

COUNCIL MINUTES

June 9, 2016

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 June 9, 2016 at 7:32 a.m.

COUNCIL PRESENT

John Giles
Alex Finter
Christopher Glover
Dennis Kavanaugh
David Luna
Kevin Thompson

COUNCIL ABSENT

Dave Richins

OFFICERS PRESENT

Christopher Brady
Jim Smith
Dee Ann Mickelsen

Mayor Giles excused Councilmember Richins from the entire meeting.

1-a. Hear a follow-up presentation, discuss and provide direction on funding options including sales tax for the following:

1. Public safety staffing and equipment needs, and the associated costs
2. Higher education projects and the associated costs

City Manager Christopher Brady and Office of Management and Budget Director Candace Cannistraro displayed a PowerPoint presentation related to the Public Safety and Higher Education funding recommendation. **(See Attachment 1)**

Mr. Brady provided the background of the projects and indicated that this presentation was a result of Council's previous direction to staff to develop additional options that would provide increased funding for public safety needs. He recalled that in 1998, a Quality of Life Sales Tax was approved as a dedicated source of funding for public safety personnel, which currently provides approximately \$22.4 million per year. (See Pages 2 and 3 of Attachment 1)

Mr. Brady reported that the proposed funding recommendation is to increase the quality of life sales tax by .40%, which is estimated to provide approximately \$38.4 million annually, in order to provide funding for public safety projects, operations and higher education projects. He noted that, if approved, the new local sales tax rate would be 2.15%. (See Page 4 of Attachment 1)

Mr. Brady estimated that \$23.2 million of the annual funds would be available for public safety needs. He explained that during the early years while phasing in staffing for public safety personnel, staff proposes using the one-time remaining dollars for public safety projects and facility improvements. He added that after the eight-year phase-in of staff additions, a portion of

the sales tax will continue to support the ongoing public safety needs. (See Page 5 of Attachment 1)

Mr. Brady identified a list of potential public safety projects that could be funded by the sales tax, which may not qualify for bonds and would otherwise create a great impact on the General Fund. (See Page 6 of Attachment 1) He indicated that the growth in southeast Mesa is causing a strain on response times and advised that this funding could offer the opportunity to accelerate the construction of the Eastmark Fire Station. He noted that the land has already been identified, funds have already been committed by the developer for the apparatus, and that the sales tax could pay for staffing.

Mr. Brady reported that 58 sworn officers and nine support staff could be added over eight years. (See Page 7 of Attachment 1)

In response to a question from Vice Mayor Kavanaugh related to the positions included in the FY 16/17 budget, Mr. Brady clarified that the 58 positions would be in addition to the 12 already approved in the budget.

Mr. Brady continued by stating that the following operational needs have also been identified:

- Firefighters, Emergency Medical Technicians (EMTs), and paramedics to staff the next fire station
- Community Care Unit (CCU) staffing to improve response times
- Training resources

Mr. Brady provided a list of projects related to higher education. (See Page 8 of Attachment 1) He noted that at the request of Council, a reserve of 10% has been added to the cost for fluctuations in the economy. He estimated that \$15.2 million would be necessary to support most of the items identified on the list. He added that all of the projects would happen within the first year, excluding parking and possibly the Mesa Center for Higher Education project.

Mr. Brady provided the dates for the next steps as follows (See Page 9 of Attachment 1):

- June 20th – Deadline for Call for Election and approving the ballot language
- November 8th – General Election

Vice Mayor Kavanaugh thanked Mr. Brady and his staff for producing a positive package of public safety improvements that he believes is worthy of community approval.

Councilmember Thompson concurred with Vice Mayor Kavanaugh. He expressed his concern with adding only 58 sworn officers after the Police Department reported that they are short 94 officers. He requested that District 6 be accelerated over a five-year period, rather than eight years to phase-in personnel.

Mayor Giles thanked Mr. Brady for responding to the need for additional public safety funding that has been an issue for years. He stated that he can explain to the public that these are critical needs and this initiative will improve response times and education in Mesa.

Councilmember Luna commented that Mesa has experienced substantial growth and more public safety personnel is necessary. He noted that training is also important in order for the public safety personnel to be effective. He stated his appreciation for higher education and workforce

development. He added that the need for these projects outweighs any skepticism in raising sales tax.

Vice Mayor Kavanaugh suggested that this proposal provides a baseline but does not limit what the City can accomplish with public safety funding. He stated that Council and staff can perform an annual evaluation to determine if we have the capacity to go above what is dedicated.

In response to a question from Councilmember Thompson related to the debt service on this project, Mr. Brady responded that if all projects are financed, then the debt service would be \$13.8 million paid over 20 years.

