



Minutes City Council Issue Review Session September 18, 2008

Minutes of the Tempe City Council Issue Review Session held on Thursday, September 18, 2008, 5:30 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman
Vice Mayor Shana Ellis
Councilmember P. Ben Arredondo
Councilmember Mark W. Mitchell
Councilmember Joel Navarro
Councilmember Onnie Shekerjian
Councilmember Corey D. Woods

Mayor Hallman called the meeting to order at 5:33 p.m.

Call to the Audience

Arlene Chin, Vice President of the Tempe Community Council (TCC) Board of Directors, re: Item #2. Ms. Chin introduced Woody Wilson, current Co-Chair of the Enhancement Committee which serves as the governing body of the agency review process. This committee prepared the \$115K request for supplemental funding for a number of community service agencies with an emphasis on basic needs. She relayed the appreciation of the Executive Committee of the TCC Board of Directors to Council for their unwavering support of human service funding needs. The supplemental request was predicated on the hope that City funds might be available for additional human service funding as in previous years. The original request was submitted in December of 2007 and a list was submitted to Council on April 4, 2008. They were aware that these recommendations as well as the supplemental recommendations would be added to the other budget requests. Financial challenges facing the City have recently become clearer, however. All the human service agencies for whom the Enhancement Committee recommended funding are in need of additional resources, particularly those that address basic needs. They recognize that, in this budget cycle, resources may not be available to fund the submitted supplemental request. She thanked Council for any consideration for supplemental funding. TCC has not asked for the supplemental funding to be reconsidered and they recognize all budget decisions are the responsibility of the City Council and TCC will support whatever decision is made. They reaffirm their commitment to their partner agencies in support of their efforts to serve our shared community. They also support the Mayor and Council and trust their leadership in this difficult decision.

FY 2008-09 General Fund Contingency Budget Plan

Staff will discuss with Council the ongoing development of contingency plans to deal with a projected FY 2008/09 shortfall in General Fund revenues.

DISCUSSION – Presenter: City Manager Charlie Meyer

Charlie Meyer summarized that at the previous Issue Review Session, the \$2.7M contingency items were discussed and he had asked to return to Council this week with the sales tax estimates. As previously indicated, at this point the City's sales tax is down by 8.8%. That can be extrapolated out to \$7M, so staff is using the range of \$3M to \$7M.

Mr. Meyer has met with the management staff to develop strategies. The general fund is composed of personal services at 80%, which is a combination of payroll and benefits. In order to address an issue in the \$3M to \$7M range, it is necessary to look at the potential that the cost factor associated with personnel would be between 75 and 100 positions (depending upon the kind of positions) to provide a \$5M to \$5.75M offset. As he said last week, in addition to looking at this kind of situation, a lot of decisions have been made by pushing off some costs into the future. Those costs don't go away and will need to be adjusted. Staff is trying to move to something that would be more fiscally sustainable over the long term. In the last economic downturn between 2002 and 2004, 102 general fund positions were eliminated. In the time that followed when revenues recovered and funds were coming in, 112 positions were added. Staff has suggested looking at a stable level of employment that the City can always afford - regardless of upswings and downswings in the economy.

Mayor Hallman clarified that Council undertook a different kind of hiring during the upswing. Of those 112 positions, 88 were police officers and firefighters. The City moved toward public safety in that mix, and what is remaining after the last downturn is a balance of only 24 new positions. Many departments had to keep things very tight and a good number of those 24 positions were revenue-neutral which means they were positions added because there were charges associated with them by the private sector so they were essentially paying for themselves.

Mr. Meyer added that in the last cutback cycle, it was also Council's policy and support of public safety to exempt public safety positions from the cutback.

Mayor Hallman clarified that 102 positions were taken out of every other part of the City, but that didn't include other non-general fund positions which were approximately another 30.

