will be able to come closer to recovering the true costs associated with delivering water to the residences.

Mayor Smith stated that there are people who only live in the City part of the year as well as numerous foreclosures and businesses that do not pay taxes to the City of Mesa. He said regardless of whether or not the businesses pay taxes or the homes are occupied year round the City is still required to provide fire and police services every day of the year.

Councilmember Richins remarked that the cost for City services can either be covered by revenue collected from water resources or through taxes.

Mayor Smith commented that it would be a benefit to the City to gradually move away from a market driven revenue stream in a way that will not impact lower income residents.

Ms. Sorensen explained that an Affordability Program can be implemented for citizens that could be inadvertently affected by a 3,000 gallon minimum usage charge. She noted that it would be extremely difficult for someone to use less than 3,000 gallons.

Councilmember Richins commented that the A Better Community (ABC) fund was available for people that may have a hardship paying their utility bill. He added that more funds may need to be put into the ABC fund for those citizens that fall through the cracks.

Mr. Brady stated that Option 3 would meet the goals and cover the cost of public safety services on accounts that do not have consumption. He said that under Option 3 the City will be able to recover much more of the costs associated with delivering water to a residence without causing a drastic impact. In addition, he said this would stabilize the rate structure so that it is not completely dependant on consumption and the ending fund balance can be maintained.

Councilmember Richins commented that he had four “water-loving” children and he understands that restructuring the rate would mean that he would be paying more for water services however, he said he would rather see the system maintained.

Responding to a question by Councilmember Finter, Ms. Sorensen advised that ways to address the high-water consumers will be researched.

Mayor Smith thanked staff for the presentation and advised that there will be a short break. The Study Session resumed at 9:06 a.m.

1-c. Hear a presentation, discuss and provide direction on Energy Resources Department budget issues.

Energy Resources Department Director Frank McRae, displayed a PowerPoint presentation highlighting the Energy Resource Department’s Budget. **(See Attachment 4)** He outlined the Energy Resources Department’s goals and objectives which align with the City’s strategic initiatives. He advised that effort was focused on managing customer requests for emergency service and as a result response times have declined. In addition, he said overtime and vehicle costs are also down. He reported that over 105,000 utility locates were completed as well as the installation of the Iveda Security System at one of the substations. He noted that the department is now able to monitor different areas and share surveillance videos with the police department.

In response to a question from Councilmember Richins, Mr. McRae advised that there has not been a break in or a copper theft at the substation since the Iveda Security System was installed. In addition, he said there has not been a graffiti incident since October.

Mr. McRae reported that electric personnel had over 1,000 days of no lost time accidents and up until October gas employees had 739 days of no lost time accidents. He said that there is greater efficiency when operating with a complete crew. (See Page 3 of Attachment 4).

Councilmember Finter commented that Mesa Gas and Electric employees have a stellar safety record and provide outstanding service.

Mr. McRae briefly highlighted the department structure which correlates with the department’s prioritization of safety, reliability and efficiency.

Mr. McRae reviewed the positions that have been eliminated and among those were two senior management positions. He noted that currently due to a retirement there is one vacant position that will be reviewed to determine if it should be filled. (See Page 5 of Attachment 4)

Mr. McRae reported that the Energy Department has approximately 15,000 electric and 55,000 gas customers in the City of Mesa and in the Magma service area.

Mr. McRae displayed a snapshot of the Energy Department's Financial Overview and noted that the net income for Fiscal Year 09/10 was \$7.8 million after the General Fund transfer. He stated that the Energy Department should come close to meeting the forecasted adopted budget for 10/11. In addition, he said the projected net income before the General Fund transfer is estimated to be \$9.1 million. (See Page 7 of Attachment 4)

Responding to a question from Councilmember Richins, Mr. McRae explained that commodities are comprised of the Energy Department's supply costs. He said that of the \$18.2 million in commodities, \$17.8 million are energy supply costs. (See Page 7 of Attachment 4) He stated that the City buys power completely off the market and the total energy used by customers per year is 320 million kilowatts, which averages out to approximately 1000 megawatts per customer per year.

Mr. McRae reported that this year the Energy Department is not proposing any electric energy rate increases. He explained that electric usage is weather related and that during a very hot summer more energy is used and more revenue is generated.

Mr. McRae briefly highlighted the Gas Utility Financial Overview and said that the Energy Department was proposing a gas rate increase of 2.5%, which would generate an additional \$528,000 per year. (See Page 9 of Attachment 4) He explained that the gas utility was dependant on the residential class of customers however, there have been some significant increases in commercial usage. He noted that CMC Steel as well as some of the Banner facilities were added as commercial gas customers this year. He added that budget adjustments for the gas utility total \$250,000 for Fiscal Year 11/12. (See Page 11 of Attachment 4)

Mr. McRae advised that the Energy Department identified two pilot programs as part of the Innov8 employee idea program. He said one of the ideas was to encourage the use of compressed natural gas (CNG). He stated that by increasing CNG usage in the 10 vehicles that the City utilizes could save an estimated \$7,500 a year. (See Page 11 of Attachment 4)

Responding to a question from Councilmember Richins, Mr. McRae explained that there are private enterprises that have installed CNG fueling stations. He said that discussions are taking place regarding the possibility of partnering with a private enterprise to "co-locate" a public fueling station that will also serve City of Mesa vehicles.

Mayor Smith advised that he has received inquiries from large fleet users that would like to use more CNG fuel however, there are not any CNG fueling stations for public use in Mesa.

Mr. McRae advised that when CNG fueling stations were explored in the past the capital required to put in a stand-alone station was extremely high and without having an assured market to repay the capital it was a risky enterprise. He added that with Council's direction CNG fueling stations can be explored in more detail.

Discussion ensued regarding the City's CNG fueling station that is in a locked facility for employee use only and the possibility of partnering with an outside enterprise to develop a public fueling station that will also support City of Mesa vehicles.

Mr. McRae reported that the second Innov8 Pilot Program relates to interruption of gas service to customers when maintenance or service is performed on meters. He advised that a device

has been located that will prevent the need to shut off gas to the customer while work is performed. He explained that this will prevent the need for staff to enter the customer's home to re-light pilot lights and conduct preliminary inspections. He added that terminating and restarting service can also impact the customer's appliances. He noted that it is estimated that this device could save an estimated \$20,000 per year.

Mr. McRae outlined the Energy Department's accomplishments and advised that the conversion from wooden utility poles to steel and concrete poles should be completed within the year.

Responding to a question from Mayor Smith, Mr. McRae explained that approximately 10 substation sites will no longer be needed for utility operations. He said that research has begun to identify and coordinate with Parks and Recreation to reclaim the substation sites as a type of parks facility.

Mr. Brady clarified that it would be the City's due diligence to review any potential environmental issues before using the substation sites as a park. He said that the goal is to have some type of "reuse" for the substations.

In response to a question from Councilmember Richins, Mr. Brady explained that remediation of the substation sites will not be figured into the budget until it can be determined what type of remediation will be necessary. He said that an environmental investigation of the substations will be conducted.

Mr. McRae advised that the Energy Department has replaced 49 vault lids and 109 pad-mounted transformers which has enhanced public safety. He said that the gas utility participated jointly with transportation, water and sewer, in the replacement of aging infrastructure. He reported that a gate station will be added at the southeast section of the system and will enhance service to the eastern portion of the City. (See Page 13 of Attachment 4)

Mr. McRae reported that electric rates will have some challenges as there are contracts that are expiring and it is expected that the price to replace those contracts will be higher. He stated that the Energy Department is partnering with the Economic Development Advisory Board to provide support for businesses that might be impacted by the light rail project.

In response to a question from Mayor Smith, Mr. McRae explained that when the light rail moves into the downtown area and sets up a station, the light rail would then become an electric customer. In addition, he said it is anticipated that the light rail will have three power stations.

Mr. Brady said that the Energy Department has expressed the desire to help the businesses impacted by the light rail project get through the difficult construction period by providing some relief in utility costs.

Mr. McRae stated that over the years natural gas supply and rates have been volatile. He advised that natural gas prices are now equal to what they were 5 years ago. He said that environmental regulations are a challenge for utilities and that the City does not generate resources, it purchases them from outside entity.

Responding to a question from Councilmember Finter, Mr. McRae explained that the Energy Department has worked hard to try and build a hedging practice however, it would require more manpower than is available to do a good job.

Mr. McRae reported that Mesa customers pay \$2.84 less per year for electricity than Salt River Project (SRP) customers. In addition, he said that gas customers pay \$26.82 less per year than Southwest Gas customers which includes the proposed 2.5 % increase. (See Pages 15 & 16 of Attachment 4)

Discussion ensued regarding minimizing the difference in costs so that Mesa gas rates are more comparable to Southwest Gas rates.

In response to a question from Councilmember Richins, Mr. McRae explained that gas rates are structured in three parts, a fixed monthly customer charge, the consumption charge and the gas adjustment factor which is based on monthly consumption. He said that gas and electricity did not have the financial consequences that water does when consumption declines.

Responding to a question from Councilmember Glover, Mr. McRae advised that staff would be researching underground power lines through the iMesa Program. He said where to implement underground power lines and how it will be funded over time are some of the issues that will need to be explored.

Councilmember Glover remarked that in certain districts power lines obstruct the sky view and moving the power lines underground would improve the appearance of the neighborhoods.

Councilmember Finter commented that there may be some solar opportunities that become available for some of the pocket parks.

Discussion ensued regarding solar energy supplementing or replacing traditional energy.

