

AUDIT, FINANCE & ENTERPRISE COMMITTEE ACTION MINUTES

March 24, 2022

The Audit, Finance & Enterprise Committee of the City of Mesa met in the lower-level meeting room of the Council Chambers, 57 East 1st Street, on March 24, 2022, at 8:50 a.m.

COMMITTEE PRESENT

Mark Freeman, Chairperson
Jennifer Duff
David Luna

COMMITTEE ABSENT

None

STAFF PRESENT

Mike Kennington
Holly Moseley
Bill Taebel

Chairperson Freeman conducted a roll call.

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss, and provide a recommendation on the proposed fees and charges for the following City departments: Falcon Field, Development Services, and Economic Development.

Management and Budget Assistant Director Brian Ritschel introduced Operations Budget Coordinator Linda Jones, who displayed a PowerPoint presentation on the recommended fees and charges. **(See Attachment 1)**

Mr. Ritschel stated the Office of Management and Budget (OMB) collaborates annually with all City departments to review the fees, charges, and schedules for any necessary changes by conducting a market comparison to evaluate the cost of providing the services and the applicable fees. He noted the proposed effective date for these fees and charges will be July 1, 2022, and the fiscal impact of the recommendations are estimated at \$175,000 annually. (See Pages 1 and 2 of Attachment 1)

Mr. Ritschel remarked Falcon Field, Development Services, and Economic Development are the departments recommending modifications. He identified the recommendations for Falcon Field. (See Pages 3 and 4 of Attachment 1)

In response to questions from Councilmember Luna regarding the open tie-down aircraft fee, Airport Director Corinne Nystrom explained the open tie-down fees are for aircraft that are tied down on the ramp and hundreds are leased out on a month-to-month basis. She mentioned due

to the growth and development, there is currently a waitlist for open tie-downs. She reported fees were raised last year for the large hangars and approximately 3% the year prior. She discussed the wait times for other types of hangars.

She confirmed the increase for special event parking for non-aeronautical type events, adding if the event is for aeronautical or charitable purposes, then there was no charge.

In response to a question posed by Vice Mayor Duff regarding the difference between the waitlist deposit and waitlist fee, Ms. Nystrom explained the waitlist deposit refund is for the cover tie-downs and hangars. She clarified there is a nominal fee to cover administrative costs if someone changes their mind after holding a spot on the waiting list.

In response to a question from Chairperson Freeman, Mr. Ritschel commented the waitlist deposit refund fee is \$27.

Mr. Ritschel presented fees and charges comparable with other general aviation airports in the area. (See Pages 5 of Attachment 1)

Mr. Ritschel provided the recommendations for the Development Services Department. He stated by combining two processes, the fees will remain the same and the process will be more efficient and effective. He added minimal text changes regarding marijuana facilities are recommended as well. (See Page 6 of Attachment 1)

Mr. Ritschel discussed Downtown Transformation and Economic Development fee recommendations and explained the intention is to increase the monthly surface parking fees for open parking spots, and for shaded and unshaded garages. He commented on monthly covered parking rates for Chandler, Glendale, Phoenix, and Tempe, adding that Mesa's rates are considerably lower. (See Pages 7 and 8 of Attachment 1)

Responding to a question from Chairperson Freeman, Mr. Ritschel replied parking fees are reviewed for modifications by each department on an annual basis.

Mr. Ritschel outlined the next steps would be for Council to consider the amendments for proposed fees and charges on April 18, 2022, which would be effective July 1, 2022. (See Page 9 of Attachment 1)

Vice Mayor Duff suggested considering implementing metering on Main Street since downtown parking is becoming a problem. She mentioned metered parking would generate revenue for the Downtown Mesa Association.

It was moved by Committeemember Duff, seconded by Committeemember Luna, that the proposed fees and charges for Falcon Field, Development Services, and Economic Development be forwarded on to the full Council for discussion and consideration.

Upon tabulation of votes, it showed:

AYES – Freeman-Duff-Luna

NAYS – None

Carried unanimously.

2-b. Hear a presentation, discuss, and provide a recommendation on removing the Stormwater Drainage Impact Fee from the Mesa Development Impact Fees in Title 5, Chapter 17 of the Mesa City Code.

Management and Budget Assistant Director Brian Ritschel introduced Operations Budget Coordinator Linda Jones and displayed a PowerPoint presentation on the discontinuation of the storm water impact fee. **(See Attachment 2)**

Mr. Ritschel stated the City has collected sufficient revenue to pay off all the storm water project eligible debt. He explained Parks, Cultural, and Library impact fees have been discontinued and Police, Fire, Water, and Wastewater continue to have impact fees. He provided the next steps for Council. (See Pages 2 and 3 of Attachment 2)

In response to a question posed by Chairperson Freeman regarding the amount collected to pay off the debt, Mr. Ritschel estimated approximately \$600,000 to \$700,000 was collected annually. He mentioned due to the increase in development, the total collected the previous year ending June 30, 2021 was \$1.4 million.

It was moved by Committeemember Luna, seconded by Committeemember Duff, that the proposed recommendations for removing the Stormwater Drainage Impact Fee from the Mesa Development Impact Fees in Title 5, Chapter 17 of the Mesa City Code be forwarded on to the full Council for discussion and consideration.

Upon tabulation of votes, it showed:

AYES – Freeman-Duff-Luna

NAYS – None

Carried unanimously.

