



CITY COUNCIL STRATEGIC PLANNING SESSION

March 3, 2022

The City Council of the City of Mesa held a Strategic Planning Session at The Studios @ Mesa City Center, 59 East 1st Street, on March 3, 2022, at 7:32 a.m.

COUNCIL PRESENT

John Giles
Jennifer Duff
Mark Freeman
Francisco Heredia
David Luna
Julie Spilsbury
Kevin Thompson

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

1. Mayor's welcome and introduction.

Mayor Giles welcomed Council and staff to The Studios @ Mesa City Center. He discussed the significance that the building has to the City of Mesa (COM) which began as the library. He encouraged everyone to tour the remodeled building.

City Manager Christopher Brady continued by saying the building was constructed in 1959. He commented after the new library was built, Information Technology (IT) used it to store their big mainframes until IT was relocated to the South Center complex. He pointed out the solar block is a unique architectural feature; the original staircase was preserved, some of the brick has been exposed, and the wavy covers on the back side of the building were incorporated into the front lawn. He explained that Downtown Transformation Manager Jeff McVay is working with Arizona State University (ASU) to create a license agreement that complements the technology that is happening at the ASU film school and the building will be managed by ASU. He remarked the basement and second floor will be used to support small business programs, which will be the next phase of the project.

In response to a question from Vice Mayor Duff, Mr. Brady informed the Council that ASU will begin managing the building at the same time ASU City Center is completed.

Mayor Giles challenged everyone to look for opportunities to use the building. He indicated The Studios fits into the theme of the Strategic Planning meeting, which is adaptively reusing things that are already in the City's inventory.

2. Review and discuss items on the agenda for the March 7, 2022, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: none

Items removed from the consent agenda: none

Items removed from the agenda: 6-f

Councilmember Luna requested Agenda Item 6-f, **(ZON21-00731 (District 5) Within the 2800 to 3100 blocks of North Recker Road (west side) and within the 5900 block of East Longbow Parkway (south side). Located north of McDowell Road on the west side of Recker Road (20± acres). Modification of the Longbow Park Planned Area Development Overlay (Longbow Park PAD), Rezone from Light Industrial (LI) to Limited Commercial (LC), Council Use Permit (CUP), and Site Plan Review. This request will allow for a mixed-use development. Reese Anderson, Pew & Lake, PLC, applicant; Dover Associates, LLC, owner.)**, on the Regular Council meeting agenda be continued while staff works with the community and the developer to encourage additional dialogue.

Mr. Brady stated the item will be removed from the agenda.

In response to a question from Councilmember Thompson on Agenda Item 10-a, **("Eastmark Development Units 5 and 6" (District 6) Within the 3600 to 4200 blocks of South Everton Terrace (east side), and within the 3900 to 4300 blocks of South Signal Butte Road (west side). Located west of Signal Butte Road and south of Elliot Road (274.77 ± acres). DMB Mesa Proving Grounds, LLC, developers; Ronnie E. Dorsey, Sunrise Engineering, surveyor.)**, on the Regular Council meeting agenda, Mr. Brady explained there is a high probability this item could be removed from the March 7, 2022, agenda due to ongoing discussions regarding whether changes are necessary to the Transportation Master Plan for Eastmark. He added if updates to the Master Plan are required, that information will be made public before moving forward.

City Attorney Jim Smith clarified based on discussions with Development Services Department Director Nana Appiah, it does not look like the case will go back to Planning & Zoning, depending on the information received by the applicant in the next few days.

Mr. Brady indicated the applicant committed to submitting changes to the Master Transportation Plan to the City by Monday, which will then go to Transportation staff for review.

Councilmember Thompson stated his constituents are concerned about increased truck traffic exiting onto Mesquite Road and not having access to Elliot Road. He wants to make sure that staff is addressing the concerns expressed by the neighborhood.

Mr. Brady advised none of the industrial use has high traffic volume but he would look further into that issue.

3. City Manager's review of the purpose of the Strategic Planning Session.

Mr. Brady highlighted that the Strategic Planning session is an opportunity to get Council together in an informal setting to discuss items that are coming forward in the near future, ending with a discussion on topics Council would like to address over the next several months. He mentioned the objective is to provide information and then get feedback and direction from Council to move forward.

4-a. Hear a presentation, review, discuss, and provide direction on the existing City Council Strategic Initiatives.

Deputy City Manager Natalie Lewis highlighted the six strategic priorities that Council have established include: **(See Attachment 1)**

- Community Safety
- Skilled and Talented Workforce
- Placemaking
- Transforming Neighborhoods
- Sustainable Economy
- Healthy Environment

Ms. Lewis outlined changes that have taken place within the strategic priorities by including people living in low- or moderate-income levels under sustainable economy; leveraging business and P-20 education partnerships under skilled and talented workforce; equal access to health and technology solutions under transforming neighborhoods, which was emphasized during COVID-19; and making sure diversity is reflected in the priorities; quality infrastructure and blight-free areas under placemaking; in addition to adding healthy environment as one of the priorities. She reported that staff uses these priorities to create programs and build the budget.

Discussion ensued relative to the fact that diversity, equity, and inclusion (DEI) must be imbedded into each strategic priority.

Mayor Giles suggested displaying the boards to remind staff and residents of the priorities within the City of Mesa (COM) year-round.

In response to a question from Councilmember Freeman regarding whether the priorities are presented to applicants applying for employment within the COM, Mr. Brady explained new employees will see the employee values of knowledge, respect, and integrity, but adding the strategic priorities can be considered.

Further discussion ensued regarding the significance of DEI and the consideration of adding DEI as Priority Number 7. It was also mentioned that the next Strategic Planning session will welcome new councilmembers at which time the goals can be reviewed again.

4-b. Hear a presentation, discuss, and provide direction on an overview of Mesa's economic forecast, including updates on fee and tax revenues, building permits, unemployment/jobs, and the 2022 ballot measures including Home Rule and a Charter amendment relating to purchasing limits.

Office of Management & Budget Assistant Director Brian Ritschel introduced Forecast Budget Coordinator Chris Olvey and displayed a PowerPoint presentation to provide the economic outlook update for the City of Mesa (COM). **(See Attachment 2)**

Mr. Ritschel presented the Fiscal Year (FY) 21/22 budgeted general governmental fund revenues and indicated the focus will be on the Intergovernmental and the Sales and Use Tax categories, which makes up 65% of the revenues that come into the general governmental funds. (See Page 2 of Attachment 2)

Mr. Olvey discussed the chart, highlighting the two major revenue categories of city sales tax and the intergovernmental showing five years of actuals, the current projection, and the five-year forecast. He said the city sales tax has continued to grow through FY 21/22 with a slight projected economic correction forecasted. He remarked the City receives State income tax on a two-year lag and with the tax filing deadline that was delayed from April 15 to July 15 last year, the revenues shifted from one fiscal year to the next. He said the State income tax forecast also includes the impact of the State flat tax that was passed last year and will start to impact revenues in FY 24/25. (See Page 3 of Attachment 2)

Mr. Brady continued by saying the flat income tax concept was approved by legislature last year and the City attempted to estimate how that impacts what the City will receive over time. He said based on what the assumptions are today, this chart represents what the revenues will look like; however, there is uncertainty regarding whether the current model will continue.

Deputy City Manager Scott Butler explained the Arizona Supreme Court is considering all the implications of the legislature's actions based on the voter referral. The legislature is asking the Supreme Court to move quickly on a decision because the State is in the middle of the budget and legislative session and needs to know how to move forward.

In response to a question posed by Councilmember Heredia, Mr. Butler pointed out the National League of Cities (NLC) tried to negotiate a situation to mitigate the negative impacts of the tax cuts.

Responding to several questions from Vice Mayor Duff, Mr. Butler advised after the legislation was passed, it was signed into law by the Governor, at which point a group submitted the required number of signatures to refer the law to the ballot. He stated ultimately, multiple challenges were consolidated and moved to the Arizona Supreme Court, which is the action everyone is waiting on. He remarked there could be a potential

referendum on the ballot, depending on the decision of the Supreme Court, adding the legislature could try to retract tax cuts and reinstate them to avoid the voter referral.

Mr. Olvey outlined the City sales tax revenues by month year-over-year. He mentioned FY 17/18 and 18/19 were pre-pandemic common trends with increased revenues during spring training and Christmas. He discussed FY 19/20 was normal until March when the pandemic hit causing reduced revenues; however, there was a bounce back in April/May when the CARES Act passed. He mentioned revenues continued to grow in FY 20/21 with higher online sales and more local spending and a jump in March 2021 when the American Rescue Plan Act (ARPA) passed and additional stimulus money was disbursed. He commented on the effect of inflation causing sales tax to increase due to price increases on products and services. (See Page 4 of Attachment 2)

Mr. Brady announced that December 2021 was the highest receipt for sales tax in one month in the history of Mesa. He said the difficult part is trying to understand how much of that growth is sustainable.

Mr. Olvey broke down the sales tax by category. He commented retail is by far the largest category and makes up approximately half of all City sales tax. (See Page 5 of Attachment 2)

In response to a question from Councilmember Thompson, Mr. Olvey reported new vehicles sales are included under retail and advised that the City is also seeing the impact of vehicle sales on the vehicle license tax in state shared revenues.

Mr. Olvey outlined the retail and contracting categories for sales tax. He pointed out before calendar year 2021, the contracting revenues remained steady between \$1.3 to \$1.8 million, and the revenue has climbed in FY 21/22 due to an increase in building materials and labor costs. He compared Mesa's year-to-date growth in July to December 2021 as 60% and the State's growth over the same time period is less than 1%. He added Mesa is seeing a very high amount of construction activity. (See Pages 6 and 7 of Attachment 2)

In response to a question posed by Mayor Giles regarding how much longer the substantial growth can continue, Mr. Brady indicated there are still some major projects coming up.

Mr. Olvey stated this level of construction was built into the forecast through the rest of this year, and then beginning next year starts to decrease the contracting sales tax due to the uncertainty in the market and the increasing interest rates.

Mr. Olvey shared the breakdown of the State shared revenues. He remarked the State income tax line is solid in FY 21/22 and 22/23 because of the two-year lag. (See Page 8 of Attachment 2)

Mr. Olvey presented the employment and unemployment rates for Mesa residents. He pointed out in May 2021, the number of individuals employed surpassed pre-pandemic levels and have seen continued growth. (See Pages 9 and 10 of Attachment 2)

In response to a question from Councilmember Luna, Mr. Brady affirmed that any employee furloughed during the pandemic has been brought back and the City continues to fill open positions.

Responding to a question from Councilmember Thompson regarding whether the medium income has increased in Mesa, Mr. Brady commented through inflation and wage pressures the medium income has most likely grown and advised staff will research what Mesa's wages are relative to the County average.

In response to a question posed by Councilmember Heredia, Mr. Olvey remarked the preliminary unemployment rate for December 2021 in Mesa is 2.3%, which is the lowest since June of 1998.

Mr. Ritschel discussed the property valuation that outlines the cash value for the property and the number used for the property tax calculation. He added property taxes are limited to a 5% increase per year by state statute. (See Page 11 of Attachment 2)

Mr. Ritschel mentioned the U.S. inflation rate is the highest since the 1980s. He pointed out the areas in gray represent recessions. (See Page 12 of Attachment 2)

Mr. Ritschel shared charts showing water consumption by residential and non-residential customers and monthly water consumption per account. He noted even though water usage is going up, the usage per customer is going down. (See Pages 13 and 14 of Attachment 2)

Mr. Ritschel stated permit revenues have shown steady growth. He added an anticipated drop is expected next fiscal year depending on what happens with the interest rates. He reported the permit activity over the previous year shows a high level of other residential which consists of pools, remodeling, and upgrades to existing homes. (See Pages 15 and 16 of Attachment 2)

Mr. Ritschel displayed a PowerPoint presentation to explain the State Imposed Expenditure Limitation, more commonly referred to as Home Rule, that occurs every four years. **(See Attachment 3)**

Mr. Ritschel informed Council that the Arizona Constitution requires municipalities to adopt a balanced budget and imposes an expenditure limit based on numbers from FY 79/80 with adjustments for population growth and inflation and allows for local election approval to exceed the expenditure limitation. (See Page 2 of Attachment 3)

Mr. Ritschel explained the three types of expenditure limitation alternatives are: (See Page 3 of Attachment 3)

- Home rule
- Permanent base adjustment
- One-time override

Mr. Ritschel remarked if a municipality does exceed their expenditure limitation, penalties can be assessed by withholding a portion of the state income tax. (See Page 4 of Attachment 3)

Mr. Ritschel indicated the Home Rule was approved by the voters in March of 2000 and has been renewed every four years. He mentioned the current authorization expires June 30, 2023, and must be placed on the 2022 ballot. (See Page 5 of Attachment 3)

Mr. Ritschel commented that the State limitation formula takes the population from FY 79/80 and applies an inflationary factor to come up with the expenditure limit; however, locally approved funds are not considered. (See Page 6 of Attachment 3)

Mr. Ritschel elaborated that the effect of not renewing Home Rule would reduce the City's budget by \$669 million, which is approximately a third of the total budget. He continued by saying if the City exceeded the limitation by more than 10%, the State would withhold \$32.4 million State shared revenues the following fiscal year. (See Page 7 of Attachment 3)

Mr. Ritschel said the Home Rule election will be referred to the voters by a two-thirds vote of Council and is required to be presented at a regularly scheduled election. He stated staff recommends Home Rule be placed on the November 2022 ballot as approval will apply to the four succeeding fiscal years. (See Page 8 of Attachment 3)

In response to a question from Councilmember Luna, Mr. Brady advised per state statute Home Rule expires if not done every four years.

Mr. Ritschel outlined the steps that need to take place for Home Rule to be added on the 2022 ballot. (See Page 9 of Attachment 3)

Mr. Brady summarized one option is placing Home Rule on the ballot every four years to let the local elected officials control and determine the local budget; and another option is a permanent base adjustment to get one-time approval from the voters, but that number would be hundreds of millions of dollars and would be difficult to explain to the residents.

Management and Budget Director Candace Cannistraro suggested if Council would like to consider a permanent base adjustment in the future, then it would be best in an off-cycle of Home Rule so if the permanent base adjustment does not pass, the City still has two years before Home Rule must be referred to the voters again.

Discussion ensued relative to how the expenditure limit came into being, why citizens would vote against increasing the expenditure limit, what other cities have done, and the impact to citizens if Home Rule did not pass.

Mayor Giles suggested continuing discussions about doing a permanent base adjustment in 2024.

(A brief recess occurred at 8:51 a.m. The Council Strategic Planning Session resumed at 9:02 a.m.)

4-c. Hear a presentation, discuss, and provide direction on the Mesa Fire and Medical and Police Departments' current status and future needs related to, and financing for, services, renovations, building stations, and public safety training facilities.

Office of Management & Budget Assistant Director Brian Ritschel introduced Strategic Planning and Analysis Program Manager Mark Castleton and Strategic Planning and Analysis Program Coordinator ShaLae Steadman and displayed a PowerPoint presentation. **(See Attachment 4)**

Ms. Steadman highlighted the Mesa Fire and Medical Department (MFMD) Incident Forecast and stated from 2016-2021 medical calls have increased by 14% and all other categories combined have remained relatively flat. She said the drop in calls from 2020 to 2021 correspond to the pandemic. (See Page 3 of Attachment 4)

Ms. Steadman provided a response network review of MFMD stating the count of incidents has continually grown since 2009 and each year the percentage of medical incidents makes up a greater amount of the incident count. (See Page 4 of Attachment 4)

Mr. Brady clarified one challenge is finding a model that works for the increased demand on services. He said a successful model will maximize skills, equipment, and tools, as well as ensure each is available in the locations needed.

In response to a question from Councilmember Thompson regarding previous discussions of increased calls to assisted living facilities, Mr. Brady responded by saying it is very difficult to pinpoint the locations and percentage of these calls.

Assistant City Manager John Pombier added the reality is that many of these calls require three to four people to lift a person back in bed, that many factors come into play with these calls, and many also require some type of medical response.

Mr. Brady explained that the world is changing, including the demand on MFMD services. He commented the stress on firefighters is increasing due to the frequency of calls in specific areas.

Ms. Steadman displayed an incident heat map of call volume and stated the darker areas reflect high call volume. She said the city is divided into station areas and each station has a target four-minute travel time. She added the areas outside of the diamonds are gaps where the target time cannot be reached. She commented to optimize cost and coverage, staff tries to avoid space in gaps or overlapping gaps. (See Page 5 of Attachment 4)

Discussion ensued relative to two future fire stations, that the green diamonds are large areas of undeveloped land, and that while County islands have low density, they put pressure on MFMD response.

Ms. Steadman highlighted border zones, which are adjacent to other jurisdictions and indicated the stations that respond to Tempe, Apache Junction, and Gilbert.

In response to a question from Councilmember Luna, Mr. Brady stated staff is looking at national models and having conversations with neighboring jurisdictions. He added the focus of discussions is on two-person, non-sworn responses.

Ms. Steadman displayed a travel time heat map and explained the green area shows units that arrived within four minutes travel time on more than 60% of the incidents in that area. She stated the yellow and orange shows 30 to 60% of the incidents with a four-minute travel time, and red with less than 30% of the incidents with a four-minute response time. (See Page 6 of Attachment 4)

In response to a question from Councilmember Luna regarding the plan to improve the red areas, Mr. Brady explained Station 22 will help; however, part of the challenge is getting through and around subdivisions and apartment complexes.

Discussion ensued relative to response times, that adding more fire trucks to stations does not decrease response times, that adding more fire stations is not financially feasible, and that staff is looking at the model for fire response and placing other types of units within the City that can be mobile and agile.

In response to a question from Mayor Giles regarding projected growth with future annexations, Mr. Brady explained it is a matter of priority and that the current priority is addressing community needs for residents that are currently paying taxes.

Ms. Steadman clarified that this map is a 50-year station map to plan the future of fire stations.

In response to a question from Councilmember Luna regarding alternatives to fire stations, Mr. Pombier explained a potential model would include a station where firefighters/EMTs can rest and park a vehicle with the goal of not spending much time there. He added the important factor would be filling these gaps without building additional stations.

Mr. Ritschel highlighted the request for two new MFMD stations, 223 and 224, which would be covered in an upcoming bond election. (See Page 7 of Attachment 4)

In response to a question from Mayor Giles regarding the location for Stations 223 and 224, Mr. Brady stated his recommendation for one station where the City already owns the land and added staff is still reviewing the best location for the second station.

Mr. Ritschel provided a recommendation on the redesign and reconstruction of Fire Station 205. (See Page 8 of Attachment 4)

In response to a question from Mayor Giles, Mr. Pombier responded what is done with Station 205 depends on what is done with some of the satellite stations. He said this station currently has two bays, which is insufficient for today; and if there were satellite stations, the current footprint might work with a remodel.

Mr. Ritschel highlighted a recommendation for the redesign and reconstruct of the Fire and Medical Headquarters buildings and Police Headquarters. (See Pages 9 and 10 of Attachment 4)

Mr. Brady stated both buildings are not welcoming and need to be repurposed for current operations.

Mr. Ritschel provided recommendations on the redesign and reconstruction of the Public Safety Training Facility. (See Page 11 of Attachment 4)

In response to a question from Mayor Giles, Mr. Pombier said the three academies per year will continue for at least the next three years.

In response to a question from Councilmember Heredia, Mr. Brady explained staff will review the costs and return to Council with a bond amount and what the impact would be on the property tax.

Discussion ensued relative to the Public Safety Sales Tax (PSST) being used for these projects, that the City is in year two of the five-year PSST plan and these projects do not fit in with that plan, that the PSST is mostly focused on adding personnel, and that the PSST is approximately \$27 million.

Mayor Giles thanked staff for the presentation.

(A brief recess occurred at 10:00 a.m. The Council Strategic Planning Session resumed at 10:06 a.m.)

4-d. Hear a presentation, discuss, and provide direction related to proposed renovations to the Mesa City Plaza building.

City Manager Christopher Brady discussed the Mesa City Council Chambers and the City Plaza Building and the need to create a more open, transparent, and secure City Hall. He introduced Vince Di Bella, President of Adaptive Architects, Inc., who displayed a PowerPoint presentation. **(See Attachment 5)**

Mr. Di Bella commented the corner of Main and Center Streets provides an ideal location to round out the City of Mesa campus. He explained his firm conducted significant research nationwide on city hall facilities and then focused on the quality of public experience, transparency, having a vibrant presence at night, and to address security from an architectural perspective. (See Pages 2 through 9 of Attachment 5)

Mr. Di Bella displayed a site plan with an overlay of the existing Council Chambers. He commented on the existing Mesa Plaza facility and the proposal for the future options of the space including an upper and lower chamber, meeting spaces, and security enhancements. (See Pages 10 through 17 of Attachment 5)

Mr. Di Bella displayed photos of interior and exterior options which provides the feel of openness and transparency of the space. (See Pages 18 through 40 of Attachment 5)

Mr. Di Bella displayed a photographic rendering of the interior of the chambers and indicated Council would enter from behind the dais. He commented on the interior photo and explained the floor is not sloped as the current upper chambers is, as that feature is not conducive to a flexible space. (See Page 41 of Attachment 5)

Mr. Brady clarified that the Council dais would be on an elevated platform.

In response to a question from Councilmember Spilsbury, Mr. Di Bella indicated the current chambers has 170 seats; and while the new Chambers will have 112, there is a provision for overflow seating.

Discussion ensued relative to the study session space, that it needs to be conducive to a work session and should be less formal than upper chambers, will be designed with flexible seating and will provide more seats than upper chambers.

Mr. Brady stated with Council consent, staff will move forward with compiling cost estimates and return to Council at a future date. He said the project would be funded with construction sales tax and a preliminary estimate is \$20 to \$25 million.

