

MINUTES OF CITY COUNCIL/STAFF BUDGET WORK SESSION FOR THE PROPOSED FISCAL YEAR 2009-10 BUDGET HELD BEGINNING AT 9:00 A.M., JULY 23, 2009 AND ENDING JULY 24, 2009 AT MESQUITE CONVENTION CENTER, 1750 RODEO DRIVE, MESQUITE, TEXAS.

Present: Mayor John Monaco; Councilmembers Al Forsythe, Bill Porter, Dennis Tarpley, Greg Noschese, Stan Pickett and Shirley Roberts; City Manager Ted Barron; Deputy City Manager Carol Zolnerowich; Assistant City Manager Mark Hindman; Finance Director Don Simons; Police Chief Derek Rohde; Fire Chief Mark Kerby; Director of Public Works Tim Tumulty; Budget Director Ted Chinn; Director of Community Development Richard Gertson; Human Resources Director George Mones; Library Services Director Jeannie Johnson; Police Officer Don Williams, Manager of Parks John Frame; Manager of Recreation Oscar Martinez; Manager of Park Planning Lauren Miller and Assistant to the City Manager Valerie Bradley.

CALL TO ORDER – 9:00 A.M.

Mayor John Monaco called the meeting to order.

WORK SESSION – CAYUSE ROOM – 9:01 A.M.

1. **BUDGET OVERVIEW**

City Manager Ted Barron gave a brief overview of the local economy, stating that the housing market appears to be stabilizing and that recent gains in the stock market may suggest signs of a recovery from the worst recession since the Great Depression, but added that he believes the economy has not yet bottomed out. Mr. Barron said, in light of increasing job losses and limited access to new credit, consumers, which account for 70 percent of the economy, remain very cautious about any economic recovery. Mr. Barron showed graphs of recent sales tax collections to illustrate his point, noting that sales tax collections have declined by \$2.3 million since the Comptroller began reallocating sales tax to another community just prior to the recession. Mr. Barron then presented a graph showing the decline in assessed valuation and announced a projected \$3 million loss in property tax revenue for the coming year. Mr. Barron noted that the recession and its effect on the housing market is much different than what the City experienced in the '80s following the savings and loan crisis. He said that he anticipates a very slow recovery and that it may take up to five years before property values rebound and added no one should expect any increases in property tax revenue until well after fiscal year 2011. Mr. Barron then provided a recap of all the program eliminations, layoffs, frozen positions and service reductions that were made during the course of the past two years as a reminder to Council and public about what it's taken to get the City in its current financial position, noting that \$5.5 million had already been eliminated from the General Fund and another \$4.9 million in reductions were planned for the coming year. Mr. Barron noted that next year's budget proposes eliminating funding for three more vacant positions, but added that the budget does contain funding for a three percent, across the board merit increase for all employees. Mr. Barron concluded his presentation by

emphasizing that the budget continues to focus the City's funding priorities on Project Renewal, and that it's times like these that force organizations to reassess programs and priorities and look for ways to streamline the organization and improve service delivery. He closed by citing several recent Project Renewal success stories during the past year, including renovations at Market East Shopping Center, completion of the LBJ project, redevelopment plans along the Gus Thomasson corridor, Peachtree Towne Centre and the new SuperTarget.

2. GENERAL FUND REVENUES AND EXPENDITURES

Assistant City Manager Mark Hindman provided a more detailed summary of the proposed General Fund budget, indicating that proposed revenues total \$96,835,345, which is down \$4,534,927, or 4.5 percent, from the amended budget. Mr. Hindman pointed out that property tax revenue accounted for 39 percent of total revenues and 26 percent is comprised of sales tax collections. He showed a 20-year history of tax roll growth and recent history of the tax rate and then compared the current tax rate with those of the seven survey cities. Mr. Hindman presented a bar graph showing that Mesquite's tax levy ranks at the bottom of the survey cities in terms of average home values. Mr. Hindman then showed graphs depicting declines in both sales tax and interest earnings and gave an overview of all the other various revenue categories. He summarized the major changes in General Fund revenues, noting property tax revenue is projected down \$3,093,000, sales tax revenue is projected down \$120,000 and interest income is projected to be down \$1,020,000 from the current year.