Mr. Meyer further clarified that in general terms, about half of the general fund positions would be public safety and the other half would be non-public safety. One recommendation is to establish a policy that helps avoid these kinds of swings in the workforce. During the last downturn, the City put together a retirement incentive plan to reduce staffing, but there is a cost associated with that and for every \$2 saved, there's a cost of \$1. If there were a level of staffing derived by Council policy to stay roughly in this range, it would be conceivable to ride out any economic upturns and downturns without having to go through the process of adding and deleting. Council knows that most of the revenues are stable, but sales tax is highly cyclical and makes up 60% of the budget. If a lot of people are retired, we reduce through attrition, but we bring on new people as time allows, we

train them, and then we go through another cycle. It is very cost inefficient. It would be better to find ways of taking up that extra in some other form, perhaps through contracting, so we have a core base of employees. If there is additional work to do, it might be contracted out.

Mayor Hallman added that contract people have been used for Engineering and Development Services rather than hire permanent employees. He clarified that staff is suggesting figuring out how to reduce the general employee base a bit over time and then maintaining it at that level and as we can staff up, using contract based employment rather than permanency.

Mr. Meyer added that other discussions could be held to determine what else could be done in years where there is healthier revenue in terms of stabilizing. For example, different ways to fund capital projects could be examined and what we borrow for and what we don't borrow for. Staff does not have an answer on what that policy should be, however. The City has other financial policies and a policy could be developed around those. Staff believes that in order to be sustainable in the short term and in the long term, we need to be positioned at about 100 positions less in the general fund.

Mr. Meyer continued that the third recommendation is, if we are working toward the level of employee base that is long term sustainable, we might consider using some available surpluses, particularly the rainy day fund, to get us there. The rainy day fund would be used to get us to a level where we don't need to use a rainy day fund or surplus any more. It can be used only one time. If some positions need to be carried to a point where a retirement incentive can be used to pay for it, for example, it would get us to a level of staffing that we can sustain over the long term and those rainy day funds have been invested. A dollar can be spent only once unless the rainy day fund is replenished.

Mr. Meyer added that, conversely, he would recommend not using any more surpluses to fund ongoing services on the premise that it will be paid back out of sales tax because there isn't that much additional growth in sales tax even if it gets back to the levels of a year ago. The City is heavily sales tax reliant. If there are other sustainable revenue sources to look at, then they should be explored. Staff felt that layoffs, in particular, should be used as a last resort, and that attrition should be the way to reduce staffing. An employee committee is looking at work weeks, but the department managers feel strongly that the City work week shouldn't be reduced if it is going to result in reduced services. By November 6th, staff should have definitive recommendations, and it is possible that staff will return to Council before then for an interim update. It is important to involve employees; staff is in the process of developing a way for all employees to make suggestions. An initial meeting has been scheduled with the employee organizations. At some point, ideas will have come forward and will need to be discussed with the employee groups. Staff will meet next week to determine how to do that.

Mr. Meyer continued with prioritized criteria for considering ideas for evaluating suggestions and he asked Council for feedback as soon as possible. Ideas include examining cost recovery, reorganization, reduction in force, reduction in overtime, and benefit issues. Another category would include using available reserves to provide a permanent solution and outside agency funding. The last category would include layoffs and reduced work week.

Mayor Hallman added that during the last downturn, the process was started in April of 2001. The finance

committee handled it and developed similar recommendations. Those recommendations were adopted by October. In this instance, we held our own until July of 2008. In some ways, we are several months ahead of the game from what we experienced in 2001 because our revenues were not quite constant but were about 1.2% down from the prior period ending June 30th. It is the July and August numbers that have alerted us. We didn't get to this stage until September of 2001, and then the attacks on the nation also exacerbated what we had to do. It is important to keep in mind that in the last downturn (over the period of time beginning in the Fall of 2001), 133 positions had been eliminated through retirements and attrition. The mix of staffing has been changed since then. There were 112 positions added back, but a huge part of those are public safety. There is a smaller remaining staff in non-public safety positions from which to draw these kinds of reductions. Since it is 75 to 100 positions, he asked if there is any hope we can look at non-general fund positions that need to be paying back the general fund? He further asked about the timing.

Mr. Meyer responded that he wasn't sure of the timing. Staff thinks there will be suggestions that will come forward that will take a year to implement and there are others that could probably be implemented in a short time period. These are big policy issues. If we're looking at compensation and benefits, agencies that we fund, and restructuring of the City, he would like to be in a position by July of 2009 to say we are at sustainability. If we aren't there at that point, we will still know for sure how we are getting there. We will also be starting the 2009 budget process soon. Staff will develop ideas but they may not be completed sorted by November 6th.