In response to a question from Councilmember Freeman regarding the project timeline, Mr. Brady explained design work would take eight to ten months and demolition work could start within one year. He clarified Human Resources currently occupies the space on the first floor and they would be moved to the second floor, and Economic Development would move to the previous Visit Mesa building following renovation.

Mayor Giles indicated it was a consensus of Council to move forward with the project.

Mayor Giles thanked Mr. Di Bella and staff for the presentation.

5. Councilmembers share their suggestions and ideas for future Council meeting topics including current, near-term, and long-term priorities/projects, and participate in a discussion on these priorities/projects to identify the items for future Council meetings and to identify common themes for the Council.

Mayor Giles invited Council to give their thoughts on goals for now and in the future.

Councilmember Freeman highlighted information he would like presented and his goals for the future:

- Multi-use paths buildout, timelines, and appropriation.
- Bond repayment and financial strength of the City, including future growth projections for future fire stations.
- Form based code in the Downtown area needs adjustments and whether the code is keeping up with buildout projections in the Downtown corridor.
- Address homelessness and possibly meet with Councils from neighboring communities to see what they are doing.
- Create a memorial for fallen firefighters and annual recognition for fallen Mesa firefighters.

Mayor Giles explained Maricopa Association of Governments (MAG) has a master homelessness plan and Council can have additional presentations to educate residents on those plans.

Councilmember Spilsbury highlighted information she would like presented and her goals for the future:

- Housing - current, near term, and long-term affordable and market-rate housing.
- Vacant space on Main Street – Review for possible Low-Income Housing Tax Credit (LIHTC) opportunities and look at moving more low-income housing out of West Mesa, down Main Street into East Mesa.
- Homelessness.
- Communicating with City residents – this is an area we can improve outside of social media. There is still a lapse in residents understanding of Council decisions.
- Non-profit coordination - 274 non-profits in Mesa and would like to see more coordination and less duplication of services.
- Education and workforce - strengthen existing programs.
- Downtown aggressive revitalization.
- Connection of small business support programs.

Councilmember Heredia highlighted information he would like presented and his goals for the future:

- Housing developments.
- Zoning West Mesa - small lot development, vertical development, light rail, consider zoning towards these types of developments.
- Mix and balance home ownership models. Planning for housing that will be needed in the next 10 years.
- Transit – connect people to transportation, charging stations, expanding transit options including micro transit, affordable service, and fill gaps in transit services.
- Mapping of bike routes that leads to destinations within the city.
- Workforce – support students and the Mesa Promise Program.
- Placemaking opportunities - continue strategic discussions to create placemaking to feed into strategies of workforce.

Vice Mayor Duff highlighted information she would like presented and her goals for the future:

- Infill development maximizing local economy.
- Climate friendly.
- Matching economic development and housing, and have businesses participate in housing conversation.
- Transportation and micro transit hubs. Identify where people gather to improve transit needs.
- Infrastructure challenges Downtown. \$10 million in ARPA funds available and need to consider using that for Downtown infrastructure.
- Adaptive reuse code amendments.

- Removal of Downtown colonnades.
- Allowing accessory dwelling units.
- DIMES - Digital interface with public.
- Revising General Plan and creating a vision. Bring all plans together (Housing, Workforce, Transit, Infrastructure, Parks, Police, and Fire) to form a cohesive citywide plan. Have tangible benchmarks to measure progress.
- Job sustainability.

Councilmember Luna highlighted information he would like presented and his goals for the future:

- Diversity, Equity, and Inclusion – keep these in mind when discussing strategic priorities.
- Housing - consider low-income housing.
- Workforce housing.
- Education - work with ASU Polytech to leverage partnerships to bring jobs.
- Put fiber in all homes or provide access to minimize the digital divide.
- Manufactured/mobile homes in COM - aging inventory and possible solution.

Councilmember Thompson highlighted information he would like presented and his goals for the future:

- More emphasis on infrastructure.
- Public Safety - ensure they have resources needed.
- Street calming/speed bumps/humps - efforts to keep up with technology and trends.
- Increase bus routes into populated and underserved areas.
- Increasing medium income across Mesa.
- Make websites more user-friendly.

Mayor Giles highlighted information he would like presented and his goals for the future:

- Education and workforce – Would like City to take initiative in addressing nursing and teacher shortage.
- Climate action - electric vehicle charging stations and shovel ready projects.
- Recycling – Decide if we are moving forward with a regional materials recovery facility (MRF).
- Broadband fiber.
- Master planning for city-owned real estate and have strategic plan for Downtown buildout.
- Education workforce partnership and workforce needs assessment.
- Charter updates.
- Public Safety response paradigm.
- Update on the General Plan.

Mr. Brady explained staff will take all the information presented today and provide a document that captures what has been discussed and schedules of addressing the topics.

6. Closing remarks.

Councilmember Freeman invited Council and residents to Lehi Days Saturday, March 5, 2022, from 8:00 a.m. to 4:00 p.m.

7. Adjournment.

Without objection, the Council Strategic Planning Session adjourned at 11:30 a.m.

JOHN GILES, MAYOR

ATTEST:

HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Council Strategic Planning Session of the City Council of Mesa, Arizona, held on the 3rd 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

la/dm
(Attachment – 5)



Innovation is the Mesa Way.

We deliver innovative services and solutions for our residents, visitors, and businesses large and small, through:



City of Mesa Economic Conditions Update

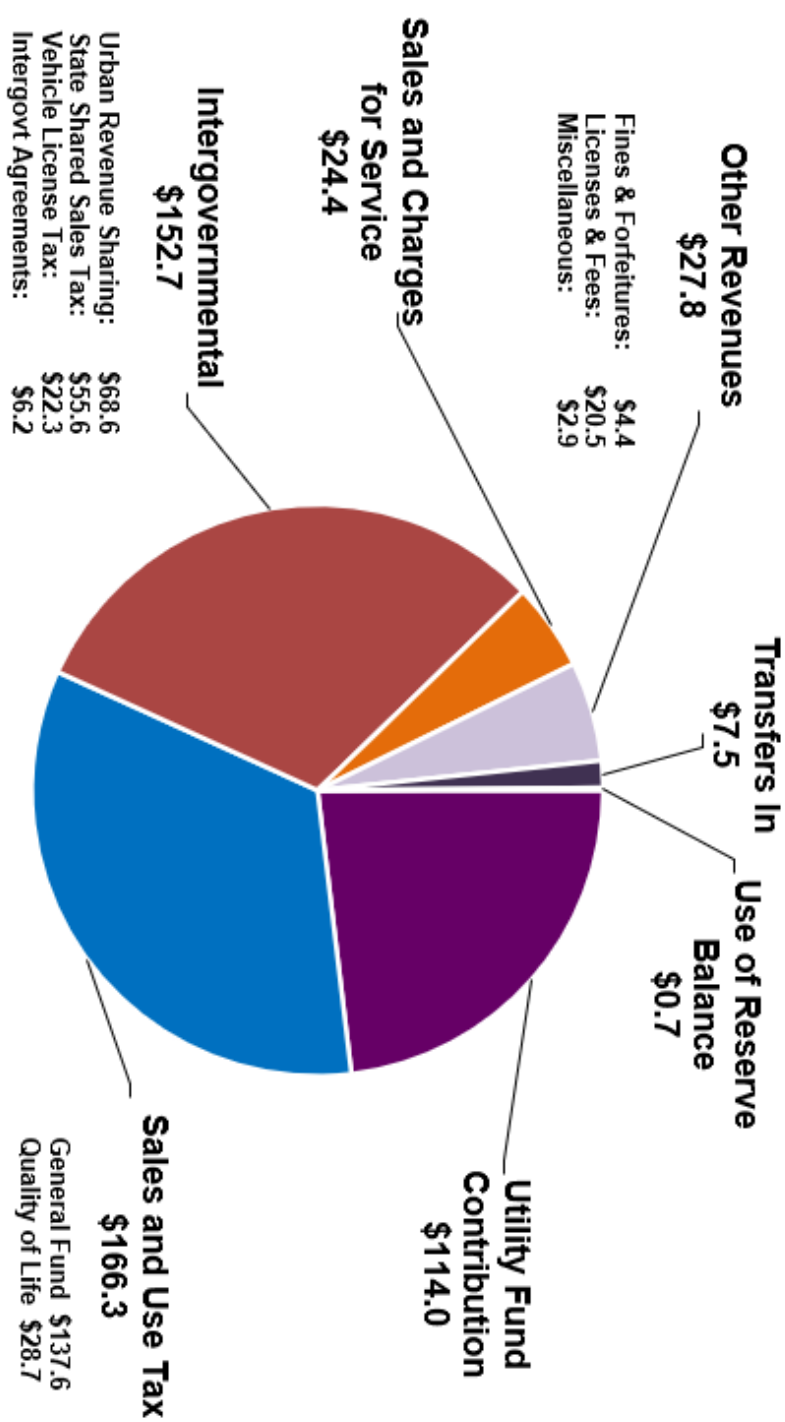
March 3, 2022



Presented by: Brian A. Ritschel, Management and Budget Assistant Director
Chris Olvey, Forecast Budget Coordinator

mesa•az

FY 21/22 Budgeted General Governmental Funds Revenues

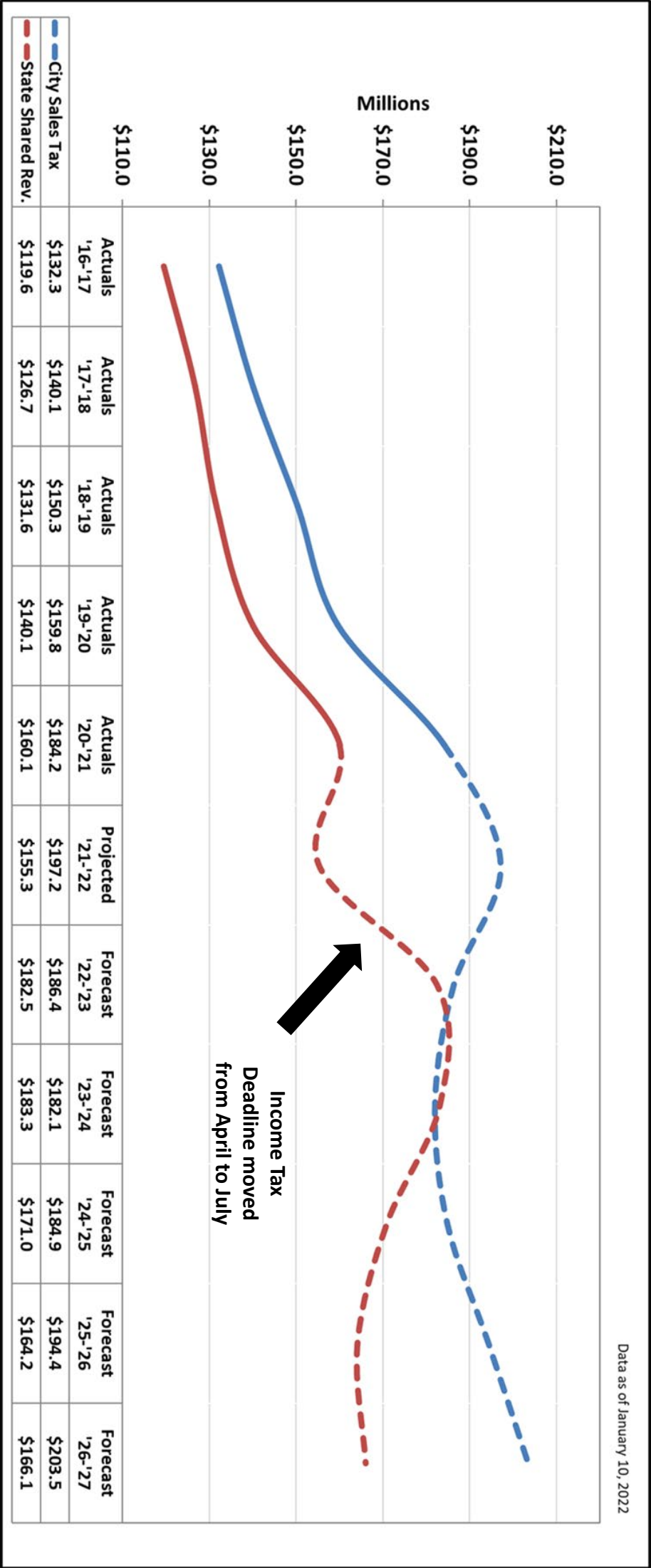


Dollars in Millions

*Excludes \$10.6M General Governmental Funds Carryover

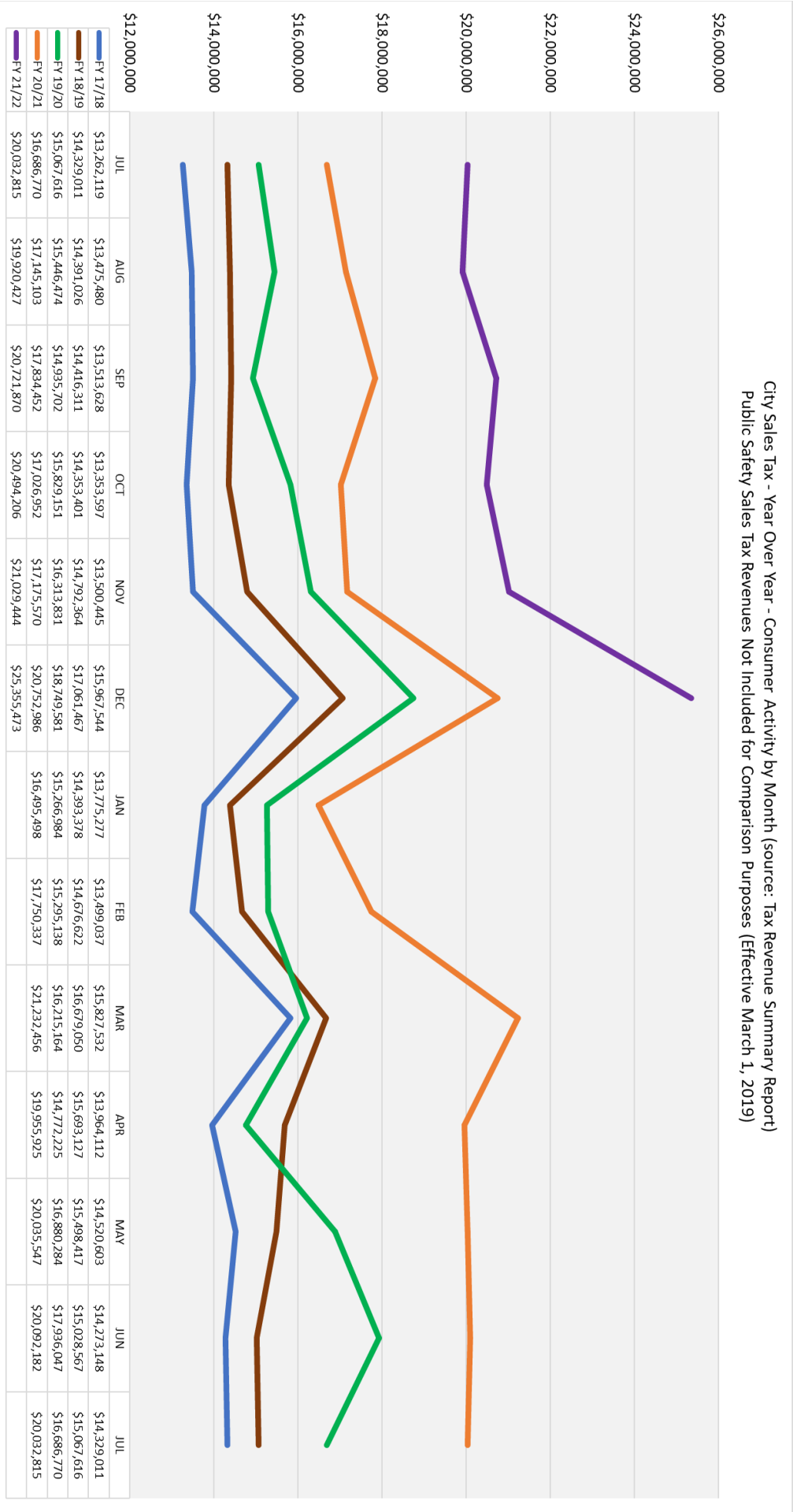
Note: All Quality of Life revenues are committed to Public Safety