Mr. Hindman then covered General Fund expenditures, which are budgeted at \$96,834,882, which is \$4,102,537 below the amended budget. Mr. Hindman said the budget also includes a \$12,425,000 bond sale and a personal property note sale of \$2,285,000. Mr. Hindman noted major cost increases for next year, which include \$813,714 for fire and police salary increases, \$418,815 for general government employee salary increases, \$93,893 for filling a vacant Traffic Engineer position and \$78,000 for electronic traffic control signage. Mr. Hindman presented charts that showed expenditures by category and by department. Mr. Hindman noted that 69.3 percent of General Fund expenditures are for personal services, while debt service comprised 8.2 percent of the budget. Mr. Hindman presented a bar graph showing fuel savings by department and noted that the police department and solid waste division combined for \$556,684 of the total decrease in the overall fuel budget. Mr. Hindman showed a graph of department expenditures and noted that the fire and police departments account for 54 percent of all expenditures. Mr. Hindman concluded his presentation with brief highlights of expenditures for each department and emphasized that sales tax is down, but not as bad as it could be, no principal has been lost in the City's investment portfolio, health insurance costs remain stable, salary adjustments are included, fuel costs are down and the City is moving forward with a proposed bond sale to replace aging equipment.

Councilmember Dennis Tarpley asked Mr. Hindman how Mesquite compared with the survey cities with regard to debt per capita, and after mentioning that the City is adding \$12 million in new debt, also asked if any outstanding debt was rolling off. Finance Director Don Simons responded that principal and interest payments on prior issues is rolling off and the impact of the proposed bond sale would be minimal next fiscal year and added that

he believed Mesquite compares favorably in the debt per capita category. Mr. Barron stated that the 4B sales tax has helped the City keep its debt lower by using cash to pay for projects that otherwise would've been financed with debt. Mayor Monaco added that staff began looking at the budget shortfalls over a year ago and that has helped place the City in a better financial position than most other survey cities.

The budget work session recessed at 9:55 a.m.

The budget work session resumed at 10:10 a.m.

3. **CAPITAL IMPROVEMENT PROGRAM**

Deputy City Manager Carol Zolnerowich gave a presentation of the City's Capital Improvement Program (CIP). Ms. Zolnerowich first gave a backdrop of the City's existing infrastructure, its age, total number of miles in streets, alleys, drainage ways, water lines and sewer lines, and the number of City facilities. Ms. Zolnerowich said that several planning documents, as well as City Council goals, help staff prioritize capital project needs within limited resources, which include operating funds, bond sale proceeds, sales tax from the 4B Quality of Life Corporation (4B), federal and state grants, and other agencies like the North Central Texas Council of Governments. Ms. Zolnerowich stated that the proposed 2009-10 capital budget totals \$27,594,000 and includes \$12,425,000 in certificates of obligation, \$8,500,000 in water and sewer revenue bonds, \$2,285,000 in personal property notes, \$900,000 in drainage utility revenues and \$3,484,000 in sales tax from the 4B Fund. Ms. Zolnerowich concluded her presentation by referring the Council to her handout and gave a brief description of each of the following proposed projects by funding source.

Certificates of Obligation:

<i>Alley Reconstruction</i>	<i>\$500,000</i>
<i>Street Rehabilitation</i>	<i>500,000</i>
<i>Pioneer Road Reconstruction</i>	<i>2,100,000</i>
<i>Lucas Boulevard Construction</i>	<i>2,825,000</i>
<i>Fire Station Alarm Systems</i>	<i>72,500</i>
<i>Fire Station Renovations</i>	<i>25,000</i>
<i>Arts Center Surveillance System</i>	<i>16,500</i>
<i>Service Center Restroom Renovations</i>	<i>20,000</i>
<i>City Hall Facility</i>	<i>6,000,000</i>
<i>Service Center Garage Improvements</i>	<i>9,000</i>
<i>Municipal Improvements</i>	<i>107,000</i>
<i>Cost of Issue</i>	<i><u>250,000</u></i>
<i>Total Bond Sale</i>	<i>\$12,425,000</i>

Water and Sewer Revenue Bonds:

<i>Sanitary Sewer Rehabilitation Program</i>	<i>\$2,500,000</i>
<i>Forney Road Utility Replacement</i>	<i>300,000</i>
<i>Barnes Bridge Pump Station</i>	<i>3,000,000</i>
<i>Southeast Pump Station Generator</i>	<i>700,000</i>

