

CITY COUNCIL STRATEGIC PLANNING SESSION

February 14, 2019

The City Council of the City of Mesa held a Strategic Planning Session at the Benedictine University – Community Room, 225 East Main Street, on February 14, 2019 at 7:33 a.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Jennifer Duff
Mark Freeman
Francisco Heredia
David Luna
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

None

OTHERS PRESENT

Pamela Slim

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

STAFF PRESENT

Jared Archambault
Scott Butler
Candace Cannistraro
Blaise Caudill
Mike Kennington
Kari Kent
Jill Kotsur
Natalie Lewis
John Pombier
Brian Ritschel

STAFF PRESENT (Cont.)

Alicia White

1. Mayor's welcome, introductions, and purpose of the Strategic Planning Session.

Mayor Giles welcomed Councilmembers and staff.

City Manager Christopher Brady explained the order of the Strategic Planning Session with items 2-a through 3-a concluding by 9:00 a.m., followed by a short break, and resume the meeting on item 3-b with moderator Pamela Slim.

2. Presentations and discussions relating to City operations:

- 2-a. Hear a presentation and discuss the City's forecast highlights including Mesa's financial and economic trends.

City Manager Christopher Brady displayed a PowerPoint presentation. **(See Attachment 1)** He commented that the presentation is a brief overview and staff will discuss a detailed budget at a future Council meeting.

Mr. Brady explained that the City's economy reached a peak in 2018 and revenues are trending in a slow decrease. He added that staff will monitor budget requests and suggested departments limit base budget increases on reoccurring expenses. (See Pages 2 and 3 of Attachment 1)

In response to a question posed by Councilmember Thompson, Mr. Brady replied that the spike in residential water consumption for FY 2017/18 is unknown, but he will have staff review. He added that as new subdivisions are being completed, the average consumption of water is significantly lower than past averages due to improvements in water efficient appliances. (See Page 5 of Attachment 1)

Mr. Brady pointed out that the growth for non-residential water consumption is higher than residential.

Mr. Brady remarked that further budget discussions regarding the Public Safety Personnel Retirement System (PSPRS) will continue so Council can determine the amount to address the increasing unfunded liability. (See Page 8 of Attachment 1)

2-b. Hear a presentation and discuss current national, regional, and local trends affecting the City including demographics and census information and the City Departments' key initiatives and projects.

City Manager Christopher Brady displayed a PowerPoint presentation. **(See Attachment 2)** He stated that the following overview are highlights of items that are coming up over the next 18 to 24 months.

In response to questions posed by Councilmember Thompson regarding the Public Safety Sales Tax Initiative, Mr. Brady replied that he agrees the City needs more officers than the approved 65 and emphasized that more officers will cover the same amount of area than what is currently covered. He pointed out that Police Chief Ramon Batista is working on a plan to address the increase of officers that includes the new substation. He noted that the new substation will help decrease response times in Districts 5 and 6. (See Pages 3 and 4 of Attachment 2)

In response to a question from Councilmember Heredia, Mr. Brady reported that discussion on the distribution of officers will come before Council within the next three to four months.

In response to a question posed by Councilmember Duff, Mr. Brady stated that due to the DROP program the City can forecast when officers are retiring.

Mr. Brady explained that the majority of funding from the 2013 Transportation Bonds has been allocated. He pointed out that the City's response to economic initiatives for major arterial improvements will be limited over the next couple of years. (See Page 5 of Attachment 2)

In response to a question from Councilmember Luna regarding a transportation bond request, Mr. Brady stated that the bond would be part of Council discussions and noted that the street sales tax is used for street maintenance. He added that a consultant and staff are working on a Smart City Master Plan that will come to Council in the future to assist with future street construction.

Mr. Brady pointed out that the Gilbert Road Light Rail extension will open in May 2019. (See Page 6 of Attachment 2)

In response to a question posed by Councilmember Thompson related to the City of Phoenix petition to stop future light rail construction, Mr. Brady stated that if the initiative passes it would affect the entire region.

In response to a question from Councilmember Heredia, Mr. Butler remarked that the referendum would stop the south-central light rail extension and other future programs.

Discussion ensued relating to light rail use and which station stops are used frequently.

Mayor Giles requested that Scott Smith, CEO of Valley Metro, attend a future Study Session to update Council on transit operations.

Councilmember Whittaker expressed the opinion that the City is underestimating the revolutionary change that autonomous vehicles bring which would decrease the cost of transportation.

Additional discussion ensued relative to implementing future infrastructure for transportation.

Mayor Giles suggested that Valley Metro include autonomous vehicles in their presentation.

Mr. Brady highlighted economic development and explained that workforce readiness starts in kindergarten and encompasses other items like attracting high-wage jobs. (See Page 7 of Attachment 2)

In response to a question posed by Councilmember Thompson regarding aging infrastructure, Mr. Brady stated that staff will address the future needs of development and growth while being aware of future costs. He added that infrastructure funding and planning include coordination with utilities.

Mr. Brady highlighted the Falcon Field District and Water Resources. He stated that the focus on water infrastructure is getting the water to the areas in need, in addition to implementing advanced metering infrastructure. (See Pages 8 and 9 of Attachment 2)

In response to a question from Councilmember Whittaker regarding the advanced metering infrastructure, Mr. Brady replied that the return on investment (ROI) for the infrastructure is currently being gathered and he will provide to Council at a future date. He added that having the data will provide more information to the customer, making them more aware their consumption.

