



COUNCIL MINUTES

March 5, 2026

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on March 5, 2026, at 7:30 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Dorean Taylor

COUNCIL ABSENT

None

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

Mayor Freeman conducted a roll call.

1. Review and discuss items on the agenda for the March 9, 2026, Regular Council meeting.

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

Conflict of interest: None

Items removed from the consent agenda: None

In response to a request from Vice Mayor Somers regarding agenda Item 4-e, **(Three-Year Term Use of a Cooperative Contract for Pavement Management Services for the Transportation Department (Citywide))**, on the Regular Council Meeting agenda, Transportation Director Erik Guderian introduced Transportation Field Operations Superintendent Craig Brisbois and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Guderian provided an overview of the City of Mesa's (COM) pavement management strategy and the proposed procurement of new software to improve pavement planning and forecasting. He explained that Light Detection and Ranging (LiDAR) surveys will be conducted on all roads over the next three years and the data will be uploaded into the new system. He noted that this effort was identified as part of the Transportation audit and the new system will provide automated forecasting and more accurate data to better plan future pavement maintenance. (See Pages 2 and 3 of Attachment 1)

Mr. Guderian reviewed standard pavement treatments and their associated costs. He described the different types of preservation treatments. He stated that without maintenance, pavement life is typically about 15 years before mill and overlay is needed, while a regular maintenance program

can extend the life of residential and collector streets to approximately 25 to 30 years. He emphasized that sealing treatments are significantly less expensive than mill and overlay and stated that the new software will help staff better target treatment areas and plan around delays caused by utility and fiber installation work in certain neighborhoods. (See Pages 4 and 5 of Attachment 1)

Responding to a question from Councilmember Adams, Mr. Guderian described the mill and overlay process and said the COM sets aside approximately \$20 million annually for neighborhood mill and overlay work, which is completed on an as needed basis rather than evenly across all areas. He noted that some areas may not require this treatment as soon as others and acknowledged that the process can be disruptive for residents while the work is underway.

In response to a question from Councilmember Goforth, Mr. Guderian explained that reconstruction is typically considered only for arterial streets experiencing heavy vehicle or truck traffic where the pavement and underlying subbase have significantly deteriorated.

Responding to a question from Mayor Freeman, Mr. Brisbois verified that the new in-house equipment for residential street work has reduced costs to approximately half as much as using contractors and has proven successful in targeted areas of the city.

Mr. Guderian added that the COM continues to evaluate which projects can be completed internally on a smaller scale and in a timelier manner, while larger projects, such as quarter-section work and arterial improvements, continue to be handled through the engineering process and completed by contractors.

In response to a question from Councilmember Taylor, Mr. Guderian confirmed that the extensive roadway removal work being done at Val Vista Drive and Southern Avenue is part of a major Capital Improvement Project rather than routine pavement maintenance and explained the process completed to prepare for the new pavement installation.

Responding to a question from Councilmember Heredia regarding the scope of signal loop detection throughout the city, Mr. Guderian recalled that the COM currently operates 508 traffic signals that use several different forms of vehicle detection. He pointed out that induction loops remain the preferred standard because they are the most effective at detecting vehicles and that camera-based detection can be less reliable. He added that new signal construction is designed to include loop detection when possible, and the current contract is intended to repair and replace broken loops within the existing system while the COM continues to evaluate emerging technologies and improved detection methods.

Responding to a question from Mayor Freeman regarding agenda Item 5-a, **(Approving and authorizing the City Manager or designee to enter into the Power Purchase and Energy Storage Agreement for the Pinal Solar Project ("Project") with Arizona Electric Power Cooperative ("AEPSCO"), as negotiated by all ten (10) Project participants and as approved by the AEPSCO Board of Directors on January 14, 2026. (Districts 1, 3, and 4))**, on the Regular Council Meeting agenda, Energy and Sustainability Director Scott Bouchie introduced Energy Resources Coordinator Deborah Ferraro and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Bouchie recalled that a resolution was approved by the Council in October 2024 authorizing staff to negotiate an agreement with Arizona Electric Power Cooperative (AEPSCO) for a utility-

scale solar and battery storage project and confirmed that negotiations had been completed and that the final agreement would be presented for approval at the next Regular Council meeting.

Ms. Ferraro described the Pinal Solar Project as a unique opportunity for the COM and pointed out that the contract includes a 20-megawatt solar component and a 20-megawatt battery energy storage system under a 20-year agreement beginning in 2027. She explained that the power generated through the project would be delivered into Mesa, routed to the Rogers Substation, and fed directly into the COM's electric system. She reported that this would be Mesa's first utility-scale solar project and stated that the COM would benefit from economies of scale, allowing the procurement of solar energy at a lower cost than could otherwise be obtained independently. She stated that the project includes 400 megawatts of generation and approximately 400 megawatts of battery storage and noted that the project aligns with the COM's Integrated Resource Plan and customer priorities of cost, reliability, and sustainability. (See Pages 2 and 3 of Attachment 2)

Ms. Ferraro reviewed the City's current power supply portfolio, including the range of prices paid under existing contracts based on the amount of power procured. She explained that AEPCO currently provides approximately 25% of the COM's power, while other solar resources make up a smaller share of the overall portfolio and vary in cost. She outlined the COM's other procurement methods, including resource management purchases, monthly and traditional bilateral agreements, and wholesale purchases made through Western Area Power Administration (WAPA), which aggregates member needs to secure discounted pricing. She noted that Mesa also benefits from legacy hydropower contracts with favorable pricing. She confirmed that the COM's mix of contracts and diverse resources helps meet customer power needs while managing cost and reliability. (See Page 4 of Attachment 2)

In response to a question from Mayor Freeman, Ms. Ferraro reported that the COM's demand reached approximately 90 megawatts on the hottest day of the year and noted that usage continues to trend upward, although capacity remains available for future growth. She explained that longer term contracts generally carry higher prices, and the methods used to offset market volatility. She noted that, because power cannot be stored, coordination through WAPA has helped the COM identify needs, make group purchases, and complete trades with other participants when necessary.