<i>Water Line Replacement Program</i>	<i>600,000</i>
<i>Water Line Reconstruction</i>	<i>700,000</i>
<i>Emergency Utility Repairs</i>	<i>300,000</i>
<i>Cost of Issue</i>	<i><u>400,000</u></i>
<i>Total Bond Sale</i>	<i>\$8,500,000</i>

Personal Property Notes:

<i>Computer Equipment</i>	<i>\$269,358</i>
<i>Motor Vehicles and Equipment</i>	<i>1,976,480</i>
<i>Cost of Issue</i>	<i><u>39,162</u></i>
<i>Total Bond Sale</i>	<i>\$2,285,000</i>

Drainage Utility District Cash Projects:

<i>Grand Junction Drainage Channel</i>	<i>\$150,000</i>
<i>Drainage Flumes</i>	<i>429,500</i>
<i>Concrete Box Culverts</i>	<i>226,000</i>
<i>Localized Drainage System</i>	<i><u>94,500</u></i>
<i>Total Expenditures</i>	<i>\$900,000</i>

4B Quality of Life Corporation Sales Tax:

<i>Airport Property Acquisition</i>	<i>\$834,000</i>
<i>Forney Road Reconstruction</i>	<i>2,000,000</i>
<i>Group "D" Traffic Signals</i>	<i>300,000</i>
<i>Park Trail Construction</i>	<i><u>350,000</u></i>
<i>Total Expenditures</i>	<i>\$3,484,000</i>

4. **WATER AND SEWER FUND**

Finance Director Don Simons presented an overview of the Water and Sewer Fund, noting the changes in proposed revenues and expenditures and wholesale water rate projections provided by the North Texas Municipal Water District (NTMWD). Mr. Simons reported that the City's wholesale cost for treated water will increase \$996,000 and wastewater treatment costs will decrease by \$288,000 over the current year's budget. Mr. Simons said that the proposed Water and Sewer Fund budget of \$39,819,987 will leave a projected ending working capital balance of \$10,097,512, and that net operating revenues for the fund will be adequate to meet the debt service coverage requirements that bond rating agencies monitor. Mr. Simons showed a 20-year projection of annual increases from NTMWD, debt service and historical ending working capital balances and debt service coverage ratios. Councilmember Tarpley asked how NTMWD is taking into account rapidly growing cities versus more developed cities like Mesquite. Mr. Simons replied that several years ago NTMWD completed a rate study with about nine different formulas and how each rate option would affect each member city, but nothing was changed. Mr. Simons said that most of the cost increase by NTMWD is related to the District trying to develop additional sources of water whether it's new lakes or piping water from east Texas. Councilmember Tarpley then asked if cities like Mesquite were picking up a greater proportionate share of NTMWD's costs, and Ted Barron replied yes, and added that it takes a unanimous vote by all

the NTMWD member cities to change the current “take or pay” rate structure, and not all cities are willing to change the current rate structure because each of the NTMWD funding alternatives negatively affected a member city. He said while one option might benefit Mesquite, it would adversely affect another member city and vice versa.

Mr. Simons presented proposed water and sewer rate increases for the City Council to consider. Mr. Simons stated that current water and sewer minimum rates would not change, but the tier rate for water would increase from \$3.40 to \$3.91 for each 1,000 gallons consumed above the 1,000 gallon minimum, and the tier rate for sewer service would increase from \$2.95 to \$3.39 for each 1,000 gallons above the minimum, for both residential and commercial customers. Mr. Simons concluded his presentation by showing the combined water and sewer cost for 1,000 gallons, 5,000 gallons, 10,000 gallons, 20,000 gallons and 100,000 gallons consumed, with the new rates applied and how these costs compared with the survey cities for each consumption category. Councilmember Greg Noschese asked if any analyses had been done to see if senior citizens were driving the 1,000 gallon usage and what impact any increase in the minimum rate would have on senior citizens. Mr. Simons said that he didn't have that information at hand, but could provide it after the budget workshop. Councilmember Tarpley asked if the proposed rates would be sufficient to raise the Water and Sewer Fund working capital to the bond coverage ratio desired by Moody's credit rating agency. Mr. Simons said the current plan is to phase in rate increases over the next two to three years rather than pass one, single large rate increase next year. Mr. Simons said he felt the City's Water and Sewer enterprise should deserve a similar “AA” rating like Standard & Poor's, but added that it likely won't happen until the coverage ratio gets above the Moody's threshold. Councilmember Tarpley followed-up by asking if that could impact the interest rates that the City will pay on its future bond issues, to which Mr. Simons responded yes, to some degree, but there's no way to quantify it.

