



COUNCIL MINUTES

April 1, 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 April 1, 2019 at 5:00 p.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Jennifer Duff
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

Francisco Heredia
David Luna

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles excused Councilmembers Heredia and Luna from the entire meeting.

1. Review items on the agenda for the April 1, 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: None.

Councilmember Whittaker asked if items 6-d, 6-f, and 6-g could be placed on a future agenda. He stated that he had requested financial data from Chief Financial Officer Mike Kennington and has not received the data to review.

In response to a question posed by Councilmember Whittaker, Mr. Kennington reported that for the City to save the \$12 million on bond funding, certain steps are required for the bonds to be closed by the end of May, 2019 and notification to the investor within 30 days, due to the callable date of July 1, 2019.

In response to a question from Councilmember Whittaker relating to delaying the items to a future Council agenda, City Manager Christopher Brady replied that staff has scheduled times for presentations with rating agencies and set closing dates with the financial advisors.

In response to a question from Mr. Brady, Councilmember Whittaker commented that his request relates to the bonds by looking at the revenue source of the utilities and how the funding is being placed into a reinvestment fund for capital improvement projects (CIP). He noted that the bonds are used for CIP and he would like data regarding what the fund entails.

Mr. Kennington stated that the information had been sent to Councilmember Whittaker prior to the meeting that provided the fund balance for the Replacement Extension Reserve (RER) fund where the 2% annual revenues are placed into a fund that is shown on the Comprehensive Annual Financial Report (CAFR) at \$29 million.

Mr. Brady remarked that staff will continue to recommend approval of the items and that the items are not directly related to the RER.

Mayor Giles commented that Councilmember Whittaker can request at the beginning of the Council meeting to have the items removed from the consent agenda.

Mayor Giles stated that item #10-a was withdrawn by the applicant. **(ZON18-00689 (District 6) Within the 3200 and 3300 blocks of South Power Road (east side). Located north of Elliot Road on the east side of Power Road (9± acres). Rezoning from LI-PAD to RM-2-PAD-AF; and Site Plan Review. This request will allow for a multi-residential development. Brennan Ray, Burch & Cracchiolo, applicant; Garage Town, USA, LLC, owner.)**

2-a. Hear a presentation and discuss the fiscal year 2019/20 summary of the proposed budget.

Deputy Management and Budget Director Brian Ritschel introduced Management and Budget Director Candace Cannistraro who displayed a PowerPoint presentation. **(See Attachment 1)** He commented that the presentation is an overview of the City Manager's proposed budget for Fiscal Year (FY) 2019/20. He noted that the key financial sustainability is balancing the needs of today and preparing for growth.

Mr. Ritschel stated that one of the priorities for the City is innovation and included in the budget are data-driven decisions and services, such as a Crime Analyst and Geographic Information System (GIS) Specialists/Technicians. (See Page 3 of Attachment 1)

In response to a question posed by Mayor Giles, City Manager Christopher Brady explained that a GIS system shows assets such as the locations of City's parks, streets, and utilities.

Mr. Ritschel displayed a list of the new Police Department positions included in the budgets for FY 2019/20 and mid-year positions in FY 2018/19 and whether the salaries are funded through General Governmental or the Public Safety Sales Tax. (See Page 4 of Attachment 1)

In response to a question from Vice Mayor Freeman, Ms. Cannistraro reported that the civilian position is a combination of support, such as a civilian officer position handling paperwork for an investigation officer. She noted that detailed information will be brought to Council in the Police Department budget presentation.

In response to a question posed by Councilmember Thompson, Mr. Brady clarified that the total number of officers include civilian staff, however, they will be separated for budgeting purposes.

In response to a question from Mayor Giles, Mr. Brady replied that the mid-year implementation was in response to the light rail officer's initiative that occurred in FY 2018/19.

Discussion ensued relative to light rail patrols and police academies.