Councilmember Taylor commented that the solar agreement represented a significant benefit to the COM and pointed out that the COM would not be constructing a solar facility but purchasing power from the Pinal County project as part of its overall portfolio at a locked-in, long-term rate.

Ms. Ferraro highlighted additional benefits of the Pinal project, noting that the 20-year contract would enhance long-term reliability, strengthen the security of the COM's power resources, and add greater diversity to the energy portfolio. She emphasized that the proposed agreement provides consistent, locked-in pricing over the life of the contract and explained that the battery energy storage system would allow solar energy generated during the day to be stored and used later when market prices are highest which would help reduce peak demand, lessen the need to purchase higher-cost power from other sources, provide greater operational flexibility, and improve overall grid stability by allowing the COM control when the stored energy is discharged. (See Page 5 of Attachment 2)

Ms. Ferraro reviewed data illustrating the COM's renewable and traditional power portfolio. She explained that, in FY 25-26, solar represented 1 % of the portfolio, increasing to 2% once the two downtown solar projects reach full operations. She reported that looking ahead to FY 28-29, that the AEPCO project would represent 15% of the portfolio and, with the addition of the Pinal Solar

Project, renewable resources would increase from 35% to 57% of the COM's overall portfolio. She pointed out that the remaining portion consists of other contracts, including long-term bilateral agreements, reverse auctions, and Rainwater Management Solutions (RMS) purchases. She reviewed the projected load demand compared to existing and planned resources and stated that the scenario without the Pinal Solar Project shows a gap between available resources and projected load beginning in 2027. (See Pages 6 and 7 of Attachment 2)

Responding to a question from Vice Mayor Somers, Ms. Ferraro confirmed that if hydropower deliveries are reduced under the Colorado River Storage Project (CRSP) contract, WAPA provides replacement power or, under its new 2025 program, offers cash in lieu of power, allowing the COM to choose the option that provides the greatest financial benefit to customers.

In response to a question from Councilmember Adams, Mr. Bouchie stated that the agreement offers Mesa a very low-cost, long-term power source that supports diversification, sustainability, and cost certainty, while avoiding the risks of relying too heavily on volatile short-term market purchases.

Discussion ensued regarding the importance of securing reliable power at a reasonable rate.

Mayor Freeman thanked staff for the presentation

Mayor Freeman declared a recess at 8:19 a.m. The meeting reconvened at 8:29 a.m.

2-a. Hear a presentation, discuss, and receive an update on the Sunaire renovation project and the associated Off the Streets Program.

Deputy City Manager Candace Cannistraro introduced Assistant Police Chief Dominique Sterlin, Community Services Deputy Director Lindsey Balinkie and Human Services Administrator Jussane Goodman, and displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Balinkie provided contextual information and data from the Maricopa County Homeless Trends Report. She reported that, in 2024, for every 10 individuals who found housing and exited homelessness, 19 new individuals entered the system in need of services. She added that homelessness continues to increase significantly and pointed out that an average of 962 new households experienced homelessness for the first time last year causing shelters, bridge housing programs, and related services to experience long waitlists and difficulty meeting the demand. She recalled that County data for December 2025 showed more than 15,000 single individuals, couples, and families in need of services during that month, with approximately 18% of those individuals coming from the COM. (See Page 2 of Attachment 3)

Ms. Balinkie reviewed the regional shelter bed capacity, noting that 296 of those beds are in the COM, which has since been reduced by 74 shelter beds. She added that if the Off the Streets beds were no longer counted, only 133 beds would remain available for Mesa residents, the majority of which would serve single men at the East Valley Men's Center. She discussed the loss of emergency housing voucher services which served 76 households and will no longer be available as a resource. She reported that 205 COM based individuals would be impacted by the loss of voucher services and cautioned that without those services and supports, many of those individuals could return to homelessness, increasing pressure on the region's homeless response system. (See Page 3 of Attachment 3)

Ms. Balinkie advised that several regional cities initially used Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funding to support shelter and homeless services and have since continued those efforts with general funds after the federal funding ended. She highlighted the services and number of shelter beds provided by surrounding cities and pointed out that East Valley cities work together year-round to connect residents to services, coordinate outreach efforts, and ensure each community helps meet the needs of its own residents while sharing responsibility across the region. (See Page 4 of Attachment 3)

Ms. Balinkie explained that the COM's crisis response model is designed to move individuals in need to the next safe place as quickly as possible and connect them with appropriate services. She pointed out that the contract with Solari for mental and behavioral health services, originally supported with ARPA funding, has continued and helps by reducing the need for police and fire personnel to act in a social services role. She stated that the Human Services Division and its partner agencies work together as an integrated system based on community needs. She emphasized that when services are available, the impact on COM departments is reduced, but when services are diminished, the burden on police, fire, parks, and other departments increases. She confirmed that the services are delivered through strong contracts designed to meet community needs and reduce the burden on frontline City departments. (See Pages 5 and 6 of Attachment 3)

Ms. Balinkie pointed out that homelessness remains a significant issue affecting cities locally and nationwide, and that the COM will bear costs either through direct service investments or through increased impacts on police, fire, parks, libraries, neighborhoods, and businesses if services are reduced. She explained that the COM has refined its homelessness response programs by moving away from a siloed approach and developed a more collaborative model involving COM departments, faith-based organizations, and community service providers to help reduce pressure on public safety resources. (See Pages 7 through 9 of Attachment 3)

Assistant Chief Sterlin explained that the Mesa Police Department (MPD), including the Professional Services Bureau, work collaboratively on initiatives intended to help keep the COM a safe and desirable community. He explained some of the complex community impacts presented by homelessness and the experiences of first responders and coordinating the appropriate units based on the circumstances encountered. He emphasized that homelessness and related human services issues can divert MPD resources from other serious public safety matters, making coordination with Human Services and other partners essential. He confirmed that the MPD works in partnership with COM departments, transit providers, outside agencies, and community partners to address citywide needs. He reiterated that coordination among libraries, downtown teams, street outreach efforts, heat relief strategies, and outreach and supportive services provides a more effective and cost-efficient approach than relying solely on arrests. (See Page 10 of Attachment 3)

In response to a question from Councilmember Duff, Assistant Chief Sterlin stated that while homelessness-related challenges will continue to require a team approach, the absence of support services currently provided at Windemere and proposed at Sunaire would complicate matters for the Police Department. He explained that without those resources, officers would spend additional time addressing issues outside their primary enforcement role, which would reduce their capacity to focus on criminal activity and other core public safety responsibilities. He added that, although he could not quantify the exact effect, he believed the loss of those resources would have a definite impact.

