Minutes
City Council Work Study Session
May 23, 2016

Minutes of the Tempe City Council Work Study Session held on Monday, May 23, 2016, 5:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCILMEMBERS PRESENT:
Mayor Mark W. Mitchell
Vice Mayor Corey D. Woods
Councilmember Kolby Granville
Councilmember Lauren Kuby
Councilmember Joel Navarro
Councilmember David Schapira (*arrived at 5:35 p.m.*)

COUNCILMEMBER ABSENT:
Councilmember Robin Arredondo-Savage

STAFF PRESENT:
Andrew B. Ching, City Manager
Ken Jones, Deputy City Manager – Chief Financial Officer
Judi Baumann, City Attorney
Steven Methvin, Dep. City Manager – Chief Operating Officer
Brigitta M. Kuiper, City Clerk
Naomi Farrell, Human Services Director
Valerie Trujillo, Deputy Human Services Director
Caterina Daneri, Management Assistant II+
Jeff Tamulevich, Code Compliance Manager
Renie Broderick, Internal Services Director
Jerry Hart, Deputy Internal Services Director – Finance
Various Department Heads or their representatives

Mayor Mitchell called the meeting to order at 5:04 p.m.

Call to the Audience
None.

Issue Review Session Items
Fiscal Year 2016-2017 Human Services (Agency Review) Recommendations

Valerie Trujillo, Deputy Human Services Director, introduced Caterina Daneri, Management Assistant II+, and Elizabeth Cling and Nathanael Pretlow, Co-Chairs of the Agency Review Enhancement Committee, to present the human services funding recommendations for fiscal year (FY) 2016-17. Ms. Trujillo thanked the City Council for their ongoing support and for providing funding for human services' needs in the community.

Mr. Pretlow delivered a slide presentation outlining how each program application is evaluated and rated in the Agency Review process, based on a written application score, interview grade, and Annual Human Services Survey ranking score, to determine a final score and recommendation for funding.

Ms. Cling stated that funding is being recommended for 52 programs from 40 agencies, including 3 agencies new to the Agency Review process; 46 volunteers dedicated over 920 hours evaluating and rating the programs. A funding reduction formula was applied to the initial recommendations to account for the $295,306 shortfall between the $1,031,346 in funding recommendations and the $736,040 in available funding; funding reductions were determined on a tiered approach based on how the programs were scored.

Ms. Daneri explained that the programs address the needs of the following six populations: youth, homeless, working poor, survivors of domestic violence, individuals with disabilities, and seniors. Future considerations include multi-year funding; tiered applications; enhanced quarterly report format; targeted focus for the allocation of annual revenue received from the display panel at Diablo Stadium; ongoing assessment; and, an environmental scan on an annual or biennial basis.

Ms. Trujillo recognized members of the Tempe Community Council Board of Directors and Agency Review volunteers who were in the audience.

Councilmembers and Ms. Daneri discussed the proposal for allocating revenue from the Diablo Stadium display panel to meet the needs of specific populations or to address current priorities, via the Agency Review process. The revenue could possibly fund a pilot program involving multiple local nonprofit human service organizations that share the same measurements/outcomes. Naomi Farrell, Human Services Director, noted that findings from the Annual Human Services Survey and the Community Needs Assessment will continue to be incorporated into the Agency Review process.

Councilmembers expressed support for implementing the proposal for tiered applications and multi-year funding. Councilmembers further conveyed support for seeking additional resources, such as dedicating reserved Government Property Lease Excise Tax (GPLET) lease revenue and land sale proceeds, to increase the total Agency Review grants funding. Councilmembers requested information outlining the permissible types of uses that can be funded with GPLET revenues.

Ken Jones, Deputy City Manager – Chief Financial Officer, explained that there are no restrictions on the use of GPLET funds other than legal restrictions applicable to all City expenditures. Past discussions have focused on the possibility of using GPLET proceeds to relocate the Public Works Priest Yard Maintenance Facility from the northeast corner of Priest Drive and Rio Salado Parkway should Liberty Property Trust pursue development of that location. Councilmembers have also discussed pledging GPLET revenues to park improvements to help reduce the time it takes to catch up on deferred maintenance, or possibly continuing to hold the money for yet-unidentified future needs.