Mayor Smith stated that traditional energy will not replace solar energy however, since Mesa is the solar leader there are ways that the City can "get in the game."

Mr. McRae advised that 20% of the annual energy requirements are met by renewable hydro on the Colorado River. He said that the Energy Department was exploring ways to supplement hydro-energy with wind, geo-thermal or solar. He added that the concept of a community solar garden is also being explored.

Mayor Smith thanked staff for the presentation.

1-d. Hear a presentation, discuss and provide feedback on a proposed Major General Plan Amendment for 262 acres at the northwest corner of Signal Butte and Elliot Roads (GPMajor11-01).

Planning Director John Wesley introduced Senior Planner Angelica Guevera who displayed a PowerPoint presentation (**See Attachment 5**) and addressed Council regarding the proposed Major General Plan Amendment.

Ms. Guevera advised that Ralph Pew is present in the audience representing the applicant and displayed a timeline outlining the application process. (See Page 2 of Attachment 5) She said that the Planning Department received the application earlier this month however, staff had actually started working with the applicant earlier in the year. She advised that the applicant has received feedback from the Planning & Zoning Board and is present today to receive feedback from the Councilmembers.

Ms. Guevera reported that the request is to amend 262 acres located north and west of Signal Butte and Elliot Roads and change the land use from a business park to medium density residential with four to six units per acre. She said the basic impact of this request will reduce the amount of land designated for employment use and increase the amount designated for single-resident use.

Ms. Guevera stated that the applicant has provided a land use comparison and displayed a map of the Conceptual Community Master Plan (See Pages 4 & 5 of Attachment 5). She explained that if the General Plan Amendment is approved the applicant will need to return with an application for rezoning and a site plan review. She said that the Conceptual Community Master Plan shows the applicant's intent to develop the area which would involve 314 acres. She added that the immediate corner of Signal Butte and Elliot Roads would be retained for a business park.

Ms. Guevera said that the purpose for today's presentation is to allow Council the opportunity to provide the applicant with any comments or feedback. She added that the applicant has limited ability to make changes during the application process and would appreciate Council's feedback before making the final submittal. She added that at this time staff has not developed any type of recommendation or analysis for the request.

Mr. Wesley advised that once the process reached the 60-day review period the applicant will not be allowed to make any modifications to what has been requested. He explained that receiving Council's input at this stage of the process would be beneficial.

Mayor Smith stated that the Gateway Strategic Plan was set out to provide developers more flexibility in the area. He said the intention has been to put the responsibility on the land owner to show the Council how the development conforms to the Gateway Strategic Plan without affecting airport operations. He said he is reluctant to support a General Plan Amendment that does not have specifics.

Councilmember Finter expressed his concern regarding the flight paths of the airport.

Mayor Smith said that coming out of this economic downturn the pressure is going to be to transition into residential land use, as that is what will sell first. He stated that the land owners of this area have been trying for years to obtain residential property. He added that 1,300 homes is a big community and is not what the Council desires for the area due to the unique nature of Gateway Airport. He noted that he wanted to be fair to the land owner and would therefore request that more details and information be provided before moving forward.

Councilmember Finter requested that FAA air space information be provided.

Mayor Smith said that Vice Mayor Somers could not be present for this meeting therefore, conversations will be tabled until feedback can be received from Vice Mayor Somers.

Mr. Brady advised that the applicant is requesting Council's feedback before the effort is made to proceed through the year long process.

Mayor Smith thanked staff for the presentation.

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

Mayor Smith: Mountain View High School, National Honor Society Induction

Councilmember Richins: Mesa Chamber of Commerce Awards

3. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Saturday, April 23, 2011, 8:00 a.m. – District 6 Pancake Breakfast

Tuesday, April 26, 2011, 6:30 p.m. – Building Strong Neighborhoods

Thursday, April 28, 2011, 7:30 a.m. – Study Session

4. Items from citizens present.

There were no items from citizens present.

5. Adjournment.

Without objection, the Study Session adjourned at 9:56 a.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, 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 21st day of April 2011. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

bdw

City of Mesa

Utility Rate Recommendation for 2011/12 City Council Study Session

April 21, 2011

Presented by the Budget & Research Office



Enterprise Operations

Financial Summary Assumptions

- Each utility is operated as a separate business center.
- Debt Service, both existing and future, is estimated based on the Capital Improvement Program and included in the financial model.
- Total Transfer amount from Enterprise fund remains the same each year.
- The recommended rate adjustments are smoothed year-to-year by using the fund balance.
- Combined Enterprise Ending Fund Balance adheres to the adopted financial policy of at least 8%.

FY 11/12 Significant Rate Factors

- Reduction in solid waste service usage results in savings to the program while maintaining revenues due to a fixed rate.
- The number of water and wastewater accounts are continuing to increase, requiring the building and maintaining of the infrastructure to support them.
- Consumption in water services has drastically decreased over the past few years. The result is far lower revenues than expected as water rates are structured heavily on consumption.

FY 11/12 Proposed Utility Rate Adjustments

Utility Program	Spring 2010 Forecast for FY 11/12		Spring 2011 Forecast for FY 11/12	
	Proposed Rate Increase	Average Monthly Residential Impact	Proposed Rate Increase	Average Monthly Residential Impact
Solid Waste	1.4%	\$0.33	-	-
Electric	-	-	-	-
Gas	2.5%	\$0.58	2.5%	\$0.58
Water	5.5%	\$2.11	6.5%	\$2.33
Wastewater	4.5%	\$0.96	5.0%	\$1.06
Monthly Impact		\$3.98		\$3.97
Annual Impact		\$47.76		\$47.64

FY 11/12 Proposed

Water & Wastewater Rate Restructure

- Water and wastewater revenues are reliant on the variable component, consumption, while the majority of the cost to provide service is fixed.
 - Consumption has recently been impacted by the increased foreclosure activity.
- To better stabilize revenues, a minimum charge is proposed for both water and wastewater.

Average Annual Homeowner Charges

City	Annual	
	Total	Percent of Mesa
Mesa - Current	\$1,550.02	100.0%
Gilbert*	\$1,475.98	95.2%
Chandler	\$1,542.07	99.5%
Scottsdale*	\$1,585.66	102.3%
Tempe*	\$1,794.02	115.7%
Phoenix	\$1,948.39	125.7%
Glendale*	\$2,082.87	134.4%
Mesa - Proposed	\$1,604.90	103.5%

Annual total comprised of primary and secondary property tax, city sales tax, solid waste charges, water charges and wastewater charges of other cities applied to an average Mesa resident.

*Phoenix and Chandler increased their water rates 7.0% and 9.3% respectively, effective April 1, 2011. The other municipalities have not taken action on their 11/12 rates yet.

Utility Rate Schedule for FY 11/12

- **May 16** – Adopt Utility Rate Notice of Intention
- **June 6** – Introduce Utility Rate Ordinances
- **June 27** – City Council Action on Utility Rates
(Change from previous presentations)
- **August 1** – Effective date for Utility Rate changes

Solid Waste Management Department Budget & Update

April 2011



Solid Waste Program Budget

Budget Forecast

Fiscal Year: FY 10/11 FY 10/11

Revenue: \$45,879,000 \$47,289,327

Expenses: \$28,494,699 \$26,716,353

Net Income: \$17,384,301 \$20,572,974



Solid Waste Program Budget

Fiscal Year: FY 09/10 FY 10/11 FY 11/12

Revenue: \$46,858,677 \$45,879,000 \$47,770,000

Expenses: \$32,120,000 \$28,494,699 \$28,539,000

Net Income: \$14,738,677 \$17,384,301 \$19,231,000

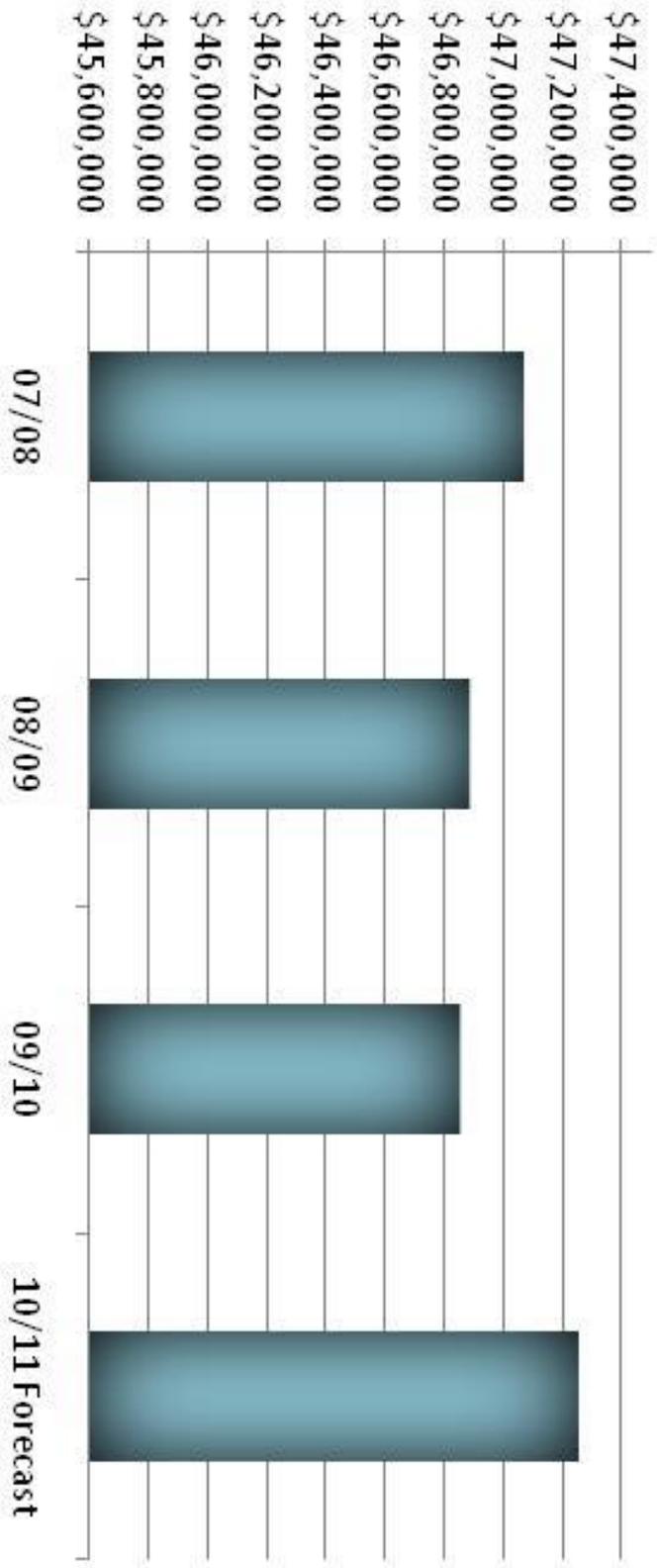
Transfer Out: \$18,493,137 \$18,493,137 \$18,493,137