5. FIRE DEPARTMENT

Fire Chief Mark Kerby gave an overview of the Fire Department, recent key personnel changes, calls for service and response trends. After Chief Kerby mentioned that the number of calls for service had dropped by 2.4 percent from the previous year, Councilmember Bill Porter asked what the Chief thought might have contributed to the drop. Chief Kerby replied that the drop last year was due to a higher number of calls the previous year and that this year's numbers are actually in line with the long-term trend. Chief Kerby then presented an analysis of fires, distribution and history and noted that fire losses from the previous year were primarily private dwellings and not commercial property. Councilmember Tarpley asked if there had been any activity in the newly annexed area of town, and Chief Kerby said there had been 43 calls in the newly annexed area during the past year.

Chief Kerby covered fire inspection and fire prevention activities and gave response data for emergency medical services, noting a slight drop in ambulance runs. Chief Kerby then gave an overview of ambulance billing collections, billing collection rates and net collections. He said the City's billing agent, Southwest General, processed 6,317 billings for transports with an average fee of \$716.08 per transport. Chief Kerby noted that the collection rate was 62 percent, which compares well with other cities. Councilmember Shirley Roberts

recounted a personal story relating to a service call and wanted the Chief to know that the paramedics were very professional and she really appreciates the service the Fire Department provides. Chief Kerby then covered highlights of last year's programs and projects. When Chief Kerby mentioned that the department acquired upgraded electric Holmatro tools, Councilmember Porter asked if the paramedics are up to date on new hybrid vehicles like the Toyota Prius. Chief Kerby replied that all paramedics are trained on hybrid technology and they know what parts of a vehicle not to cut through and added that paramedics will refer to their mobile data computers to see where problem areas are, such as the location of air bags. After touching on the accomplishments and goals of the emergency management division, Chief Kerby concluded his presentation with highlights of the department's proposed budget and the \$317,104 in budget reductions for the year, which includes \$200,128 in flex staffing overtime, \$22,000 adjustment in uniform issues, \$29,320 in travel and training, \$50,656 in adjustments to officer positions and \$15,000 savings by replacing bunker gear every five years instead of four years. Councilmember Tarpley asked if the Chief could still maintain flex staffing for Station No. 6, and Chief Kerby said yes, on the weekends, he's able to shift personnel around as long as they don't go under the current 46-man minimum staffing level. Councilmember Noschese asked why the department recommends a five-year replacement schedule for bunker gear rather than ten years as recommended by the manufacturer. Chief Kerby replied that the replacement schedule is based primarily on the type of hazardous use that the gear receives. Councilmember Noschese then asked if the four-year, worn out gear is sold to other agencies, and Chief Kerby responded no, and added that the older gear is used for training purposes and also as replacements when newer gear is damaged in the field.

Chief Kerby thanked the City Council for their support and asked if there were any other questions. Councilmember Tarpley asked if it was 2007 when the Fire Department received its ISO-1 Rating, and Chief Kerby replied yes. Councilman Tarpley then asked Chief Kerby if everything is being done to maintain the rating so that the department doesn't end up scrambling one year to keep it. Chief Kerby said yes, and added that the two biggest challenges to maintain the rating is access to live fire training, and when development begins to take place in the newly annexed area, there may be a need for an additional fire station, but he emphasized training as the key component. Councilmember Noschese said that he's heard that there's a hazmat trailer at Fire Station No. 3 that doesn't get used and wanted to know if there really is a need for it. Chief Kerby said that the trailer was purchased with grants funds and does contain hazmat gear, but acknowledged that it doesn't get used often. Chief Kerby added that they work with the City of Dallas and Dallas County for hazmat response and that some of the gear in the trailer has been used, but there hasn't been an incident yet that required its full utilization.

The budget work session recessed at 11:35 a.m. for a break.