Councilmember Thompson commented that keeping the CCU running is crucial and has proved that it saves money. He expressed concern that response times are rising, especially in District 6, and only 58 additional officers are proposed from the \$23.2 million dedicated to public safety.

In response to a question from Councilmember Finter related to adding more officers in the future, Mr. Brady explained that the challenge of hiring too many officers in one year is not having the necessary facilities and equipment to support the additional staff. He clarified that many of these items are ineligible for the bond package and come with high price tags. He advised that additional officers have been added each year since 1998.

Mayor Giles agreed that future Council's may be in a better position to dictate how many officers are added each year.

Mr. Brady recognized that the direction from Council was to add the public safety and higher education funding recommendations to the Regular Council agenda on June 20, 2016. He stated that Council would have the opportunity to discuss the item again at the Study Session on June 16, 2016, and City Attorney Jim Smith will be finalizing the ballot language to approve the .40% sales tax increase.

Mayor Giles thanked Mr. Brady for the presentation.

2. Information pertaining to the current Job Order Contracting projects.

This item was not discussed by the Council.

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

3-a. Museum and Cultural Advisory Board meeting held on March 24, 2016.

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

Mayor Giles declared the motion carried unanimously by those present.

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

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

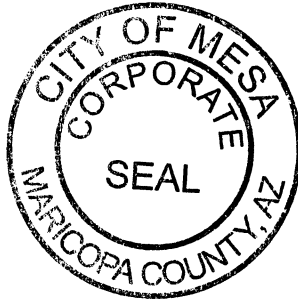
City Manager Christopher Brady stated that the schedule of meetings and general information is as follows:

Thursday, June 9, 2016, 8:00 a.m. – Public Safety Committee

Thursday, June 16, 2016, 7:30 a.m. – Study Session

6. Adjournment.

Without objection, the Study Session adjourned at 7:58 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 Study Session of the City Council of Mesa, Arizona, held on the 9th day of June, 2016. 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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(Attachment – 1)

Public Safety and Higher Education Funding Recommendation

City Council Study Session

June 9, 2016



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- On May 19, 2016 the City Council discussed funding options for both public safety needs and for higher education projects.
- City Council requested that staff develop additional options that would provide increased funding for public safety needs.

Quality of Life Sales Tax

The Quality Sales Tax Approved in May 1998 currently provides \$22.4m a year to support public safety personnel.

Proposed Funding Recommendation

- Consider an increase in the local sales tax by .40%.
- Estimated to provide \$38.4 each year.
- The adjusted sales tax rate would provide funding for public safety projects, operations and higher education projects.
- Proposed local sales tax rate would be 2.15%.

Public Safety Funding

- Estimated available funds for public safety is \$23.2m each year.
- Public safety projects and facility improvements would be funded in the early years of sales tax collections.
- Staffing additions would be phased-in over eight years.
- Ongoing revenues would fund personnel costs and support equipment and technology.

Potential Public Safety Projects

Determined by annual budget process

- Renovations for 708 Baseline/ Relocate Fire Fleet, Fire Admin., Fire Inspection
- Computer Aided Dispatch/Report Management System
- Eastmark Fire Station (If completion can be accomplished sooner than a future bond approval)
- Evidence storage
- Radios
- Drive track
- Dispatch consoles
- Renovations Central Police Department
- Renovations for Police Substations/ Fire Stations
- Breathing Apparatus, Cardiac Lead Monitors

Public Safety Operations

- 58 sworn officers and nine support staff over 8 years. (Subject to compensation schedules and sales tax collections)
- Firefighters/EMTs/Paramedics (Eastmark Fire/Medical Fire Station)
- Staffing to improve response times. (Firefighters and Community Care Unit staffing.)
- Training resources

Higher Education Projects

• ASU Leased Buildings	260,000 sq. ft. (approx.)
• Civic Plaza	10-12 acres
• Parking	300-500 spaces
• Ben U improvements	26,000 sq. ft. (approx.)
• Mesa Center Higher Ed	2 nd floor buildout
• Off Site Improvements	Utilities, streets
Estimated costs:	\$13.8m/yr
Add 10% Reserve	\$15.2m/yr