Discussion continued regarding how the City Council could set a general policy for spending the reserved GPLET lease revenue and land sale proceeds in the next FY, and establish a contingency budget, with the specific uses for GPLET funding identified. For example, GPLET funds could be used for the Housing First program. Mayor Mitchell cautioned against earmarking all of the GPLET funds to program/project requests, due to the limited availability of resources. He also noted the importance of establishing a contingency budget to address emergencies, not to fund competing priorities.

In response to questions, Ms. Daneri noted that in previous Agency Review processes, not all of the program applications received funding. Mr. Pretlow explained how application reviewers determined the funding recommendations by using the proposal, interview, and Human Services Survey ranking scores.

Councilmembers continued discussions regarding how the agencies that received a score of 95 or higher still received a 10% reduction to their initial funding recommendation. The City should provide supplemental funding to address human services' needs in the community, especially in lieu of the recent ordinance adopted, relating to sitting or lying down on public sidewalks in the downtown commercial district, which impacts the homeless population. The City should explore ways to invest in additional support services to address homelessness in Tempe.

Mayor Mitchell emphasized the importance of the City continuing to support the Agency Review's depoliticized human services funding process. Staff should continue to utilize the Agency Review process to determine which local nonprofit human service organizations will receive the additional funding to positively impact Tempeans in need.

Based on the discussion, staff will provide additional information regarding potential uses of reserved GPLET lease revenue and land sale proceeds, including potential spending strategies, to increase funding for the FY 2016-17 Agency Review grants budget, at an upcoming Work Study Session for City Council discussion. Staff will also provide a schedule of unfunded General Fund supplemental budget requests submitted by City departments in the budget process.

Code Enforcement Residential Survey

Jeff Tamulevich, Code Compliance Manager, delivered a slide presentation describing the fourth annual Code Enforcement Residential Survey. The survey consisted of a random sampling of residential properties City-wide to quantify code violations based on property maintenance and appearance; evaluate the effectiveness of City programs and services; and, serve as a benchmark for the aesthetic condition of the City. Staff did not issue violations based on the survey findings. At the request of City Council, this year's survey distinguished between owner-occupied and renter-occupied residential properties, and compared the number of code violations reported in a neighborhood with the percentage of rentals in that neighborhood.

Mr. Tamulevich stated that two of the most referenced concerns noted in the annual Community Attitude Survey have consistently been the City's enforcement of property maintenance codes and the appearance of residential properties. In the past year, the Code Compliance team, consisting of six permanent, full-time employees; five temporary, full-time employees; and four temporary, part-time employees, have increased the number of inspections and issuance of proactive violations; decreased the time it takes to perform an inspection; and, reduced the time it takes to close a case. The 2014 Community Attitude Survey respondents reported a 10% increase in their satisfaction in the City's enforcement of property maintenance codes, and a 7% increase in the overall appearance of residential properties. Mr. Tamulevich presented a map illustrating the levels of 2014 survey respondents' satisfaction with City enforcement of property maintenance codes. Staff will continue to focus their code compliance efforts on areas where respondents expressed dissatisfaction. Assessment matrices from the 2014 Customer Satisfaction Survey were reviewed. City residents deemed the appearance of residential properties, enforcement of property maintenance codes, and maintenance of private properties as important and that there are opportunities for improvement.

Mr. Tamulevich described the survey samples, criteria categories, goals, and scores; a comparison between the 2013, 2014, 2015, and 2016 survey results; and, actual violations issued in 2015. The following 2016 survey results were highlighted:

- The presence of dead vegetation, presence of unregistered or abandoned vehicles, and presence of junk or debris.
- 45.1% of the residential properties surveyed had at least one enforceable violation.
- The majority of the actual violations identified were not located in south Tempe.
- The presence of dead vegetation was the most observed violation at 29%, while the overall condition of the residence was the least observed violation at 2%.