FTE: 132 128 127



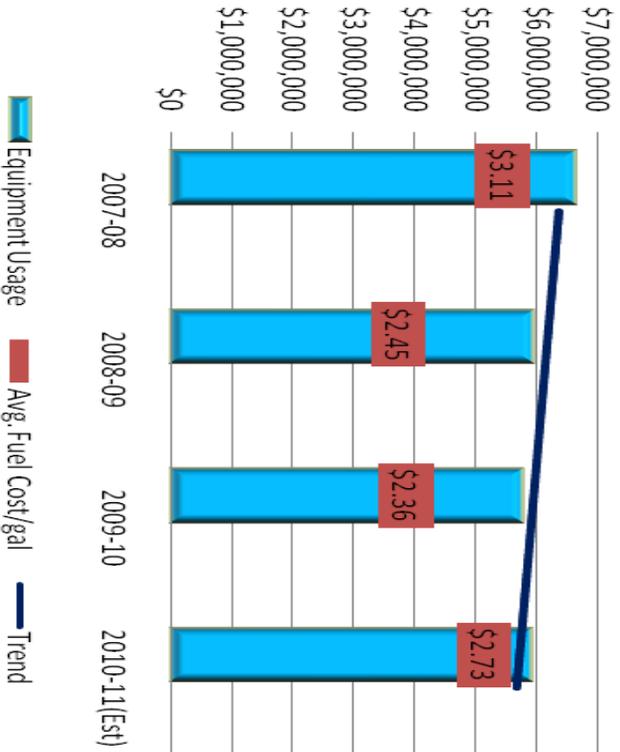
Revenue

Program Revenue

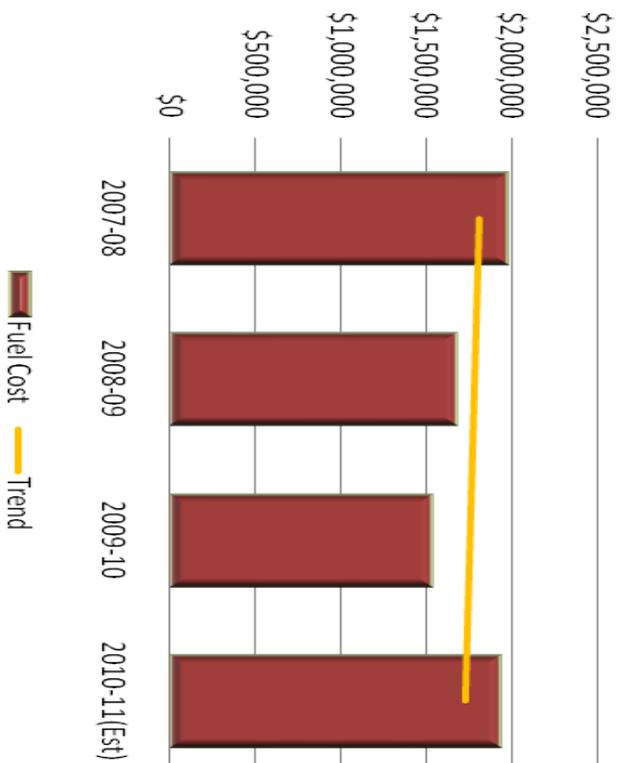


Equipment Usage & Fuel

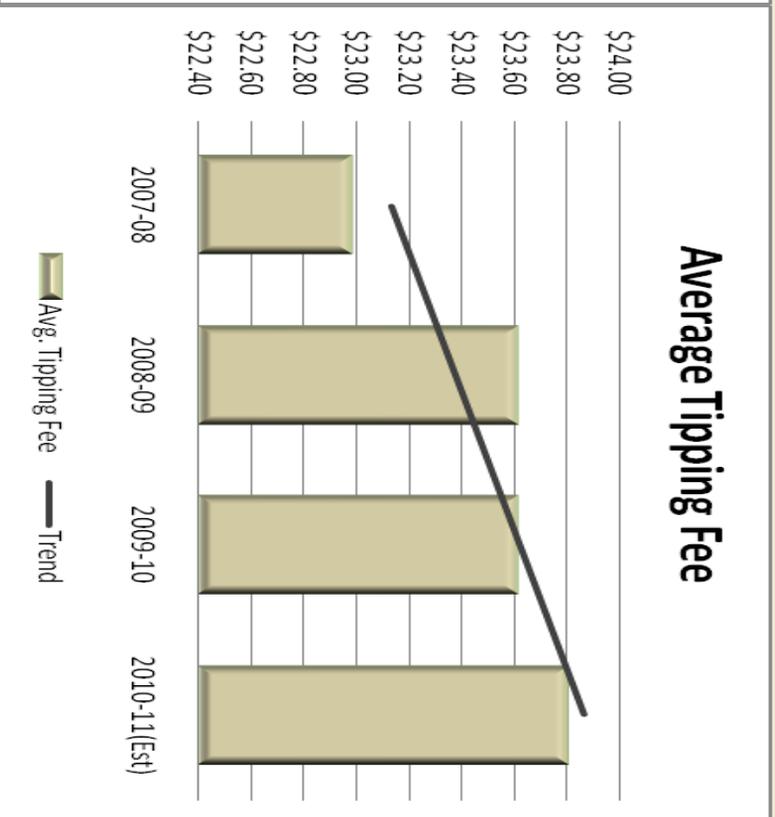
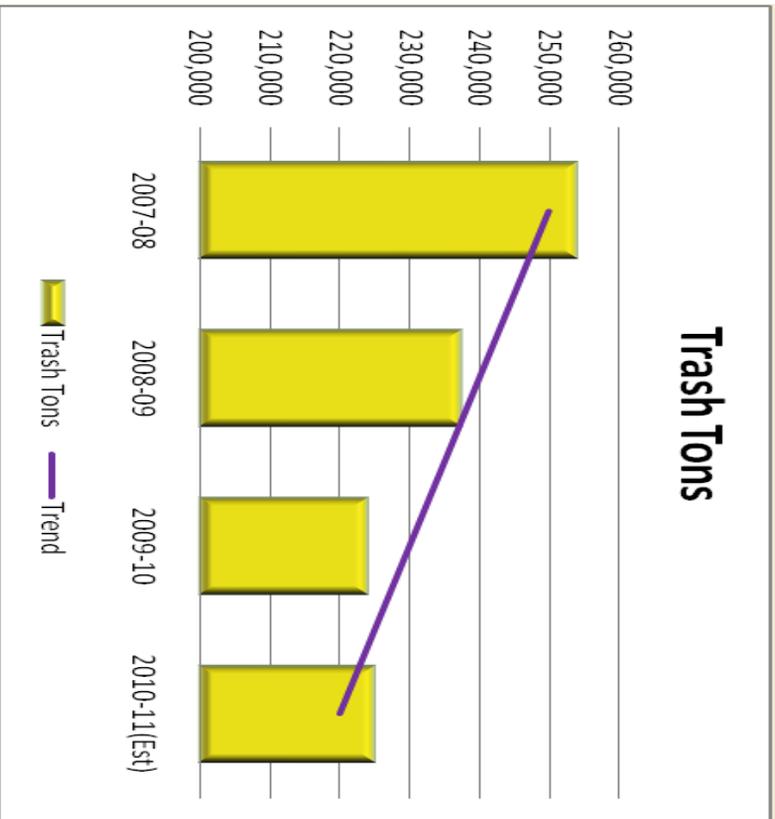
Equipment Usage (\$)