Mayor Hallman summarized that staff working groups will be created to work on these processes of reorganization, human resources, and financial revenues. They will also take the ideas left on the table from the Ad Hoc Long Range Budget and Finance Planning Committee to see if there is anything else that could be pulled out. Staff will return by November 6th with an array of opportunities to achieve these reductions with the least amount of pain to our employees, residents and businesses.

Mr. Meyer clarified that, short of definitive recommendations, categories of ideas will be developed. These will show ideas really worth pursuing, and ideas on which there are some cautions. From a process standpoint, three "skunkworks" teams will be created. These groups will work on getting the ideas on the table, and then staff will work with employee groups, employees, and Council.

- Reorganization - looking at ways to reorganize the City to result in a more efficient operations and a reduction of workforce. Chris Anaradian will lead that team.
- Human Resources – evaluating employee benefits, overtime, compensation, human services. Tom Canasi will oversee that team.
- Financial Revenue – looking at things ranging from contracting out work, agency funding, revenue opportunities, and financial restructuring. Ken Jones will lead that group.

The concept of not having the Human Resources and Financial Services Managers leading those groups is to allow someone to look at these issues fresh. The Finance and Human Resources staff will be heavily involved, but the idea is to have someone lead who is not the content expert and to pull in the resources.

Councilmember Shekerjian asked for clarification on "reducing executive benefits."

Mr. Meyer responded that one example is the executive leave program. It would be something that would be symbolic more than budget-saving because if the department manager, for example, had one less week of leave, the City doesn't save any money, at least not in the short term. Car allowances are also given to department manager positions, but those are given in lieu of a car or mileage. The idea is that the department managers felt it was important to step up and say this is not something we're going to do on the backs of our employees, but that whatever pain there is, they will participate.

Councilmember Shekerjian suggested looking at some of the Council expenditures for the same reason, such as travel and events.

Vice Mayor Ellis added that currently the City is operating under a policy that open positions aren't filled for a certain period of time. She understood that this would be through attrition. What will we do between now and when the decision is made on November 6th? Will positions still be filled?

Mr. Meyer responded that the soft and hard freezes discussed previously are in effect. He isn't ready to say that the positions that are permanently eliminated are the positions that are vacant today. That can be counterproductive. Obviously, the way to reduce through attrition is take the vacancies as they arise. We take the reorganization and determine what positions should be eliminated over the long term then seek to eliminate those positions and relocate those people to another part of the organization where a vacancy occurs. The opposite of that is as vacancies come open, we try to move people from other parts of the organization to fill the more critical spots. His approach right now is to look at both approaches. Both have validity.

Mayor Hallman clarified that the soft freeze was implemented on April 10th, and the hard freeze was implemented at the last meeting.

Mr. Meyer added that staff is engaged in this and they realize that we have to pull together to get through this rough time, so there will be no rush to fill positions.

Vice Mayor Ellis asked if the recent "\$2.7M in additional contingencies" includes the TCC funding.

Mr. Meyer responded that it does.

Councilmember Woods noted the concept of reduced work week and asked why that would go under the "last resort" category.

Mr. Meyer responded that it was put there because that was the consensus of the department manager group. He has created another work group that is looking specifically at that issue. There are many who would find this a great benefit. His concept is not to look just at a reduced work week, but also for ways to save both the City and the employees money on gas cost. Department managers are very concerned about a shorter work week. For example, Queen Creek reduced its work week by one day and extended its hours on four days a week. They also reduced employee pay at a commensurate level, and that's how they achieved a budget reduction from a reduced work week. There was concern by department managers that the public would not be adequately served if we were to shut down one day a week. The other factor is that 60% of the City's workforce

is already on some form of alternative work schedule. Closing down City offices one day a week only affects a minority of the number of employees, but staff is still looking at that.