Mr. Ritschel highlighted the staff for the Fire and Medical Department and noted that the two Medical Response Units (MRUs) have been funded mid-year FY 2018/19 due to the implementation of the Public Safety Sales Tax on March 1, 2019. (See Page 5 of Attachment 1)

In response to a question posed by Vice Mayor Freeman, Ms. Cannistraro clarified that civilians are hired for the medic units (transport units) which is a current pilot program.

Mr. Ritschel reviewed transforming neighborhoods, SmartCity, and the 2020 Census. He noted that Census day is April 1, 2020 and that the City provided \$106,000 to the Maricopa Association of Governments (MAG) Census Regional Marketing Campaign in addition to \$50,000 to the Mesa 2020 Census Task Force for marketing, education, and community outreach. (See Pages 6 through 9 of Attachment 1)

Mr. Ritschel displayed the FY 2018/19 General Governmental expenses by department, FY 2019/20 proposed budget that includes a 3% step increase for eligible employees, and the one-time funding for the Fire Recruit Academy. (See pages 10 and 11 of Attachment 1)

Discussion ensued relative to the forecasted increase in revenues, economic correction, and the utilization of the reserve funding in FY 2022/23 due to the economic correction.

Mr. Ritschel highlighted the FY 2019/20 proposed budget for the Enterprise net sources and uses. He noted an increase in the reserve percentage due to a reduction in the capital transfer. (See Page 12 of Attachment 1)

Mr. Ritschel reviewed the budget process calendar with the start of department presentations on April 4, 2019 with final budget adoption on June 3, 2019. (See Pages 13 and 14 of Attachment 1)

Further discussion ensued relative to utility rate changes, annual adoption, and forecasting.

Mayor Giles thanked staff for the presentation.

2-b. Appointments to the Economic Development Advisory Board and the Transportation Advisory Board.

It was moved by Councilmember Thompson, seconded by Vice Mayor Freeman, that the Council concur with the Mayor's recommendations and the appointments (**See Attachment 2**) be confirmed.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Thompson-Whittaker
NAYS – None
ABSENT – Heredia-Luna

Mayor Giles declared the motion carried unanimously by those present.

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

3-a. Human Relations Advisory Board Meeting held on February 27, 2019.

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

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Thompson-Whittaker

NAYS – None

ABSENT – Heredia-Luna

Mayor Giles declared the motion carried unanimously by those present.

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

Councilmember Duff: WaterNow Alliance Annual Summit
 Falcon Field Airport Open House

Vice Mayor Freeman: Mesa Fire and Medical Department Picnic

5. Scheduling of meetings and general information.

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

Thursday, April 4, 2019, 7:30 a.m. – Study Session

6. 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 1st day of April, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

PROPOSED BUDGET OVERVIEW

FISCAL YEAR 2019/20

APRIL 1, 2019
CITY OF MESA

Presented by:

Candace Cannistraro, Management and Budget Director

Brian Ritschel, Deputy Management and Budget Director





The FY 19/20 Proposed Budget continues the City's effort to create and maintain a great place to live, work and play.

The key to financial sustainability is the balance between meeting the needs of today and preparing for the growth and opportunities of tomorrow.

Innovation

- Data Driven Decisions to ensure effective, efficient, and sustainable services
 - FY19/20 proposed budget includes:
 - Information Technology Engineers
 - Information Technology Analysts
 - Crime Analyst
 - GIS Specialists/Technicians
- Innovation Studios Building Remodel Design

Community Safety - Police



General Governmental

- Crime Scene Supervisors (2)
- Training Coordinator (1)
- Information Technology Analyst (1)
- Police Officer (4)*
- Risk management support (1)*
- Media Relations Specialist*
- 911 Operator/Dispatcher (5)*

Public Safety Sales Tax

- Sworn positions (17)
- Civilian positions (8)

**Implemented mid-year FY 18/19*

Community Safety - Fire and Medical



General Governmental

- GIS Technician (1)
- Fire Recruit Academy (\$800,000)
- \$1.5M placeholder for training/coverage
- Medic Units/Transport (8)*
- Parts & Supply Assistant (1)*