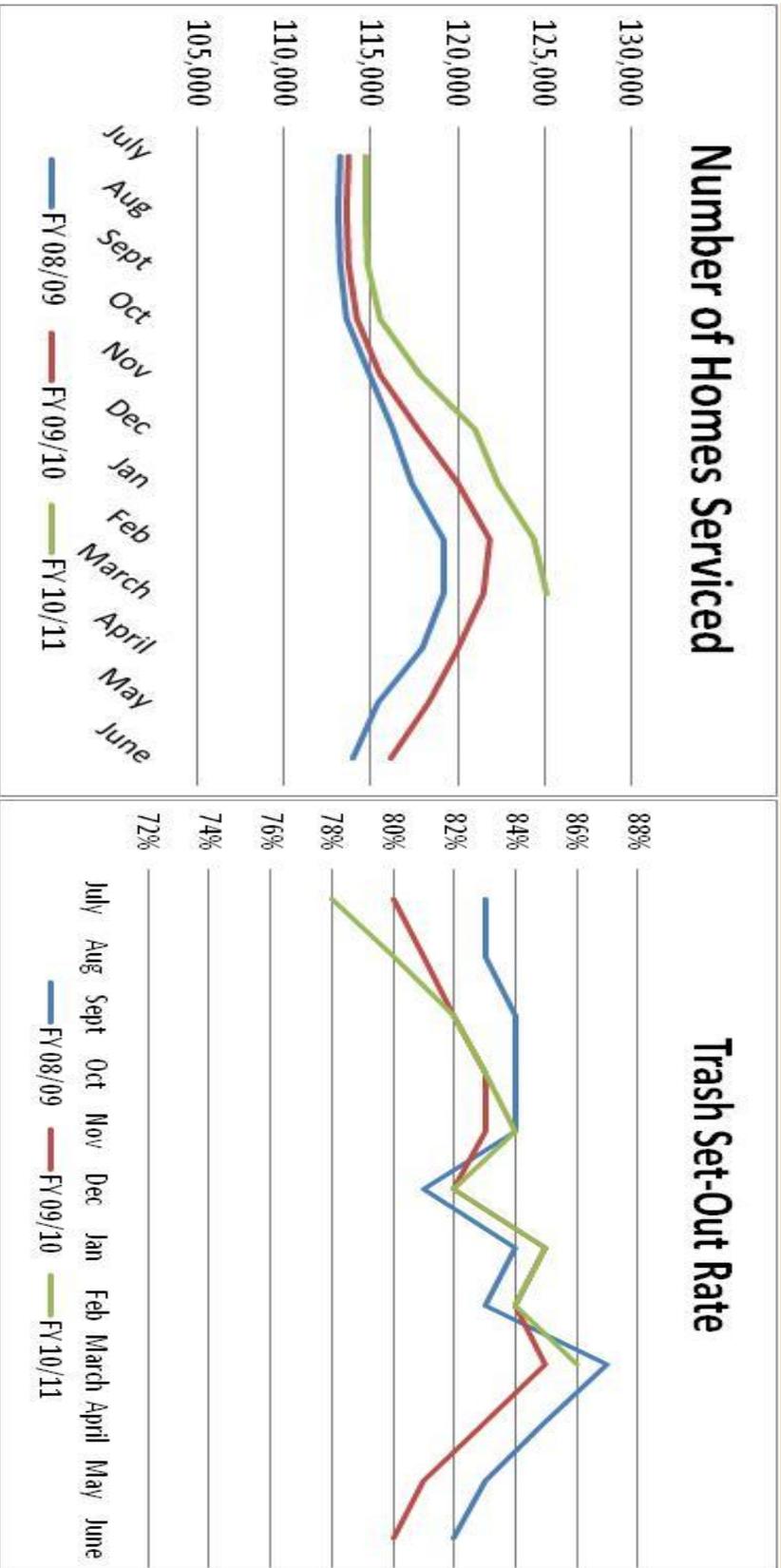
Annual Fuel Cost



Trash Tonnage

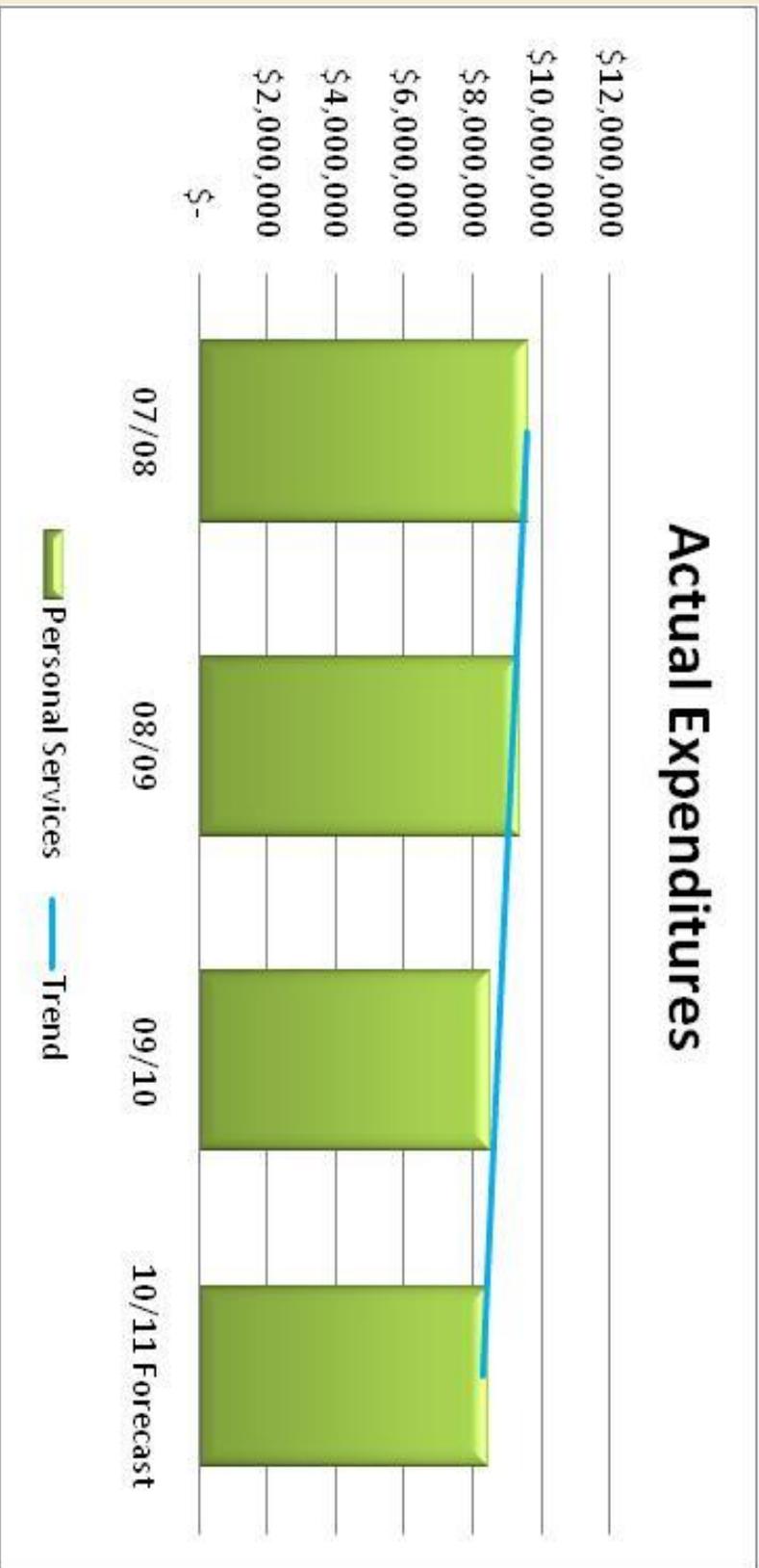


March thru Feb. 3-year comparisons



Personal Services

Actual Expenditures



FY 11-12 Budget

Rate Increase History

<u>FY 08/09</u>	<u>FY 09/10</u>	<u>FY 10/11</u>	<u>FY 11/12</u>
3.2%	0.0%	0.0%	0.0%

No rate increase is being recommended for FY 11/12.

Residential Benchmark

Cost Per Home

Chandler Mesa

\$5.98 \$5.69



Landfill/Disposal Update

- **Salt River/River Recycling**
- **Waste Management**
- **Republic Services**



Accomplishments & Goals

Recycling and Outreach

- **Mesa Public Schools Partnership**
 - **Inter-Governmental Agreement**
 - **Earth Day Plastic Bag Challenge**
 - **Activity Book**
 - **Classroom Presentations**
- **Scouting Partnership**
- **Mesa Recycles Video/Logo**
- **Updated Web Site**



Questions?



Water Resources Budget Presentation

April 21, 2011

Water Resources Highlights

- Association of Metropolitan Water Agencies 2010 National Survey Comparison
 - Mesa O&M costs per capita 30% lower than next lowest local respondent
 - Mesa O&M costs per capita 28% lower than National median
 - Mesa Debt Service and cash capital costs 30% lower than next lowest local respondent
 - Mesa Debt Service and cash capital costs 24% lower than National median
- Water Resources Department is projected to come in \$6 million under budget in direct costs for FY 10-11

Water Financial Overview

	FY 09/10 Adopted Budget	FY 10/11 Adopted Budget	FY 11/12 Proposed Budget
<i>FTE's</i>	189	189	187
Direct Costs	\$ 47,024,959	\$ 43,534,703	\$ 43,135,530
Debt Service	\$ 20,482,041	\$ 22,091,297	\$ 30,585,333
Budget	\$ 67,507,000	\$ 65,626,000	\$ 73,720,863
General Fund Transfer	\$ 47,244,982	\$ 47,244,982	\$ 47,244,982
Ending Fund Balance	\$ 27,381,381	\$ 18,983,876	\$ 5,383,647

Wastewater Financial Overview

	FY 09/10 Adopted Budget	FY 10/11 Adopted Budget	FY 11/12 Proposed Budget
<i>FTE's</i>	58	59	59
Direct Costs	\$ 25,484,638	\$ 24,399,860	\$ 23,393,738
Debt Service	\$ 27,839,362	\$ 29,811,140	\$ 36,430,067
Budget	\$ 53,324,000	\$ 54,211,000	\$ 59,823,805
General Fund Transfer	\$ 4,706,533	\$ 4,706,533	\$ 4,706,533
Ending Fund Balance	\$ 17,905,943	\$ 21,275,402	\$ 22,532,512