Mayor Hallman noted the item about outside agencies. There are really two kinds of outside agencies: those who rely on the City for funding and those that are Tempe-related organizations. Also, there are third-party regional agencies. He suggested developing a policy that requires the City to audit the agencies that receive funding and are Tempe-associated agencies to see how those funds are expended. Concerning the regional agencies, Vice Mayor Ellis represents the City on the RPTA Board, he serves on the Valley Metro Rail and MAG, Councilmember Shekerjian will now be handling GPEC, Councilmember Mitchell is on the League of Cities and Towns, etc. We should be suggesting that they be applying the same kind of processes and policies as the City for fiscal accountability. To the extent they are unwilling to do that, we should be looking at our ability to fund them if those policies and procedures were in place. There are outside agencies that have been giving their employee groups significantly larger increases than our employees have been receiving and they are not undertaking employment hiring freezes among other fiscal policies the City has put in place. We need to be looking at what our share of the expenses are and maybe adjust it accordingly. While other agencies are free to spend as they like, we ought to be free not to fund that type of profligate spending.

Councilmember Woods asked if those agencies have tiers of membership so that the City could drop down a couple of levels.

Mayor Hallman responded that some do and we ought to look at those. During the GPEC discussion, it was discovered that ASU has been playing a large role in participating at high levels for \$35K per year, while the City pays almost \$60K. He would ask staff to look at all the outside agencies where we don't have controlling decisions and at least look at their fiscal policies. For the agencies we do control, staff should come back with a policy of how we will audit them appropriately on a rotating basis.

Mr. Meyer clarified that Council's response is that staff is not too far off track in terms of either the general direction or some of the specific ideas.

Mayor Hallman clarified that Council has not given direction with respect to the \$115K supplemental request. That can't get funded unless there is direction by Council with a formal vote.

Vice Mayor Ellis suggested agendizing it on the Formal agenda for a vote.

Councilmember Shekerjian had a concern with City departments and some City services taking a hit as a result of giving money to an agency that already has \$150K in a bank account they could use for these times. While a formal vote is fine, she had concerns and she would be voting no. She does support human services, but this is not the time to be asking for \$115K when there is money in the bank at the agency.

Mayor Hallman added that he is trying to raise \$262K for the agency and its partner agencies. He invites all councilmembers who want to have the City write a check to join him in that effort. Vice Mayor Ellis is already going to be running in the half marathon, and Councilmember Shekerjian participated last year. It takes a lot of effort to raise that kind of money, and he would be delighted to have everyone help.

CONSENSUS

- Agendize \$115K for TCC on Formal Council Agenda for 10/2/08.
- Consider setting fiscal policies to be applied to outside agencies to which the City contributes,
- Proceed as presented.

Follow-up Responsibility: Charlie Meyer

Presentation of Committee Scopes of Work

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenter: Mayor Hugh Hallman

Mayor Hallman summarized that after the Council Summit, he pulled together a list of Council Committees. Some of the committees are more fully described because we have had more experience with them and some were more generalized because they are new. For example, the Housing Committee contains more new things and the Neighborhood Parks Rehabilitation & Maintenance Committee contains a lot of new things. The Sports, Recreation, Arts & Cultural Development Committee is a new effort to recognize the unique niches we have been doing well with, but it has not been done collectively. The goal of the added working and sub-committees is to use these as brain-storming sessions to identify areas where we are not achieving what we would like to achieve or areas where we have some opportunity. Use those groups to create sub-work plans that the staff can help put together. The Mill & Lake District working committee, for example, is an opportunity to tie the two together.

Vice Mayor Ellis clarified that the Mayor expects them to come back within a certain time period with the work plans.

Mayor Hallman agreed and asked that they be brought to IRS for Council approval.

Mr. Meyer suggested that staff needs to be working with the Councilmembers to ensure that staff is supporting the committees through the Council and that Council is sure that staff is supporting the committees through the Council, and that a particular staff member is supporting them so that agendas get done and follow-up work between meetings gets done. There was also a discussion at the Summit about creating measurable objectives and goals that feed back into the work plans.

Mayor Hallman clarified that the City Manager and staff are requested to consider the areas of interest with the Councilmembers serving on each committee and determine how best to assign staff to those committees., and to work together to create work plan that are consistent with the approach from Summit. Identify measurable objectives and goals on which to evaluate Council's and staff's efforts. The goal is to end up with clear objectives that Council committees will pursue with staff.