Councilmember Whittaker suggested that staff research how volunteer workers can assist by adding additional data on water billing. He asked staff to consider LoRa Technology for internet use versus 5G.

Discussion ensued relative to 5G implementation, legislative deployment of 5G, investors, and municipal internet.

Councilmember Whittaker asked staff to identify residents without broadband and research providing municipal internet for low-income residents.

Mr. Brady provided an overview of Energy Resources and explained that staff is working with Salt River Project (SRP) to increase the solar energy portfolio. He noted that Environmental Management and Sustainability is looking at the future of the blue barrel program (recycling). He mentioned that for Neighborhood Services, the main focus is community engagement/outreach, what works and what does not in each of the Council districts. (See Pages 10 through 12 of Attachment 2)

In response to a question posed by Mayor Giles, Deputy City Manager Natalie Lewis reported that the Housing Master Plan Phase 1 (data gathering) is complete and is now in Phase 2, which includes public outreach and will conclude with a Council presentation in March or April.

3. Presentations and discussions relating to the City Council Strategic Priorities:

3-a. Hear a presentation and discuss the categories of the existing City Council Strategic Priorities (Community Safety, Transforming Neighborhoods, Placemaking, Skilled and Talented Workforce, and Sustainable Economy).

Deputy City Manager Natalie Lewis displayed a PowerPoint presentation. **(See Attachment 3)** She commented that historically for the Strategic Priorities discussion, staff has used broad categories to organize Councilmember's thoughts and ideas.

Ms. Lewis reviewed each category and the vision statement Council created last year (See Pages 2 through 7):

- Vision statement – Innovation is the Mesa Way
- Community Safety
- Skilled and Talented Workforce
- Placemaking
- Transform Neighborhoods
- Sustainable Economy

Mr. Brady clarified that the categories listed are the headings to use for discussion unless Council directs a change.

(A brief recess occurred at 8:40 a.m. The Council Strategic Planning Session resumed at 9:00 a.m.)

- 3-b. Participate in a facilitated discussion by the Council with the purpose of establishing a shared vision and direction relating to the City Council Strategic Priorities.

Mayor Giles introduced Pamela Slim, who would be facilitating the discussion on City Council Strategic Priorities.

Ms. Slim explained that the focus will be gathering ideas on what Council envisions for the City over the next one to two years.

Ms. Slim introduced graphic recorder, Sarah Spencer from 26 Letters Graphic Recording Studios.

Ms. Slim asked Council to address their focus within the strategic pillars.

Councilmember Whittaker thanked staff for the implementation of code compliance officers that resulted from the 2018 Strategic Planning.

Council's key initiatives for Community Safety:

- Data driven to determine where stations/units should be placed
 - Use community statistics more effectively
- City to receive a return on investment (ROI)
 - Call for a health checkup (City to send a bill)
 - Have a nurse practitioner available versus the response unit taking the individual to a provider
 - Community engagement officer
- Be aware of mental health issues of responders/officers
 - Health of individuals
 - Spread out work load
 - Keep count of calls
 - Age of retirement (average tenure)
 - Train on emotional intelligence
- Assisted Living response calls
 - Implement permitting and guidelines (Cost recovery comparison)
 - Explore options to engage with assisted living facilities
- Paratransit Service
 - Address transportation fees
 - Calls to facilities
 - Care and safety of workers
- Expand the engagement in the community
 - Add training and personnel to help connect (bilingual)
- Add more detectives
 - Address sex trafficking
 - Massage parlors
 - Review data
 - Dedicate resources

Council's key initiatives for Skilled and Talented Workforce:

- Work with the Economic Development Department
 - Provide Council with a forecast on future industry (aerospace and defense)
- Work with education institution to guide training with future industry
- Work with State Legislators to assist veterans with jobs
 - Match skills in lieu of education
- Diverse workforce
 - Partnerships with educational institutions
 - Attract higher education
 - Mesa achieves 60% of high school students to have two plus years of higher education by 2030
 - Councilmember Duff and Heredia return to Council with update
- Run statistics through Opendoor.com and City to recruit companies with higher wages
 - Research fast growing companies
- Place metrics showing if the City is successful
 - Utilize Census
- Focused issues
 - School district is largest employer
 - Most residents commute outside of Mesa
 - Examine total jobs (average income) and decide what the metrics should be
 - Connect with County regarding funding
- Contact Maricopa Associations of Governments (MAG) to retrieve transportation information on where residents commute and who works in Mesa.

Council's key initiatives for Placemaking:

- List of properties that need rehabilitation and/or security
 - Identify (maintain list)
 - Secure unsecure areas
 - Use heat maps on police responses and provide more officers in the areas where needed
- Work with communities to become more aware of resources and create coalitions to work within their community
- Create placemaking opportunities
- Transit options
 - Walkable connections
 - Canal paths – shared transport
 - Transit location
 - Connections to business districts
- Reach out to innovators
- Build and maintain safe parks
 - Provide paths for bikers and hikers
 - Neighborhoods to maintain parks
 - Research funding sources for park maintenance

Council's key initiatives for Sustainable Economy:

- Skilled workforce
- Housing issues
 - Urban density to increase by light rail
 - How to handle affordable housing
 - Be pro-active with staff and state housing
- Prepare for Proposition 500
 - MAG 2022 vote
 - Further study
 - Potential scenarios
 - Current data
- Transportation
 - Bus system to east Mesa
 - Younger generation not driving vehicles
 - Autonomous vehicles
 - Look at the region
- Protect current assets
 - Airport
 - Future housing
 - Highways
 - Light rail
- Be aware of utility rate increases

Discussion ensued relative to costs of building subdivisions, City expenses, and infrastructure.