Responding to a question from Councilmember Heredia, Assistant Chief Sterlin commented that while no single program will end homelessness, the Off the Streets program has been helpful in addressing the issue and supporting law enforcement efforts.

In response to a question from Councilmember Adams, Ms. Balinkie advised that COM staff track program support provided to the MPD and reported that, over the last calendar year, 222 referrals were made into shelter and case management programs, with additional instances of assistance likely not formally documented.

Ms. Goodman shared examples of how the Off the Streets program serves the COM's most vulnerable residents. She explained the dynamics of the program, which has primarily served COM residents and currently operates 85 rooms at the Windemere Hotel. She noted that the program works closely with first responders and Community Court to provide direct referrals into shelter and support individuals in breaking the cycle of homelessness. She stated that required case management helps participants address barriers to housing and connect to employment, medical care, behavioral health, substance abuse treatment, and school support. She provided examples of successful outcomes, including individuals who were connected through first responders and later secured more stable housing arrangements. (See Pages 11 and 12 of Attachment 3)

Ms. Goodman provided data of families and individuals served by the Off the Streets program as of March 1, 2026, or on the current waitlist. She noted that those on the waitlist were determined appropriate for the program by Phoenix Rescue Mission and are COM residents or have ties to the community, such as prior residency, involvement with Mesa Community Court, children attending Mesa Public Schools, or are receiving medical care in the Mesa area. She added that without the program, those households would instead be placed on a much larger emergency shelter waitlist of approximately 190 families, where waits for family shelter services can range from 16 to 18 weeks. She reported that the program had achieved an 86% positive exit rate and noted that the most common reasons individuals entered the program were financial hardship and employment-related challenges. (See Pages 13 and 14 of Attachment 3)

Ms. Goodman explained that one of the largest exit destinations from the program is placement in another homeless shelter, which she described as a positive outcome for many participants with high acuity needs, including medical, mental health, domestic violence, or other significant barriers that may require more time and support than the program can provide. She stated that, in those cases, individuals and families are connected to other shelter programs so they can continue working toward stable housing and end homelessness. She confirmed that 66% of heads of households who exit the program do not access homeless services again within 12 months, and the remaining 34% may return to the system for a variety of reasons, including recurring domestic violence, ongoing medical issues, rising housing costs, fixed incomes, or continued participation in the continuum of care as part of their housing plan. (See Page 15 of Attachment 3)

Discussion ensued regarding the success rate of the program and continuum of care for the participants.

Ms. Cannistraro explained that the Off the Streets program functions as an emergency crisis response intended to stabilize individuals and families and assess their needs through intake and case management. She explained the role of the case managers is to provide a warm handoff so participants clearly understand their next steps and can continue progressing toward self-sufficiency. She verified that regional coordinated data could show whether an individual reenters

the homeless services system within Maricopa County but would not capture outcomes for those who leave the region or move out of state. She pointed out that staff are still working to better define what long-term outcome data should be tracked and reported, noting that while long-term success remains the goal, the program is still refining how to clearly measure and present those outcomes.

City Manager Scott Butler clarified that staff did not want the data to be presented in a way that could be viewed as misleading and noted that stabilizing individuals and moving them off the streets into shelter is a positive outcome, even if it does not yet represent the ultimate goal of permanent housing and self-sufficiency. He stated that staff would continue reviewing how program outcomes are described and measured to ensure the data is communicated clearly and accurately. He explained that other communities had experienced encampments overtaking parks, vacant lots, and other public spaces, creating public health hazards and requiring significant police response and intervention, and that COM sought to avoid those conditions by ensuring individuals could be moved off the street and into some form of shelter or safer setting.

Ms. Goodman continued by saying that staff explored several alternative program models, including Family Promise, Eden Village, and The Other Side Village in Salt Lake City, Utah. She stated that staff met individually with each organization to better understand how the programs operate. She provided the details of each program model and how they are funded. (See Page 16 of Attachment 3)

Councilmember Heredia acknowledged that each of the alternative housing and shelter models reviewed appeared to involve some form of government support, whether through direct funding, indirect revenue sources, or contributions such as land. He added that based on prior experience reviewing homelessness response models in other communities, most programs include some level of government involvement or public support, which often helps leverage additional private, faith-based, and philanthropic funding. He emphasized that homelessness is a complex issue requiring shared responsibility among multiple sectors and noted that government participation is often a necessary component in expanding resources and services to address the problem.

Ms. Cannistraro stated that staff welcomes Council suggestions on additional program models to explore and will continue researching creative approaches, noting that both permanent and transitional housing options are needed to serve different populations and needs.

In response to a question from Councilmember Goforth, Ms. Goodman confirmed that the House of Refuge is funded by private investment and grant funding. She stated that is located on the former Air Force base and was developed as part of a broader effort to repurpose existing land and buildings and serves as an effective bridge from emergency shelter for families and would be considered a successful transition toward permanent housing.

Councilmember Duff pointed out that House of Refuge was developed on land donated by the COM and continues to rely on a combination of City funding, grants, and other ongoing resources rather than solely private support. She referenced Family Promise's new single-family home model, which she said is expected to serve approximately 60 individuals annually, and added that a range of models, including family-focused and permanent housing options, will be necessary to help address community needs.

Councilmember Adams added that, regardless of the structure, public resources or tax-supported contributions are involved in many of these models in one form or another.