Public Safety Sales Tax

- 2 Medical Response Units
- (MRUs) (16 positions)*

**Implemented mid-year FY 18/19*

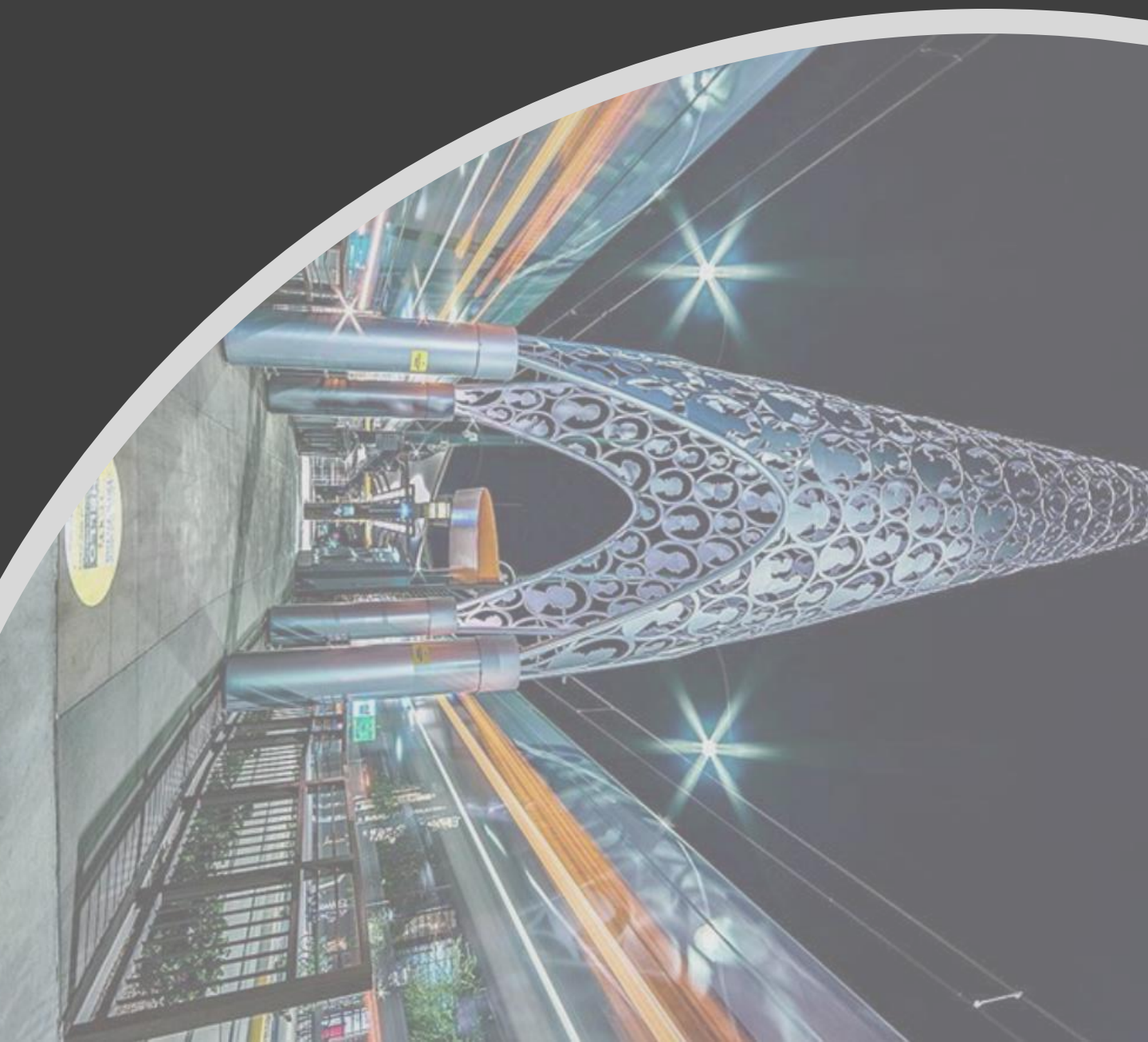
Transforming Neighborhoods

- **Neighborhood leadership program**
 - Provide neighborhood leaders/residents education on various resources
- **Identification and removal of illegal dumping on City property or right-of-way**
 - 2 new positions and related equipment in Transportation Department
 - Work in conjunction with the Code Compliance Office