Council's key initiatives for Transforming Neighborhoods:

- Historic Preservation
 - Leverage historical buildings
- Neighborhoods to get involved in downtown development business
 - Bring in students and businesses
- Work on Latino engagement
 - Involved in the 2020 Census
 - Become more engaged with technology
- Embrace Asian and other cultures in Mesa
- Use metrics
 - Facebook en español
 - Mesa application
 - Cultural mapping
 - Outreach to neighborhoods (quality of life)
 - Survey on needs and respond
 - Age diversity
- Potential different version of Imagine Mesa
 - Who are the constituents within Mesa
- Expand on programs that are working (code programming)
- Listen to constituents
- Focus on core competencies

Ms. Slim thanked Council and staff for their contribution to the discussions.

4. Closing remarks and discussion on the next steps relating to the City Council Strategic Priorities.

Mayor Giles suggested staff return to Council next month with a summary of the Strategic Planning discussions.

5. Adjournment.

Without objection, the Council Strategic Planning Session adjourned at 11:07 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Council Strategic Planning Session of the City Council of Mesa, Arizona, held on the 14th day of February, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

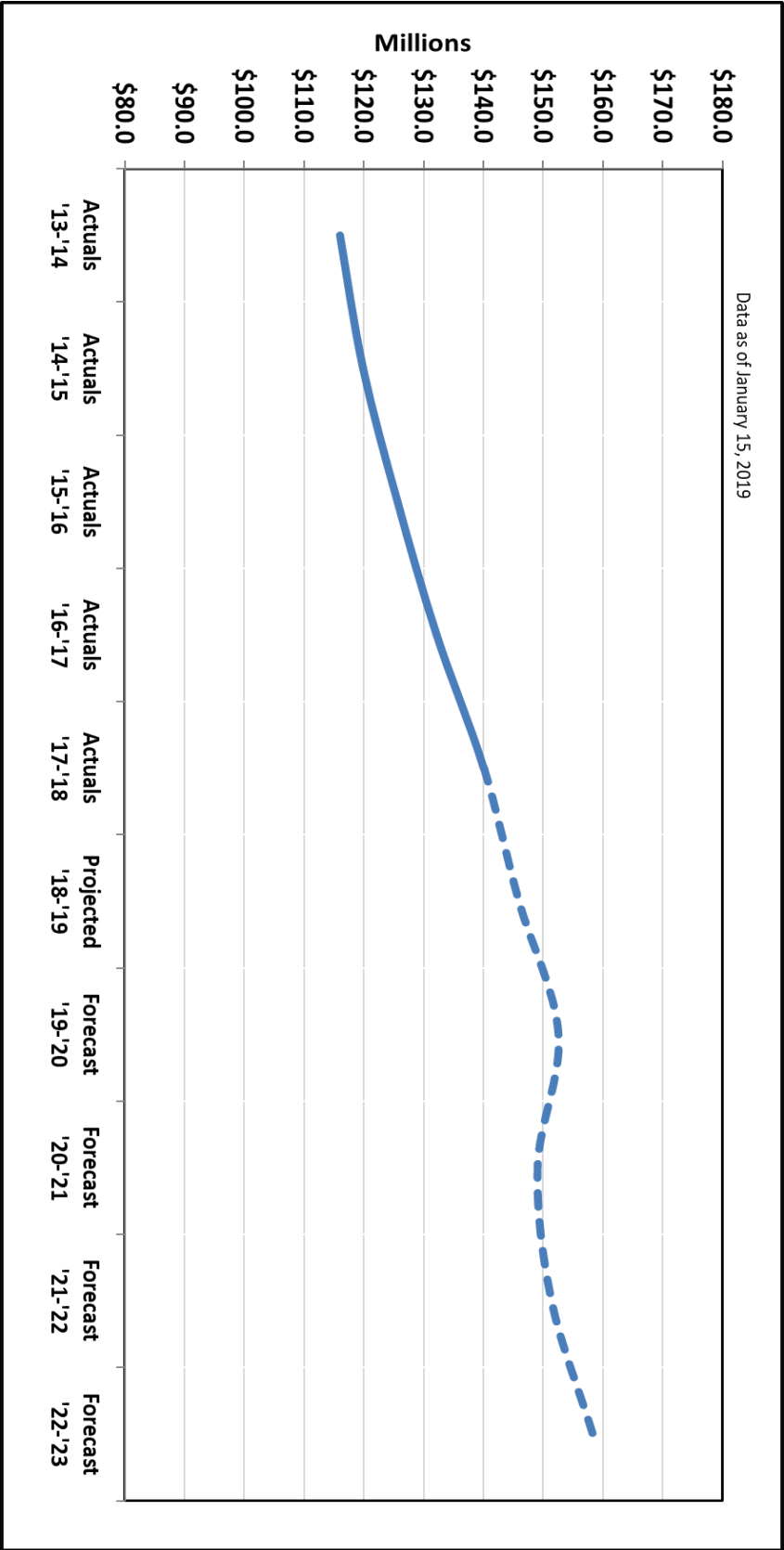
DEE ANN MICKELSEN, CITY CLERK

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(Attachments – 3)