FY 11-12 Budget Reductions

- Arsenic Remediation = \$520K
- 2 Vacant Positions = \$179K
- Overtime & Temps = \$177K
- Materials & Supplies = \$117K
- Misc. Other = \$435K
 - Legal Services, Equipment Usage, Fuel, Postage, Phones, Print Shop, Subscriptions & Memberships, etc.
- Total Reductions = \$1.4 million (6%)



FY 11-12 Budget Additions

- Increased Utilities Costs = \$336K
- UV Bulb Replacement = \$312K
- Pump, Centrifuge & Filter Rebuilds = \$140K
- Anthracite Replacement = \$92K
- Generator Maintenance = \$71K
- Miscellaneous = \$140K
 - Environmental Permits, Flow monitoring, training, software, insurance premiums, etc.
- Total additions = \$1 million



Reducing Costs

- Delayed \$99 million in projects
 - Signal Butte Water Plant
 - Signal Butte Water Plant waterline to CAP
 - Replacement of aging infrastructure
- Managing Operating Costs
 - Increased expenses over the past three years
 - Chemical expenses increased 210%
 - Commodity expenses increased 20%
 - Energy expenses increased 10%
 - Direct operating expenses increased 4%



New Legislation & Impact

- Arizona Department of Water Resources Fees pushed down to municipalities
- Mesa's share = \$612,000
- Impact = \$0.37 per account per month
- Identified line item on Mesa Utility Bill

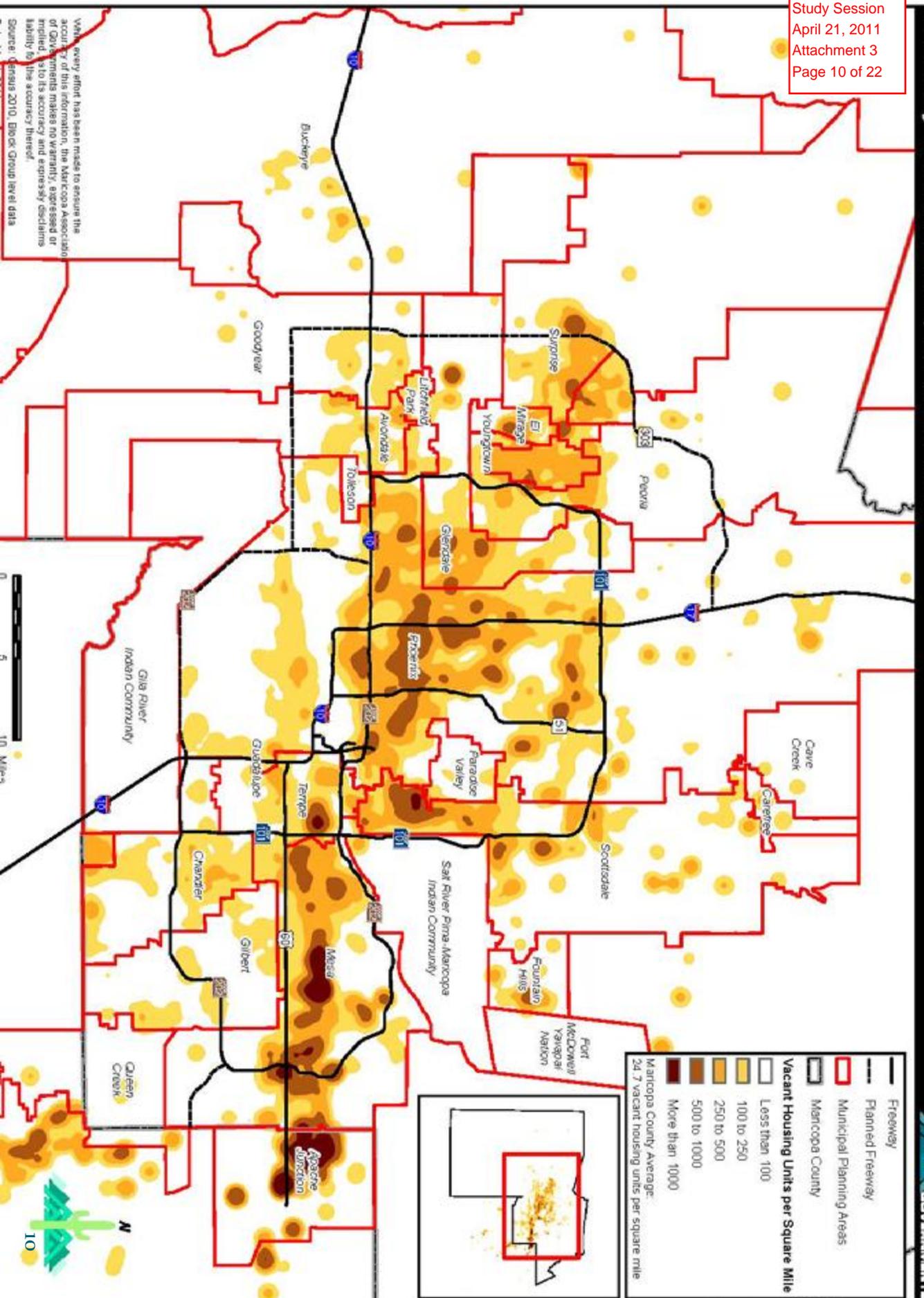


Water Program FY 09-10

Financial Overview

Based on FY 09-10 Actuals

- \$104.5 million revenues
 - \$94.9 million in rate revenue
 - \$9.6 million in other income
- \$109.6 million expenses
 - \$47.2 million transfer to the general fund
 - \$42.6 million in O&M/capital services
 - \$19.8 million in debt service
- Net Operating Loss of -\$5.1 million



Freeway
 Planned Freeway
 Municipal Planning Areas
 Maricopa County

Vacant Housing Units per Square Mile
 Less than 100
 100 to 250
 250 to 500
 500 to 1000
 More than 1000

Maricopa County Average:
 24.7 vacant housing units per square mile

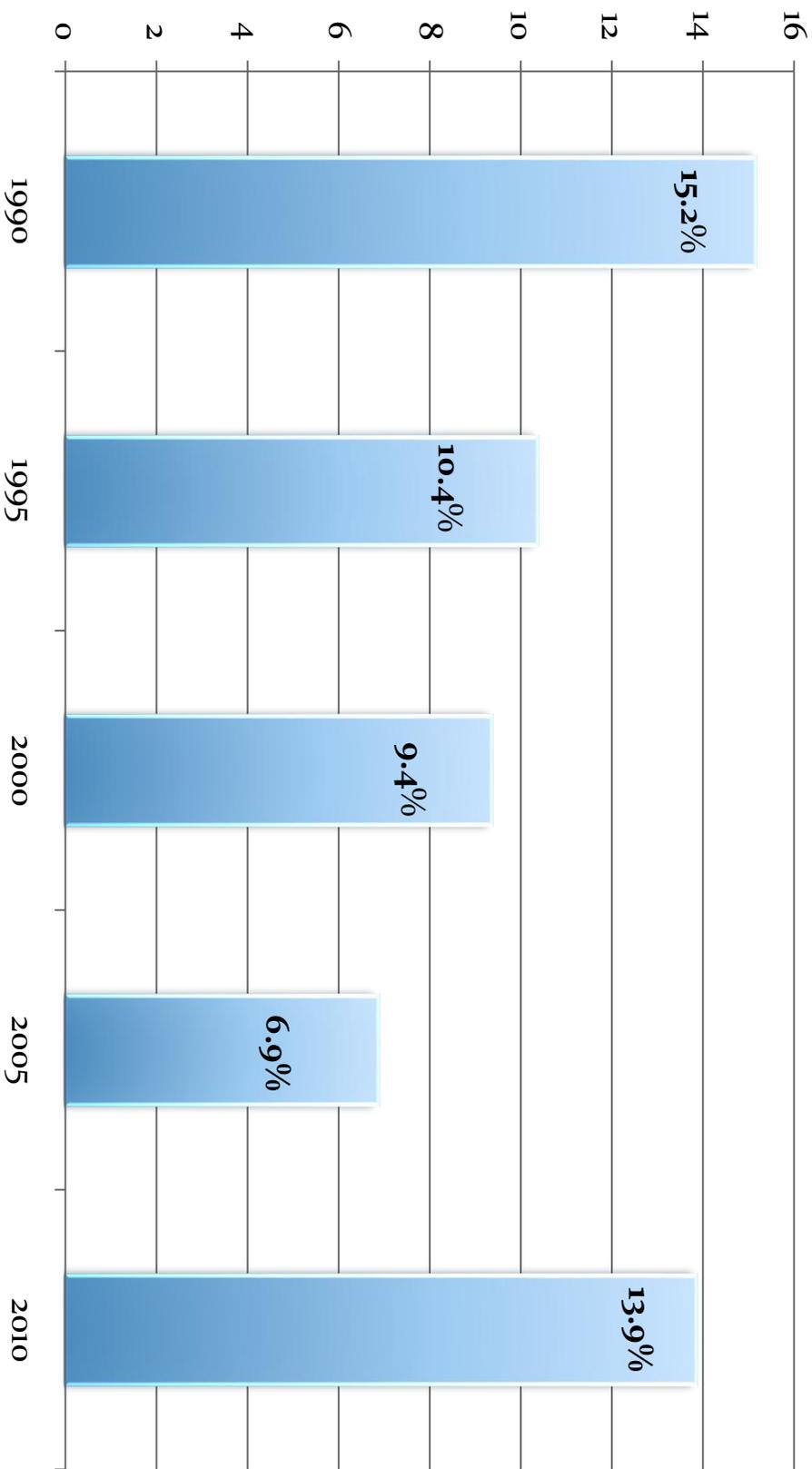
While every effort has been made to ensure the accuracy of this information, the Maricopa Association of Governments makes no warranty, expressed or implied, as to its accuracy and expressly disclaims liability for the accuracy thereof.