Mr. Meyer asked that if that is not happening, he would like to know quickly.

Councilmember Shekerjian suggested involving the boards and commissions. She asked for a listing of the

boards and commissions from the City Clerk to see which ones might be appropriate to have representation at the committees. That might help to achieve a more consistent way of doing things.

CONSENSUS

- Committees to develop work plans with assistance of staff members as needed.
- City Clerk was directed to provide the Committees with a listing of all Boards and Commissions to determine how they can fit with the Committees.

Follow-up Responsibility: Jan Hort

Aviation Commission

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Tempe Aviation Commission (TAVCO) Chair Duane Washkowiak

Duane Washkowiak summarized that this has been an ongoing issue. Throughout the CIP budget there was a theme of quality of life. What is being impacted relative to the airport is the Tempe residents' quality of life. The residents who live in the flight path expect that the issues will be addressed with the City of Phoenix. Back in 2007, TAVCO identified several items to be examined by the Council, but when there is no budget, there might also be no focus.

Mr. Washkowiak summarized some of the history. The side-step maneuver basically means that the planes come directly over runway #3, therefore, the side step issue is not something the City can deal with and the FAA has declared it to be an unsafe procedure. There are enough political connections so that those issues can be addressed, but that requires support from the Council. Noise study is in the budget to address noise issues relative to monitors. Another issue is verification calibration. Perhaps calibrating some of those monitors on a joint basis would help to address the issue. He added that when a citizen files a complaint, a letter is generated to the offending airline. From there, however, there is no requirement for the airline to do anything. There are some issues that could be addressed in a joint fashion, such as multi-family and noise mitigation programs through the FAA. FAA does not fund those types of programs for those types of properties. Perhaps political pressure could be applied to address those issues. Concerning environmental impacts and particulate matter, the more traffic generated at Sky Harbor, the more impact on the citizens of Tempe.

Mr. Washkowiak suggested developing a policy statement against a fourth runway. The same things that occurred with the third runway will occur with the fourth runway. Because of the lack of leadership at the State level, perhaps the Council could be forward-thinking and do some things in getting that discussion going. Consideration is being given to a new Part 150 study. It is not funded yet and the initial phase is beginning. It may have the impact of reducing the current noise, but it will do nothing to resolve the other issues. In the future, we should open up some partnerships to address these issues on an ongoing basis. He is disappointed with the performance on these issues. We need to do a better job.

Mayor Hallman suggested that in regards to the issues listed, maybe funding is not as big an issue as getting the right desires lined up and starting to execute some political approaches to solutions. The issues of sound-proofing multi-family and public buildings could be addressed through the FAA. The Transportation Secretary

comes from Arizona and there might be some connections that could help get that policy changed. He felt that everything listed could be put into the Transportation Committee's scope of work. They have as their basic scope to "monitor activities of Sky Harbor Airport and airlines, and ask full compliance with Tempe's adopted program for aircraft over-flights, including noise reduction programs." They can then develop tasks to accomplish that. One of the approaches Council is trying to take is to make sure that there is an immediate connection between each commission and the appropriate Council committee, so at the next TAVCO meeting, he suggested identifying the right person who would then attend the Transportation committee meetings and start to develop the work plan.

Councilmember Shekerjian suggested talking to the Arizona Multi-housing Association and have them give some backing to the multi-housing issues.

Mr. Washkowiak added that the issue is funding.

Councilmember Shekerjian added that there might be political support.

Mayor Hallman added that the FAA policy currently precludes the use of noise mitigation money for multi-family housing or public buildings. For example, Scales School and Laird School are under the flight path and neither of them has received the type of noise modifications that they could otherwise receive.

Oddvar Tveit added that the City of Phoenix has announced several times that they were going to renew the Part 150 study. They wrote a letter on pressure from TAVCO to the FAA asking about expanding the noise mitigation program and they said that regulations allowed them to expand their program. The feedback received by TAVCO was that there are no restrictions to improve the new Part 150 from the airport that includes. Currently it is put off until 2011.

Mayor Hallman summarized that we have the person who is chairing that committee, we have the connection with TAVCO, and we can get those policy listed and start moving forward.