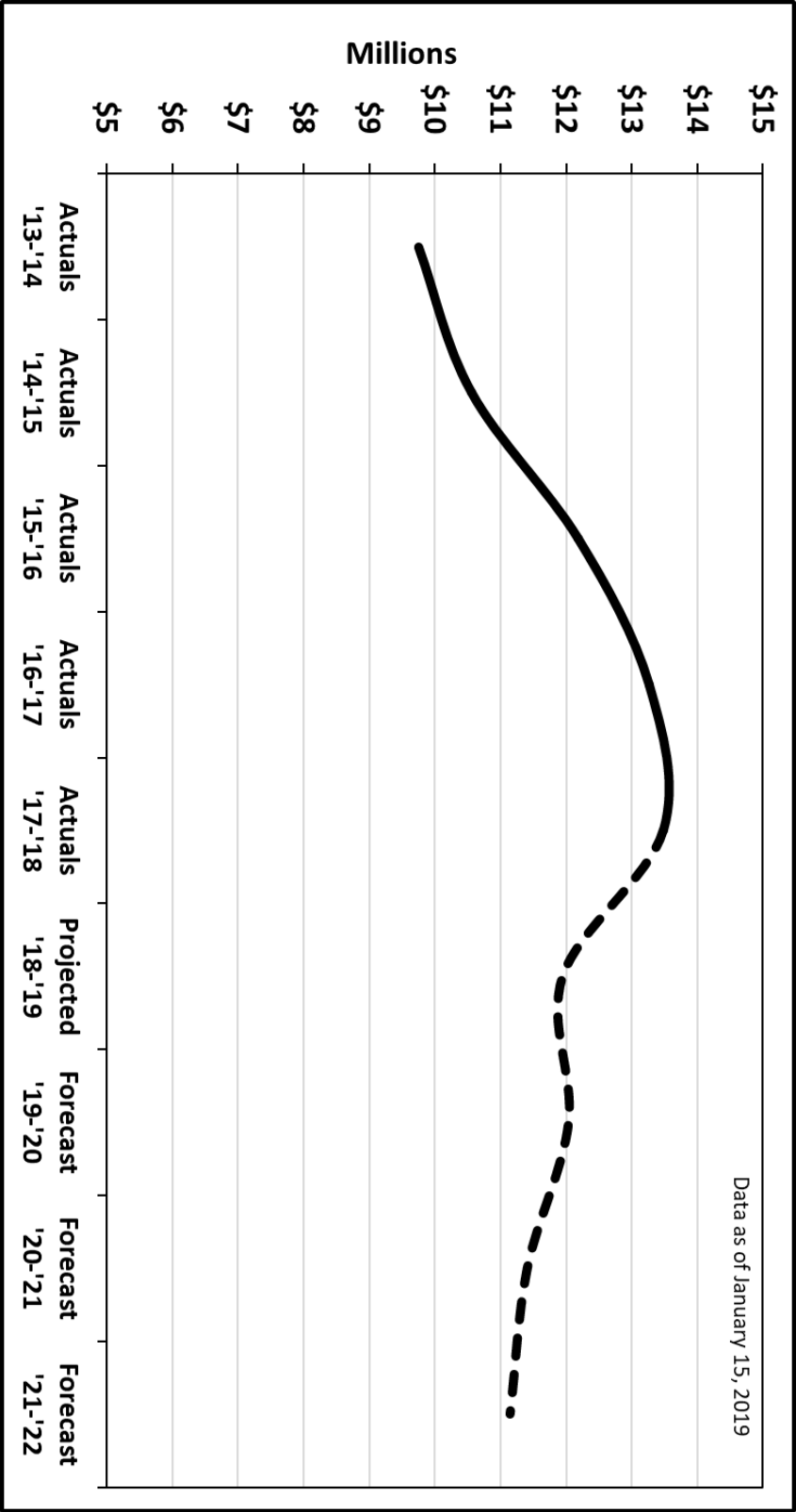
Financial Highlights

BRIAN A. RITSCHER, MANAGEMENT & BUDGET DEPUTY DIRECTOR