Source: Census 2010, Block Group level data

0 5 10 Miles



Maricopa County Vacancy Rate by Census Year*



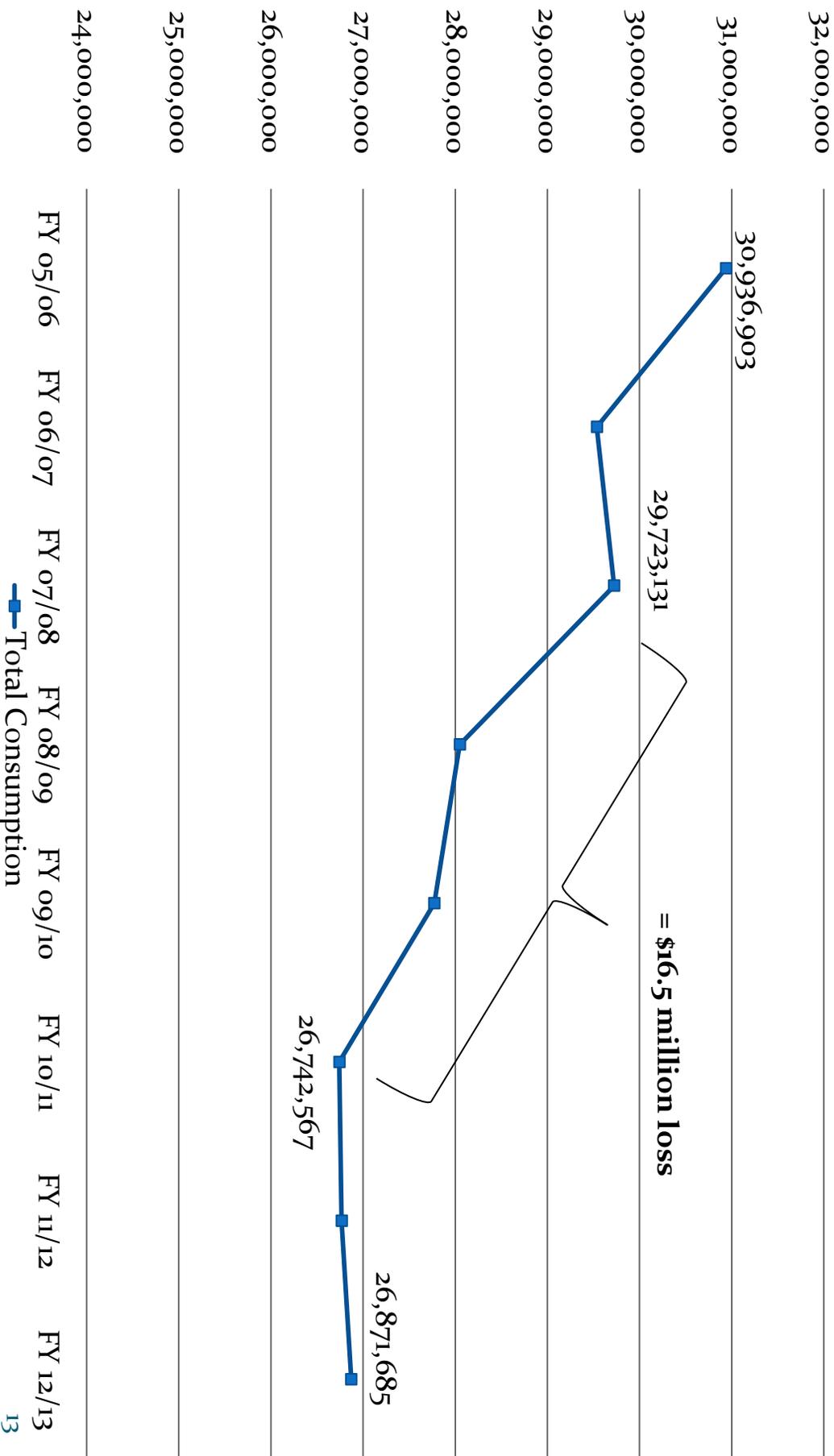
*Source: MAG First Look 2010 Census Results

Concerns

- Foreclosures/Vacant Homes
- Volatile revenue stream
 - Decreased Consumption
- Economic Impact
 - Weather patterns
 - Economy

Changing Revenue Stream

Water Consumption History & Forecast



- **Fixed Costs**
 - **General Fund Transfer \$51,951,515**
 - **Debt Service**
 - \$8.8 million increase next year
 - \$20.2 million jump in the next 5 years
 - **Increases in chemical, energy and commodity costs**
- **Ending Fund Balance goal of 8%-10% not obtained on present course**

Costs per residential account

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Direct Costs	\$ 25.84	\$ 26.80	\$ 26.44	\$ 27.08	\$ 27.33	\$ 27.84	\$ 28.60
Debt Service	\$ 12.54	\$ 13.42	\$ 18.85	\$ 21.76	\$ 23.72	\$ 23.91	\$ 26.03
GF Transfer	\$ 29.08	\$ 29.08	\$ 29.08	\$ 29.08	\$ 29.08	\$ 29.08	\$ 29.08
Total Costs	\$ 67.46	\$ 69.30	\$ 74.37	\$ 77.92	\$ 80.13	\$ 80.83	\$ 83.71

The average residential water user pays \$36.41/month based on 10K gallon usage in FY 10-11

Fund Balance Forecast With Existing Rate Structure

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Combined *EFB	\$45,287,324	\$40,259,278	\$27,916,159	\$14,811,523	\$4,764,150	\$3,583,241	\$7,831,213
% of total cost	38.0%	30.2%	19.0%	9.8%	3.0%	2.2%	4.7%

Combined Fund Balance Includes both the Water & Wastewater Program Funds

Proposal

- Reduce Costs
 - Decrease/Defer CIP
 - Decrease Spending
- Restructure Revenues
 - Rate restructure
 - Eliminate Discount Program



Furlough Program - Wastewater

- Accounts
 - 1,876 accounts furloughed in FY 09-10
 - 8,983 months of lost revenue
 - Loss of \$84K
- Profile
 - Accounts located across the city
 - 85% of all furlough accounts are showing year-round activity

Water & Wastewater Rate Structure Proposed to Audit & Finance Committee

- Water Rate Structure Proposal
 - A minimum charge based on the cost of 5K gallons of water consumption.
- Water Rate Increases of 6.5%, 6.0%, 6.0%
- Wastewater Rate Structure Proposal
 - A minimum charge based on the cost of 4K gallons of water consumption.
- Wastewater Rate Increases of 5.0%, 5.0%, 5.0%
- Concerns that the minimum charge could impact permanent low water consumers.

Water & Wastewater Rate Structure Option 2

- Maintain Current Water Rate Structure
- Water Rate Increases of 7.5%, 7.5%, 7.5%
- Maintain Current Wastewater Rate Structure
- Wastewater Rate Increases of 6.5%, 6.5%, 6.5%
- Continues reliance on consumption. If consumption increases more than forecasted, estimated future rates may be decreased.

Water & Wastewater Rate Structure

Option 3

- Water Rate Structure Proposal
 - A minimum charge based on the cost of 3K gallons of water consumption.
- Water Rate Increases of 6.8%, 6.8%, 6.8%
- Wastewater Rate Structure Proposal
 - A minimum charge based on the cost of 2K gallons of water consumption.
- Wastewater Rate Increases of 5.8%, 5.8%, 5.8%
- Assists in creating a more stable revenue. Minimum charge is more focused on vacant/foreclosed homes.

Questions?