The budget work session resumed at 11:52 a.m.

6. LIBRARY SERVICES

Director of Library Services Jeannie Johnson presented an overview of the proposed Library Services budget. Ms. Johnson said the proposed budget of \$2,087,976 is \$173,100, or nine percent, above the amended budget and was attributed to salary savings within the current year's budget, adding that when comparing the budget to the current year adopted budget, the increase is only \$44,860. Ms. Johnson said she's proposing \$25,823 in replacement computers and printers, \$120,870 in new books and \$11,868 in DVDs and CDs. Ms. Johnson then gave the City Council recent customer survey results, which showed that 89.2 percent of library patrons were extremely satisfied or very satisfied with current services, and that 21.1 percent of respondents wanted to see more books at the libraries. Ms. Johnson recapped projects that were completed during the past year and concluded her presentation by focusing on library issues and trends, such as continued budget constraints, expansion of services through emerging technologies and possibly the need to expand the main library building or open an additional branch library in southeast Mesquite.

The budget work session recessed at 12:11 p.m. for lunch.

The budget work session resumed at 1:22 p.m.

7. HUMAN RESOURCES AND BENEFITS

Director of Human Resources George Mones presented the City Council with a compensation survey focusing on actual firefighter and police officer salaries by rank and how they compared with the survey cities. Mr. Mones showed a five-year history of public safety pay increases, noting that none were given the previous year other than required step increases, and he showed a similar history for general government employees. Mr. Mones noted that a \$400 lump sum was given to general government employees whose salary was less than \$50,000, or 87 percent of employees. Mr. Mones shared a survey which showed that none of the survey cities were proposing salary increases next year, but that the City's proposed budget does contain a three-percent, across the board merit increase for all employees, with public safety increases effective on January 1, 2010, and for general government employees the raises taking effect on their anniversary date. Mr. Mones said the cost breakdown for salary increases including related benefits was \$418,815 for general government and \$813,714 for public safety, for a total of \$1,232,529 in compensation increases.

Mr. Mones then showed statistical data on the City's employment activities, number of applicants, new hires, vacancies and turnover rates. Mr. Mones highlighted some of the accomplishments of the City's risk management and loss prevention activities, noting that work-related injuries and days lost due to injuries were also down. Mr. Mones began his coverage of the medical plan by announcing there were no proposed premium increases for the third year in a row. Mr. Mones said the Medical Plan Advisory Task Force had recommended a \$20 per month fee for employees and/or spouses that fail to get a physical during the year. Mr. Mones showed a graph of medical plan expenses and how expenditures

have leveled off the past two years and highlighted some of the preventive care and wellness programs the City offers, which he believes helps explain in part the leveling of expenses. Mr. Mones noted that 56 percent of CIGNA members now use the Mesquite Employee Health Center and that generic pharmacy utilization has grown to 70 percent. Mr. Mones then showed how Mesquite's medical plan compares with the survey cities in terms of the City's contributions and employee contributions for both family and employee only options. Mr. Mones concluded his presentation with an overview of national health care trends, preventive health care and national health care reform proposed by President Obama. Councilmember Tarpley asked if it was too early to know how federal health care reform will impact the City's health plan, and Mr. Mones replied it probably is too early, and added that he doesn't know what impacts there may be, if any, and said it remains to be seen.

The budget work session recessed for the day at 1:46 p.m.

The budget work session resumed at 8:58 a.m. on Friday, July 24, 2009.

8. PARKS AND RECREATION DEPARTMENT

Assistant City Manager Mark Hindman, acting as Interim Director of Parks and Recreation, gave an overview of the department, its organizational structure, facilities, services and programs. Mayor Monaco asked if the Open Gym program was creating problems with parents just dropping their kids off with a false expectation that staff running the Recreation After School Program (RASP) would look after them. Mr. Hindman replied yes, that that was an ongoing problem which needs to be addressed. Councilmember Roberts asked if there were any discipline problems associated with the after school programs, to which Mr. Hindman replied yes, and he said on several occasions staff had to call the police, but these were problems that started outside the centers and were not caused by youth attending the programs and added that this is also an area that needs to be addressed in the future. Mr. Hindman then highlighted ongoing capital projects, such as the trail master plan and hike and bike trail system, and then went into the proposed budget of \$7,137,319, of which \$4,200,000 will be reimbursed by 4B for park operations and maintenance of park facilities. Mr. Hindman said park and recreation programs support themselves to some degree through user fees and noted the proposed budget contained \$802,544 in recreational program fees, \$162,000 in athletic fees, \$51,150 in tennis fees and \$235,000 in aquatic program fees, for total revenues of \$1,250,694, which would bring the net operating budget to \$5,886,625, including the \$4,200,000 reimbursement from 4B.