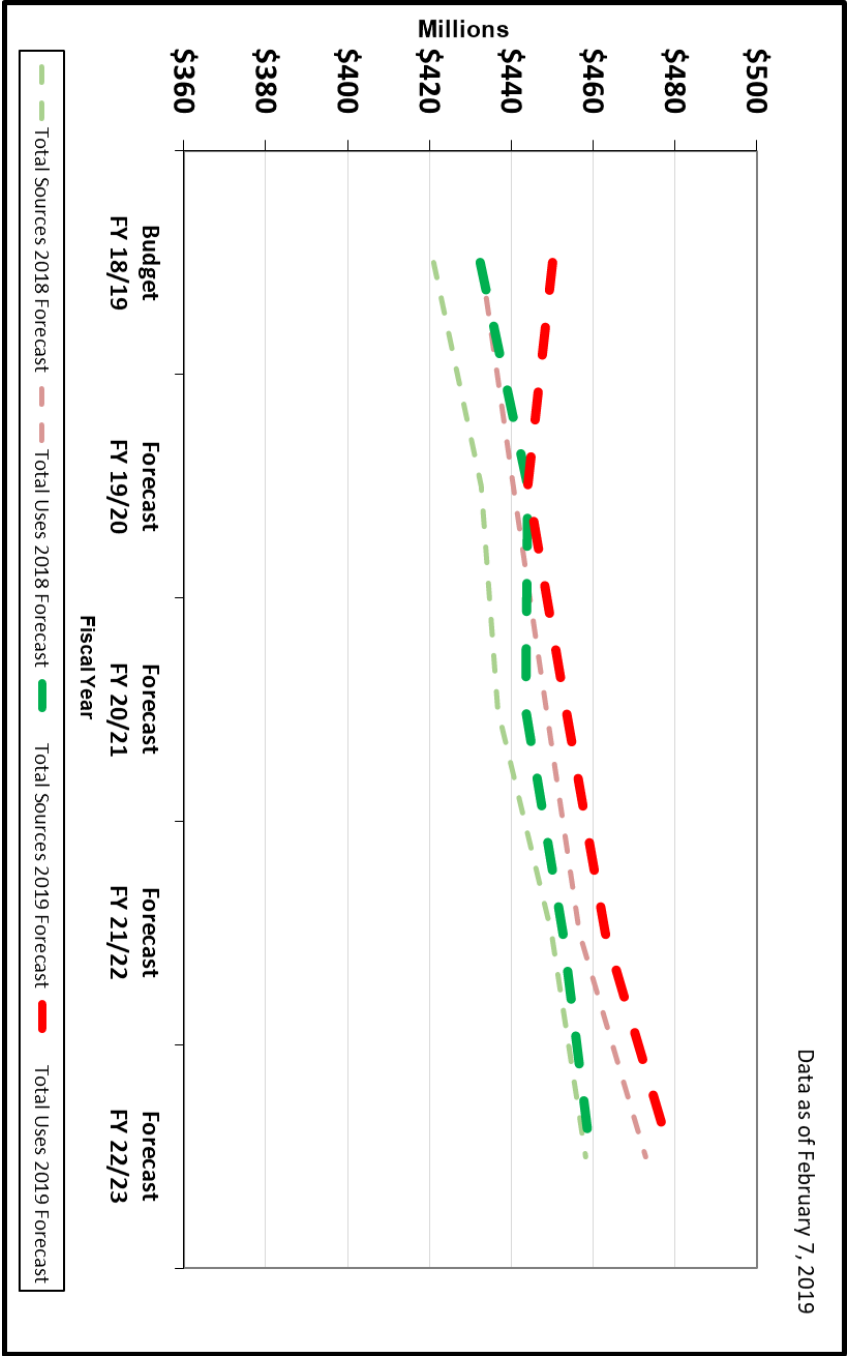
City Sales Tax Forecast



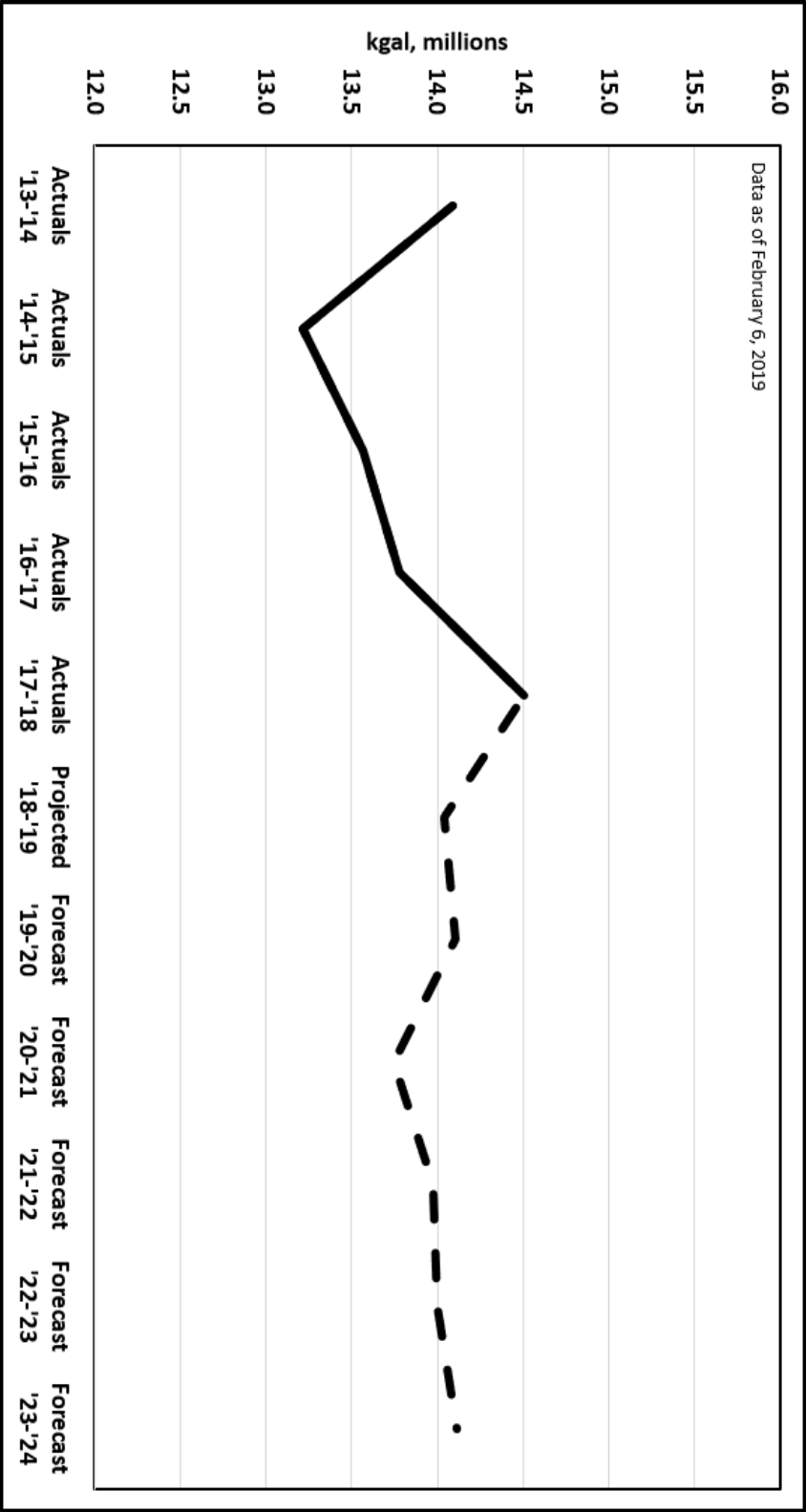