CONSENSUS

Staff was directed to work with the Aviation Commission, the Council Committees, and political support agency to pursue policy changes.

Follow-up Responsibility: Tempe Aviation Commission

Bus Service Changes

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Public Works Manager Glenn Kephart; Transit Administrator Greg Jordan

Glenn Kephart announced that in less than 99 days, the light rail will be opening. As a result of that, it was important to look at the existing bus routes and make substantial changes. Staff has been working with the public to get comments on this since May of this year. The most notable routes are Route 81 that runs on McClintock and Route 40 that runs through Tempe to the airport.

Greg Jordan stated that there are 11 proposed changes. There has been an extensive public involvement process that drove these recommendations. If approved, these changes will take effect on December 29, 2008, in coordination with light rail opening to revenue service. In advance of that, there would be extensive public outreach campaign to make sure everyone is fully aware of the changes.

The four key routes are:

- **Red Line/Route 40**
The light rail effectively replaces the Red Line. The question was whether or not Route #40 would extend to the airport. Input from the community was that it was an important connection to maintain.
- **Route 81**
Historically, this route serves McClintock and Hayden Drive in Scottsdale and comes to downtown along University Drive. With the light rail station at McClintock and Apache, staff feels it would be acceptable to have a transfer from #81 to the light rail to get into downtown. The travel time, even with the transfer, is quicker for people to get downtown during peak times. There are also advantages for through-riders, those coming from the north and south and not downtown.
- **Route 56**
This route serves Priest Drive, staff is recommending that people transfer to light rail at Priest and Washington. The trip into downtown from there would be comparable to the bus time and in some cases it would be quicker. It also situates #56 for future expansion and integration with Phoenix and Scottsdale.
- **Route 76**
This route would be an effort to provide transit service to the Playa del Norte residential area and more direct connection to the light rail station at Rural and University.

The remainder of the route changes involve relatively minor adjustments to coordinate with light rail.

Councilmember Shekerjian added that she had been concerned with how the changes would be communicated to the residents who use the bus on a regular basis, as well as making sure the changes were described on the bus when the new services were in place.

Mr. Jordan responded that an intensive communication campaign will be held. The most important aspect of that will be significant notices on the buses. Posters will be put on the buses, notices will appear on the website, and there will be press releases.

Vice Mayor Ellis asked if Phoenix is also conducting a communication campaign.

Mr. Jordan responded that Phoenix is also conducting a campaign.

Mayor Hallman asked about Routes 40. There is an overlap with Route 30, which begins and ends on the east side along the light rail line. It seems duplicative of light rail line. There is a segment from the cutoff on Apache Boulevard at Dorsey that runs across University where there might not otherwise be service, except for Orbit

service in that area. Route 40 follows Route 30 all along University which is duplicative. Where is someone going to get on Route 40 that they couldn't otherwise access another element of the transit system? It appears it is only merely operating to benefit getting people in and out of the airport. While light rail is supposed to be benefiting the airport, it was ultimately constructed so that it doesn't go through the airport, but regardless, there is a transit station at 44th Street that is to eventually have a people-mover that would transport people into the airport. Wouldn't it be better to work with Phoenix to add some dollars from Tempe to create that connector more frequently from the light rail line down to the airport and make that the larger service corridor? Some residents are not yet anticipating that light rail will be there so they just want to make sure Route 40 is in place, but he would hope that after light rail is open, staff would come back and get a better expectation of what we are serving there.

Mr. Kephart responded that it was in the plan for Route 40 to continue to downtown Tempe, and the cost to run it through the airport is in the range of \$800K to \$1M per year. Currently, there is heavy usage of the Route 40 to the airport. They don't know exactly what will happen after light rail opens, but the public said they would like it to run to the airport. Staff could initially do that and gather data and see if it is cost effective to continue that.

Mayor Hallman added that it could also undermine light rail's success. He would ask that it be revisited in the future and evaluate why people who are riding it are not riding light rail. He suggested that staff return to Vice Mayor Ellis' Transportation Committee in the future to re-examine the Route 40 bus.

Vice Mayor Ellis asked when the people-mover is due to be reality.