- Streets
 - LED Street lights
- Facilities
 - Cooperative Energy Management Program
- Utilities
 - Advance Metering Infrastructure (AMI)
- Public Safety
 - Real-time Crime Center
 - Fire Service Analytics



2020 Census

March – April 2020 Self Response Begins and Postcards Mailed to Homes

April 1, 2020: Census Day

May – July 2020: Enumerators Visit Non-Responsive Homes

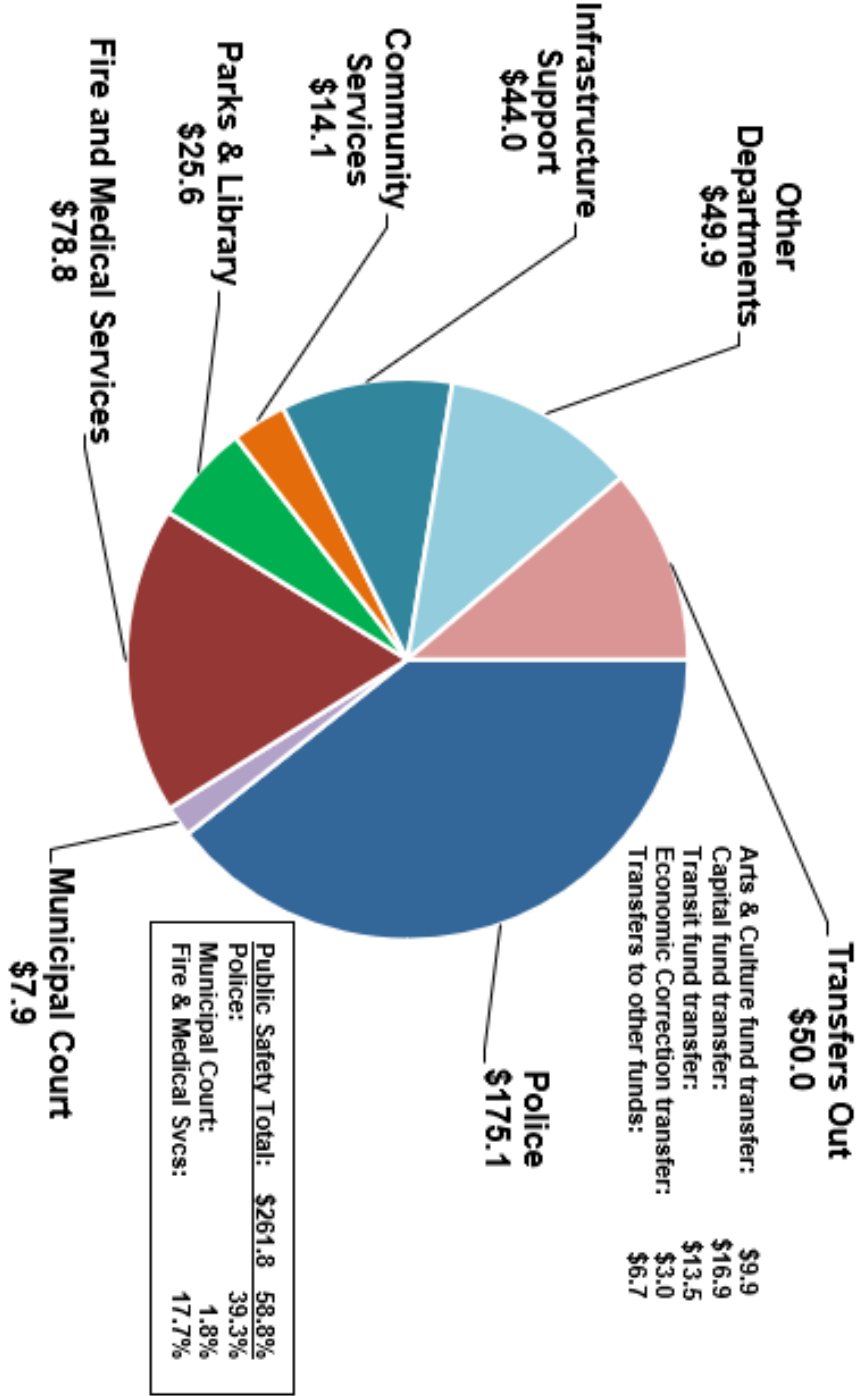
August – October 2020: Mesa’s Taskforce Disbands, Final Report to Council