Permits Revenue Forecast



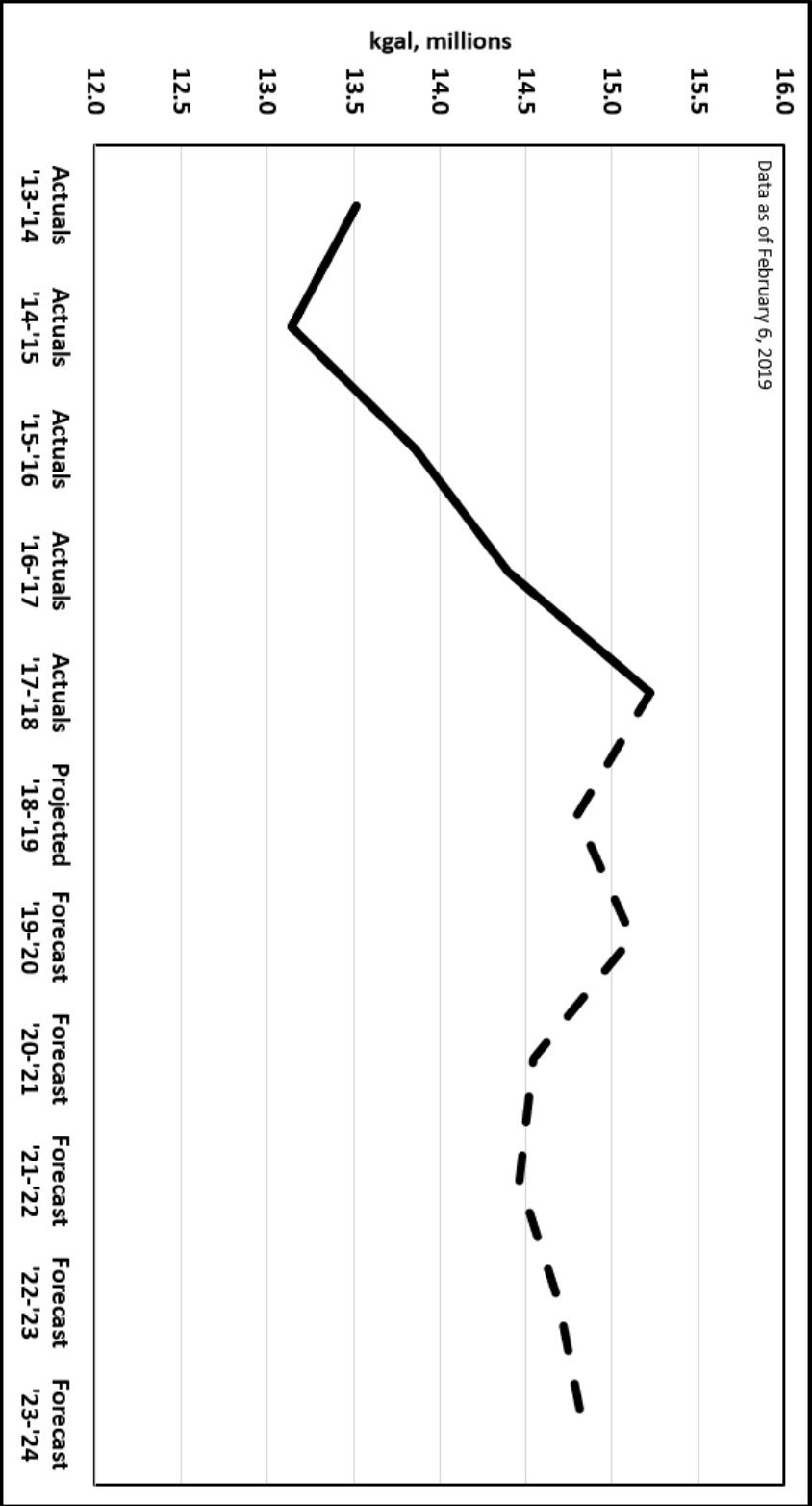
Forecasted Budget – General Governmental