3. Adjournment.

Without objection, the Audit, Finance & Enterprise Committee meeting adjourned at 9:10 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Audit, Finance & Enterprise Committee meeting of the City of Mesa, Arizona, held on the 24th day of March 2022. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

Fees and Charges Recommendations

Audit, Finance, and Enterprise Committee

Presenters: Brian A. Ritschel – Management & Budget Assistant Director

Linda Jones – Operations Budget Coordinator

March 24, 2022

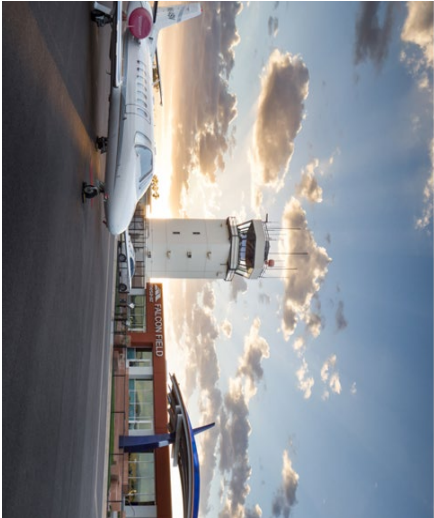


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Fees and Charges Process and Recommendation

- Market comparisons conducted
- Cost of providing service and applicability of fee evaluated
- Full listing of recommended adjustments, additions, & deletions are included in the report
- Proposed effective date: July 1, 2022
- Estimated fiscal impact of all recommendations is an increase of \$175,750

Departments Recommending Modifications



Falcon Field



Development
Services



Economic
Development

Falcon Field



Recommendation:

- ***Increase*** fees by 5%
 - Fiscal Impact: \$134,147
- ***Add*** wait list fees for open tie-down aircraft
 - Fiscal Impact: \$7,668
- ***Add*** special events parking
 - Fiscal Impact: \$4,200
- ***Remove*** wait list deposit refund
 - No Fiscal Impact

Falcon Field, Cont.



Recommendation:

Comparison to other city airports:

	Mesa	Chandler	Scottsdale	Deer Valley	Goodyear	Glendale
Open Tie Down - Single	\$ 49.00	\$ 50.00	\$ 35.00	\$ 27.53	\$ 17.11	\$ 40.00
Open Tie Down - Small Twin	\$ 59.00	\$ 68.00	\$ 45.00	-	\$ 17.11	N/A
Open Tie Down - Large Propeller	\$ 127.00	\$ 138.00	\$ 110.00	-	N/A	N/A
Covered Tie Downs	\$ 114.00	\$ 130.00	\$ 85.00	\$110.48 - \$121.27	\$ 52.89 - \$ 70.37	N/A
Regular T-Hangar	\$ 238.00	\$ 244.00	\$ 150.00	\$ 223.80	\$ 172.90	N/A
Large T-Hangar	\$ 400.00	\$ 430.00	N/A	\$ 329.36	\$ 224.31	N/A
Storage Room - Small	\$ 71.00	\$ 44.00	N/A	N/A	N/A	N/A
Storage Room - Large	\$ 172.00	\$ 121.00	N/A	N/A	N/A	N/A

Total Estimated Fiscal Impact: \$146,015

Development Services Department



Recommendation:

- **Modify** fourth and subsequent re-submittals of drawing fees to collect the fee of \$120 at permit issuance rather than at the beginning of the fourth submittal
 - No Fiscal Impact
- **Combine** development incentive permit & site plan review/site plan modification fee structure
 - No Fiscal Impact
- **Combine** substantial conformance improvement permit & site plan review/site plan modification fee structure
 - No Fiscal Impact
- Minimal text change

Downtown Transformation

(Economic Development Fee)



Recommendation:

- **Increase** surface monthly parking fee from \$32 to \$35
 - Fiscal Impact: \$2,664
- **Increase** garage (shaded) monthly parking fee from \$43 to \$45
 - Fiscal Impact: \$12,888
- **Increase** garage (unshaded and below grade) monthly parking fee from \$21 to \$25
 - Fiscal Impact: \$11,184

Total Estimated Fiscal Impact: \$26,736

Downtown Transformation, cont. (Economic Development Fee)



Recommendation:

- Other cities comparison of monthly covered parking rates
 - Tempe downtown: \$65 - \$105
 - Phoenix downtown: \$45 - \$120
 - Chandler: \$65
 - Glendale: \$70

Total Estimated Fiscal Impact: \$26,736

Next Steps:

City Council to consider proposed fees and charges amendments
on **April 18, 2022**

If approved by City Council, fee & charges adjustments are
effective **July 1, 2022**

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Storm Water Impact Fee Discontinuation

Audit, Finance, and Enterprise Committee

Presenters: Brian A. Ritschel – Management & Budget Assistant Director

Linda Jones – Operations Budget Coordinator

March 24, 2022



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Storm Water Impact Fee



Discontinuation of impact fee:

- The City has collected enough revenue to payoff all storm water projects eligible debt
- Fees paid to the City by developers have been reduced effective February 23, 2022
- Action needed to remove fee from City Code
- Previous impact fees discontinued:
 - Parks, Cultural, and Library
- Impact fees remaining:
 - Police, Fire, Water, and Wastewater

Next Steps:

City Council to introduce an ordinance to discontinue the storm water impact fee on **April 4, 2022**

City Council to consider storm water impact fee ordinance on **April 18, 2022**

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