2020 Census

**MAG Census Regional Marketing
Campaign (\$106,700)**

**Census Track Force, marketing,
education, and community outreach
(\$50,000)**

Fiscal Year 2018/19 General Governmental Funds Budget by Department \$445.4M*



*Excludes \$4.9M General Governmental Funds Carryover

Dollars in Millions

FY 2018/19 General Governmental Expenses

- Budget By Category**
- 70.2% Personal Services
 - 15.8% Other Services
 - 11.2% Transfers to Other Funds
 - 2.7% Commodities

City of Mesa

General Governmental Funds

(updated 3/28/2019)

FY 19/20 Proposed Budget

	Actuals FY 17/18	Budget FY 18/19	Projected FY 18/19	Forecast FY 19/20	Forecast FY 20/21	Forecast FY 21/22	Forecast FY 22/23
Beginning Reserve Balance	\$100.9	\$92.3	\$100.4	\$86.2	\$78.3	\$68.7	\$55.6
Total Sources	\$425.0	\$432.5	\$440.4	\$445.7	\$450.8	\$456.3	\$465.3
Total Uses	\$422.5	\$447.3	\$451.6	\$452.6	\$460.4	\$469.4	\$485.7
Net Sources and Uses	\$2.6	(\$14.7)	(\$11.2)	(\$6.9)	(\$9.6)	(\$13.1)	(\$20.4)
Future Economic Correction	(\$3.0)	(\$3.0)	(\$3.0)	(\$1.0)	\$0.0	\$0.0	\$7.0
Ending Reserve Balance	\$100.4	\$74.6	\$86.2	\$78.3	\$68.7	\$55.6	\$42.2
Ending Reserve Balance Percent*	22.1%	16.4%	19.0%	17.0%	14.6%	11.4%	8.4%