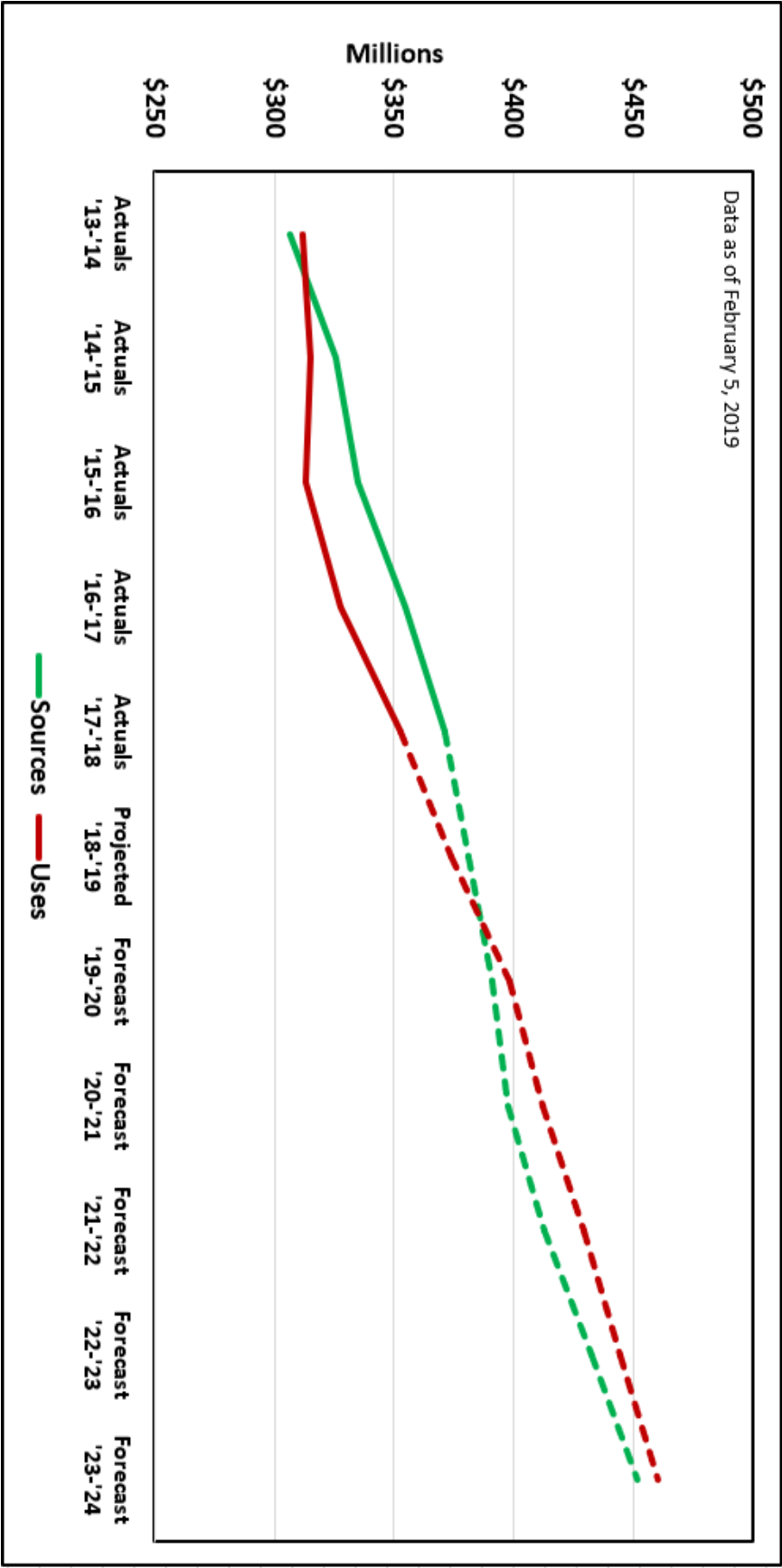
Residential Water Consumption Forecast



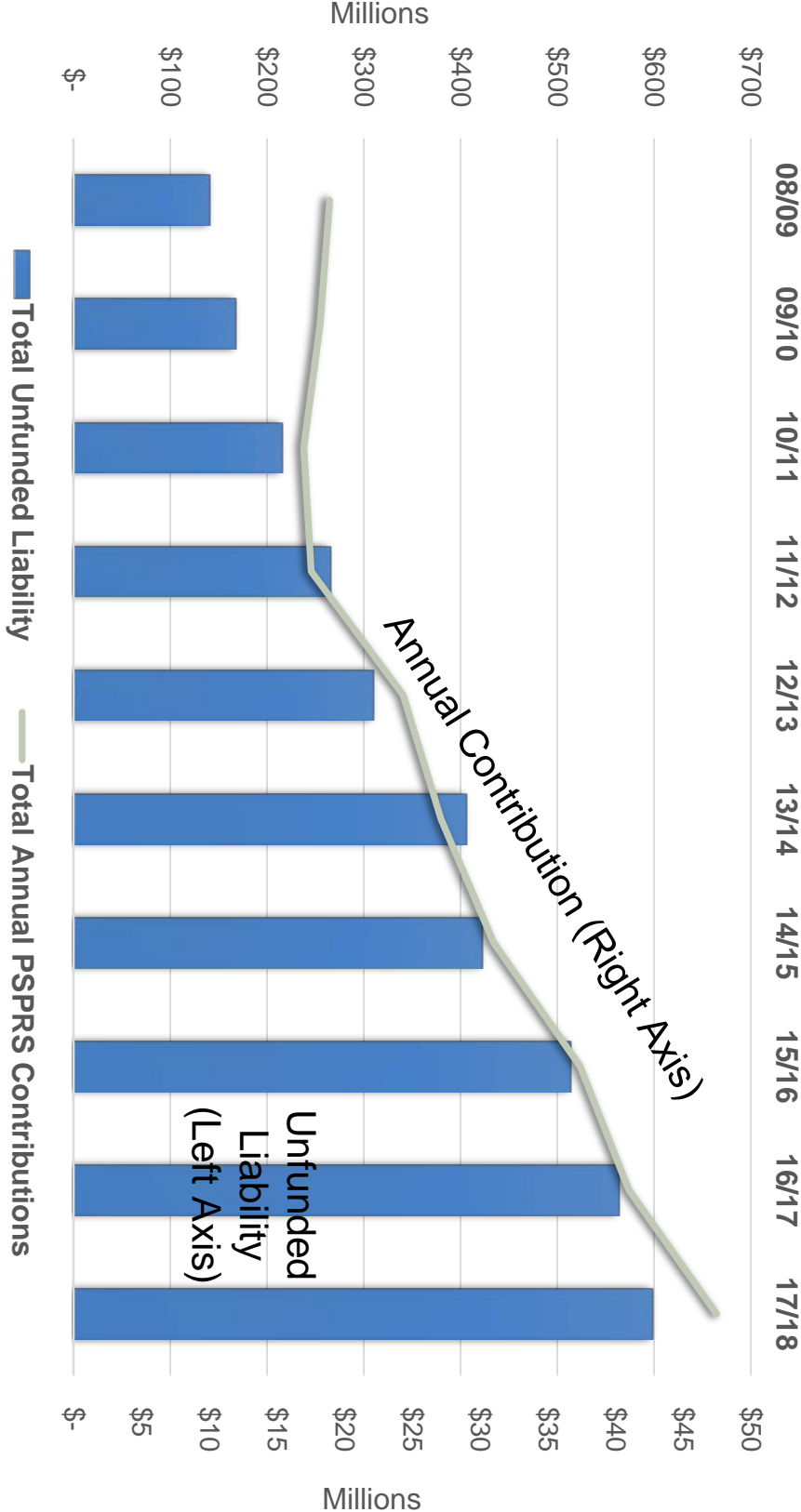
Non-Residential Water Consumption Forecast