Mr. Hindman provided a summary of department expenditures by category, noting that 66 percent of the budget is in personal services. He referred Council to supplemental information in his handout regarding recreation fees, reservation fees, swimming pool charges and pool attendance. Councilmember Tarpley asked if the increase in attendance at Vanston Pool was attributed to the closing of Evans Pool, and Mr. Hindman agreed, and added that they've also seen an increase in numbers of residents who live in the area. Mr. Hindman concluded his presentation by thanking Oscar Martinez, Manager of Recreation, John Frame, Manager of Parks and Lauren Miller, Manager of Park Planning, for their work during the past year in helping the City continue to provide quality services to the

residents of Mesquite in the midst of a recession. Councilmember Porter asked if there were any allowances for hardship cases in the RASP program. Mr. Hindman replied no, not at this time, and added the difficulty in that situation is the fact that for some of the locations, it would mean allowances for most all of the kids. Mayor Monaco added that the programs also give day care operators the perception that the City is getting into their business. Mr. Hindman said unfortunately, that's true and added that, in reality, the programs are only offered at six of the 30 plus school campuses. Mr. Hindman noted that next year's budget also includes a new RASP at Achziger Elementary School at the request of Mesquite Independent School District (MISD) when the school opens in the fall and this will help relieve numbers at Thompson Elementary. Mayor Monaco pointed out that Mesquite's RASP programs receive high marks in the community. Councilmember Roberts added that she's worked closely with Oscar Martinez and his staff on the Relay for Life and wanted to recognize staff for their hard work and that she has appreciated their involvement over the years.

Councilmember Noschese wanted to mention that the City Council and staff are always looking for ways to increase Mesquite's image and that maybe one thing staff could look at is a rest stop area for area cyclists. Mr. Hindman said that he can look into it. Councilmember Tarpley mentioned he thought a few years ago that staff looked at various alternatives for competitive swimming at Town East Pool versus building a natatorium and wanted to know what the status was. Mr. Hindman said that there had been further discussions since then, but it hadn't worked its way up to being a priority with MISD, pointing out that the facility would largely benefit MISD rather than Parks and Recreation. Councilmember Tarpley mentioned that he was concerned that the topic would get lost on the horizon and asked staff to consider adding it to future discussions. Councilmember Noschese added that he sees it as a limited use facility, but it's worth looking into in order to see if it's economical. Mayor Monaco added that he thinks a natatorium could be an economic engine for Mesquite and asked Mr. Hindman to look into it and let Council know what steps would need to be taken, so the Council knows what direction to take. Councilmember Al Forsythe asked if Eastfield College had ever expressed any interest in a natatorium. Mr. Hindman said they wouldn't help pay for it, but added they would certainly use it. Councilmember Porter added that MISD once had a natatorium in their CIP, but it never took shape. Councilmember Stan Pickett said the last time staff looked at a natatorium the cost was in the neighborhood of \$20 million, but in the bigger picture, it might be something worth looking into.

9. PUBLIC WORKS DEPARTMENT

Director of Public Works Tim Tumulty presented an overview of accomplishments and projects underway in the department and said the department now employees 246 employees with a total budget of \$39,561,456. Mr. Tumulty presented challenges for the coming year, including implementation of the Traffic Signal Synchronization project and staffing the Traffic Management Center (TMC) with a Traffic Engineer, which is currently vacant. Mayor Monaco asked what was going to be done during the interim period before the TMC is up and running. Mr. Tumulty said he will send staff out to monitor signal timing and make any necessary adjustments to the individual signal cabinets. Councilmember Tarpley asked how often highway lighting crews switch out the