General Governmental Revenues

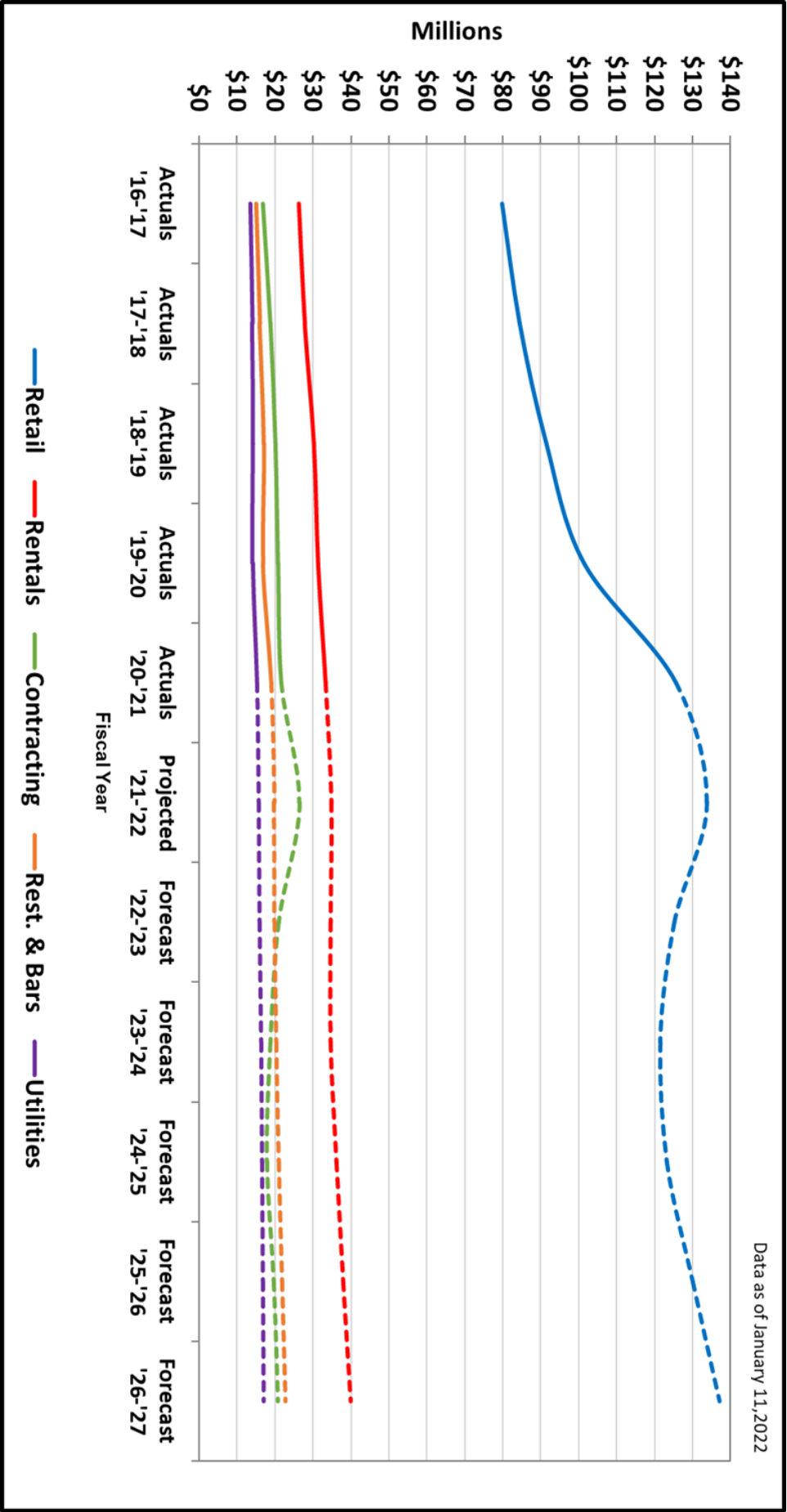


Income Tax
Deadline moved
from April to July

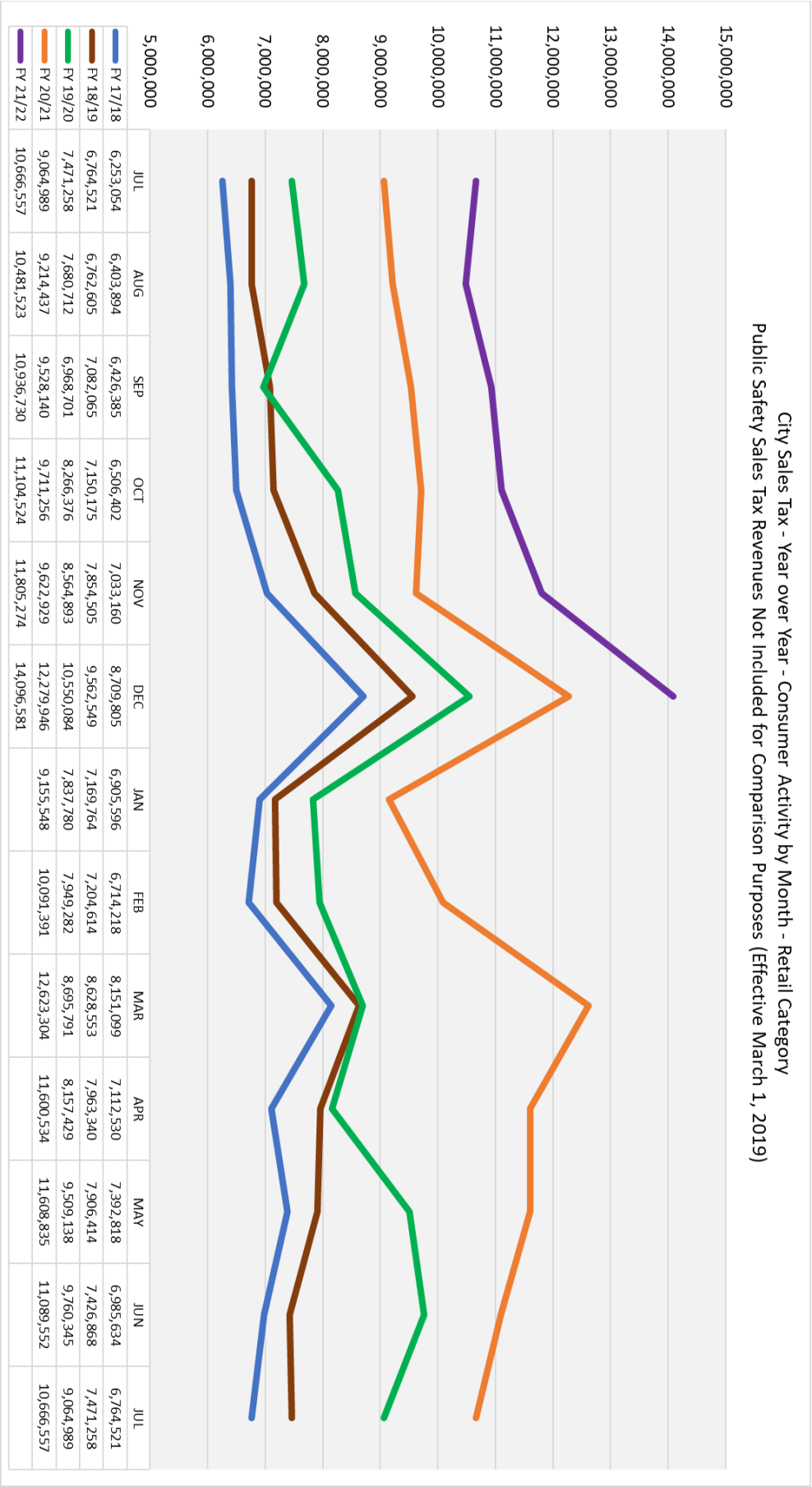
City Sales Tax Revenues



City Sales Tax by Category

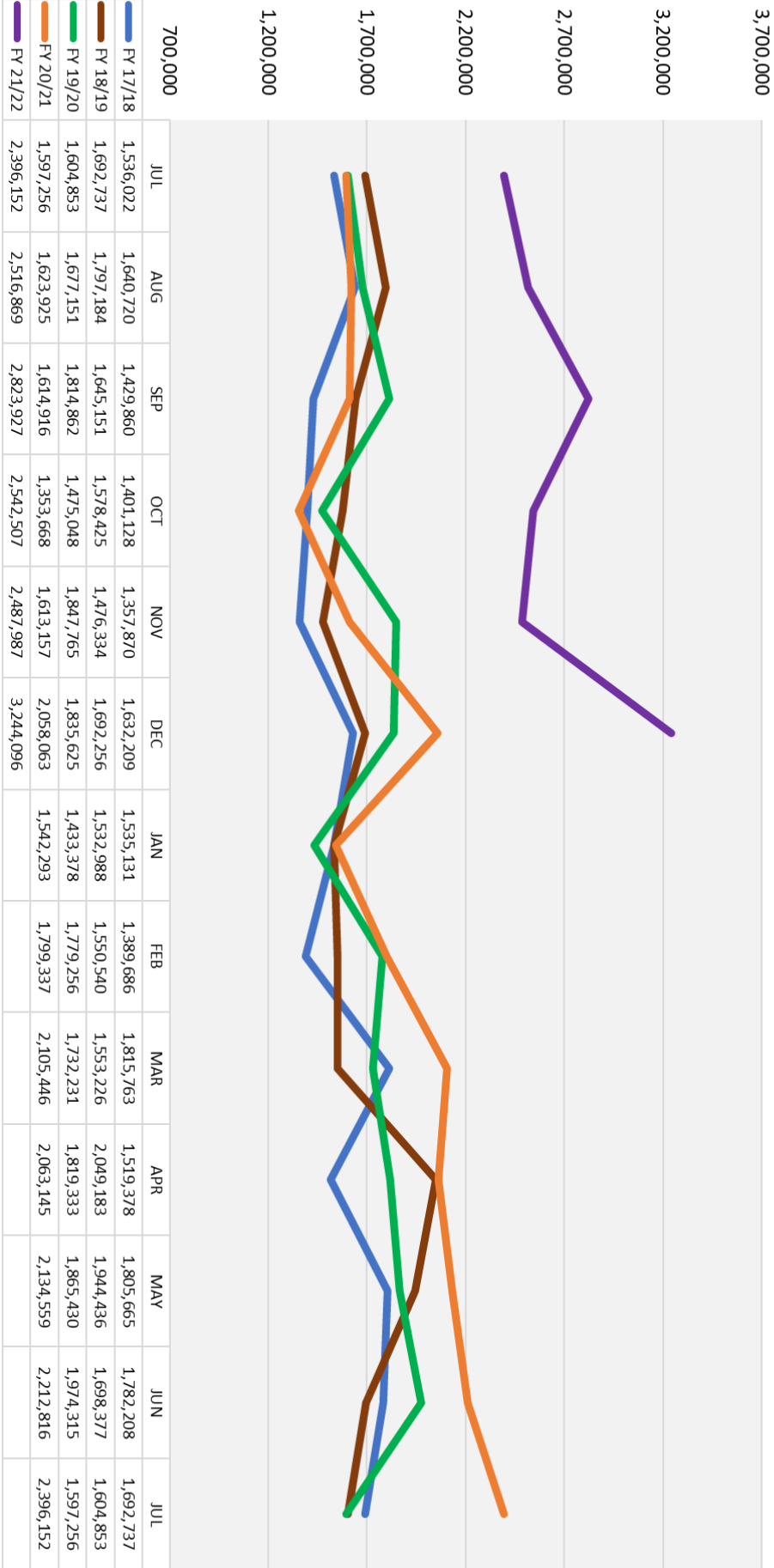


City Sales Tax – Retail Category

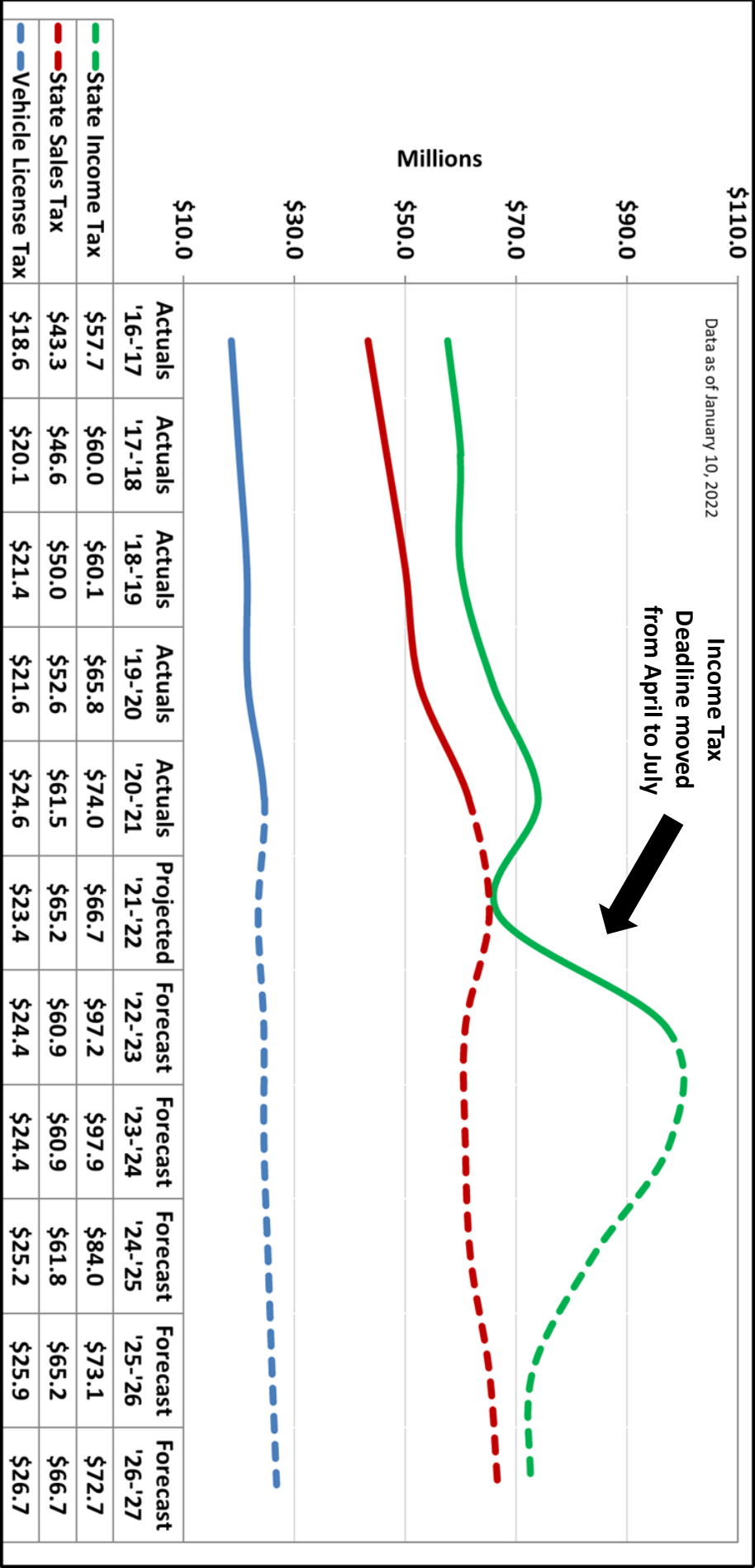


City Sales Tax – Contracting Category

City Sales Tax - Year over Year - Consumer Activity by Month - Contracting Category
Public Safety Sales Tax Not Included for Comparison Purposes (Effective March 1, 2019)

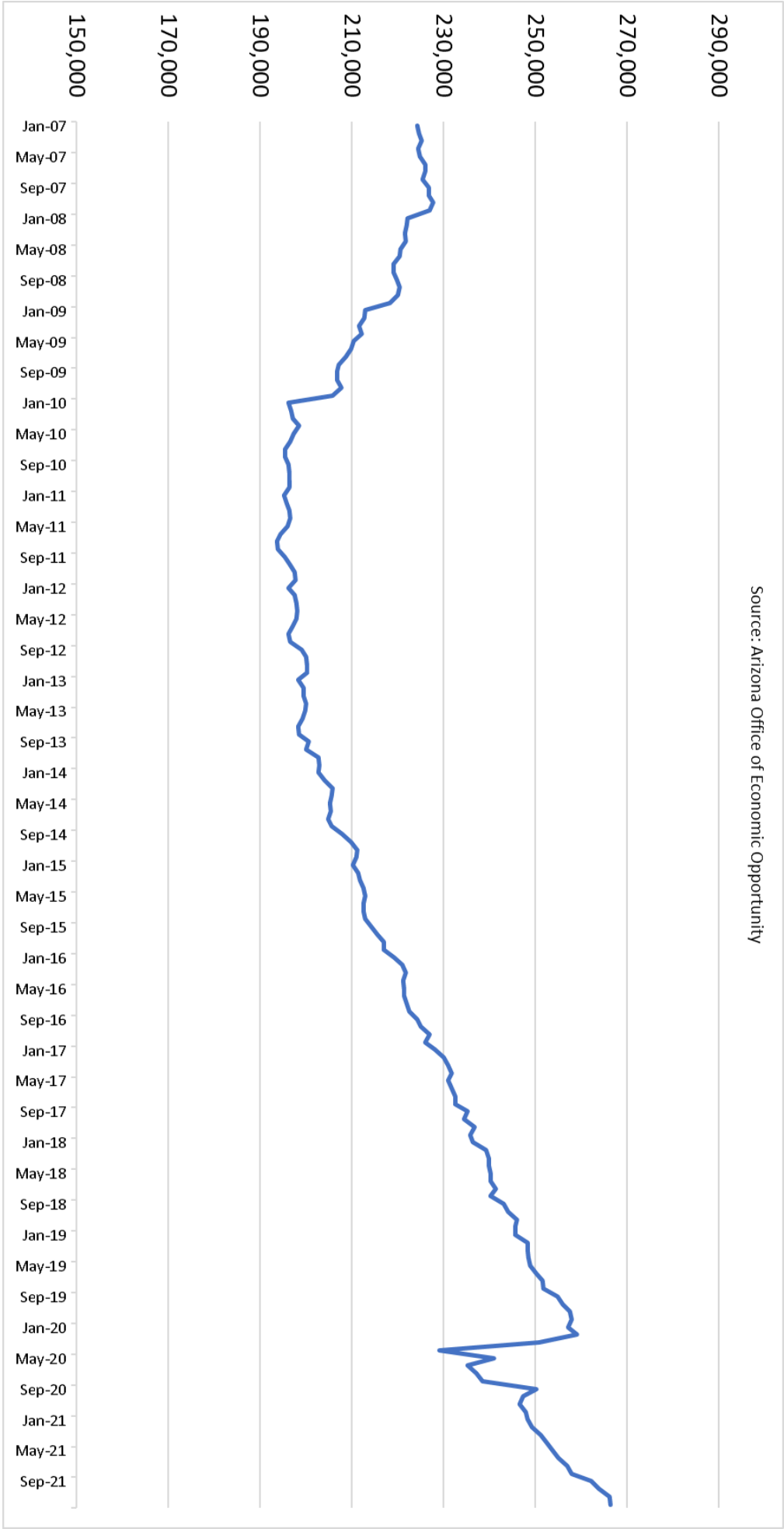


State Shared Revenues

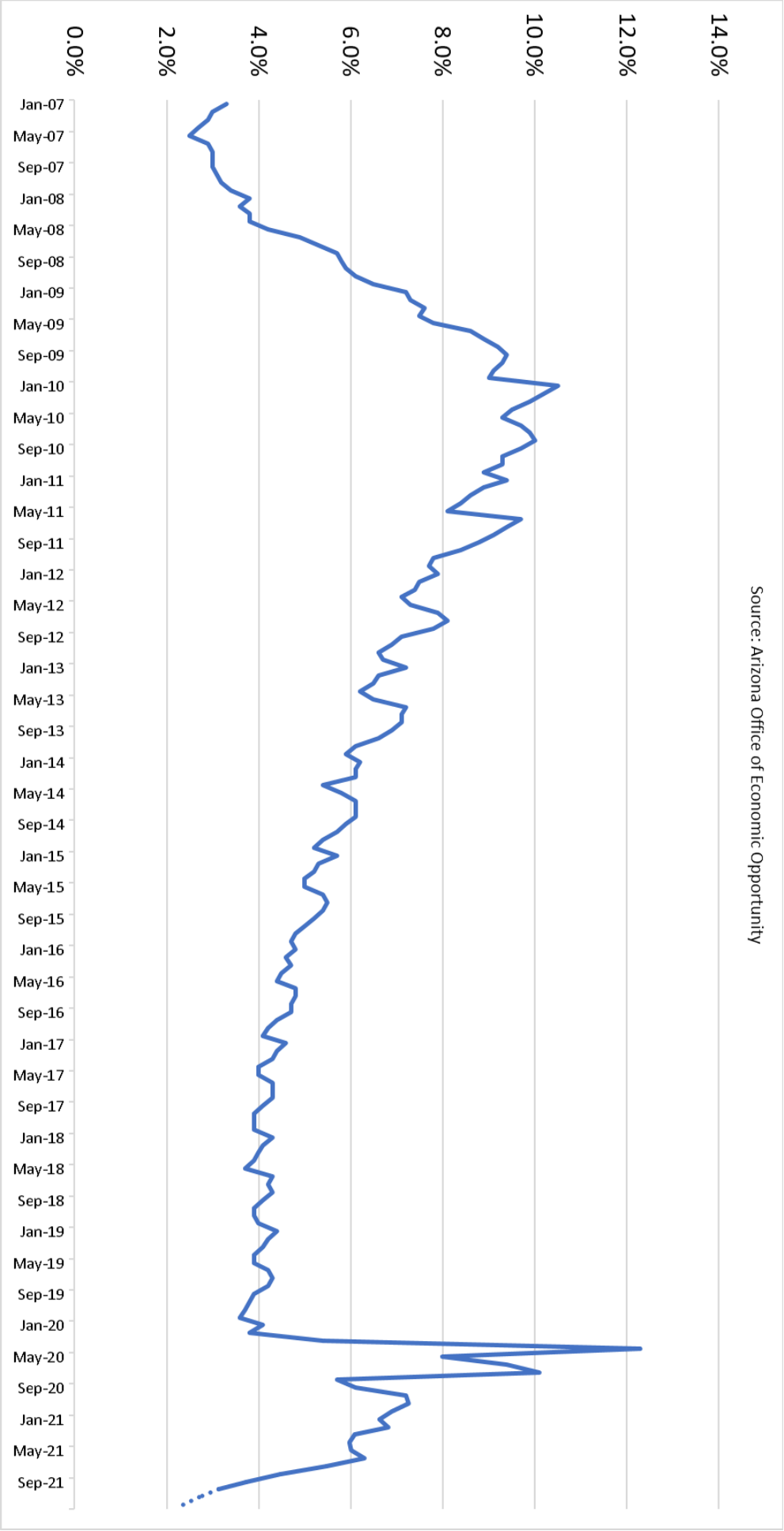


City of Mesa - Employment

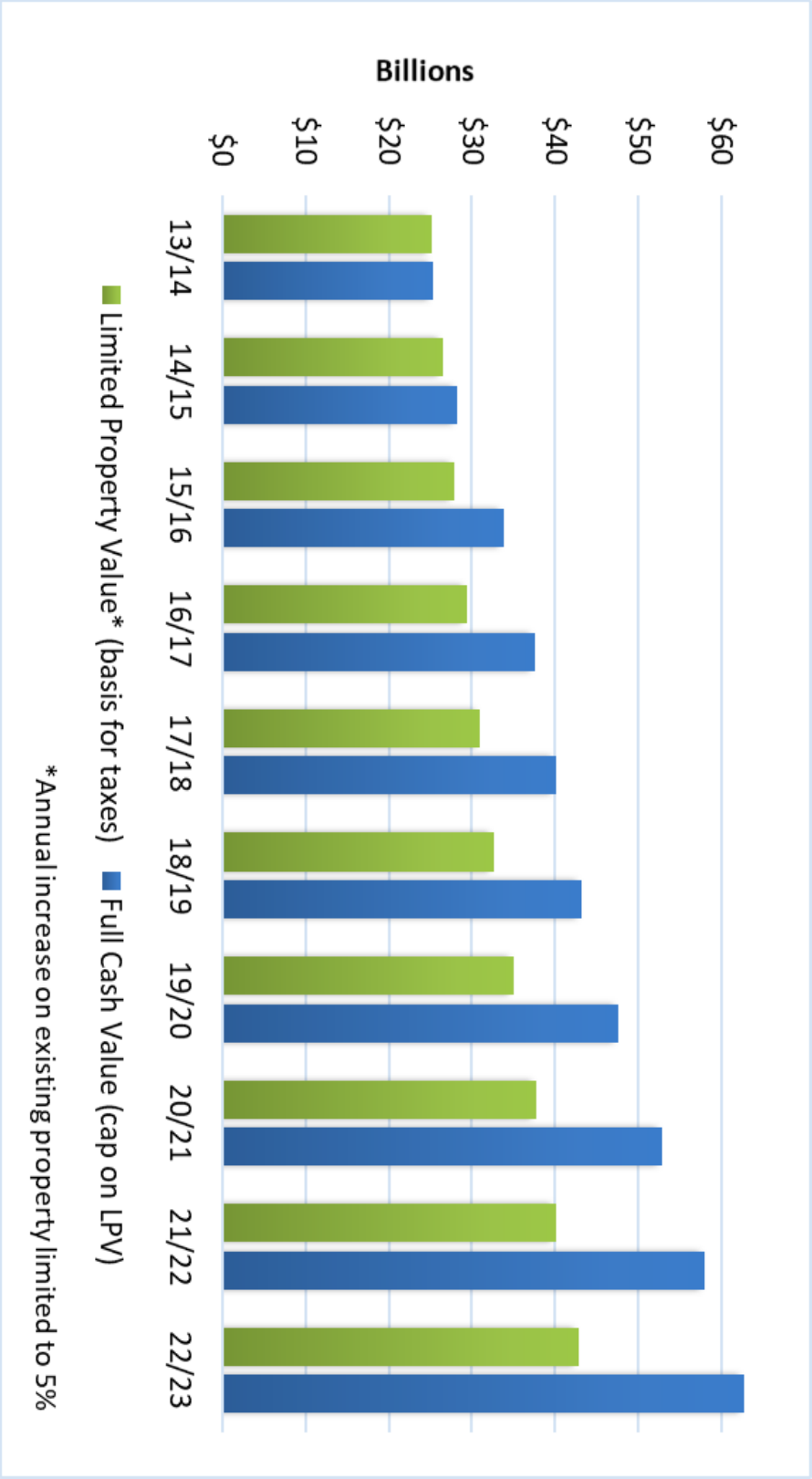
Source: Arizona Office of Economic Opportunity



