

COUNCIL MINUTES

May 20, 2019

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 May 20, 2019 at 5:15 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

1. Review and discuss items on the agenda for the May 20, 2019 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of Interest: None.

Items removed from the consent agenda: 10-a

Councilmember Whittaker requested information regarding the total cost of the Capital Improvement Program (CIP) over the next five years.

Office of Management and Budget Director Candace Cannistraro and Office of Management and Budget Deputy Director Scott Butler provided a summary of the CIP over five years and indicated the total of \$496,672,000.

City Manager Christopher Brady explained the City Charter requires the five-year CIP be presented to Council each year. He mentioned that next year the subtotal of projects that have been authorized total \$227,851,885 and that is blending all CIP, for both the Enterprise Fund and General Fund. He stated the City has identified the funding for upcoming projects this year and the following five years. He said Council will have discussions in the Fall to identify projects for utilities and the needs and conditions for growth in the future. He pointed out funding would not be available until November 2021 if bonds are approved on the November 2020 ballot and that the City would not spend this full amount within the next five years.

In response to a question from Councilmember Whittaker, Ms. Cannistraro stated that Council will be approving the CIP, which is not approving individual projects, but identifying needed projects to be considered over the next five years. She added that the projects would come to Council individually during the various stages of design and construction. She explained that the CIP is an overall plan of the needs of the City and how we plan to meet those needs.

In response to a question from Councilmember Whittaker, Mr. Brady commented that the last utility bond election totaled \$560 million including the expansion of a major water treatment plant and wastewater treatment plant and was the largest bond package Mesa has had to date. He stated that the reason for such a large bond package was to plan for growth and expansion and upgrade systems. He added that he does not anticipate another package with that amount when Council has those discussions in the fall.

Councilmember Whittaker requested information related to a revised CIP since, according to Exhibit A, staff is requesting 1.84 billion, but comparing that to \$500 million in new bonds.

Ms. Cannistraro explained that this is a CIP outlining the needs of the departments and is updated every year when there is the possibility of a bond election. She added staff identifies all of the needs in the City in order to prioritize the needs as part of that pre-election process. She commented that staff will come back to Council in the fall to discuss individual projects and prioritize needs and estimate growth and capacity. She added that this is currently the best look into the next five years.

Mr. Brady stated that this CIP is an overstatement of what could ever be done and is probably not the best way to present it but is an unconstrained effort by departments to show all the needs in the next five years. He remarked that the simpler thing to do would be to zero out the CIP and Council can make a motion to do that. He said this is a planning document and doesn't affect authorization or debt burden.

Councilmember Whittaker clarified that he would like an accurate description of projects needed. If the average cost is \$100 million per year and it comes out to \$500 million, according to this document we need future bond authorizations of 1.03 billion, which is a 100% difference.

Mr. Brady responded by saying the items presented in the CIP are a placeholder for future discussions. He explained the intention of the Charter is to show the Council and the community potential plans and projects, and it will ultimately be the Council and the voters that will make the final decision on the projects and amounts.

Councilmember Whittaker stated the importance in determining the CIP for the next five years as it pertains to the Enterprise Fund and the amount transferred to the General Fund, because if there are not enough dollars in the appropriate account to fund capital expenditures then it becomes relevant. He added that if Council does not have an accurate estimate of what CIP expenditures are over the next five years, they cannot know what needs to be transferred from the Enterprise to the General Fund.

Vice Mayor Freeman expressed his approval for the CIP as presented as it increases his knowledge of potential projects and provides a framework for the next few years.

City Attorney Jim Smith outlined the City Charter requirement which states a list of all CIP projects that are proposed to be undertaken in the next five years be submitted to Council each year. He

explained the debate is which ones will be undertaken and suggested that a list be provided and approved.

Mayor Giles stated that the consensus is that the CIP remain on the agenda for a vote.

Mayor Giles thanked staff for the information.

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

2-a. 2020 Census Taskforce Advisory Committee meeting held on January 28, 2019.

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

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

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

Councilmember Thompson	American Natural Gas Association – Washington DC
Councilmember Luna	International Visitor Leadership – delegation visiting Mesa
Vice Mayor Freeman Councilmember Thompson	Special Olympics Baseball Closing Ceremony at Hohokam
Mayor Giles	Gilbert Road Light Rail Extension Grand Opening Mesa High School Baccalaureate
Councilmember Duff	Mesa Police Department Mental Health Fair at BENU Water Refill Station Launch - Main Library and Pioneer Park

4. Scheduling of meetings and general information.

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

Thursday, May 23, 2019, 7:30 a.m. – Study Session

Saturday, May 25, 2019 - Pool Season Open

5. Adjournment.

Without objection, the Study Session adjourned at 5:44 p.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 Study Session of the City Council of Mesa, Arizona, held on the 20th day of May 2019. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

Jg/dm