Ms. Cannistraro provided an overview of the Off the Streets program and the efforts made to improve its efficiency and effectiveness. She explained that the COM used federal ARPA funding to purchase the former Grand Hotel for conversion to the Sunaire site and the core structure of the program would remain the same through the transition. She stated that the Sunaire location offers several operational and safety improvements and is more secure for the vulnerable populations served, including children, seniors, and domestic violence survivors. She confirmed that all rooms have been made ADA accessible, exterior security cameras have already been installed and connected to the real-time crime center, and additional interior cameras will be added once occupancy is approved. She said the site's interior hallway design and single main entry point will also make it easier to control access and enforce visitor policies. (See Page 17 of Attachment 3)

Ms. Cannistraro reported that moving the program to the Sunaire site is expected to generate ongoing savings by eliminating the need to lease rooms at Windemere and explained that the COM currently maintains separate contracts for room leasing and case management. She reiterated that the new site would allow the COM to have greater control over operations and is in the process of selecting a nonprofit contractor through a Request for Proposal (RFP) for case management and property management services. She added that several nonprofits submitted proposals and staff were in the final stages of selection. She emphasized that the COM's role is to provide coordination, contract management, oversight, quality control, and reporting, while partnering with nonprofit organizations that serve as the subject matter experts in delivering program services. (See Page 18 of Attachment 3)

Ms. Cannistraro recalled that when the hotel was purchased for conversion in 2023, the COM conducted community surveys to better understand residents' expectations regarding the City's role in addressing homelessness. She reported that 48% of residents identified homelessness as an issue in the COM and 71% believed it was the COM's responsibility to address it. She verified that staff had worked closely with the surrounding Sunaire neighborhood and based on community feedback, completed improvements such as additional street lighting and other area enhancements. She pointed out that certain improvements requested by neighbors, including sidewalks, were not feasible due to cost and the potential impact on street width and on-street parking in the former county island neighborhood. She emphasized that staff would continue to engage the neighborhood and establish a Good Neighbor Policy with a single point of contact for addressing concerns moving forward. (See Page 19 of Attachment 3)

Discussion ensued regarding neighborhood concerns in the area of the Windemere, Sunaire, and the Main Street corridor, and the 2023 survey feedback from the community expressing a need to take action to address homelessness.

Mr. Butler agreed that the community remains deeply concerned about homelessness and said the question is not whether the COM should respond, but how it should do so, and that the community expects action and likely supports exploring a range of approaches, including public and private funding, so long as the response is effective and does not place an undue burden on any one area of the city.

Councilmember Adams stated that he believed most residents want the homelessness issue addressed, but that the key question is how to do so in the most effective and equitable manner. He noted that public support for action does not necessarily mean support for a specific level of spending and said the discussion should focus on identifying the best approach to addressing the issue fairly and effectively considering current conditions.

Ms. Cannistraro explained that staff had evaluated how to make the program more effective, efficient, and better aligned with its goals as it transitions to the Sunaire site and stated that the program model would be adjusted to focus on the most vulnerable populations, including families with minor children, elderly individuals, and domestic violence survivors. She noted that single adult men would generally not be served through the revised model, as that population could be referred to the East Valley Men's Center and other partner programs. She pointed out that the Sunaire site is expected to improve program efficiency and better support successful transitions to the next step in housing. She pointed out that the 1.3-acre Sunaire site will have one main entrance from Main Street and limited gated access on the south and east sides, and that only program participants and preapproved individuals would be allowed on site, while transportation for services and case management would continue to be coordinated. (See Page 20 of Attachment 3)

Ms. Cannistraro reviewed the project timeline and recalled that, as part of the purchase, Maricopa County contributed \$4 million through an intergovernmental agreement requiring the property to operate as emergency shelter for at least 10 years or the funds would need to be repaid. She reported that construction began in January 2025 and was expected to be completed by late March or early April 2026. She reiterated that staff are conducting an RFP process to select a nonprofit provider to operate the site, and once a certificate of occupancy is issued, the rooms will be furnished and supplied for turnkey operation. She anticipated a transition period between April and June for the selected provider to hire staff and prepare the site, with the first participants expected to be served during the summer. She added that staff plan to hold a community open house before occupancy begins so residents can better understand the program's safeguards, participant rules, and police presence on site and in the surrounding neighborhood. (See Pages 21 and 22 of Attachment 3)

Ms. Cannistraro reviewed the financial framework for the project and stated that ARPA interest earnings had accumulated while the funds remained in the account. She explained that moving the program from Windemere to Sunaire would reduce costs on a per room basis and provide more certainty around future costs and operational control, rather than relying on leased hotel rooms with rates that may change annually. She noted that while the number of rooms would decrease from 85 at Windemere to 64 at Sunaire, the new room layout would reduce total bed capacity by only five beds. She said the redesigned program would also allow for meal service, including two grab-and-go meals per day, which is not currently available at Windemere, where participants must leave the site to access food. She remarked that staff expect to better understand meal demand once the program is operational, particularly since many children eat meals at school. (See Pages 23 and 24 of Attachment 3)

Ms. Cannistraro outlined potential alternatives and impacts if the COM does not move forward with the Sunaire site. She pointed out that one option would be for the facility to operate as an emergency shelter under a nonprofit provider without COM funding, but staff would need additional information to determine whether a qualified nonprofit had the capacity and interest to do so. She noted that informal discussions with nonprofit providers suggested that there was not an organization that currently felt able to take on the operation independently. She added that if the COM were to rely solely on an outside provider, the same level of control over eligibility, program structure, and service delivery would be lost. She also noted that the Police Department would still likely need to remain involved in the area as part of the Good Neighbor Policy. (See Page 25 of Attachment 3)

Ms. Cannistraro explained that the current General Fund forecast already includes approximately \$2.5 million annually for the Sunaire operating model, and moving forward would not increase

that forecast; however, not proceeding could increase costs. She discussed that should the City sell the property and continue operating at Windemere, the operating costs there would remain at approximately \$3 million annually for 85 rooms, representing an increase of about \$500,000 that is not currently built into the forecast. She advised that, because federal and county funds were used to purchase and renovate Sunaire, selling the property could trigger repayment obligations, including repayment of the \$4 million to Maricopa County and potentially up to \$9.2 million to the U.S. Treasury, depending on federal guidance. She stated that, at best, the COM might only be allowed to return the sale proceeds, while at worst it could be required to return the full amount of federal funds invested. She reported that keeping the site vacant while awaiting sale would create additional maintenance and insurance costs and that continued operation at Windemere could face future risk due to possible legislation affecting mixed hotel uses. (See Page 26 of Attachment 3)

Ms. Cannistraro emphasized the goal to open Sunaire this summer and that the projected \$500,000 savings would help align the program with next year's budget. She reported that staff had identified additional one-time federal funds to support Sunaire operations, including approximately \$1.7 million in HOME-ARP funds and about \$800,000 in general fund support for three years. She explained that the HOME-ARP funds had originally been considered for bridge housing or private development gap financing, but those plans had not come to fruition, and the funds could instead be redirected to emergency shelter operations. She confirmed that staff would continue pursuing partnerships, sponsorships, donations, and grant opportunities, noting that a site such as Sunaire would likely be more competitive for outside funding than a program operated within a privately-owned hotel.