lights along highways. Mr. Tumulty replied twice a year, or as needed if there's any outages. Mr. Tumulty covered the Engineering and Solid Waste divisions, and Councilmember Pickett asked if there was a drop recyclable material sales to outside vendors. Mr. Tumulty said the vendors are still taking it, but the City has not seen any increases in revenue. Mr. Tumulty covered the Streets and Equipment Services divisions, and Councilmember Forsythe asked if alley conditions are rated similar to streets, and Mr. Tumulty responded that they are rated one through four just like streets. Councilmember Tarpley asked Mr. Tumulty if his department could come up with a public awareness campaign to remind residents that the area between a street or alley and their property line is their responsibility to maintain, adding that some areas throughout the City look really bad. Mr. Tumulty said that was a good idea because the City doesn't put a lot of money into that type of maintenance, other than limited rights-of-way and high visibility areas.

The budget work session recessed at 10:21 a.m. for a break.

The budget work session resumed at 10:48 a.m.

10. POLICE DEPARTMENT

Police Chief Derek Rohde presented an overview of the proposed budget for the Police Department. Chief Rohde said the 2009-10 budget totals \$29,803,091 or 0.78 percent less than the current year. Chief Rohde reviewed budget expenditures by category, personnel changes, staffing level comparisons among survey cities, crime statistics and calls for service. Councilmember Noschese commented that it appears Mesquite is outperforming Garland in the crime comparison survey. Chief Rohde said the table represented Part I Crimes, and added there are other crimes statistics that Mesquite compares favorably as well. Councilmember Tarpley asked what the distinction was between Part I and Part II Crimes, and Chief Rohde replied that Part I Crimes are the most serious crimes, like murder, rape and robbery, while Part II Crimes are those not defined as Part I, which include lesser offenses, such as criminal mischief for example. Councilmember Tarpley then asked the Chief what category of crimes juveniles are committing, to which Chief Rohde replied, if he had to guess, mostly misdemeanors because not a lot of violent crime is committed by juveniles in Mesquite.

Chief Rohde then discussed the technology enhancements the department is undertaking to help fight crime. Chief Rohde described the COMSTAT system and how officers are able to get real-time data and identify problem areas for command to make tactical decisions and optimize their deployment of resources. Chief Rohde described the Fugitive Tracking System that was developed in house by Zak LaJoie and the IT Department and how the Web-based application is being implemented across multiple jurisdictions, noting that in just the first year of deployment, 36 agencies are now using it with over 433 cases logged thus far. Councilmember Pickett asked if the Mesquite Police Department hosts all of the data for the Fugitive Tracking System, and Chief Rohde replied, yes. Councilmember Roberts referred back to the COMSTAT system and wanted to confirm that, as officers make reports they're automatically updated in the system and become immediately available to command staff. Chief Rohde affirmed her understanding and added that the information goes

straight into the system through the mobile data computers and there's an audit trail to note changes as they're made. Councilmember Noschese also wanted to confirm his understanding that, in a case where crime index data looks to be on the rise in a given area, command staff has the ability to analyze what's going on and respond immediately, to which Chief Rohde said, that's correct, and added that officers will be able to quickly analyze data and have a better understanding as to where they need to spend their time patrolling their beats when not responding to calls. Chief Rohde added that these techniques have been very effective around the mall recently. Councilmember Tarpley asked if decoy units are still having a positive effect, and Chief Rohde said yes, and while he believes citizens may be picking up on the fact that they are in fact decoys, he still believes they act as a deterrent to criminals outside Mesquite who may be looking to commit a crime of opportunity. Chief Rohde said the decoy program's effectiveness is hard to measure because any potential crime is avoided, but there is some evidence that suggests decoy units have an effect on crimes of opportunity.

11. COMMUNITY DEVELOPMENT

Richard Gertson, Director of Community Development, presented an overview of the Community Development budget, department activities and trends in development. Mr. Gertson said the proposed \$2,801,545 budget does not contain \$175,897 for three vacant positions. Mr. Gertson noted that rental certificate of occupancy violations are down 30 percent, environmental code contract cleanups are down \$45,000 and there's been no issue with enforcement of the recently adopted smoking ordinance. Mr. Gertson talked about aesthetic improvements attributed to local businesses adhering to the community appearance manual and talked about form-based zoning in general. Mr. Gertson highlighted some of the recent planned developments like the Town Center Development and Gus Thomasson Corridor, and he concluded his presentation with an overview of planning and development trends and how suburbs are being reinvented through smart redevelopment and high density, mixed-use, pedestrian-friendly development. At the conclusion of Mr. Gertson's presentation, the Mayor announced to the audience that the City Council would reconvene after lunch for budget discussions.