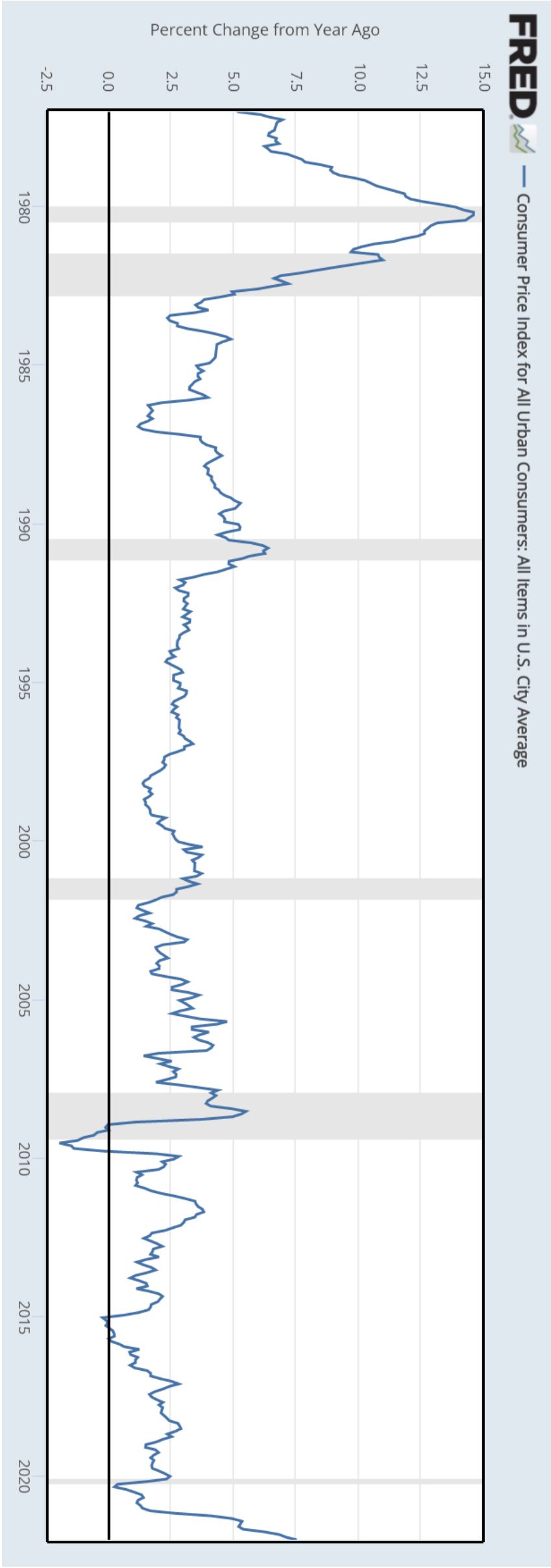
City of Mesa – Unemployment Rate



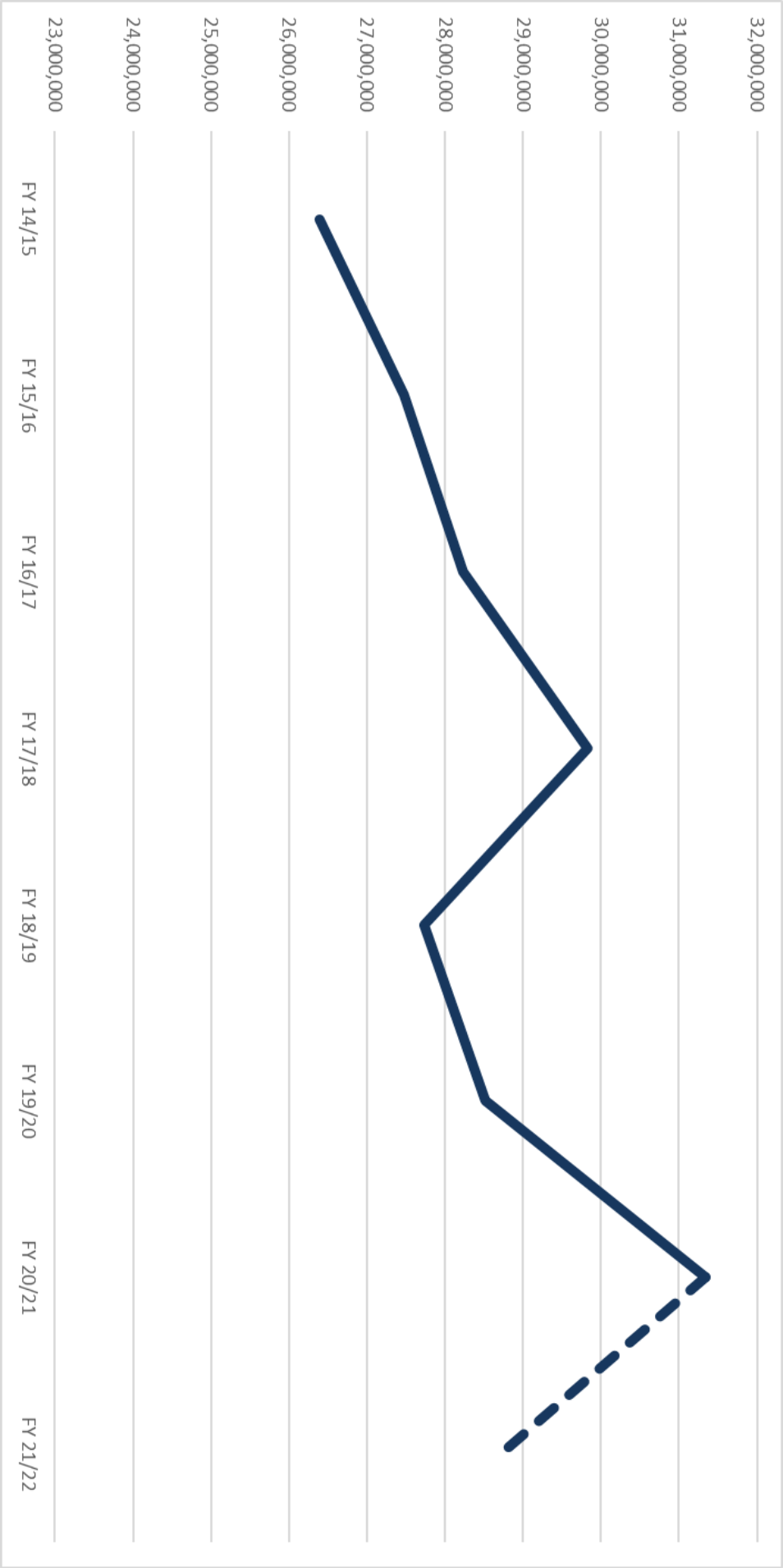
Property Valuation



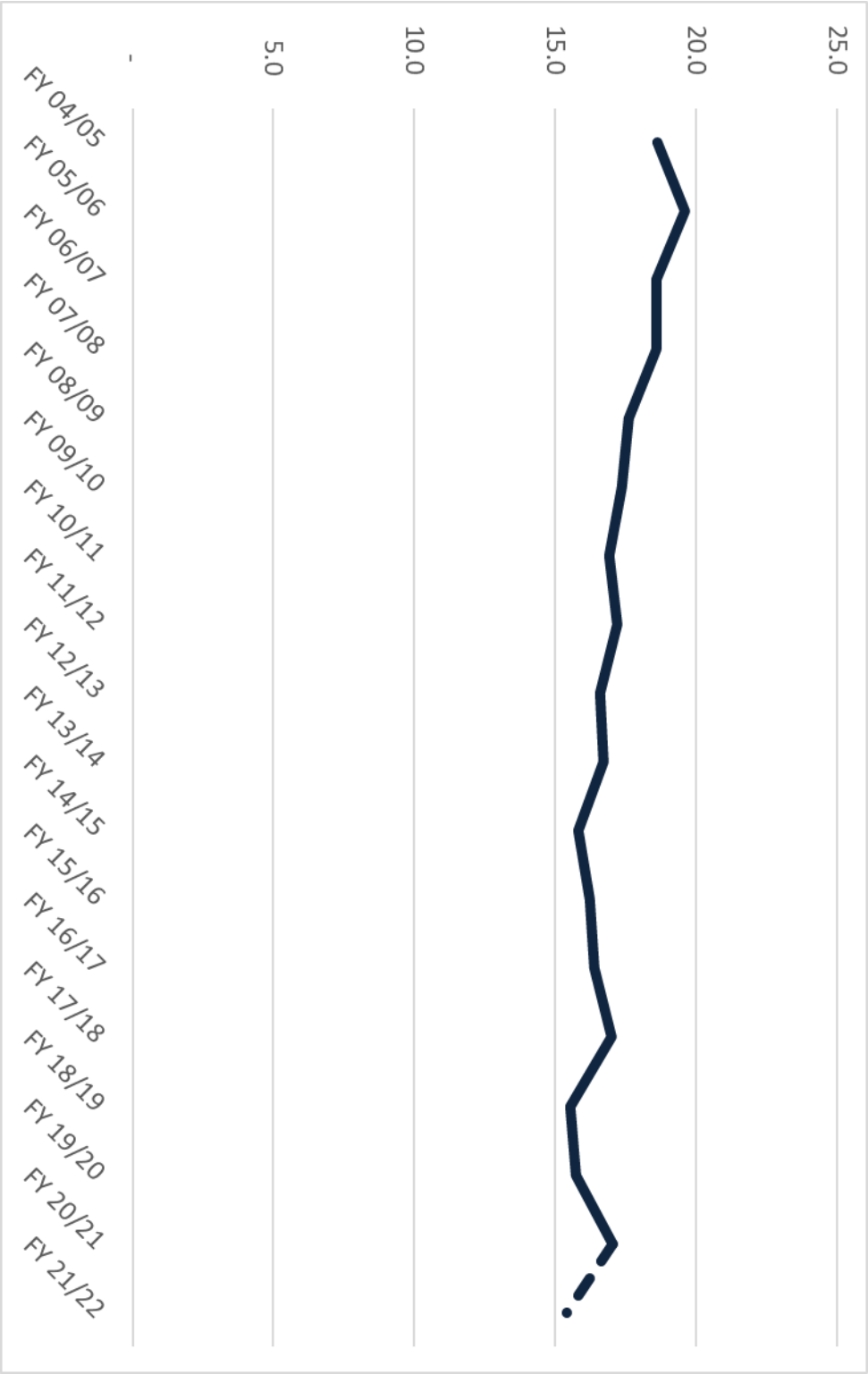
U.S. Inflation Rate (Consumer Price Index)



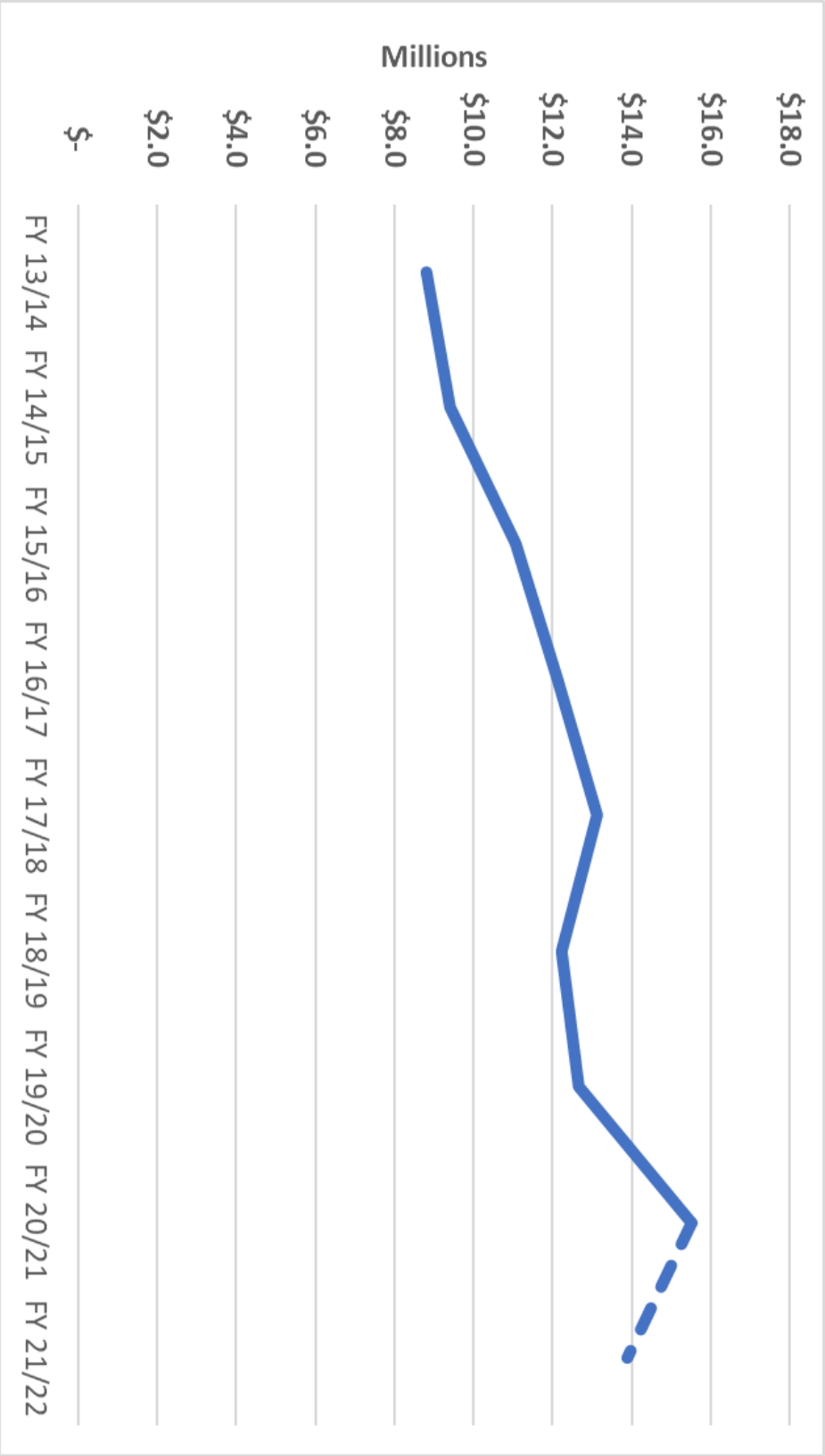
Water Consumption to All Customers



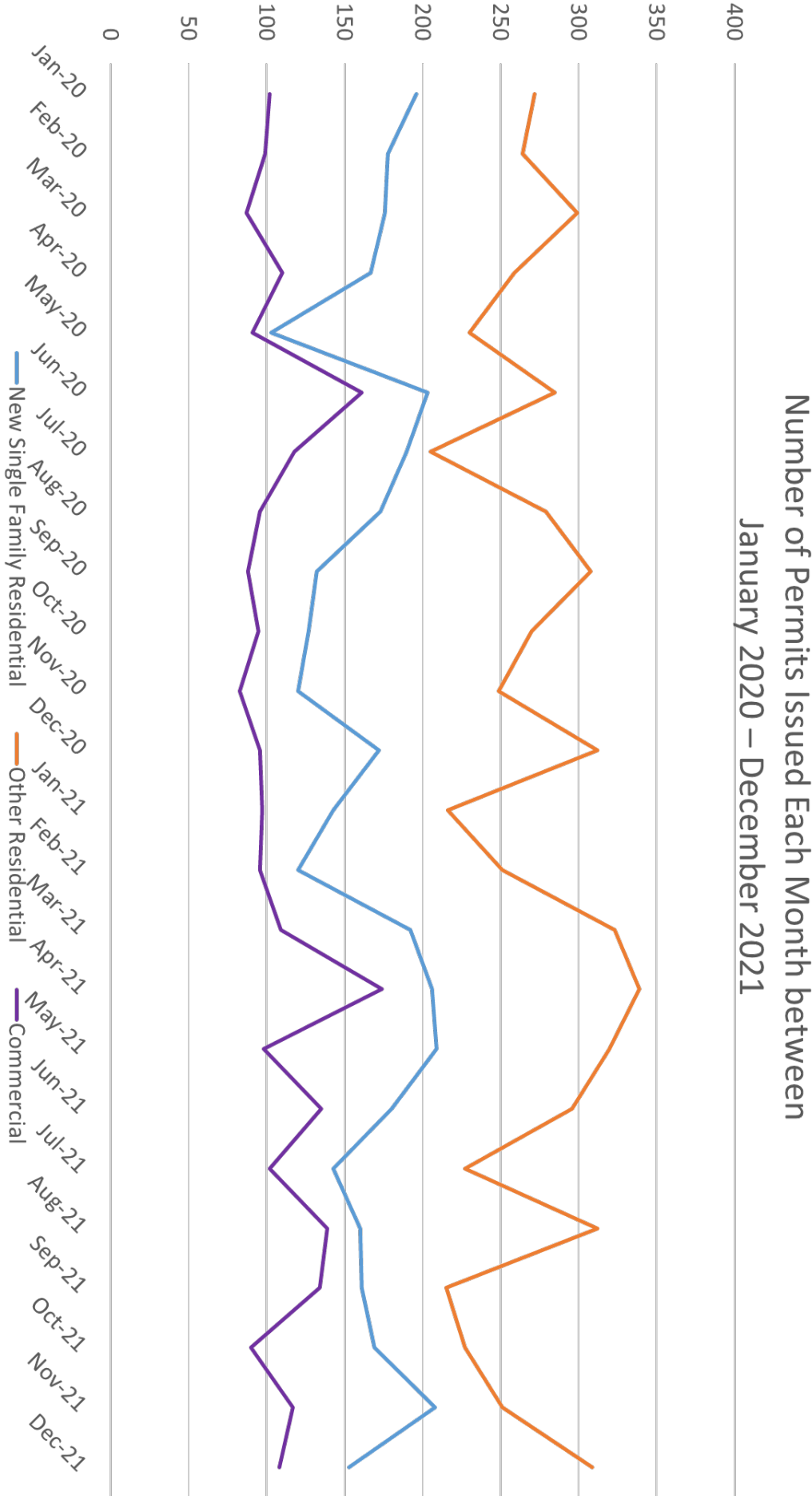
Monthly Water Consumption per Account for All Customers



Permit Revenues

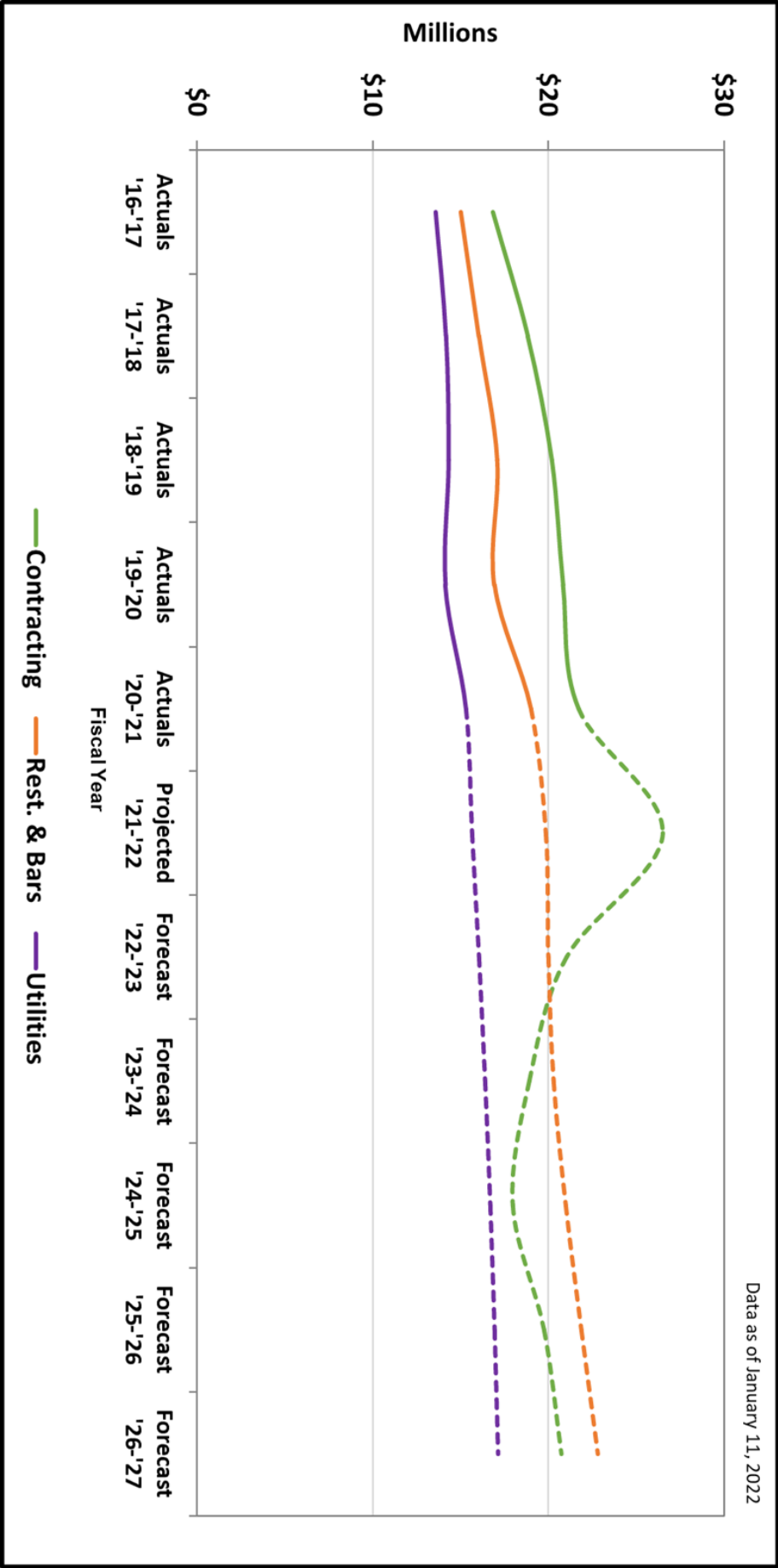


Permit Activity





City Sales Tax - Detail



City of Mesa

State Imposed Expenditure Limitation

Home Rule Continuation

March 3, 2022

Presented by: Brian A. Ritschel, Management and Budget Assistant Director



mesa•az

The Arizona Constitution

- Requires the adoption of a balanced budget. Estimated revenues and resources equal to appropriated expenditures.
- Imposes an expenditure limitation for all cities and towns based on FY1979/80, adjusted for population growth and inflation.
- Allows for local election approval of an Expenditure Limitation Alternative.