Responding to a question from Councilmember Heredia, Ms. Cannistraro confirmed that the Sunaire program would reduce the COM's net General Fund cost over the next three years while enhancing services. She explained that the current Windemere model costs approximately \$3 million annually, while the Sunaire model is budgeted at \$2.5 million and already included in the forecast. She added that approximately \$1.7 million in federal funds would offset that amount, reducing the COM's net contribution to about \$800,000 while still allowing the program to provide enhanced services. She confirmed that many members of the faith community have asked how they can help, and staff have encouraged them to wait until the program transitions to Sunaire so those partnership opportunities can be better organized and that discussions have already occurred with churches regarding support such as food assistance. She reiterated that staff would continue pursuing partnerships that could further reduce reliance on the General Fund.

Additional discussion ensued regarding the financial impact of proceeding with the project or moving in a different direction.

Responding to a question from Councilmember Taylor, Ms. Cannistraro clarified that staff had not conducted a formal feasibility study with nonprofit providers but had instead engaged in informal discussions with organizations they work with regularly. She explained that, if neither Windemere nor Sunaire were available, many of the individuals and families served would not have immediate program options and would instead be placed on the regional shelter waitlist where approximately 190 families were already waiting and the current wait for shelter placement was estimated at 16 to 18 weeks. She added that the Sunaire operating budget includes public safety-related costs, including on-site police presence, and noted that one officer currently provides 24-hour coverage at Windemere, with additional officers responding if needed. She confirmed that calls for service vary and are not necessarily crime related. She added that insurance costs for Sunaire are included in the projected \$2.5 million budget. She stated that street outreach resources are currently concentrated at the Main Library because that location has the greatest demand.

City Attorney Jim Smith advised that the COM would manage liability exposure in the same manner as it does for other COM-owned properties, noting that he was not aware of any claims related to the Windemere operation to date.

Councilmember Taylor expressed concern that the COM's core responsibilities are public safety, roads, water, and infrastructure, and questioned whether direct shelter and social service operations should be a municipal function. She stated that shelters can be costly to operate, difficult to sustain over time, and may create liability and budget pressures, particularly during periods of fiscal constraint. She provided her opinion that private and nonprofit organizations may be better positioned to provide long-term care and support and stated her opposition to the project while acknowledging the need to continue seeking solutions and partnerships.

Councilmember Duff emphasized that homelessness in the COM affects real people and that existing family shelter capacity is limited, waitlists are long, nonprofit and faith-based organizations do not have the resources to absorb the full need on their own, and that many people experiencing homelessness have exhausted all other options. She pointed out that transitioning the program to Sunaire is important to avoid compounding homelessness impacts and to honor the COM's existing commitment to provide shelter solutions. She expressed her opinion that the issue should be addressed by treating underlying causes and supporting solutions rather than only responding to symptoms. She stressed that addressing housing instability requires a shared effort among the COM, nonprofits, faith communities, and other partners.

Councilmember Heredia stressed that homelessness is a regional and ongoing challenge and noted that Mesa's leadership has helped advance regional progress on homelessness since 2018 and that the COM should continue building on that work rather than reducing its efforts. He said the issue has broad impacts across multiple service areas and remains a critical component of the COM's overall response.

Responding to a question from Mayor Freeman, Mr. Smith explained that the City Charter functions as a high-level governing document and does not prescribe the specific manner in which the COM must operate individual programs. He added that funding social services programming is a lawful activity, and that the Charter does not specifically require or prohibit the COM from doing so.

Mayor Freeman stated that historically the COM had been involved in homelessness and housing related efforts in various ways and he indicated that he would like to continue using the Windemere site as a temporary housing option for public safety and community response purposes in coordination with existing partners. He directed staff to continue evaluating the Sunaire property, including obtaining an appraisal and further reviewing the repayment obligations to Maricopa County and any other funding-related requirements, before moving forward with the transition to that site, and noted that there were still several unresolved factors that should be addressed before committing to Sunaire. He mentioned that the previously discussed \$1.7 million in funds could potentially be applied to support Windemere operations while additional negotiations and analysis are completed.

Mr. Butler reported that ARPA funding for the program remains available through the end of the calendar year and that approximately a half year of funding is currently included in the budget, which allows time to continue evaluating options without needing to act immediately. He added that staff would return at a later date with more concrete options for Council consideration.

Responding to a question from Councilmember Goforth, Ms. Cannistraro confirmed that furnishings, fixtures, and equipment costs remained in the budget and that some funds had already been spent, while additional furniture would still need to be purchased. She explained that approximately \$430,000 was budgeted for those purposes and reiterated that, although the COM would incur those one-time setup costs, the ongoing annual operating budget would decrease from approximately \$3 million at Windemere to \$2.5 million at Sunaire. She pointed out that any change allowing Windemere rooms to be made available to the public would require further discussion with the property owner because the current arrangement does not permit public room availability.

Councilmember Goforth stated that she had voted against the purchase of the property initially and remained consistent in that position and stated that she did not believe owning and operating a shelter fall within the COM's core services. She expressed concern that property ownership limits flexibility and given that the project was still not operational three years later, a model outside direct COM ownership might have moved more quickly.