Mr. Kephart responded that it is scheduled for 2013. Currently, there is a shuttle.

CONSENSUS

- Proceed as recommended.
 - Return to Vice Mayor Ellis' Transportation Committee in the future to re-examine the Route 40 bus.
- Follow-up Responsibility: Glenn Kephart

Veterans' Memorial

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Veterans' Memorial Committee members Joe Spracale and Don Cassano

Don Cassano summarized that the reconstitute Veterans Memorial Committee and some changes to the design that we are considering. The Committee was started in 2004 and was first charged to develop a design for the memorial. He showed the initial design which was approved by Council. Since that time, the Committee has been charged with a new design concept. The site finally selected for the memorial was the area in front of the old Ash Avenue bridge abutment. This concept would use the entire approach and the abutment for the memorial. The concept for the approach represents the armed services in different sections along the bridge. The Committee is charged with looking at how that abutment and approach might look. This will be done through community outreach and the committee will return to Council when a design is developed for input and a final selection. This needs to be done so that fundraising can begin. The Committee has worked with the Rio

Salado Foundation to develop a fund raising program. The Foundation will raise the funds. The Committee will raise community dollars that would go toward the construction of the memorial. He asked for direction.

Mayor Hallman clarified that the Committee would like to go forward with the process of creating the community outreach to get consensus among the community members on the approach to a memorial using the Ash Avenue alignment and bridge abutment for a welcome center and then bring that consensus to Council for final approval so the fund raising can be launched.

Mr. Spacale added that although Council previously accepted a memorial, the current committee really didn't approve of the memorial. The committee would like to go back out and re-examine this and develop something that would be for all branches of service. This proposed area would keep the memorial where it should be at Tempe Beach Park. He added that the committee meets on the second Monday of each month at the Tempe School Credit Union at 7:30 a.m.

Mayor Hallman thanked Mr. Cassano and Mr. Spacale for their long commitment. He is grateful that so many interested citizens have been recruited to serve on the committee to move this forward.

CONSENSUS

- Proceed with community outreach program.
- Develop concepts and return to Council at future IRS.
- Proceed to develop and update memorial concept.

Follow-up Responsibility: Veterans Memorial Committee

Citizens Oversight Panel Ordinance

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Assistant Police Chief Brenda Buren; Assistant Police Chief John Rush

Brenda Buren summarized proposed changes to the Tempe Citizens' Panel for Review of Police Complaints and Use of Force ordinance. This panel was pursued by the Police Department in the late 1990's and was established by ordinance in July of 1999. This was pursued in an attempt to get more community involvement with the Police Department with day to day operations, and secondly, to continue to promote confidence within the Police Department by ensuring a mechanism for citizens to be involved in the review of police incidents and citizen complaints. The role of the Police Department is contingent upon the confidence of the community, so this has been a great panel and much has been accomplished. It is now recognized that there are some changes that need to be made to improve the panel.

There was consensus to move forward.

CONSENSUS

Proceed as presented.

Follow-up Responsibility: Brenda Buren

Enterprise Zone Expansion

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone; Economic Development Specialist Micah Miranda

Chris Salomone summarized that a public hearing is scheduled for tonight at the Formal Council Meeting regarding the annual Enterprise Zone application. This year it also includes an expansion.

Micah Miranda summarized that the City of Tempe Enterprise Zone was originally established in 1999 and was subsequently re-established every five years. The primary function of the Enterprise Zone program is to improve the economies of depressed areas through two methods: (1) state income tax credit on net new employees hired within the zone; and (2) property tax reclassification. The proposed expansion is an additional 3.75 square mile area.

Mayor Hallman noted that the expanded area doesn't really include a large portion of commercial/industrial space.

Mr. Miranda responded that the area is south of Baseline, west of Rural, which is a heavily industrial area where high density employment can take place.

Mayor Hallman asked if it includes the county island.

Mr. Miranda responded that it excludes the county island.

CONSENSUS

Proceed as presented.

Follow-up Responsibility: Chris Salomone

Formal Council Agenda Items – None.

Future Agenda Items – None.

Mayor's Announcements/Manager's Announcements – None.

Meeting adjourned at 7:01 p.m.

Jan Hort
City Clerk