Types of Expenditure Limitation Alternatives

Home Rule

Allows the city to maintain local control of the annual budget amount and determine the necessary expenditure limitation while remaining within available revenues and resources. Effective for four years.

Permanent Adjustment of Expenditure Base

Allows the City to permanently adjust the expenditure base to a level other than the FY1979/80 amount. The new base is then adjusted for population and inflation in future years.

One-Time Override Alternative

Allows for exceeding the State imposed expenditure limitation for one fiscal year.

Sanctions for Exceeding the Expenditure Limitation

If the State Auditor General determines a city has exceeded the expenditure limitation, a portion of its share of the state income tax allocation is withheld.

The penalty is assessed as follows:

- **Exceeding by less than 5%**
penalty will equal the amount of the excess.
- **Exceeding by more than 5%, but less than 10%**
penalty will be three times the excess.
- **Exceeding by more than 10%**
penalty will be five times the excess or 1/3 of the state income tax allocation, whichever is less.

City of Mesa Current Home Rule



The State Limitation Formula

- The State imposed expenditure limitation is adjusted for population growth and inflation.
- Locally approved funds are not taken into consideration.
 - Examples are Mesa's Quality of Life sales tax, Local Streets sales tax and the Proposition 400 regional transportation improvements.
 - Mesa's Quality of Life sales tax currently funds 120 police officers and 65 firefighters.
 - The Local Street sales tax partially funds the operations of the Transportation Department while the Prop 400 revenues are used for construction projects to improve roads.
- Public Safety Sales Tax

Effect of Nonrenewal of Home Rule

If an expenditure limitation alternative had **not** been in effect for FY2021/22, the City would have been required to **reduce** its budget by about **\$669M** to comply with the State imposed expenditure limitation.

If the State limitation had been **exceeded** by more than 10%, the expected penalty applied to FY2022/23 would have been **\$32.4M** (based on one-third of the FY2022/23 state shared revenue).

A Home Rule Election

May be referred to voters by a **2/3** vote of the City Council. (5 votes)

Is required to be presented at a regularly scheduled election for the nomination or election of City Councilmembers.

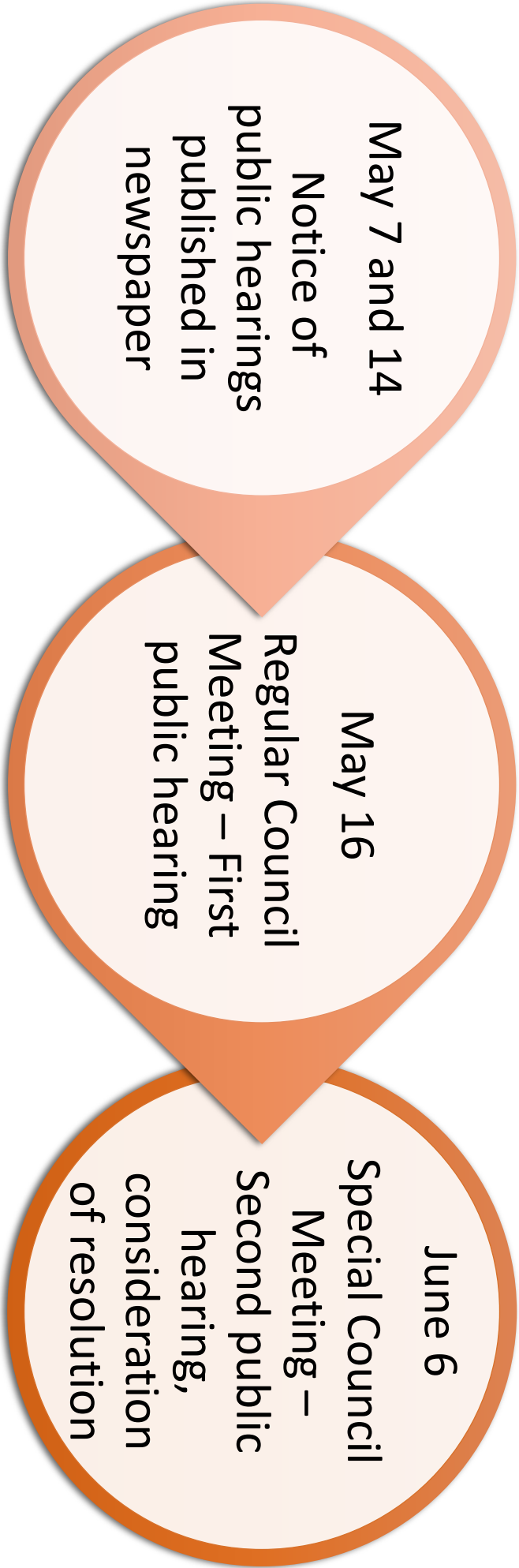
Staff recommends Home Rule to be placed on the November 2022 ballot.

If approved by voters, it will apply to the **four** succeeding fiscal years.

A November 2022 approval would apply to fiscal years **2023/24 - 2026/27**.

Home Rule Actions

For submission of a Home Rule Alternative on the
November 2022 Ballot:



Charter Amendment

- Allow City Council to adopt by ordinance the amount for City Council approved purchases. Current threshold is defined in charter.
- Current Language – *Procurement of materials, when the cost will exceed twenty-five thousand dollars (\$25,000), shall be made after giving public notice, as defined in Section 609...*
- Additional cleanup language for Section 609 will be presented to City Council



City of Mesa

Proposed 2022 Bond Election Projects

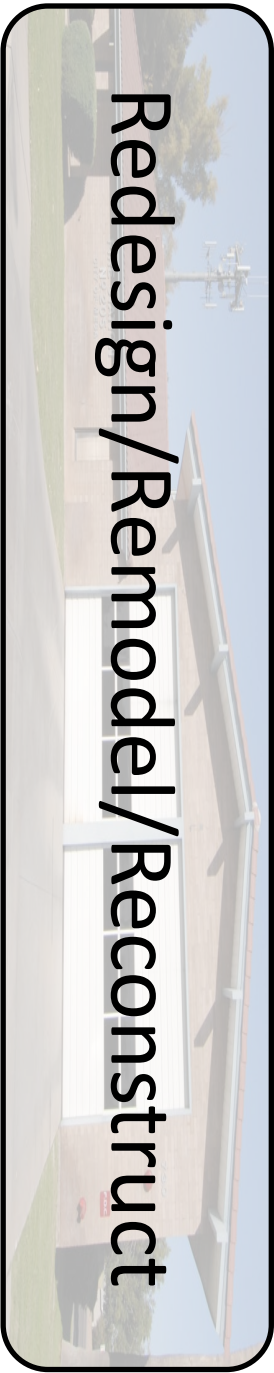
March 3, 2022



Presented by: Brian A. Ritschel, Management and Budget Assistant Director

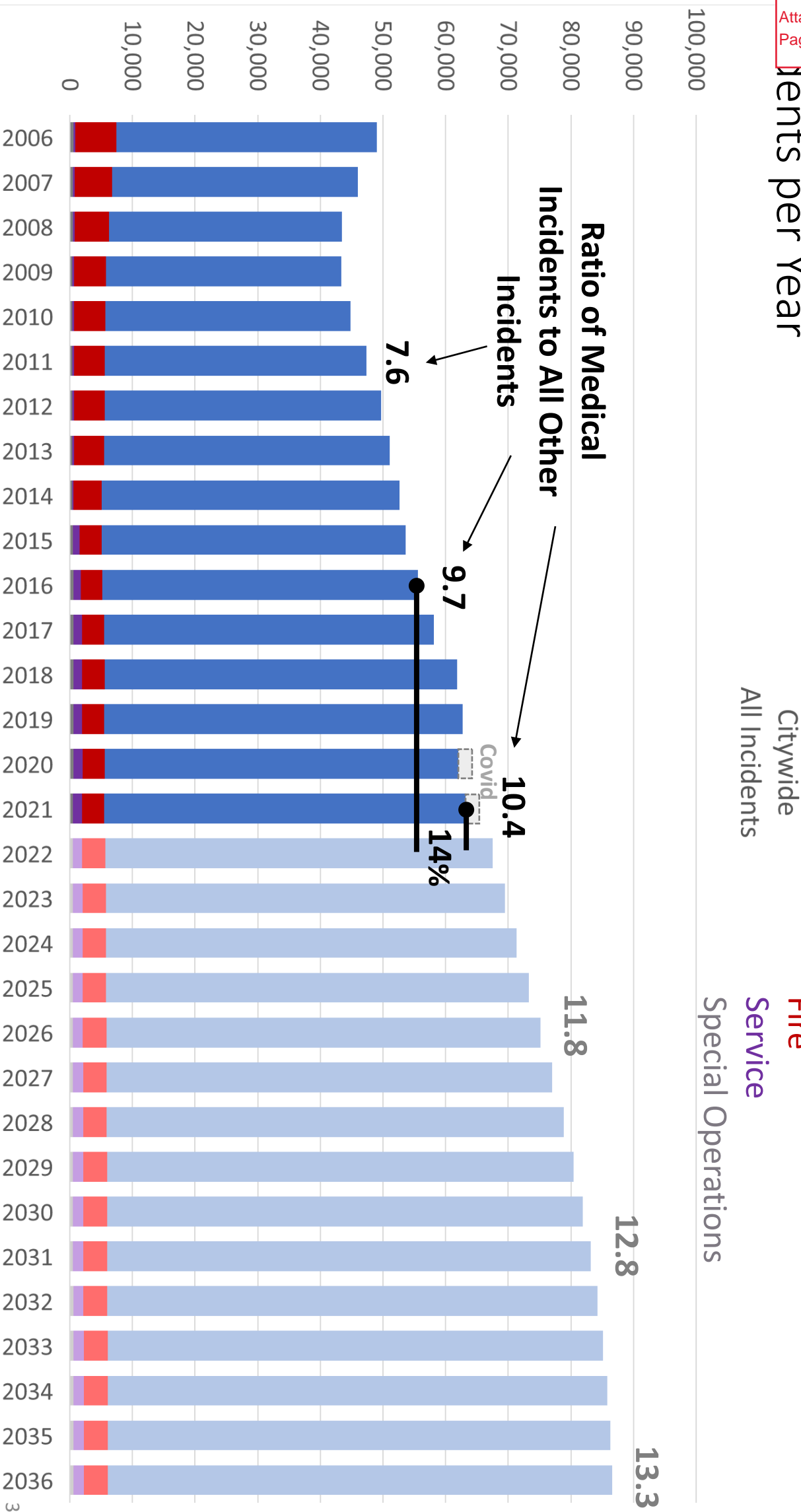
mesa•az

Prioritizing for the Future



EMD Incident Forecast

Incidents per Year



Mesa Fire and Medical Response Network Review

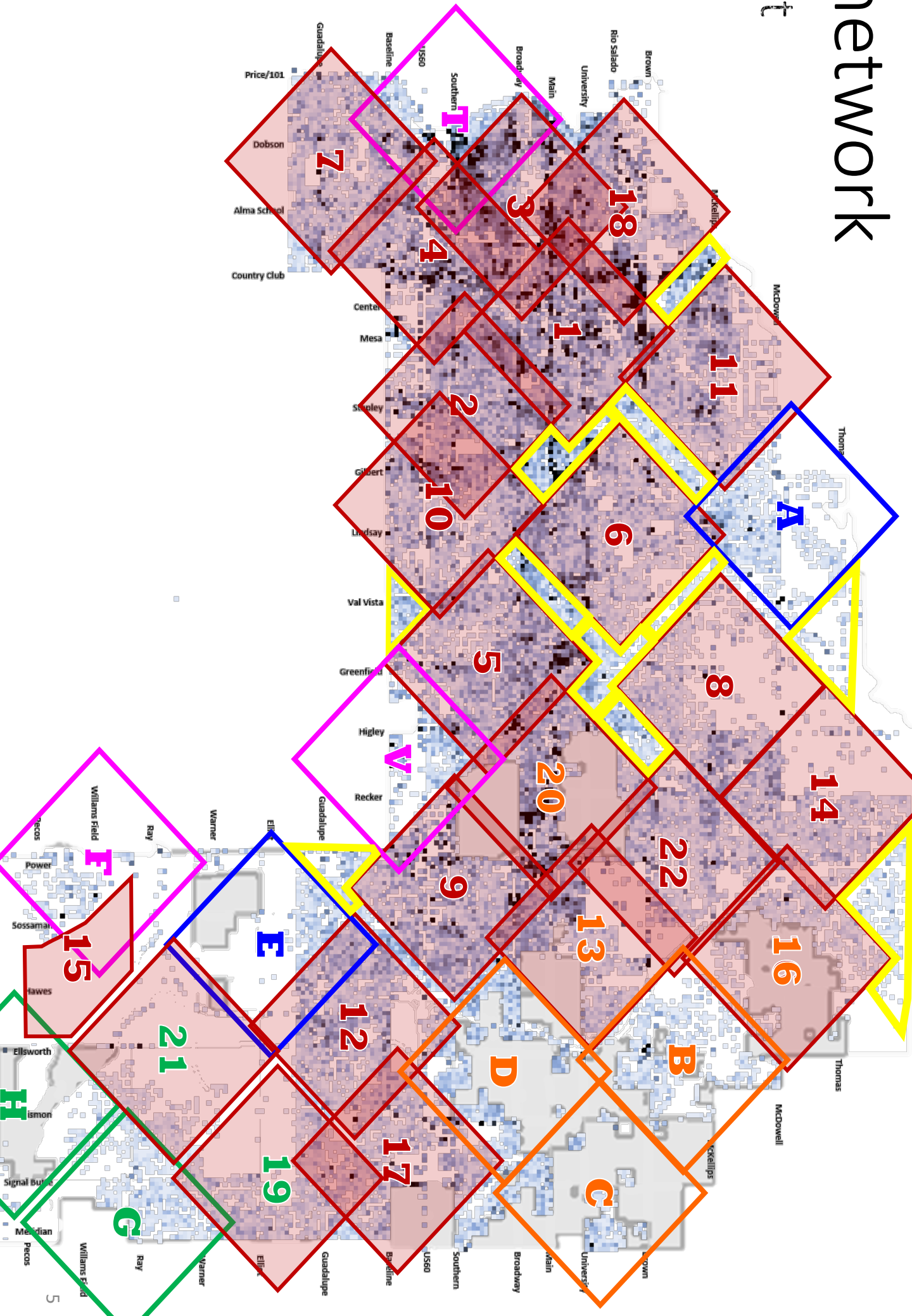
- Medical incident volume continues to grow
- Volume for all other incident types is essentially stable
- Medical incident volume out-numbers volume for all other incident types 10:1
- The response network balances geographic coverage with growth in volume

ation network

incident Heat

Map

- 1. Current
- 2. Own land
- 3. Low density
- 4. County island
- 5. Border zones
- 6. Gaps



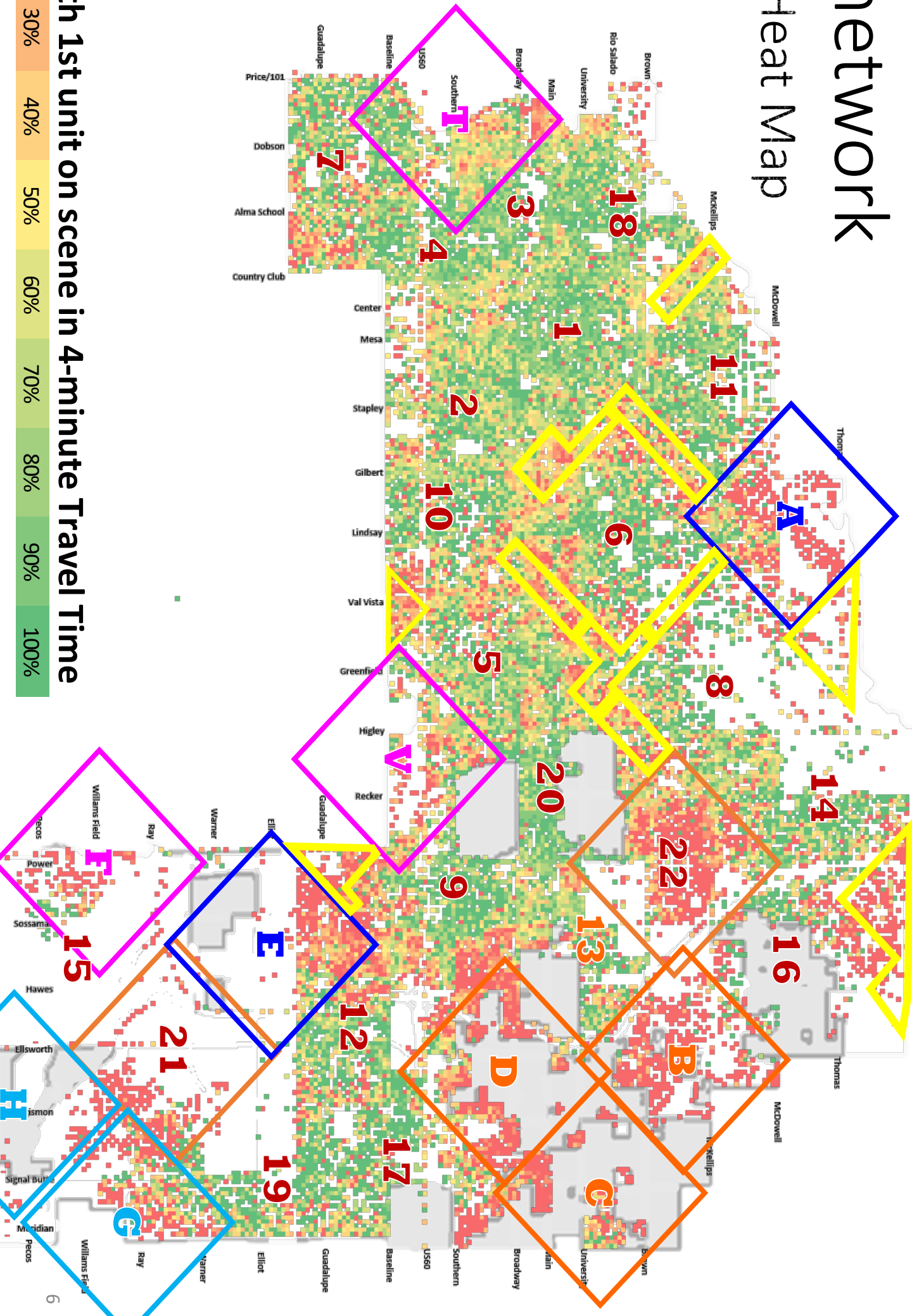
ation network

Travel Time Heat Map

1. Current
2. Own land
3. Low density
4. County island
5. Border zones
6. Gaps

% of Incidents with 1st unit on scene in 4-minute Travel Time

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



Serve Growing Areas

- Address fire and medical coverage with two new stations
- Station 223
- Station 224

Redesign/ Reconstruct

Fire Station 205

- Built in 1979
- Small footprint does not meet current needs efficiently
 - Ice machine and laundry are in apparatus bays
- Poor ventilation needs to be addressed
- Turnout area housed in a Connex box
- No decontamination area
- Site security improvements

Redesign/ Reconstruct

Fire and Medical Headquarters

- 25,500 SF total of both buildings
- “Central Fire Station”, built in 1962
- “Fire Prevention Offices”, built in 1987
- Repurposed multiple times
- Choppy, inefficient floor plan
- \$2M in estimated system repairs needed over next 10 years
- Full assessment needed regarding remodel or reconstruct

Redesign/ Reconstruct

Police Headquarters

- First build 1974 (Basement, 1st, 2nd)
- Second build 1988 (3rd, 4th)
- \$5M in system repairs/replacements needed over next 8 years (pre-inflation costs)
- Inefficient workspaces
- Intimidating public entrance
- Design work funded and begun
- Reconstruction cost proposed for bond election

Redesign/ Reconstruct

Public Safety Training Facility

- Utilized by Mesa Police and Mesa Fire and Medical
- Inefficient work and training spaces
- Training/classroom spaces frequently utilized for community functions and other City departments needs
- Increased academy and in-service training

Addressing Growth Areas

Fire & Medical

- Station 223
- Station 224

Redesign/Reconstruct

Fire & Medical

- Fire Station 205 Demo & Rebuild
- Fire & Medical Headquarters

Police

- Police Headquarters

Joint (Fire & Police)