Energy Resources Dept

Budget Presentation

April 21, 2010

Goals & Objectives Aligned with City's Strategic Initiatives

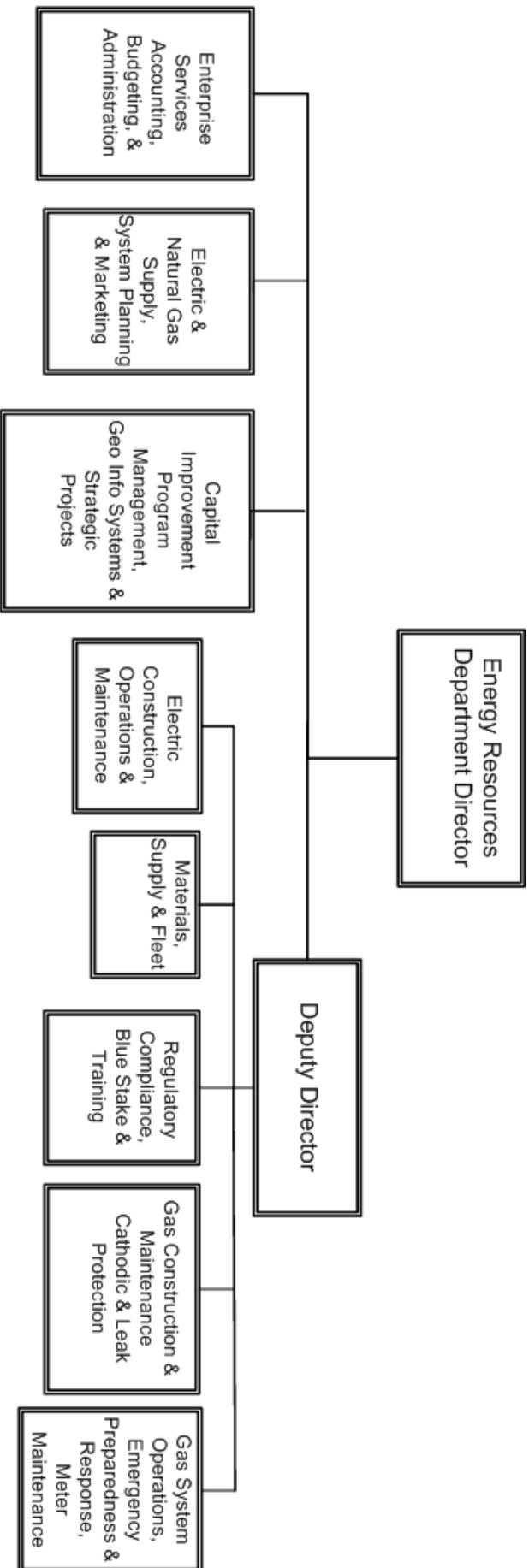
	Financial Stability	Quality of Life	Economic Development	Community Engagement	Regional Leadership
Safety	✓	✓	✓	✓	✓
Reliability	✓	✓	✓		✓
Efficiency	✓	✓	✓		✓

- Goals & Objectives = Priorities
- Emergency Planning & Response Times
- Blue Stake
- Iveda Security Systems

Safety

- Public & Customers
- Employees
 - Electric
 - No lost time accidents for 1,027 days
 - Gas
 - No lost time accidents for 738 days (10.18)
 - Current streak of 184 days

ENERGY RESOURCES DEPARTMENT



Electric & Gas Positions

	<u>2001</u>	<u>2011</u>	<u>COMMENTS</u>
TOTAL ELECTRIC	64	32	Multi-year CIP began in 2007
TOTAL GAS	83	91	44.8 % Increase in customer connections
TOTAL ENERGY	147	123	16% Reduction In Positions

- 2 of 7 senior management positions have been eliminated after retirements & reorganizations since 2001 and one position is vacant and under review.

<u>ELECTRIC</u>	<u>GAS</u>
<ul style="list-style-type: none"> •14 miles of 69kV Transmission Lines 	<ul style="list-style-type: none"> •140 miles of High Pressure Main
<ul style="list-style-type: none"> •14 Substations 	<ul style="list-style-type: none"> •Four Gate Stations & 67 Pressure Regulators Stations
<ul style="list-style-type: none"> •183 miles of Overhead Distribution Lines •226 miles of Underground Distribution Lines 	<ul style="list-style-type: none"> •1,084 miles of Intermediate Pressure Main
<ul style="list-style-type: none"> •2,937 Transformers 	
<ul style="list-style-type: none"> •4,871 Poles 	

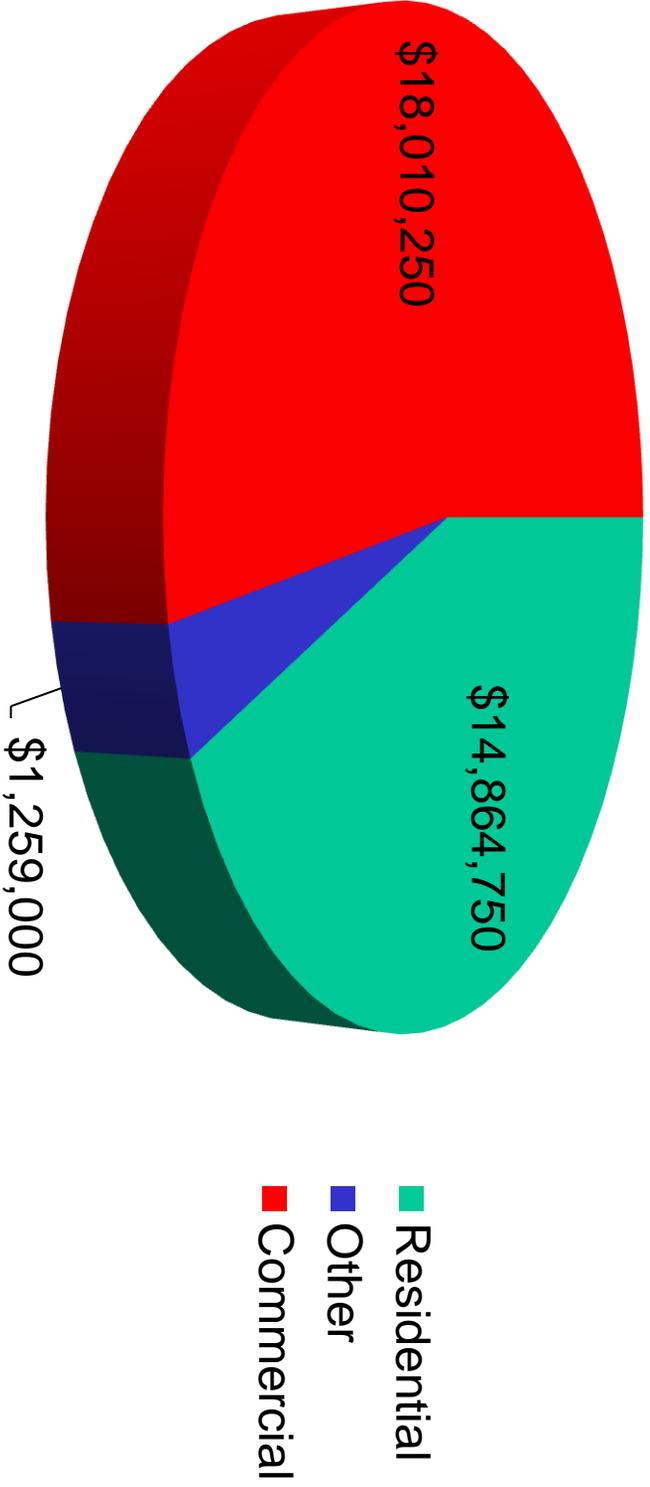
Electric Utility Financial Overview

	FY '09/10 Adopted Budget	FY '10/11 Adopted Budget	FY '11/12 Proposed Budget
Total Program Revenues	\$34,976,000	\$34,847,000	\$33,993,000
Personal Services	\$3,452,884	\$2,348,382	\$2,359,006
Other Services	\$3,947,834	\$2,837,687	\$3,330,835
Commodities	\$20,839,582	\$18,789,138	\$18,232,472
Capital Outlay/Purchases	\$4,698,825	\$366,217	\$234,000
Cap Outlay/Debt Service	\$1,199,080	\$1,381,411	\$1,537,852
Annual Transfer	\$6,000,000	\$6,000,000	\$6,000,000
Net Income (Loss)	(\$5,162,205)	\$3,124,165	\$2,298,835

- No proposed rate increases
- Purchased Power 11/12 Budget \$17,872,879 of Commodities