Vice Mayor Somers discussed that the issue was not whether homelessness should be addressed, but how to address it, noting that personal hardship can become a broader public problem if left unresolved. He said conditions such as large encampments seen in other cities would not be acceptable in Mesa and emphasized the need to identify an effective approach. He confirmed that while he was not prepared to support moving forward immediately with the Sunaire transition, the COM should not allow the current Windemere program to lapse without an alternative in place. He agreed to postpone the decision to allow additional time to evaluate other funding sources, including grants and nonprofit-operated models, and to explore whether services could eventually be transitioned to a model that minimizes or avoids the use of local tax dollars for operations.

Mayor Freeman thanked staff for the presentation and confirmed Council direction is to postpone moving ahead with the Sunaire program pending additional information from staff.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Housing and Community Development Advisory Board meeting held on December 9, 2025.

3-b. Audit, Finance and Enterprise Committee meeting held on January 22, 2026.

It was moved by Councilmember Adams, seconded by Councilmember Heredia, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Taylor

NAYS – None

Carried unanimously.

4. Current events summary including meetings and conferences attended.

Mayor Freeman and Councilmembers highlighted the events, meetings, and conferences recently attended.

5. Scheduling of meetings.

City Manager Scott Butler stated that the schedule of meetings is as follows:

Monday, March 9, 2026, 5:15 p.m. – Study Session

Monday, March 9, 2026, 5:45 p.m. – Regular Council

6. Convene an Executive Session.

6-a. Discussion or consultation with the City Attorney and outside legal counsel regarding the proposed schedule of fees and charges for Falcon Field Airport and a 14 CFR Part 13 complaint and investigation related to Falcon Field and any potential, pending or contemplated litigation thereto. (A.R.S. § 38-431.03(A)(3) & (4))

It was moved by Councilmember Taylor, seconded by Vice Mayor Somers, that the Council adjourn the Study Session at 11:08 a.m. and enter into an Executive Session.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Taylor

NAYS – None

Carried unanimously.

7. Adjournment.

Without objection, the Study Session adjourned at 12:12 p.m.

ATTEST:

Holly Moseley
for HOLLY MOSELEY, CITY CLERK



Mark Freeman
MARK FREEMAN, MAYOR

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 5th day of March 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Holly Moseley
for HOLLY MOSELEY, CITY CLERK

Pavement Management

Erik Guderian –Transportation Director

3/9/26



mesa•**az**

TRANSPORTATION

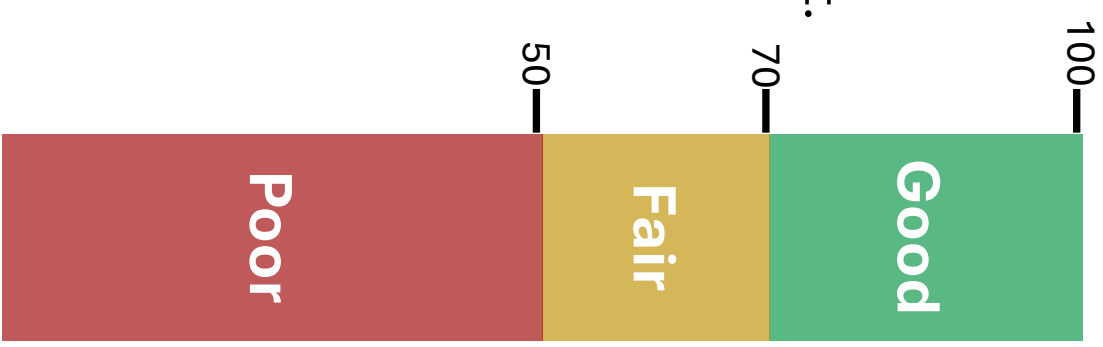
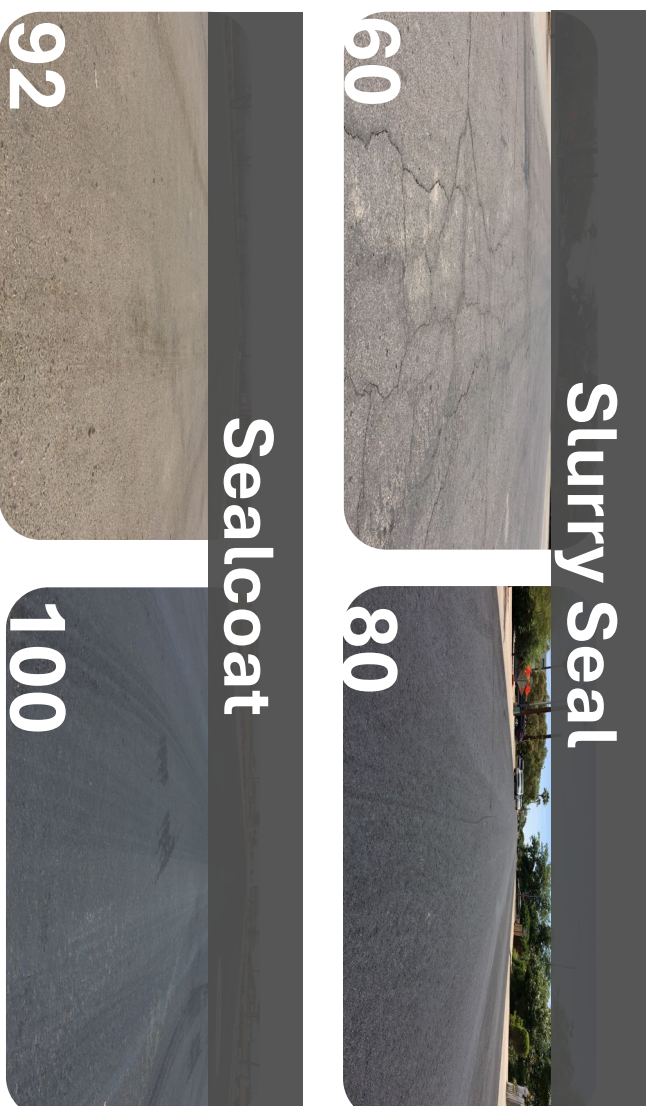
Roadway Asset Services Contract

- New pavement software - modernize data collection and analytics
- Laser-based automated surveys (e.g., mobile survey vans) to collect pavement condition data
 - **Year 1** ~ 902 miles (single pass residential/local)
 - **Year 2** ~ 416 miles (two-directional collectors)
 - **Year 3** ~ 972 miles (two-directional arterials)
- PCI results analyzed in the BOSS (Budget Optimization Street Selector) pavement management system to optimize treatments
- Enables long-term forecasting for pavement preservation and street overlay programs

Pavement Condition Index Methodology

Current Methodology

- Visual surveys of collectors, residential streets, and parking lots by Pavement Management Technicians with recommended treatments.
- Arterial surveys conducted using automated methods.
- PAVER 7.0 software compiles survey results to generate the maintenance forecast.
- PAVER 7.0 calculates PCI adjustments for all surveyed roadways.