Next Steps

June 20, 2016

Call for Election

Approve Ballot Language for Sales Tax Question

October 24, 2016

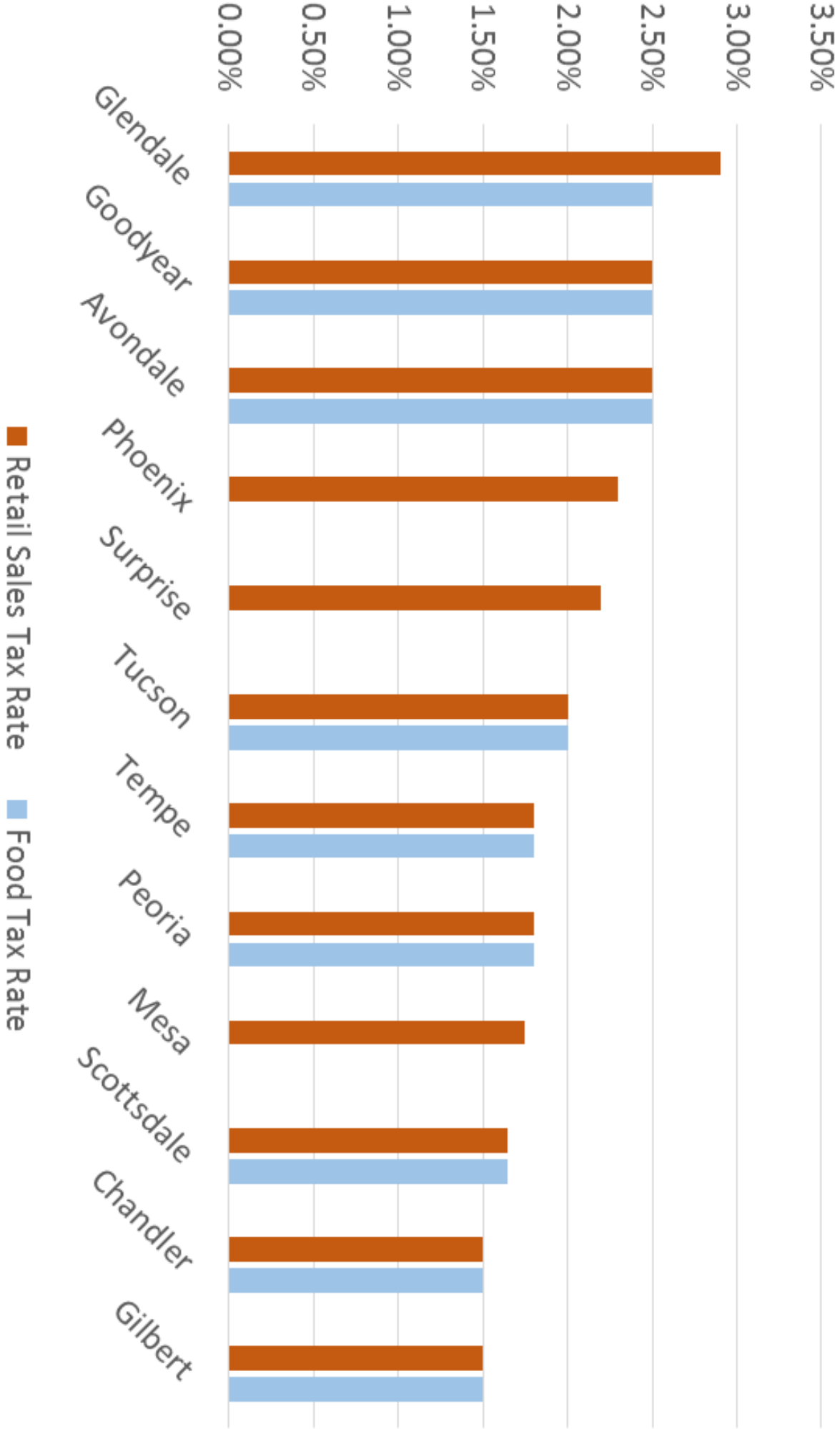
First Day of Early Voting

November 8, 2016

General Election

Municipality	Population	Local Retail Sales Tax Rate
Phoenix	1,537,058	2.30%
Tucson	527,972	2.00%
Mesa	464,704	2.15%*
Chandler	254,276	1.50%
Gilbert	239,277	1.50%
Glendale	237,517	2.90%
Scottsdale	230,512	1.65%
Tempe	172,816	1.80%
Peoria	166,934	1.80%
Surprise	126,275	2.20%
Avondale	79,646	2.50%
Goodyear	75,664	2.50%

Retail Sales Tax and Food Tax Rate Comparison



Higher Education Campus

Building A

Total Area: 82,500 square feet

No. of Floors: 5 – New Construction

Building B

Total Area: 103,000 square feet

No. of Floors: 5 – New Construction

Building C

Total Area: 60,000 square feet

No. of Floors: 4 – New Construction

Building D

Total Area: 18,800 square feet

No. of Floors: 2 – Existing IT Bldg



Parking

- SURFACE PARKING 250 approx. spaces
- SUB-SURFACE PARKING 300 approx. spaces
- OFF-SITE PARKING STRUCTURE
 - Option A 500 approx. spaces
 - Option B 500 approx. spaces



Benedictine Buildout

26,000 additional square feet



Civic Plaza

10 to 12 acres of public space