The budget work session recessed at 12:12 p.m. for lunch.

The budget work session resumed at 1:31 p.m.

12. CITY COUNCIL DISCUSSION

Mayor Monaco opened up discussion among members of the City Council for comments and further questions for staff. Councilmember Noschese thanked staff for their passion in their jobs and their creativity in making a difficult budget year manageable. Councilmember Noschese added that the most impressive aspect of the budget is the excellent position that the City finds itself in, being able to reward employees with a pay increase, continuing with Project Renewal, and being poised for when the economy does come back. He closed by stating there's still other areas that can be improved, such as taking advantage of

new technologies in the libraries and that staff should continue its efforts in looking for new, creative ways to improve services to residents.

Councilmember Tarpley stated that this was his seventh budget and that it's always challenging to weigh service priorities without raising taxes and wanted to stress how important it was that the Council was not raising taxes in this economy. He said that he was fully expecting the need for a tax increase coming into the budget year, and so he's thankful to staff for developing a balanced budget with no tax increase. He also remarked that no added health care increases were a great benefit to employees and also for residents by not having to raise taxes for health care. Councilmember Tarpley added that he thinks the health coach is going to be beneficial in helping employees with chronic conditions and will save more money in the long run. Councilmember Tarpley closed by saying that he's amazed that the City's in a position to give pay increases next year, and if funding allows, then he would support the proposed salary increases.

Councilmember Forsythe thanked staff for putting a balanced budget together without any employee layoffs or a property tax increase.

Councilmember Roberts said she agrees with what's been said and thinks the City staff is a great team. She said she knows it's been hard, but everyone's had to tighten their belts in this recession, and she's very impressed by the way staff has handled everything.

Councilmember Porter said he appreciates staff's efforts and that he's learned a lot. He said he agrees with Councilmember Noschese that the library is probably something that staff should focus on as far as introducing new technology to improve services and closed by saying again that he appreciates staff.

Councilmember Pickett said these times are some of the worst that many will go through and what impresses him is the way staff has remained positive and added that it starts at the top. He said it's analogous to the military in Afghanistan, that we're there and we've got a job to do, and for staff it's been to work for the benefit of Mesquite and its residents. Councilmember Pickett thanked staff for continuing with Project Renewal and keeping it as the Council's focus and hopes that citizens appreciate what the City's doing, especially without a tax rate increase. He closed by thanking the other City Councilmembers and was please they have consensus in the direction they're taking.

Mayor Monaco thanked public safety representatives in attendance for working with the Council and management through the tough economy and their willingness to forego pay increases this year and to help the City continue its progress with Project Renewal. He thanked City Manager Ted Barron and his staff for putting the budget together and said he was pleased that pay increases will be possible next year without the need to raise taxes, and said he agreed with Councilmember Tarpley that this wasn't the time to increase taxes on Mesquite residents and businesses. Mayor Monaco closed by saying that the City has been operating very lean up to this point and that he looks forward to a successful and productive 2010.

George Mones said that he wished every employee could hear what the City Council is saying about employees and their hard work and knew how much they're appreciated by the City Council. Officer Don Williams, representing the Mesquite Police Association, said this year reminds him of the budget after 911, when he was reading about severe economic problems in other cities, but he said, here in Mesquite, we're managing things better. He said that he hasn't heard of any complaints from any police officers and that they trust and support this City Council. Richard Gertson said that the City Council and management have been very creative in finding solutions. He said that he just hired a top-notch planner today because she went to the City's Web site and could see what's going on in Mesquite, and she liked it. Fire Chief Mark Kerby added that he's talked with residents and has been told that they're feeling pretty good with what's going on in Mesquite. Ted Barron stated that he has a great City Council and staff, and that this budget wasn't created in a vacuum, and that Council's direction and input were behind this budget and letting him know what Council's priorities were, and he thanked the City Council. Mayor Monaco closed the discussion by thanking everyone in attendance and said he'll see them at the next Council meeting.

ADJOURNMENT – 2:03 p.m.

The meeting adjourned at 2:03 p.m.