Pavement Lifecycle

Mesa

- Preservation**
- Treatments**
- Fog Seal
 - Seal Coat
 - Slurry Seal
 - Mill & Overlay

Industry

- Fog Seal
- Slurry Seal
- Mill & Overlay

Expected Pavement Lifecycle ~ 40–45 years

Lifecycle

~ 15 years (no preservation)

~ 25–30 years

Pavement Treatment Costs

Treatment	Cost/Sq. Yd.	Life Added
Fog Seal	\$1.50	1-3 Years
Seal Coat	\$1.50	5-7 Years
Slurry Seal	\$3.50	7-10 Years
Mill & Overlay	\$45	Structural Reset

Questions

Pavement Treatment: Fog Seal



Fog Seal

Target

1 year after new asphalt.
Industry Standard 1-3 years

Cost/Sq. Yd

\$1.50

Life Added

1-3 Years

Pavement Treatment: Seal Coat



Seal Coat

Target

3-5 years after new asphalt

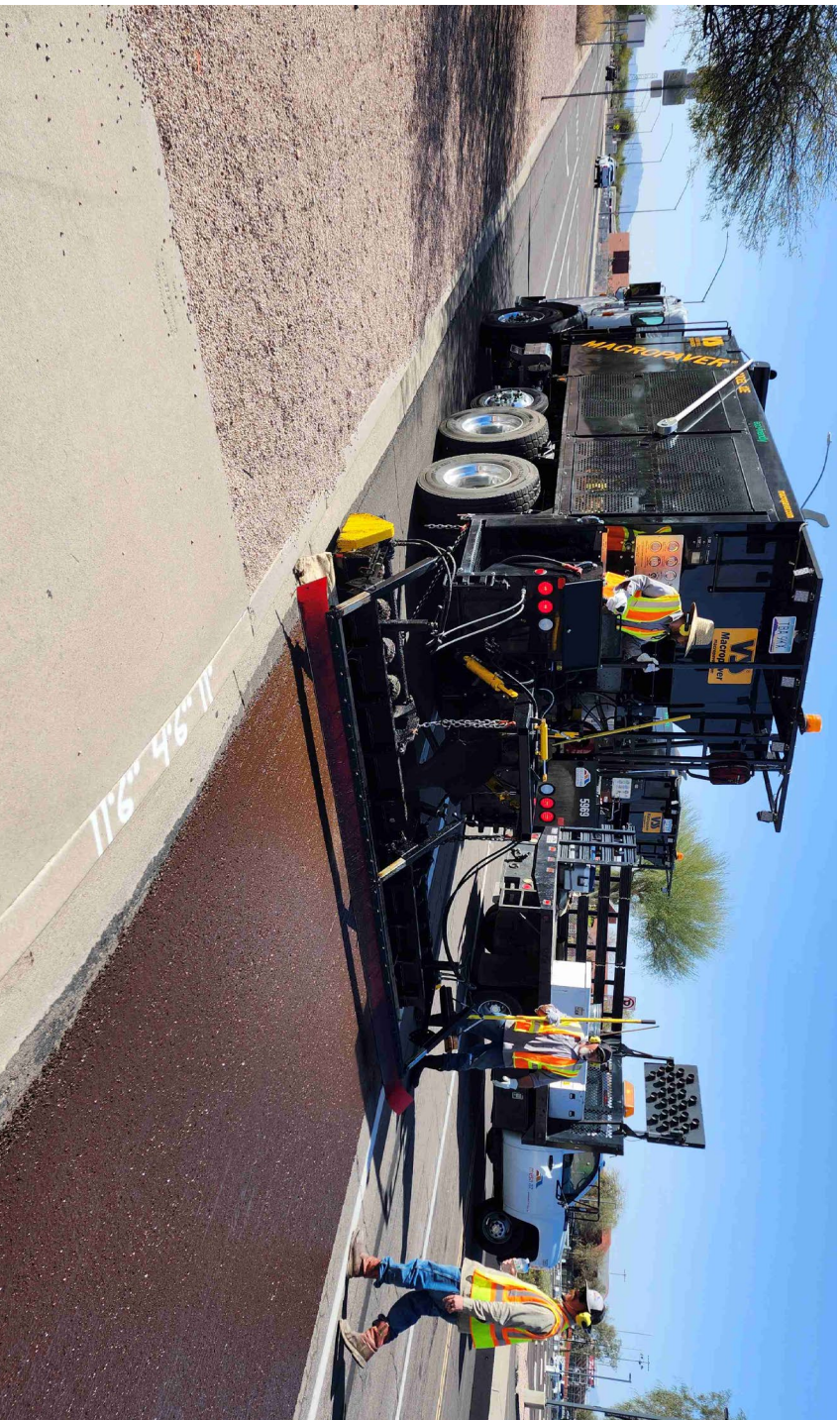
Cost/Sq. Yd

\$1.50

Life Added

5-7 Years

Pavement Treatment: Slurry Seal



Slurry Seal
<u>Target</u>
7-10 years after new asphalt
<u>Cost/Sq. Yd</u>
\$3.50
<u>Life Added</u>
7-10 Years

Pavement Treatment: Mill and Overlay



Mill and Overlay

Cost/Sq. Yd

\$45

Life Added

Structural Reset

Energy Resources Department Power Purchase and Storage Agreement

City Council Study Session – 3/5/26

Deb Ferraro, Energy Resources Coordinator

Scott Bouchie, Director of Energy and Sustainability

Arizona Electric Power Cooperative (AEPCCO)