Electric Utility Revenues FY '11/12

Revenue



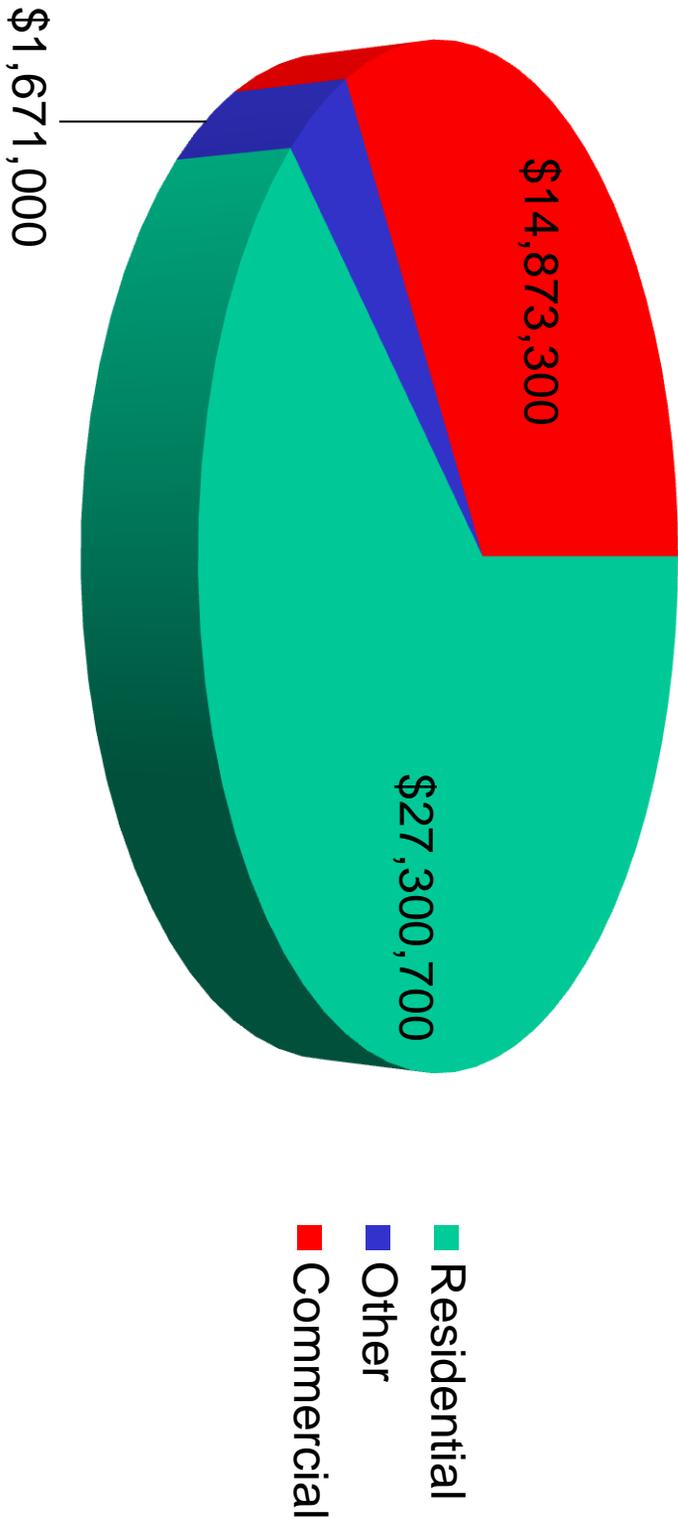
Gas Utility Financial Overview

	FY 09-10 Adopted Budget	FY 10-11 Adopted Budget	FY 11-12 Proposed Budget
Total Program Revenues	\$23,593,000	\$24,656,000	\$26,726,457
Personal Services	\$5,937,702	\$6,331,802	\$6,600,974
Other Services	\$3,823,156	\$4,080,437	\$4,656,949
Commodities	\$650,327	\$726,621	\$853,271
Capital Outlay/Purchases	\$942,533	\$656,612	\$430,000
Cap Outlay/Debt Service	\$4,072,804	\$4,084,471	\$5,021,518
Annual Transfer	\$7,170,348	\$7,170,348	\$7,170,348
Net Income (Loss)	\$996,130	\$1,605,709	\$1,993,397

- Proposed Rate Increase 2.5% (\$ 528,000 per year)
- Bond debt forecast increases by \$1,000,000 per year
- PNGCAF Revenue and Costs are excluded (\$ 16,952,355)

Gas Utility Revenues FY '11/12

Revenue



FY '11/12 Budget Adjustments

- Rate Studies & Rebates - \$ 250,000
- Innov8 Pilot Programs
 - Increased CNG usage in 10 ER Vehicles - \$ 7,500
 - Eliminate multiple visits to residential gas customers - \$ 20,000

Accomplishments

- **Electric CIP**
 - 4 kV Conversion
 - 69 kV Transmission poles
 - Vault lids
 - Pad-mounted transformers
- **Safety**
 - Employee Safety
 - IVEDA
- **Financial Performance**

Accomplishments

- Gas CIP
 - Joint projects
 - Replacement of aging infrastructure
 - Meeting new customer requirements
 - Gate station
 - Meter replacements
- Safety
 - Emergency response times
- Financial Performance

Future Challenges & Opportunities

- **Electric Rates**
 - Limit increases by minimizing future increases in costs
 - Partner with Economic Development
 - Light rail and business assistance projects
 - Support job assistance programs in downtown area
- **Gas Rates**
 - Supply volatility
- **Environmental Regulations**
 - Greenhouse Gases (EPA)
- **Gas Safety Regulatory Requirements**

Mesa & SRP Residential Bill Comparisons

- Average monthly usage of 864 kWh
- Mesa \$2.84 less per year than SRP (excluding taxes)

Mesa & Southwest Gas Residential Bill Comparisons

- Average monthly usage of 32.2 Therms in Winter and 11.2 Therms in Summer
- Mesa \$26.82 less per year than SWG (excluding taxes)
- Includes proposed 2.5 % rate increase



Major General Plan Amendment Request



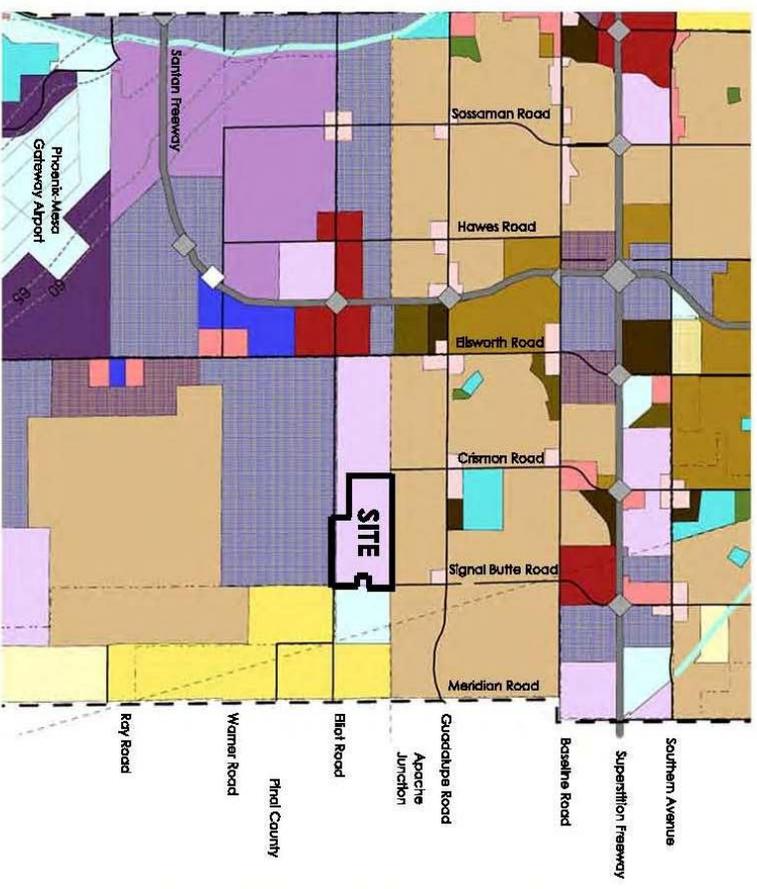
Timeline

- P&Z/City Council feedback - April 20th & 21st
- Follow-up submittal - May 10
- Required 60-day review period - June/August
- 1st P&Z Special Hearing August 31st
- 2nd P&Z Public Hearing – Sept. 21st
- City Council Public Hearing – earliest Oct. 17th

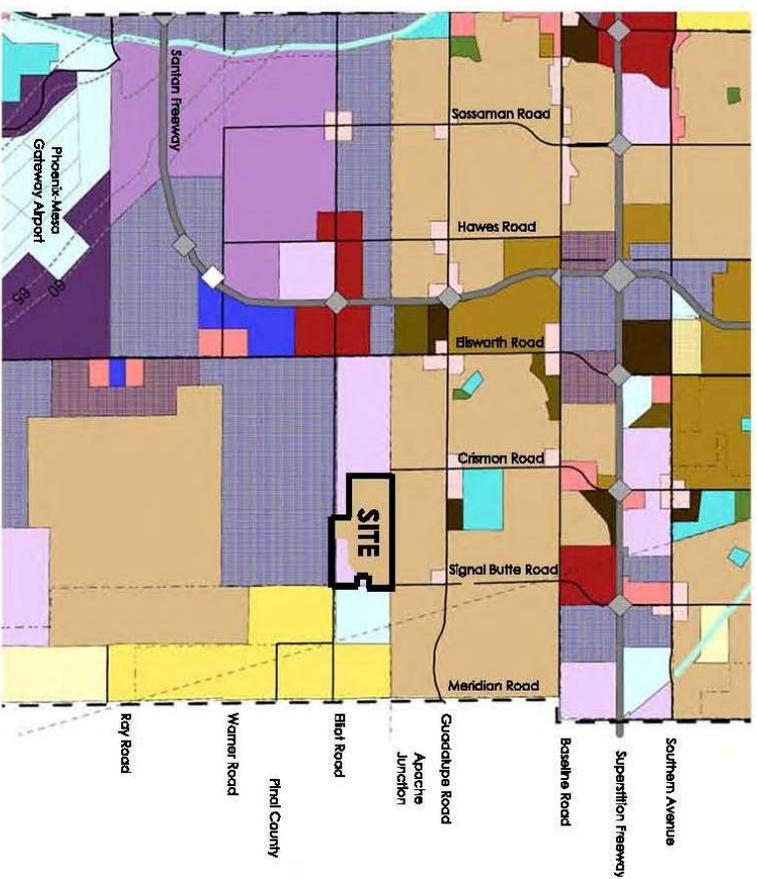
Request

- 262 acres located north and west of Signal Butte and Elliot Roads
- Change land use from BP to MDR 4 -- 6
- Basic impact: reduce the amount of land designated for employment use and increase amount designated for single-residence use

Land Use Comparison



City of Mesa 2025 General Plan
Existing Land use



Signal Butte & Elliot GPA
Proposed Land use

Conceptual Community Master Plan

Signal Butte & Elliot

COMMUNITY MASTER PLAN

DATE: APRIL 4, 2011



Legend

-  Medium Density Residential
4 to 6 Du/Ac
-  Business Park
-  Open Space
-  Amenity Node

Whome of Maso Limited Partnership LLP &
 Betty Brown and Warren D. Steffey, Trustees
 of the Red Estate Holding Trust,
 Dated:
 December 1, 1982

HADLEY
 DESIGN GROUP
 7015 N. 30TH AVENUE, SUITE 200
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 WWW.HADLEYDESIGN.COM



EXHIBIT H

Purpose

- City Council members provide the applicant initial comments or feedback
- Applicant can then consider input prior to making a follow-up and final submittal
- No staff analysis or recommendation at this time