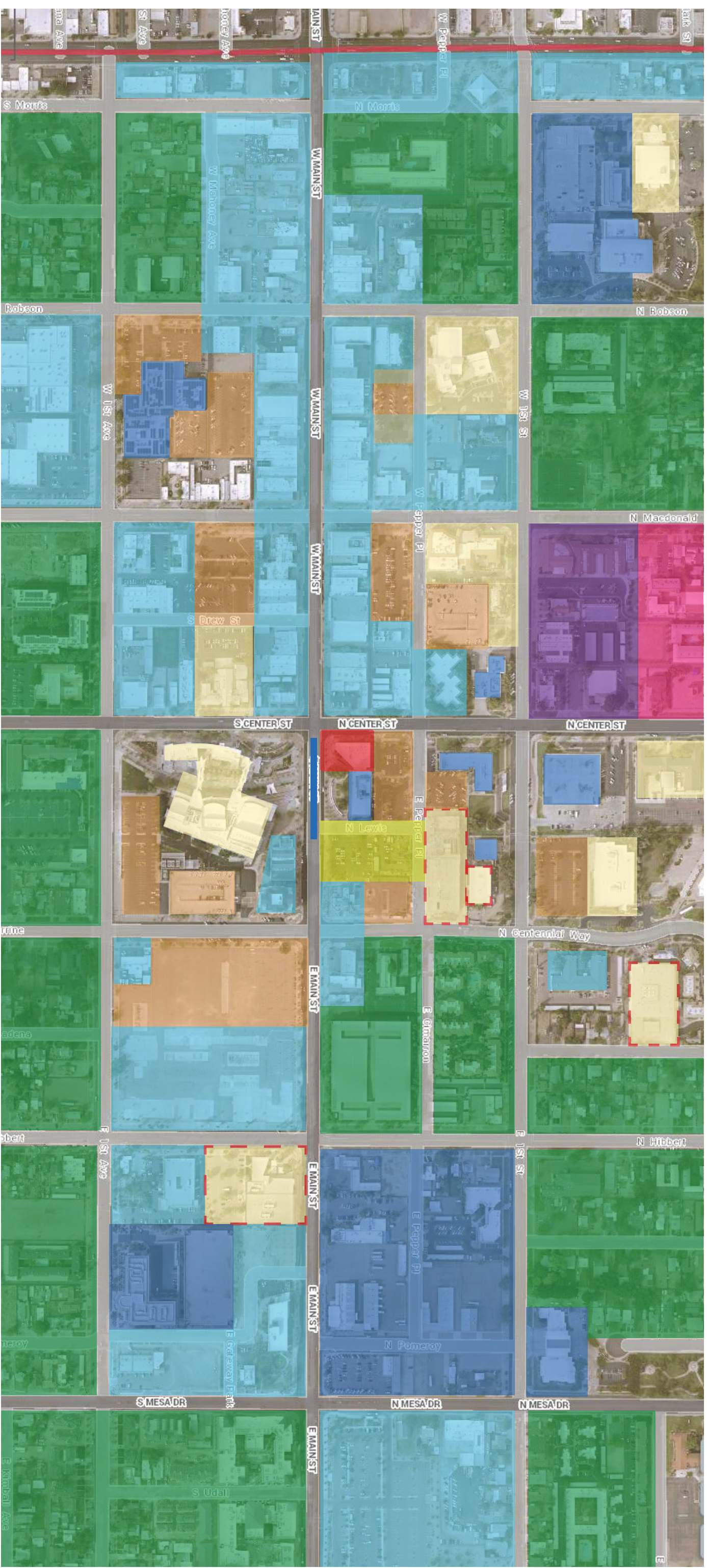
- Public Safety Training Facility



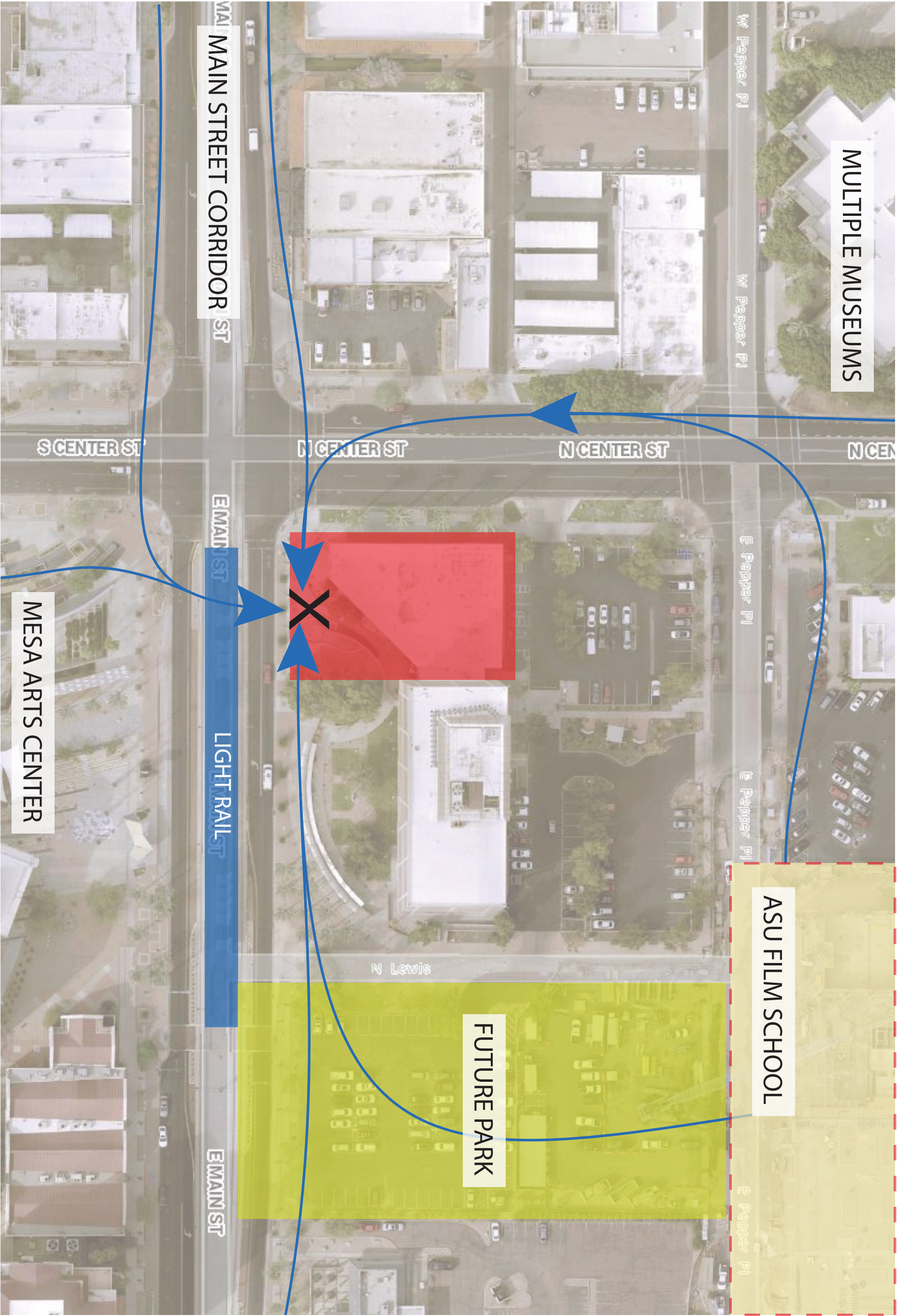
City Of Mesa Council Chambers



SITE ANALYSIS



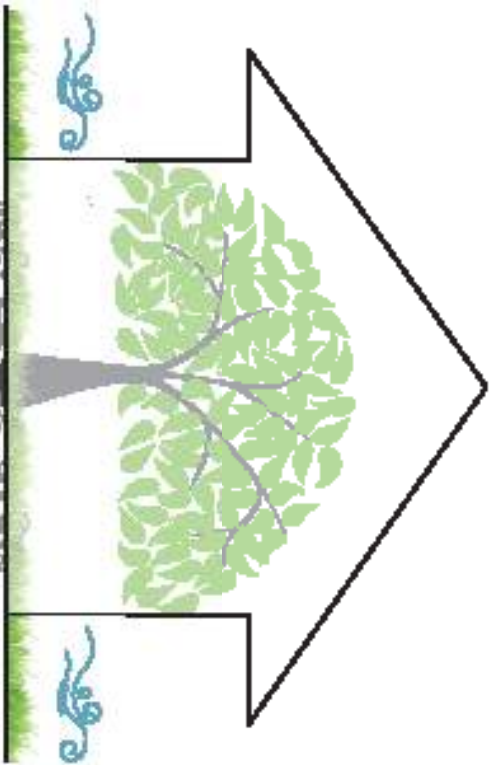
SITE CIRCULATION



ISSUES OF IMPORTANCE

A BALANCE BETWEEN MAN-MADE AND NATURAL

Over time, large cities have grown at an incredible rate where many times *the man-made urban fabric takes over and replaces natural environments*. Nature provides health and well-being for the inhabitants and users of spaces. If the design brings the natural environment to the design, the inhabitant of the space will be more comfortable and, thus, healthier.



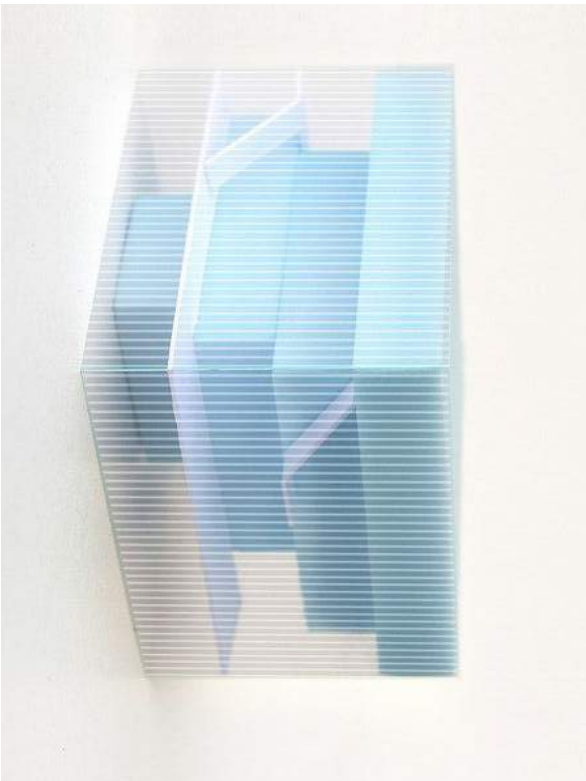
B QUALITY OF PUBLIC EXPERIENCE

Often times, the public is often excluded from involvement in public affairs. Design has the ability to create collaboration and *it is essential that one feels secure and comfortable in the private/public experience*.



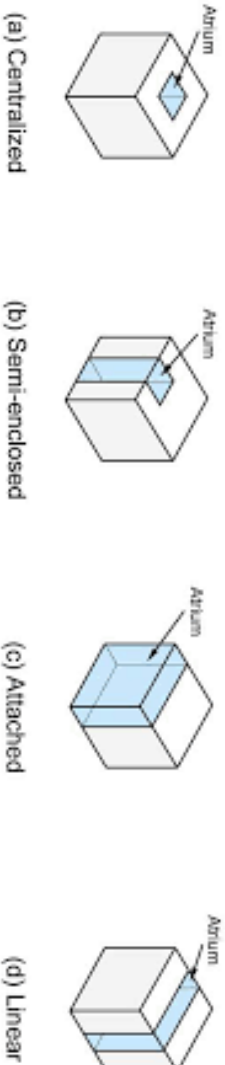
C PERCEPTION THROUGH TRANSPARENCY

The ability to perceive issues and topics happens through transparency. Design is in control of perception and should *operate in a way that is easy for others to see what actions are performed internally*



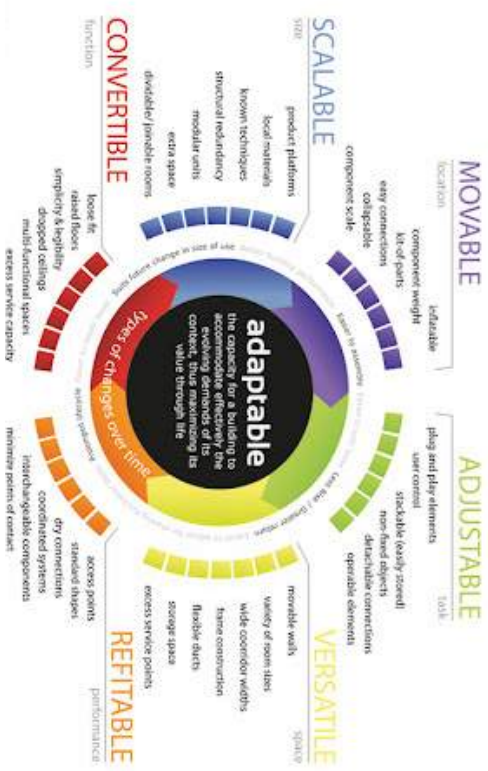
D CREATION OF EXPERIENCES THROUGH ARCHITECTURE

When creating architecture, one is not only creating a structure. One is in *control of the senses* of an inhabitant and harnessing that powerful ability is crucial in *creating memorable experiences*.

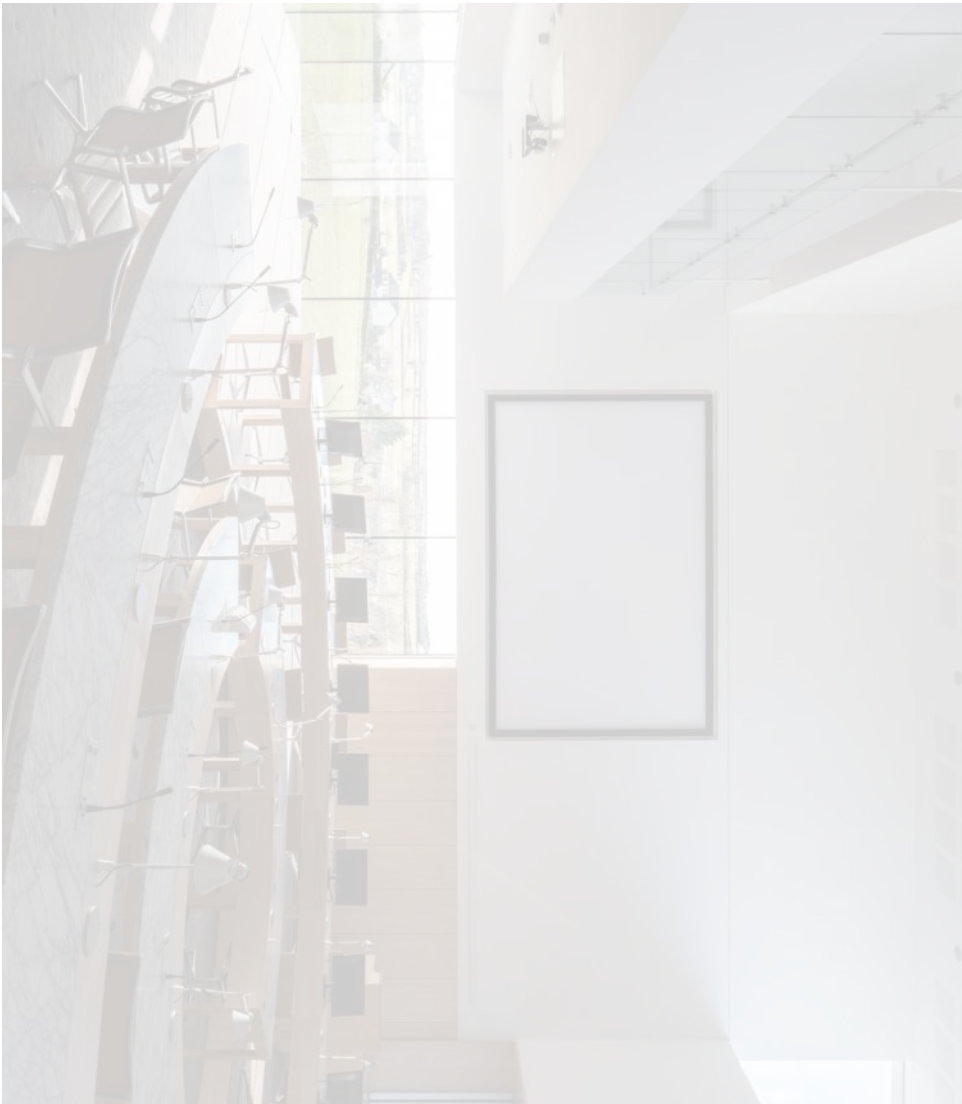
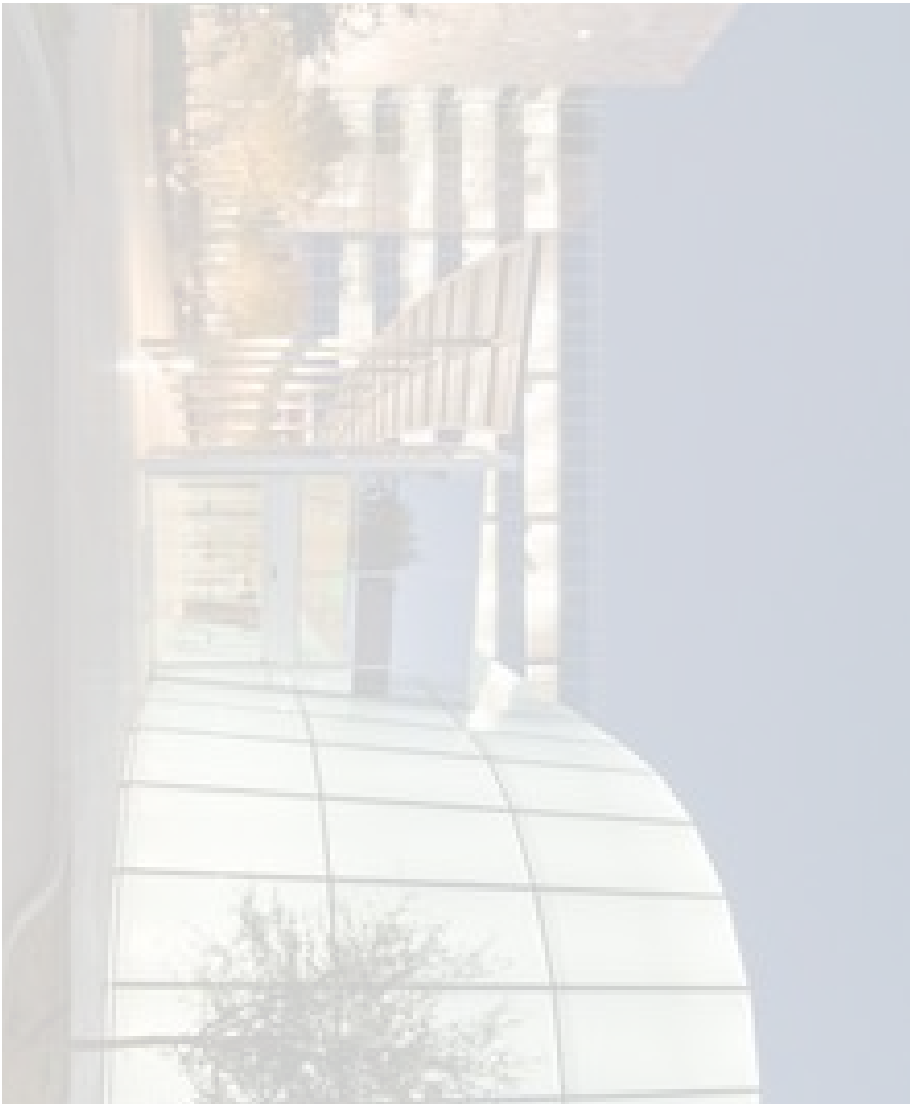


E DESIGN FLEXIBILITY

The adaptability of a building is crucial to the success of the space and the function. The *capacity* for a building to accommodate effectively the *evolving demands of its context* thus maximizing its value through life



PRECEDENTS



LOCAL PRECEDENTS

MARICOPA CITY HALL

Maricopa | Arizona



EXTERIOR VIEW

CHANDLER CITY HALL

Chandler | Arizona



EXTERIOR VIEW

TEMPE CITY HALL

Tempe | Arizona



EXTERIOR VIEW



COUNCIL CHAMBER



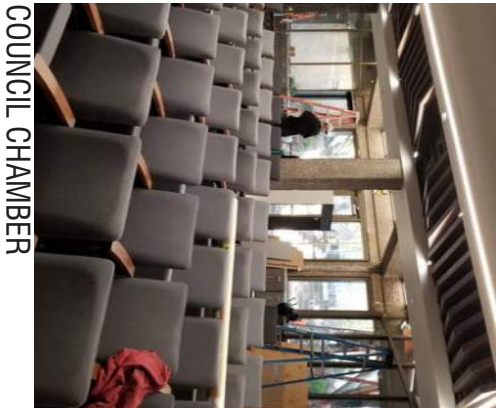
LOBBY ENTRY



PLAN VIEW



COUNCIL CHAMBER



COUNCIL CHAMBER



COUNCIL CHAMBER

Population: 48,700
70,000 S.F. City Hall Building
80 Seat Capacity

- Completed in August of 2013
- Modern and updated
- Traditional Layout
- Iconic Building

Population: 252,692
137,700 GSF
220 Seat Capacity

- Completed in 2007
- Modern and updated
- Great Public Space
- Nightlife Atmosphere
- Traditional Layout
- Iconic Building

Population: 187,454
17,625 City Hall S.F.
150 Seat Capacity

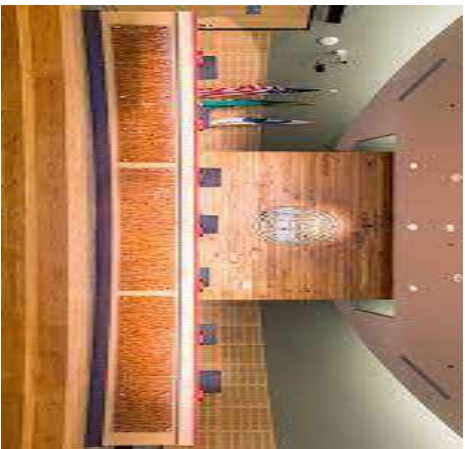
- Recently Remodeled
- Outdated and Uninviting Public Space
- Traditional Layout

OLYMPIA CITY HALL

Olympia | Washington



EXTERIOR VIEW



COUNCIL CHAMBER



LOBBY ENTRY

Population: 51,534
89,000 S.F. City Hall Building
120 Seat Capacity

- *Completed in August of 2011*
- *LEED Gold*
- *Modern and updated*
- *Transparency and Perception*
- *Night Presence*
- *Traditional Layout*

OAK CREEK CITY HALL

Oak Creek | Wisconsin



EXTERIOR VIEW



MULTI-USE SPACE



COUNCIL CHAMBER

Population: 36,066
27,571 City Hall S.F.
80 Seat Capacity

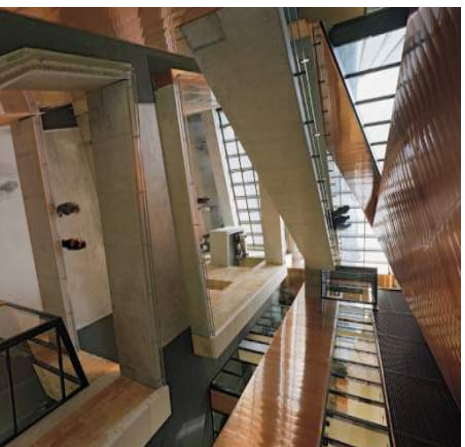
- *Completed in 2015*
- *Modern and updated*
- *Great Public Space*
- *Town Beacon*
- *Multi Functional Building*
- *Traditional Layout*