Enterprise Fund Forecast



PSPRS Total Unfunded Liability and Actual Contribution - Mesa



National-Regional-Local Awareness

CHRIS BRADY, CITY MANAGER

American Community Survey 5-yr. estimates (Census 2020)

- Mesa Population (2019): 496,401
- Median Household Income: \$52,155
- Persons in poverty, percent: 15.8%
- Educational Attainment, percentage
high school graduate or higher: 87.7%
- Median Housing Value: \$187,900
- Total Housing Units: 206,406
- Percent households w/broadband
internet subscription 80.6%

Public Safety (Police)

- Identify and address public safety and quality of life issues.
- Increase awareness regarding community engagement and transparency.
- Deployment of new Computer Aided Dispatch and Records Management System.
- Implementation of Public Safety Sales Tax Initiative.
 - Additional positions will support a modern staffing model.
 - Project design and commencement of bond projects.

Public Safety (Fire)

- Staffing Model Implementation (Firefighter well-being)
- Emergency Medical Transport Services
- Implementation of new Computer Aided Dispatch system
- New Fire Station and Public Safety Facility

Transportation

- Future funding for major arterial improvements
- Proposition 400 extension for Maricopa County
- Streetlight Master Plan
- ADA Transition Plan for Public Right-of-Way
- Smart City infrastructure implementation

Transit

- Gilbert Road Light Rail Extension Opening
- Tempe/Mesa Streetcar Feasibility Study
- Realignment of Paratransit Service Area
- Fiesta District Alternative Analysis
- Proposition 400 Extension for Maricopa County (Nov 2020)

Economic Development

- Innovation District Development
- Collaborative coworking space
- Small-business, entrepreneurship support
- Attract high-wage jobs
- Downtown initiatives
- Workforce readiness
- Aerospace asset advantage

Falcon Field

- Master Plan Update
- Historic Zone Improvements
- Aeronautical job growth, focus on best and highest uses
- Self-sustaining enterprise fund

Water Resources

- Drought Management Plan Impact
- Greenfield Wastewater Resource Plant Expansion
- Advanced Metering Infrastructure (Smart Cities Initiative)
- Funding for infrastructure replacement
- Expansion of infrastructure to support growth

Energy Resources

- Integrated Electric Resource Plan
- Solar energy portfolio
- Smart grid infrastructure development

Environmental

- Food to energy modeling
- Future of recycling market

Neighborhoods

- Community Engagement/Outreach
- Proactive Code Compliance
- Neighborhood Leadership Support and Development
- Housing Master Plan
- Social Stability

Parks and Cultural

- 2018 Bond Project Implementation
- Dobson golf course partnership

Existing City Council Strategic Priority Categories

NATALIE LEWIS, DEPUTY CITY MANAGER

Innovation is the Mesa Way.
We deliver innovative services
and solutions for our residents,
visitors, and businesses large and
small, through:

Community Safety

Building communities that are safe, health and welcoming.

Skilled and Talented Workforce

Leveraging partnerships to create an enriching environment where the job skills required to succeed in today's economy are made readily available and easily accessible.

Placemaking

Cultivating vibrant and unique spaces, ranging from a city block to entire economic centers that attract and benefit residents, business and visitors.

Transform Neighborhoods

Mesa's neighborhoods are clean, safe, diverse, and economically vibrant places where residents and businesses are engaged, informed, and take pride in their properties and community.

Sustainable Economy

Striving for continued economic growth and increased prosperity for all Mesa residents.