Dollars in Millions

*As a % of all Next Year's uses of funding

Note: Includes economic correction beginning FY 20/21

Enterprise Net Sources and Uses

FY 19/20 Proposed Budget


	FY 17/18 Actuals	FY 18/19 Budget	FY 18/19 Projected	FY 19/20 Forecast	FY 20/21 Forecast	FY 21/22 Forecast	FY 22/23 Forecast
WATER	\$12.0	(\$3.8)	\$2.7	(\$4.8)	(\$2.6)	(\$9.5)	(\$11.4)
WASTEWATER	\$2.4	(\$1.6)	\$4.0	\$0.9	(\$0.7)	\$3.7	\$5.8
SOLID WASTE	\$2.6	(\$0.9)	(\$0.2)	(\$0.9)	(\$0.1)	(\$0.1)	\$1.3
ELECTRIC	\$2.7	\$0.9	\$2.3	\$1.2	\$0.3	(\$0.5)	(\$0.6)
NATURAL GAS	\$2.8	\$1.4	\$3.8	\$2.4	\$1.9	(\$1.1)	(\$1.0)
Subtotal: Utilities	\$22.5	(\$4.0)	\$12.6	(\$1.2)	(\$1.2)	(\$7.5)	(\$6.0)
DISTRICT COOLING	\$0.4	\$0.4	\$0.4	\$0.3	\$0.3	\$0.2	\$0.2
CONVENTION CENTER	(\$1.5)	(\$2.0)	(\$2.0)	(\$1.9)	(\$1.3)	(\$1.6)	(\$1.8)
GOLF	(\$0.3)	(\$1.0)	(\$0.7)	(\$1.2)	(\$0.8)	(\$1.0)	(\$0.8)
CUBS SPRING TRAINING	(\$0.7)	(\$1.6)	(\$1.3)	(\$1.2)	(\$1.5)	(\$1.3)	(\$1.3)
HOHOKAM-FITCH	(\$1.6)	(\$1.2)	(\$1.2)	(\$1.2)	(\$1.2)	(\$1.3)	(\$1.3)
Subtotal: Other Enterprises	(\$3.7)	(\$5.3)	(\$4.8)	(\$5.1)	(\$4.6)	(\$5.0)	(\$5.0)
TOTAL NET SOURCES AND USES	\$18.8	(\$9.3)	\$7.9	(\$6.3)	(\$5.8)	(\$12.4)	(\$11.0)
Beginning Reserve Balance	\$92.7	\$111.5	\$111.5	\$119.4	\$113.1	\$107.3	\$94.8
Ending Reserve Balance	\$111.5	\$102.3	\$119.4	\$113.1	\$107.3	\$94.8	\$83.8
Ending Reserve Balance Percent*	29.9%	25.9%	30.3%	27.9%	25.3%	21.6%	18.5%

*As a % of Next Fiscal Year's Expenditures

Dollars in millions


Budget Process Calendar


 **April 2** FY 18/19 Proposed Budget Overview

 **April 4** FY19/20 CIP Overview
Fire and Medical

 **April 11** Police

 **April 15** Environmental Management & Sustainability
Development Services

 **April 18** Water Resources
Energy Resources

 **April 25** Code Compliance
Transportation
Transit
PRCF

Budget Process Calendar Continued


 **May 2** Community Services

Library

Arts and Culture

 **May 7** Introduction of Utility Rate Ordinances

 **May 20** Adoption of Five-Year Capital Improvement Program
Tentative Adoption of Annual Budget

 **June 3** Public Hearing on Annual Budget and Secondary Property
Tax Levy
Final Adoption of Annual Budget

 **June 17** Adoption of Secondary Property Tax Levy



April 1, 2019

TO: CITY COUNCILMEMBERS

FROM: MAYOR JOHN GILES

SUBJECT: Appointments to Boards and Committees

The following are my recommendations for appointments to City of Mesa Advisory Boards and Committees.

Economic Development Advisory Board – Nine-member board including the new appointee

Christopher Nickerson, District 6. Mr. Nickerson is the Director of Business Development for Banner Health. He holds a Master's degree in Healthcare Administration from the University of St. Francis and a Masters in Audiology from the University of Northern Colorado. Mr. Nickerson volunteers his time with Paz de Cristo, Central Christian and Habitat for Humanity. Mr. Nickerson's appointment will be filling a vacancy created by the resignation of Richard Warren. His partial term will expire June 30, 2021.

Transportation Advisory Board – Eleven-member board including the new appointee

Georgina Marin, District 4. Ms. Marin is an Emergency Preparedness Planner at the Maricopa County Department of Public Health. She formerly worked for the AZ Department of Fire, Building & Life Safety. Ms. Marin has a Master of Arts degree in Homeland Security from American Military University. She is an active volunteer with the Boy Scouts. Ms. Marin's appointment will be filling a vacancy created by the resignation of Amanda Abou-Eid. Her partial term will expire June 30, 2019.