AUSTIN CITY HALL

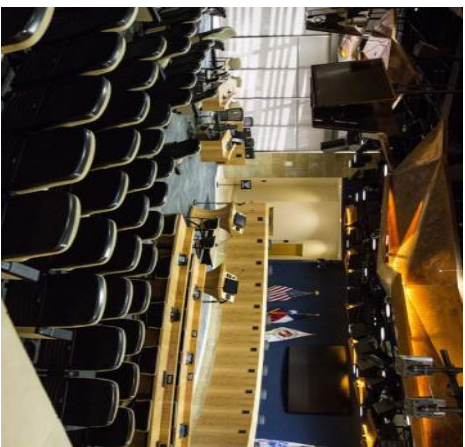
Austin | Texas



EXTERIOR VIEW



MULTI-LEVEL



COUNCIL CHAMBER

Population: 950,807
150,000 Total S.F.
290 Seat Capacity

- *Modern and Updated*
- *Moderate Public Space*
- *Town Beacon*
- *Multi-Functional Amenities*
- *Traditional Layout*

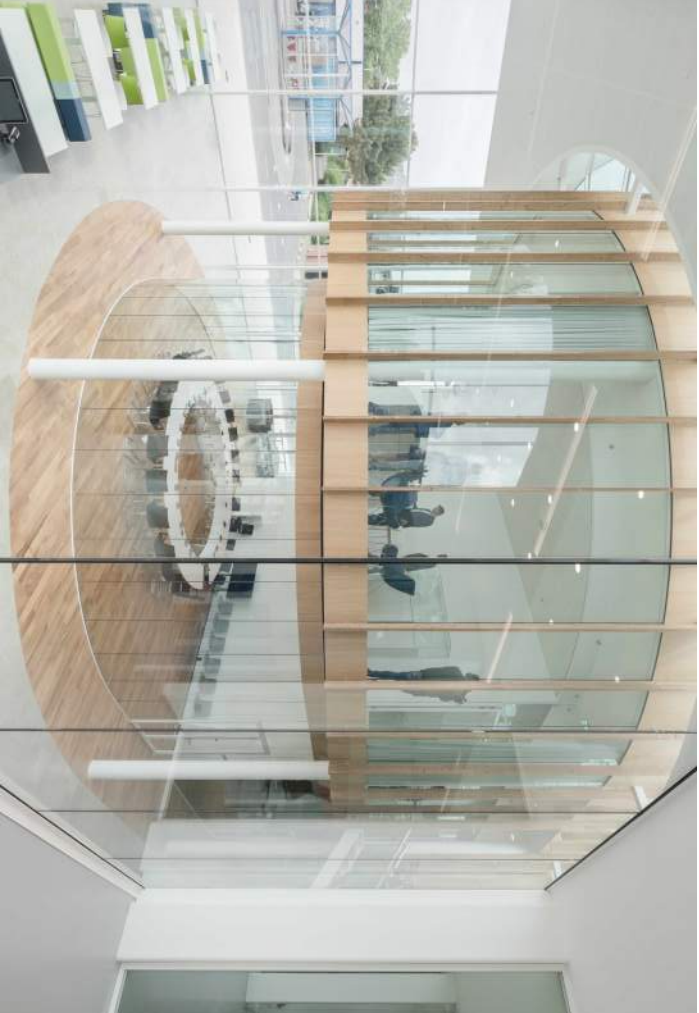
NATIONAL PRECEDENTS



EXTERIOR VIEW



BREAKOUT SPACES



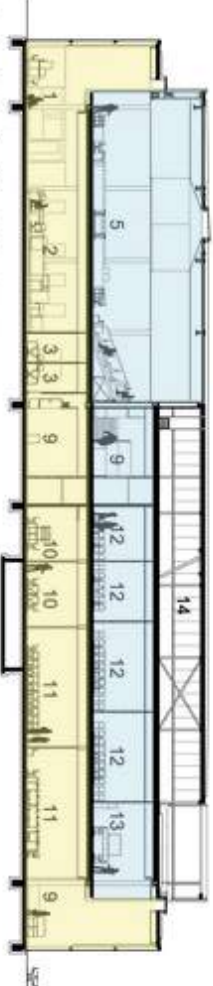
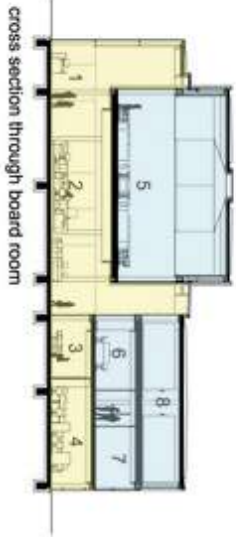
PRIVATE/PUBLIC MEETING SPACES



COUNCIL CHAMBER VIEW

INTERNATIONAL PRECEDENTS

WESTLAND TOWN HALL
Naaldwijk | Netherlands



- SECTION THROUGH BUILDING**
- *Population: 20,000*
 - *70,000 Total S.F.*
 - *115 Seat Capacity*
 - *Completed in 2017*
 - *Transparency and Perception*
 - *Night Presence*
 - *Town Beacon*
 - *Multi-use/flex spaces*
 - *Mix of Public/Private*
 - *Round-Table Layout*



EXTERIOR VIEW



LOBBY



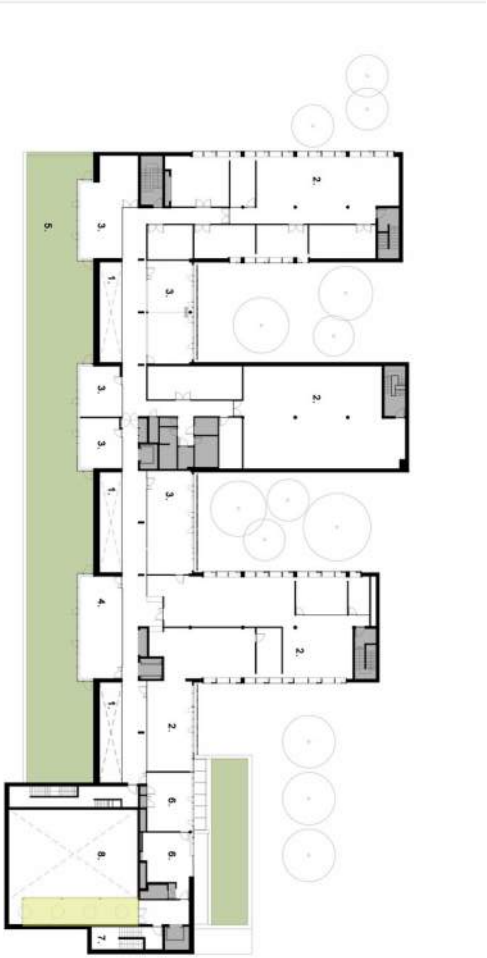
ATRIUM SPACE



COUNCIL CHAMBER VIEW

INTERNATIONAL PRECEDENTS

ROSCOMMON CIVIC OFFICES
Roscommon | Ireland

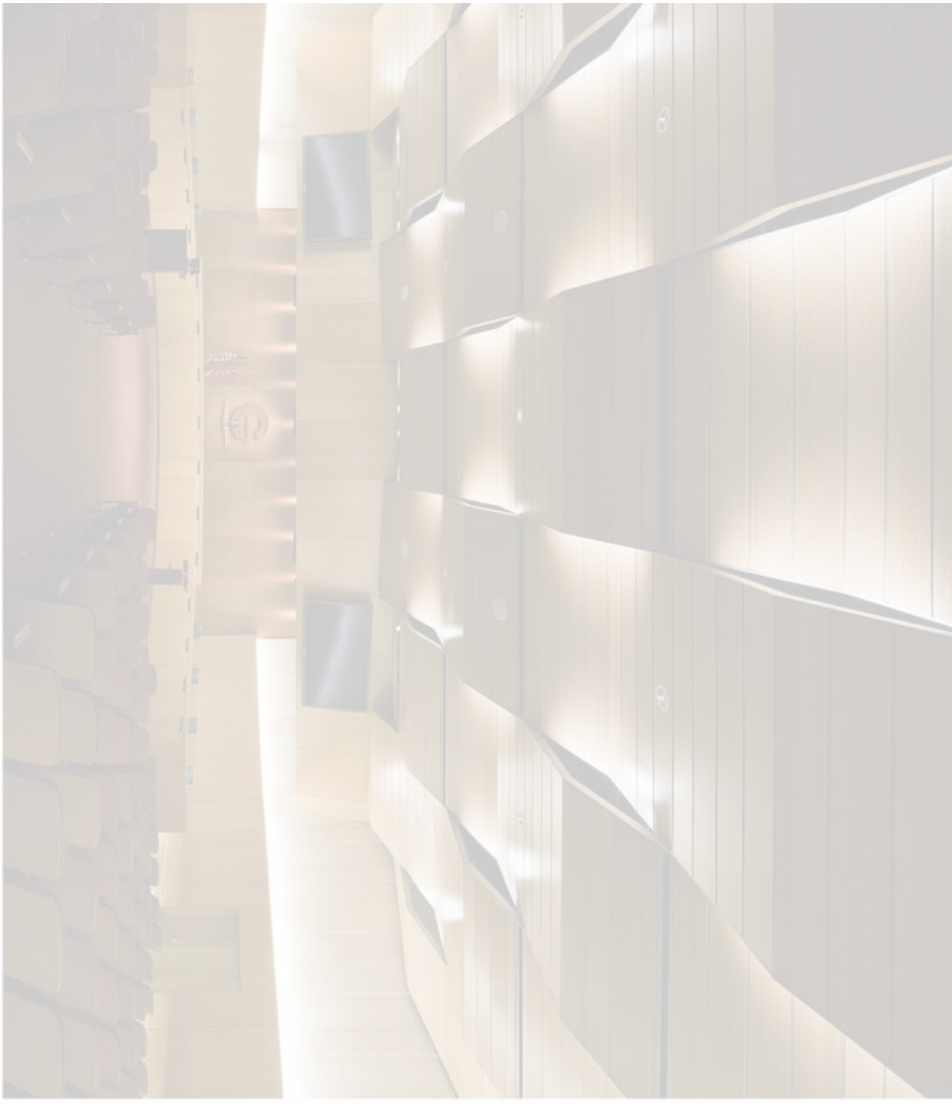


THIRD FLOOR PLAN

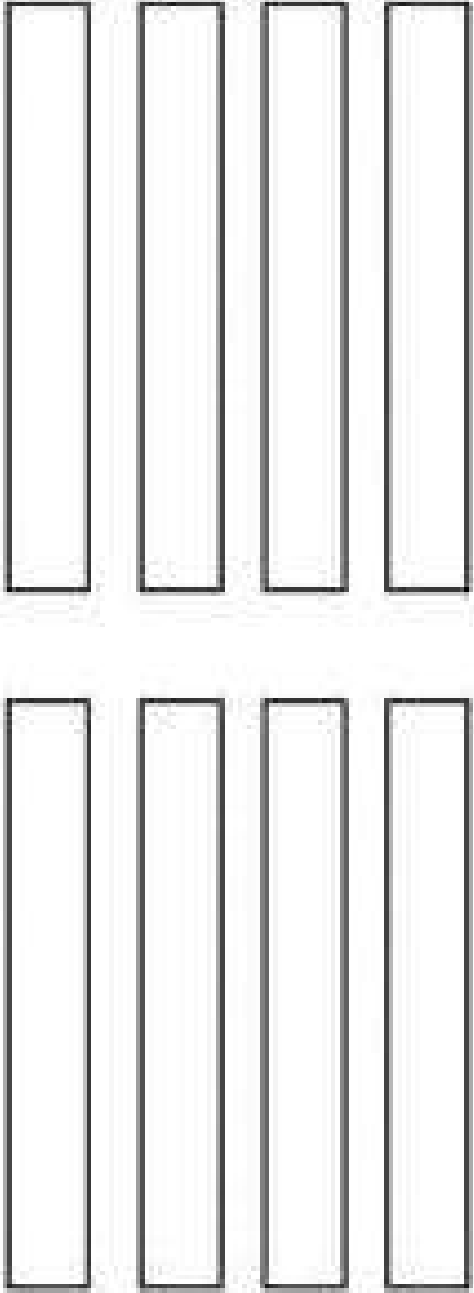
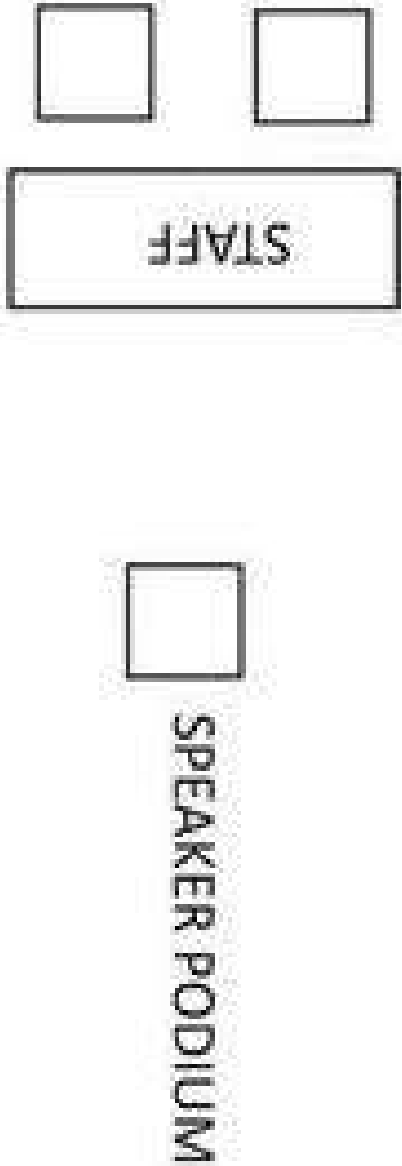
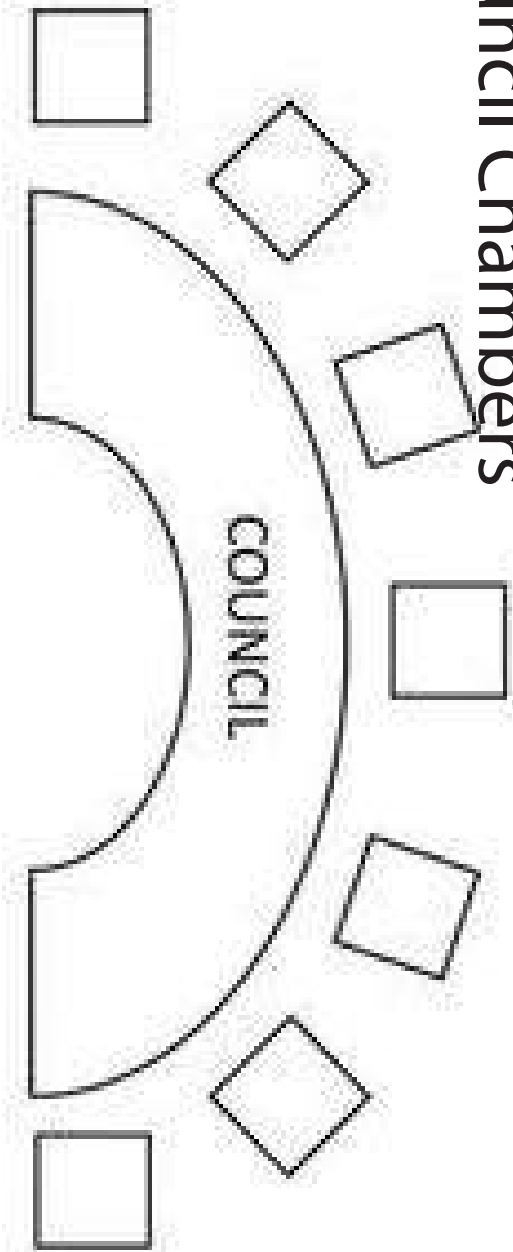
Population: 6,000
72,000 Total S.F.
20 Seat Capacity

- *Modern and updated*
- *Transparency and Perception*
- *Night Presence*
- *Town Beacon*
- *Nature/light was a driving force*
- *Round-Table Layout*
- *Mix of Public/Private Spaces*

CHAMBER LAYOUT



Council Chambers



- *Traditional*
- *Hierarchical*
- *Council is Separated from Staff*
- *Audience is Behind Speaker*
- *Speaker addresses Council*



NYC CITY COUNCIL - 1897



CHANDLER CITY HALL



OAK CREEK CITY HALL



TRADITIONAL



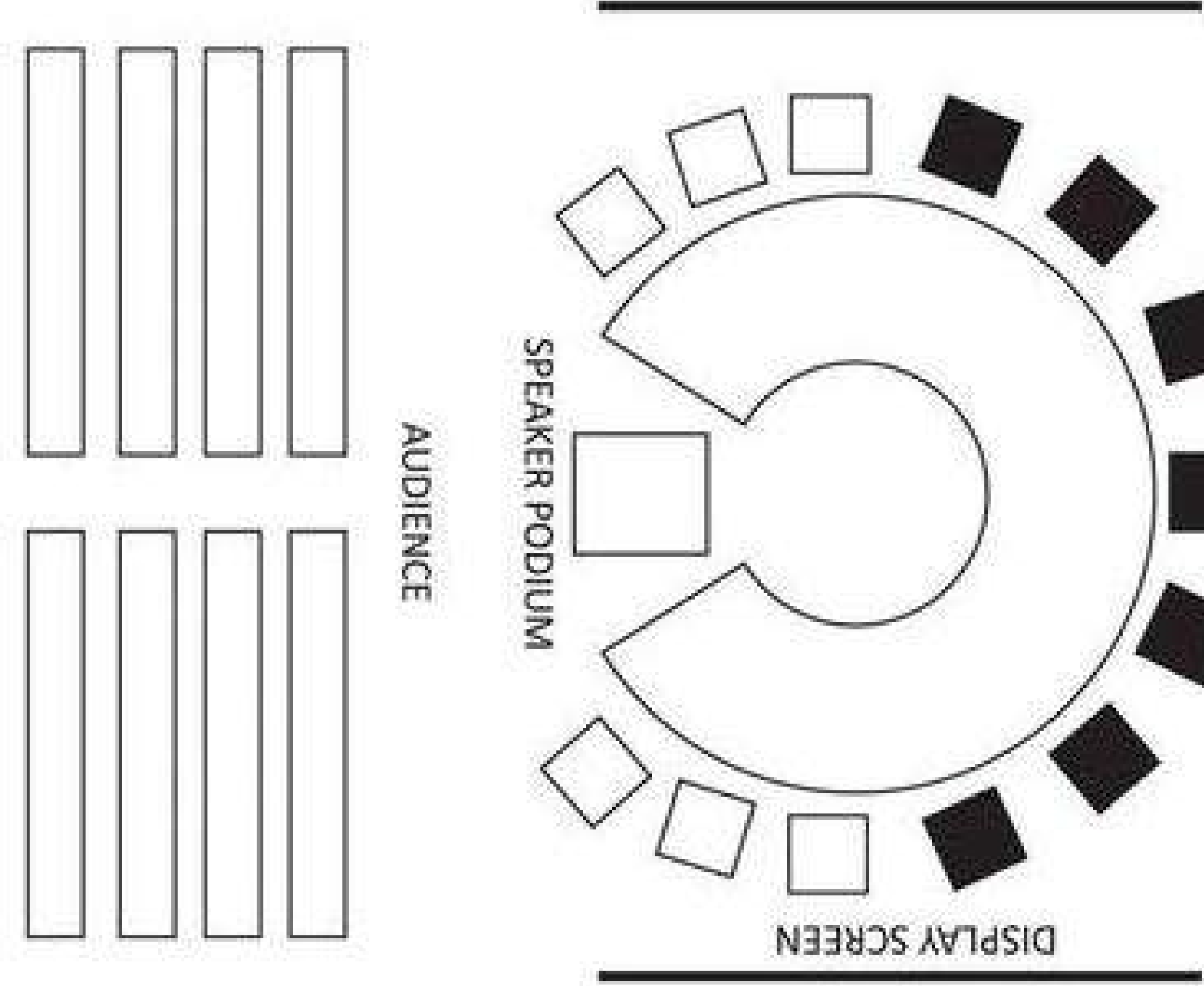
NYC CITY COUNCIL - 2006



TEMPE CITY HALL

PHOENIX CITY HALL

Council Chambers



WESTLAND TOWNHALL



KIRUNA CITY HALL



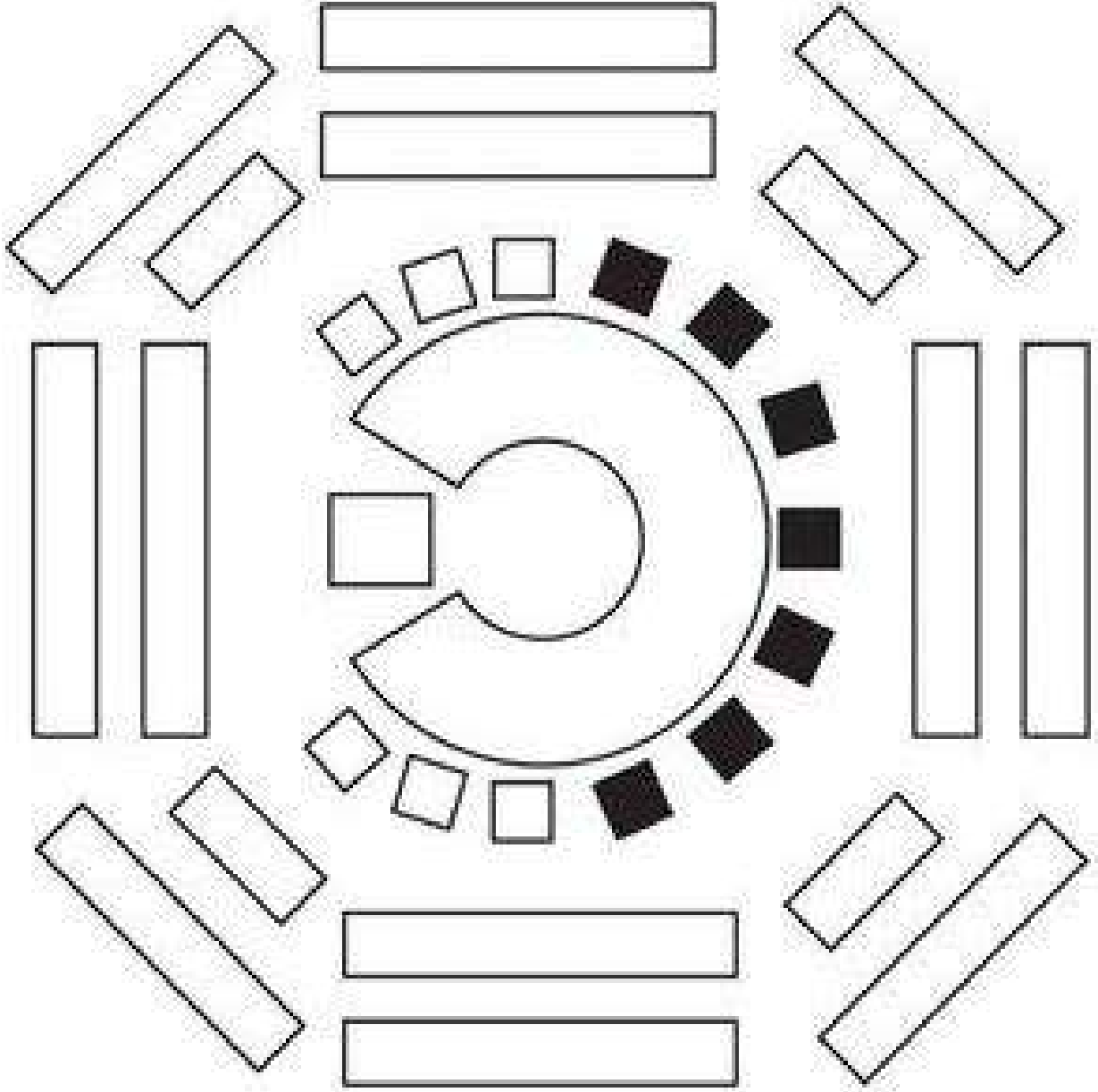
ROSCOMMON CITY HALL



LONDON CITY HALL

ROUND-TABLE LAYOUT

- *Modern*
- *One-level*
- *Staff is a part of the Council*
- *Audience is Behind Speaker*
- *Speaker is involved with council*
- *Collaborative*
- *Inclusive*
- *Non-Hierarchical*
- *Optimal*