Mr. Tamulevich concluded the presentation by explaining that using the survey data, Code Compliance staff will continue to proactively identify and address areas of concern, and focus efforts to produce more positive results in next year's survey.

Councilmembers expressed appreciation to Code Compliance staff for their work, and recognized Councilmember Granville for collaborating with staff on residential and commercial code enforcement programs. Councilmembers discussed the need to spend additional resources, including increasing staffing in the Code Compliance Office, to better address the appearance of residential properties, enforcement of property maintenance codes, and maintenance of private properties, since those categories have high importance but low satisfaction among residents.

In response to questions from Councilmembers, Mr. Tamulevich explained that a score of 5 is perfect and 3 or lower indicates that a violation is present. The question in the Community Attitude Survey regarding the City's enforcement of property maintenance codes did not delineate between commercial or residential. Next year's survey could include this delineation. The data depicting the enforceable violations by zip code was collected directly from the 2016 Residential Survey, where 612 single-family homes were randomly surveyed out of a total of approximately 32,000 homes, representing a 2% sample.

Code Compliance Repeat Offender Re-Inspection Fee Program

Jeff Tamulevich, Code Compliance Manager, delivered a slide presentation describing the Code Compliance Repeat Offender Re-inspection Fee Program, to help dissuade property owners from becoming repeat offenders by charging a re-inspection fee when a second case is confirmed on the same property for the same violation type. Repeat offenders are property owners who have more than one case of the same violation type occurring within a 12-month period. Repeat offenders comprised nearly 10% of all violations in the last 12-month period. A re-inspection fee of $75 will be billed to the property owner upon completion of any re-inspection occurring after the original scheduled compliance date for which a fee is applicable, as currently allowed in Section 21-51 (b) of the Tempe City Code.

Councilmembers expressed concern about using the term "repeat offender" because it invokes a negative connotation associated with criminal intent. Mr. Tamulevich noted that the City Code references the term "habitual offender". Councilmembers recommended using "reoccurring code violator", or other language.

Mr. Tamulevich reviewed a chart outlining the number of properties where two or more cases having the same violation type occurred in the last year. He next described the steps in each process addressing the first case, second case, and third and subsequent cases, involving the same violation type on the same property within a 12-month period. Inspectors would essentially visit the same property four times before issuing the $75 re-inspection fee.

In response to questions, Mr. Tamulevich explained that inspectors will provide information on the H.E.A.R.T. (Helping Enhance and Revitalize Tempe Heart) Program to property owners who notify them of a physical or financial inability to address the violation. The H.E.A.R.T. brochure includes direct contact information for Care 7 so a property owner can request an assessment. Care 7 staff will meet with the owner(s), determine their needs, and refer them to the Tempe Neighbors Helping Neighbors Program, other social services programs, or local nonprofit organizations to address their issue. Councilmembers suggested including H.E.A.R.T. information in the written notice of first violation to proactively inform property owners of the availability of programs and services to assist with Code compliance. Mr. Tamulevich said he will confer with the City Attorney's Office regarding proactively providing assistance information.

Councilmembers discussed the need to track individual property owners who have received reoccurring code violations on multiple properties, if feasible. Judi Baumann, City Attorney, noted that she will research this issue and provide information to the City Council.

Discussion continued regarding the possibility of implementing a House Painting Referral Program, where residents directly contract with and pay a negotiated flat rate to a selected painting company to paint and help maintain the appearance of their homes. This program could be similar to the Tempe Landscaping Referral Program.

Based on the discussion, it was the consensus of the City Council to move forward with implementing the Re-inspection Fee Program and providing information on the program to Tempe neighborhood associations, homeowners' associations, and rental property owners. Staff will reassess the performance of the program after one year.

Automated Water Metering Project

Renie Broderick, Internal Services Director, introduced co-presenters Jerry Hart, Deputy Internal Services Director – Finance, and Wes Gamble, Senior Project Manager at the consultant firm, SL-serco, to present an update on the automated water meter reading project. She also recognized several City staff members for their work on the project. Ms. Broderick provided an overview of the Advanced Metering Infrastructure (AMI) system for the efficient collection of water meter reads and other related benefits, using electronic meters with high-speed, real-time communication.

