

FINANCE COMMITTEE MINUTES

December 16, 1999

The Finance Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 16, 1999 at 9:51 a.m.

COMMITTEE PRESENT

John Giles, Chairman
Jim Davidson
Bill Jaffa

COUNCIL PRESENT

Keno Hawker

STAFF PRESENT

C.K. Luster
Neal Beets
Dan Brewer
Candace Cannistraro
Linda Crocker
Mike Hutchinson
Barbara Jones
Joe Padilla
Ellen Pence
Others

OTHERS PRESENT

Barrett Marson
Others

Chairman Giles excused Committeemember Jaffa from the meeting.

1. Discuss and consider proposed amendments to the Model City Tax Code.

Management Services Manager Dan Brewer addressed the Committee relative to this agenda item and stated that on an annual basis, the League of Arizona Cities and Towns forwards to each City changes in the Model City Tax Code. Mr. Brewer explained that this allows the cities to change their ordinances to remain in compliance with the State ordinance.

Mr. Brewer noted that the Municipal Tax Code Commission has approved the 1999 Amendments to the Model City Tax Code and added that the amendments are currently before the various City Councils for adoption. Mr. Brewer said that most of the City-Town Councils plan for adoption with an effective date of January 1, 2000.

Mr. Brewer informed the Committee that a majority of the amendments to the Model City Tax Code are exemptions and exclusions from transaction privilege tax. Mr. Brewer added that the amendments predominately conform the Model City Tax Code to State statute and said that none of the amendments will result in an increase in tax rates.

Discussion ensued relative to proposed amendments, including a flat rate jet fuel tax, the elimination of exemption for transactions with the City of Mesa, retail sales and use tax, construction contracting, transporting for hire, hotels and rental of real property, and administrative and judicial review.

Mr. Brewer noted that the elimination of the City of Mesa exemption is expected to yield a minimum of \$150,000 from the City sales tax that is reimbursed by other agencies in conjunction with intergovernmental

agreement on construction projects. Mr. Brewer also informed the members of the Committee that the City Attorney has reviewed the proposed amendments and supports their adoption.

In response to a question from Committeemember Davidson, Mr. Brewer stated the opinion that the flat jet fuel tax will not deplete or affect the City's revenue streams for Williams Gateway Airport.

Chairman Giles commented that he serves on the Municipal Tax Code Commission, which has already approved the amendments on a State level, and indicated support for staff's recommendation that the amendments be approved.

It was moved by Committeemember Davidson, seconded by Chairman Giles, to recommend to the Council that staff's recommendation to adopt the proposed amendments to the Model City Tax Code be approved.

Chairman Giles declared the motion carried unanimously by those present.

2. Adjournment.

Without objection, the meeting of the Finance Committee adjourned at 10:16 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Finance Committee of the City of Mesa, Arizona, held on the 18th day of November 1999. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 1999

BARBARA JONES, CITY CLERK