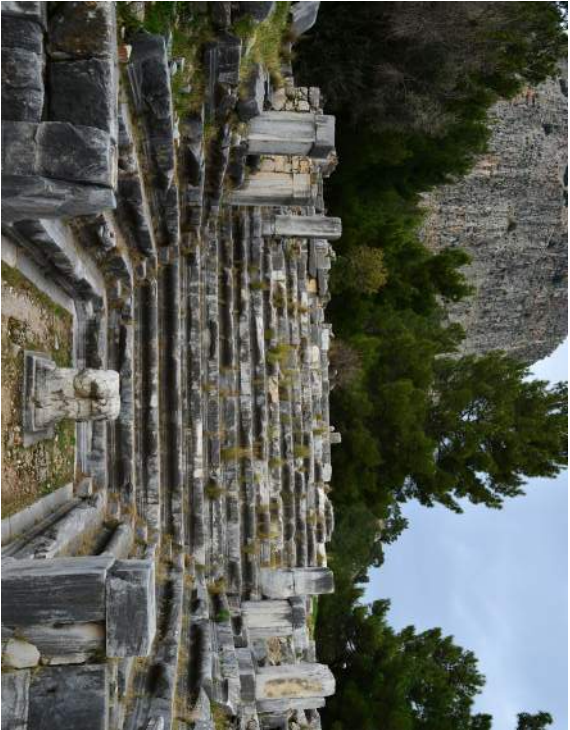
BOSTON CITY HALL



BOSTON CITY HALL



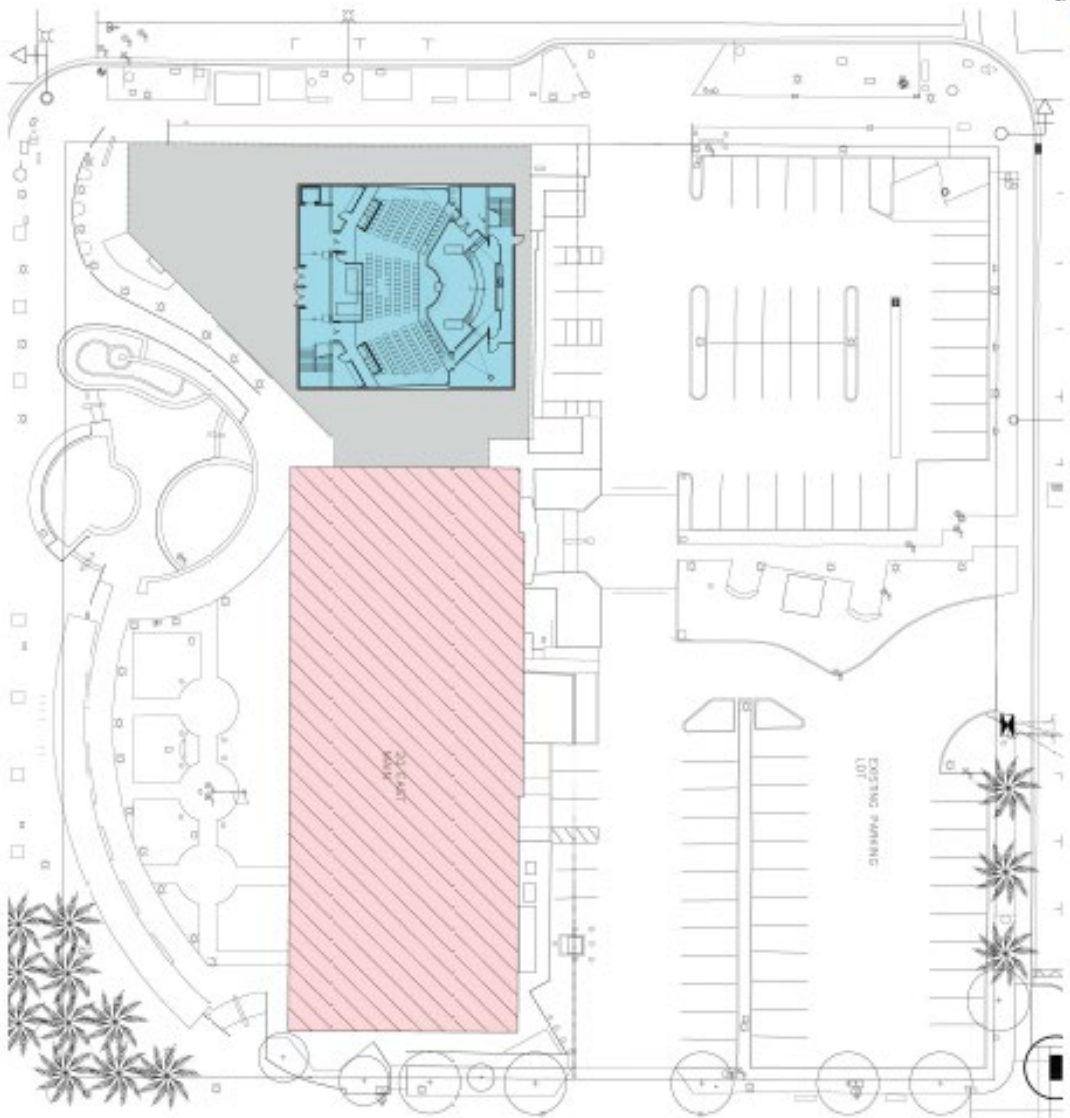
LONDON CITY HALL



ANCIENT GREEK DEMOCRACY HALLS

- **Modern**
- **One-level**
- **Council is separated of Staff**
- **Audience is Around Council**
- **Speaker is involved with council**
- **Collaborative**
- **Inclusive**
- **Non-Hierarchy**
- **Security Concerns**
- **Amphitheater-style**

SURROUND LAYOUT



SITE PLAN - EXISTING COUNCIL CHAMBERS OVERLAY

Area Population: 300,000

Existing Council Chambers Data:

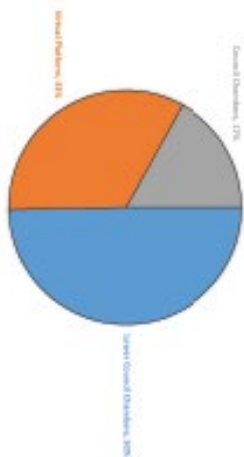
Basement - 4,431 S.F.

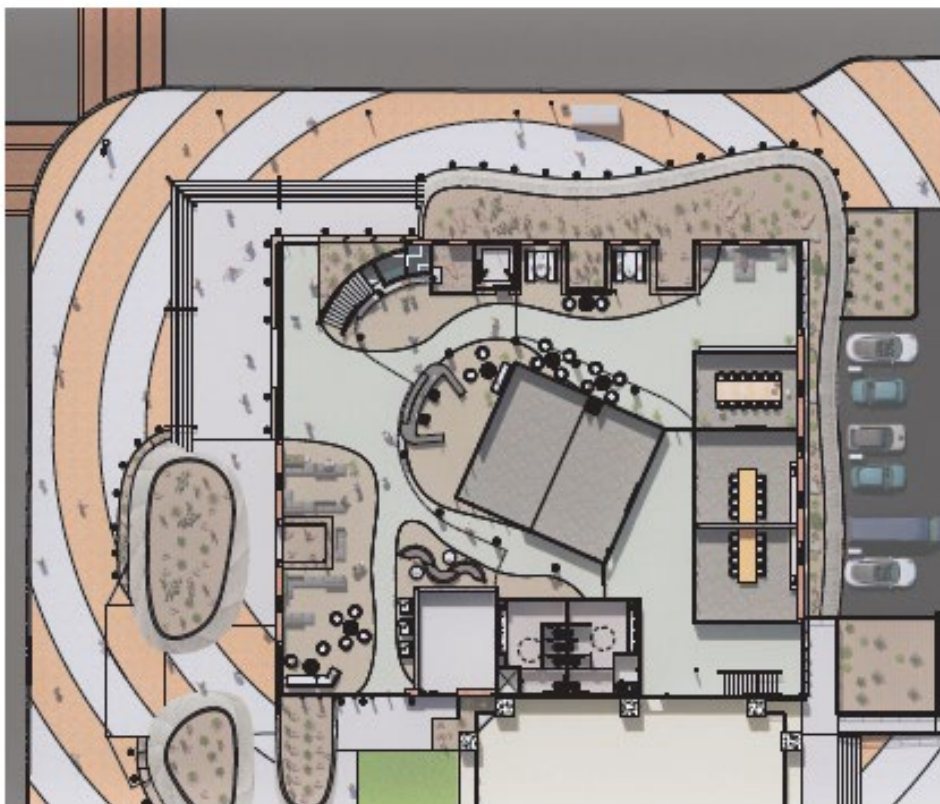
1st Floor - 4,431 S.F.

Total S.F. - 8,862 S.F.

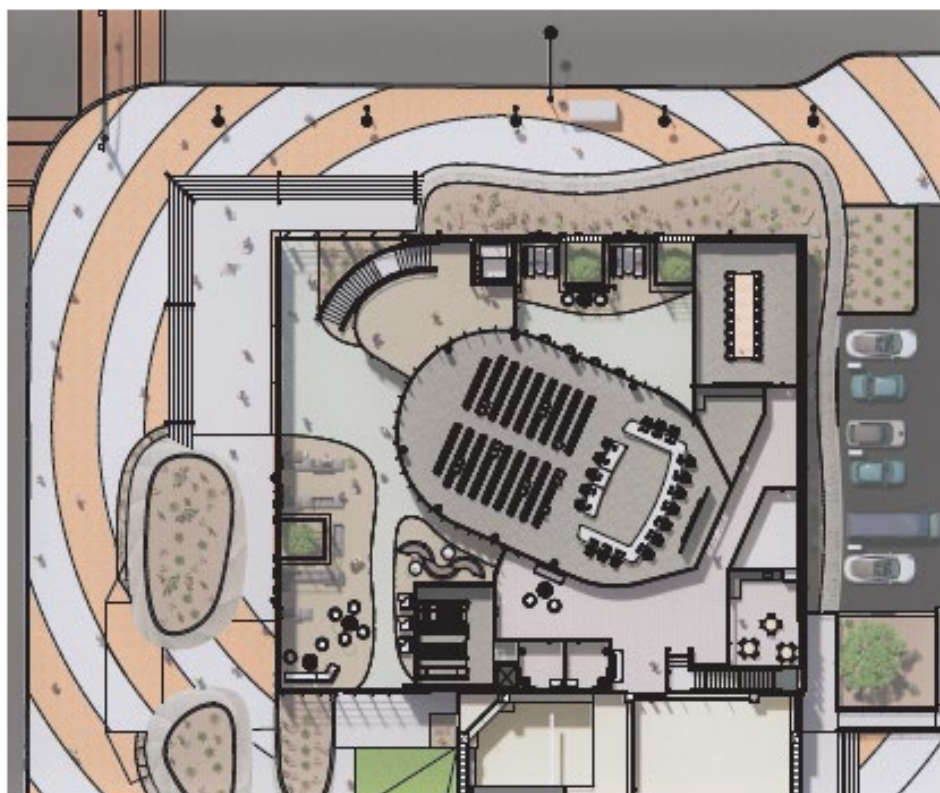
Chamber Seating - 174 Seats

Meeting Location	Area - Number of meetings	Usage percentage
Lower Council Chambers	82	50%
Virtual Platform	55	33%
Council Chambers	28	17%
Grand Total	165	100%





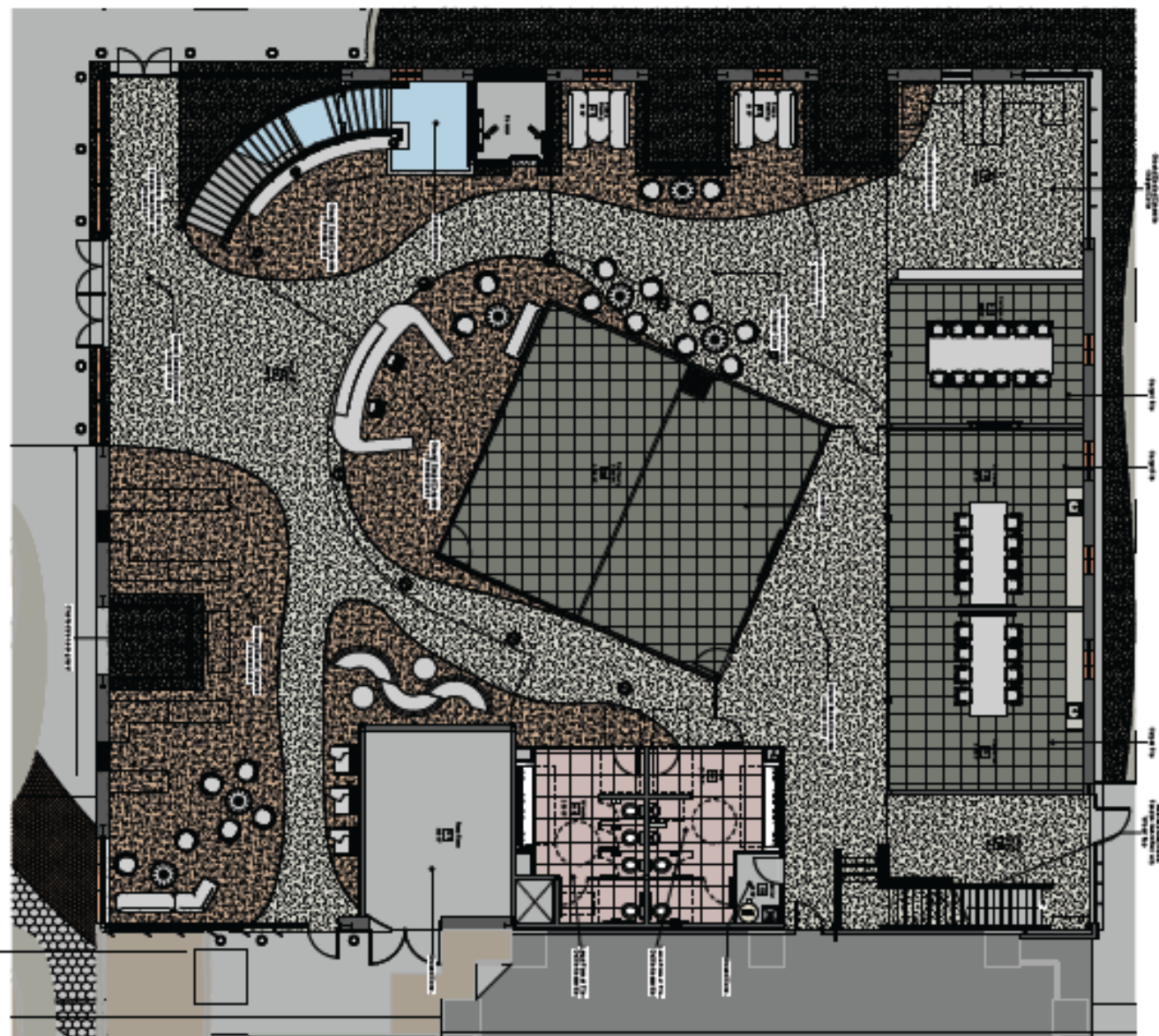
① Grand Floor - Render



② Second Floor Plan - Render



Ground Floor - Board of
Health



Room	Area	Notes
101	101	101
102	102	102
103	103	103
104	104	104
105	105	105
106	106	106
107	107	107
108	108	108
109	109	109
110	110	110
111	111	111
112	112	112
113	113	113
114	114	114
115	115	115
116	116	116
117	117	117
118	118	118
119	119	119
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126	126	126
127	127	127
128	128	128
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132	132	132
133	133	133
134	134	134
135	135	135
136	136	136
137	137	137
138	138	138
139	139	139
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143	143	143
144	144	144
145	145	145
146	146	146
147	147	147
148	148	148
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150	150	150
151	151	151
152	152	152
153	153	153
154	154	154
155	155	155
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162	162	162
163	163	163
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199	199	199
200	200	200

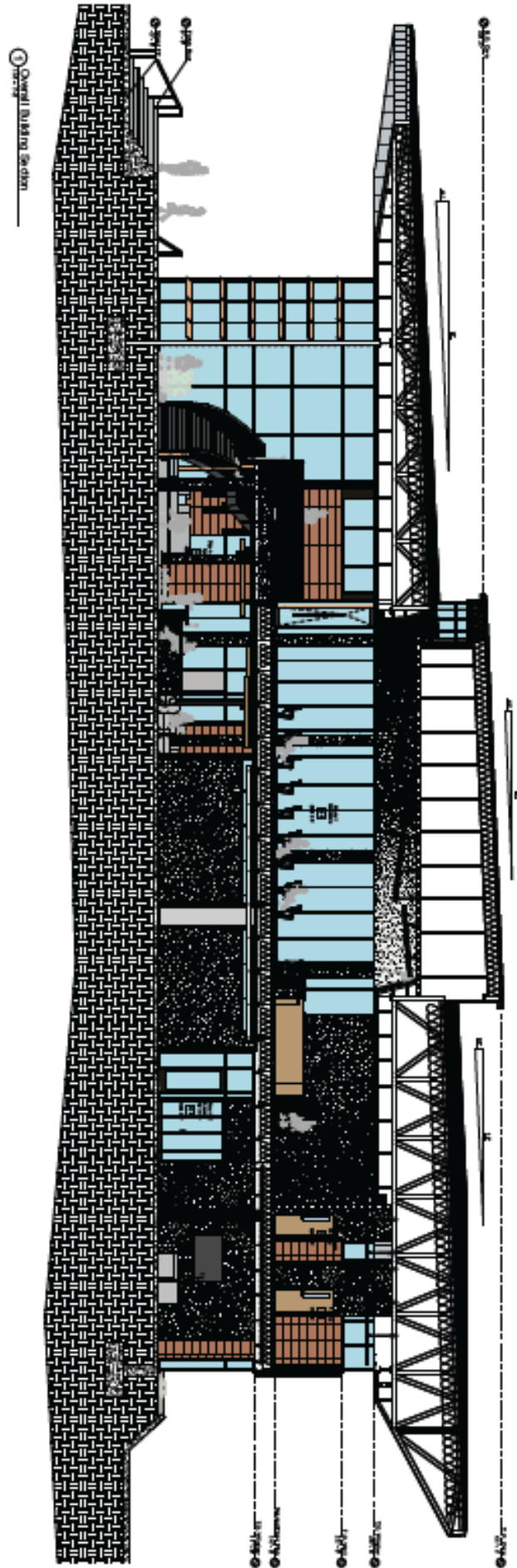
FLOOR PLANS





1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100













Council Chambers



Southwest Approach

Council Chambers



Northwest Corner at Parking Lot





Approaching Southwest Corner - Day



Approaching Southwest Corner - Night



View at Entry



Security/Reception Desk



Fountain Feature and Stairs





Private Spaces at 4pm



Private Spaces at 3pm