Mr. Hart reviewed the basic design and flow of the AMI system, involving endpoints, repeaters, collectors, and Meter Data Management System (MDMS). The MDMS receives data transmissions from the collectors; stores and analyzes meter data for reporting; provides monthly billable read to the utility billing system; and, provides meter data to both customer and Customer Service staff portals. The AMI vendor will conduct a full propagation study to determine the exact number of collectors/repeaters and ideal locations necessary to achieve the required "2 to 1 redundancy". The endpoint is attached to each meter, and the collector or repeater is attached to either a street light or other building/structure. Photographs illustrating light pole and roof mount installations were displayed.

Mr. Gamble presented a map depicting the repeater, collector, and MDMS locations from the preliminary propagation study. He explained that implementation of the AMI system will provide benefits in several areas, including customer service, system operations, financial, conservation, employee safety, and preventative maintenance.

Mr. Hart reviewed the next steps in the AMI project timeline. A Project Steering Committee, consisting of representatives from the Internal Services and Public Works Departments and the City Manager's Office, is providing oversight of the project.

Councilmembers, Ms. Broderick, and Mr. Gamble discussed the early water leak detection capability and notification to customers. Customers can sign up to receive real-time, water leak notifications via the Customer Service portal. Customer Services staff will continue to notify customers regarding water over-usage or leaks via phone or mail, if they do not sign up on the portal. The AMI system will enable customers to monitor their water consumption, which may lead to reduction in water usage. The rollout of the new system will include a major educational component for the customers.

Mr. Hart explained that the Water Fund will fund the installation of the AMI system; the total estimated cost of the system over its 15-year estimated life is approximately $7.8 million, or a little over $500,000 per year. Once full deployment of the AMI system is achieved, the cost is anticipated to be offset by annual labor and vehicle costs savings of approximately $330,000, and an annual reduction in unmetered or theft of water resulting in additional revenues estimated at $100,000. Once fully deployed, the estimated monthly utility bill impact is $0.25 and will be recovered as part of the monthly water and sewer charges billed to customers.

Ms. Broderick stated that staff is seeking direction from the City Council to continue moving forward with the AMI project as currently planned. If approved, staff will place a recommended contract award for the AMI system on a Regular Council Meeting agenda for City Council action in June, 2016.

In response to a question, Ms. Broderick noted that Water Meter Reader openings are being filled as temporary positions. Two or three Water Meter Readers will remain in the Customer Services Division to work on system maintenance and part replacements. It is not anticipated that any current City employees will lose their job as a result of the AMI system.

Based on the discussion, Councilmembers expressed support for moving forward with implementing the AMI system.

Future Agenda Items
None.

Call to the Audience
None.

Committee of the Whole Items
Items ready for City Council Direction or Status Update
Animal Waste Removal in Right-of-Way – City Council Direction
Councilmember Granville stated that comparable Valley cities have enacted similar code provisions requiring pet owners to remove their animal's defecation from public areas. The proposal is to revise Section 6-31 of the Tempe City Code, to expand the responsibilities of those owning or in custody of pets to ensure the removal of animal defecation from public parks, public streets, alleys, gutters, sidewalks, rights-of-way, and school grounds.

City Council agreed to move forward with drafting a City Code amendment for placement on a future Regular Council Meeting agenda.

New Items for City Council Consideration
None.

Items in Progress – updates as needed
Councilmember Kuby requested to add the Commercial Pet Sales Ban Working Group back to the *Items in Progress* list. Councilmembers agreed with this request.

Items Scheduled for Periodic Review
No discussion.

Mayor's Announcements/City Manager's Announcements

Mayor Mitchell congratulated all Tempe Union High School District graduates.

Future Meeting Date:

June 2, 2016, at 4:00 p.m., City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

The meeting adjourned at 6:37 p.m.

I, Brigitta M. Kuiper, the duly-appointed City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the City Council Work Study Session of May 23, 2016, by the Tempe City Council, Tempe, Arizona.

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Mark W. Mitchell, Mayor

ATTEST:

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Brigitta M. Kuiper, City Clerk