Pinal Solar Project

- 25 MW Solar Power
- 20 MW Battery Energy Storage System (BESS)
- 20-year agreement (estimated start date in 2027)
- Located where Mesa can easily transmit power to Mesa's ESA
- Mesa is one of ten (10) participants.
- Total project is 400 MW Power and BESS

Mesa Electric Customers

(feedback sourced through a survey)

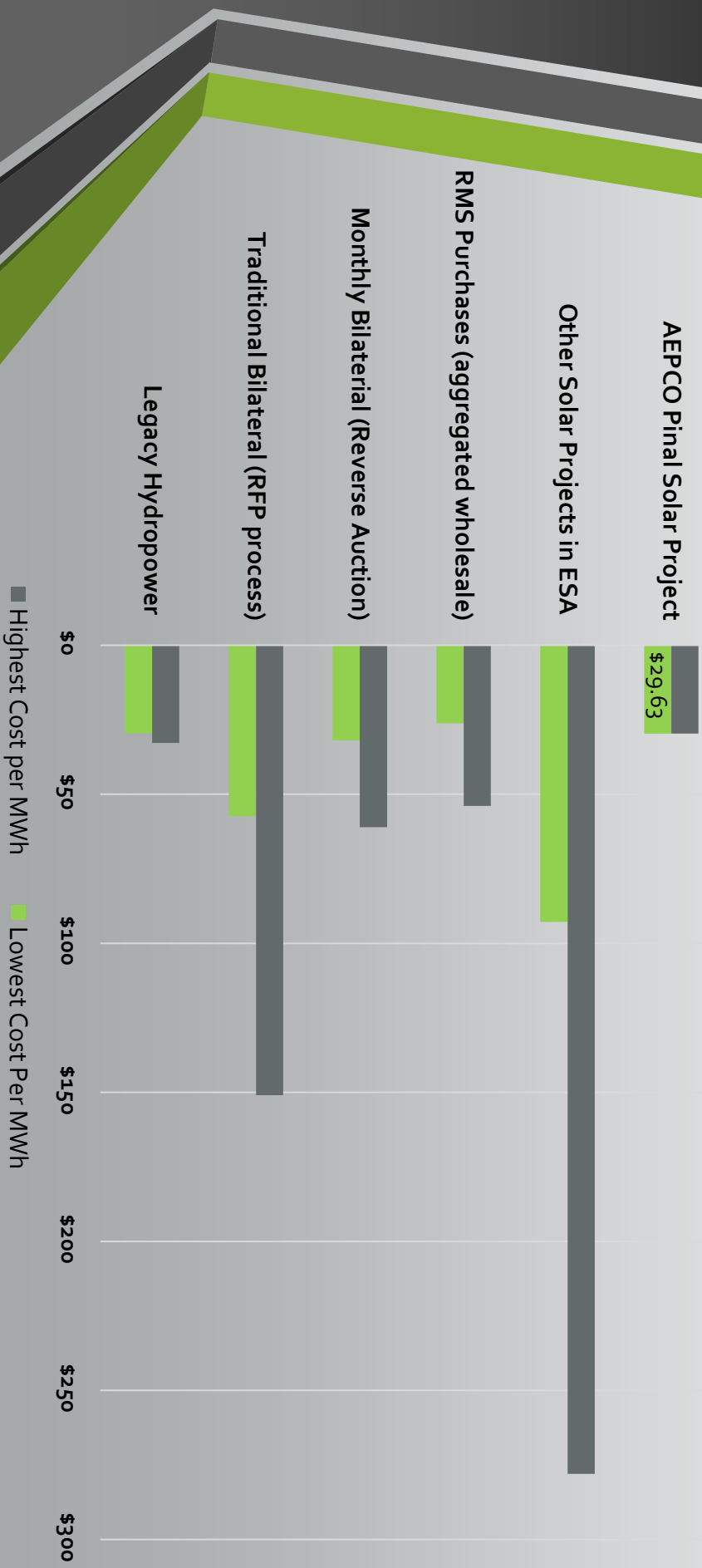
Most important criteria for resource choices:

- Cost Impact
- Reliability
- Sustainability

Cost Impact of Pinal Solar

(One of the lowest priced resources)

Current Power Contracts by Price (per MWh)



Reliability of Pinal Solar

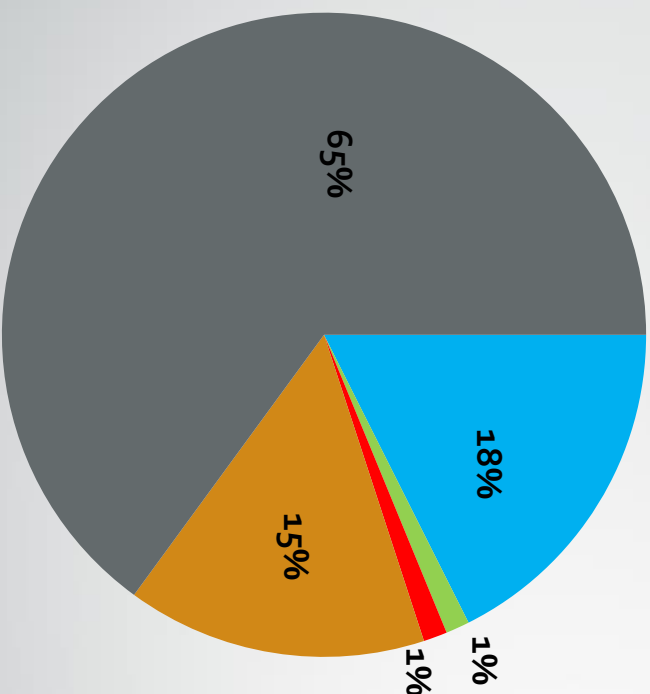
- Long-term power = security
- Contributes to diversified portfolio
- Consistent pricing
- Battery storage
 - Flexible
 - Dispatchable
- Increase grid reliability

Sustainability of Pinal Solar

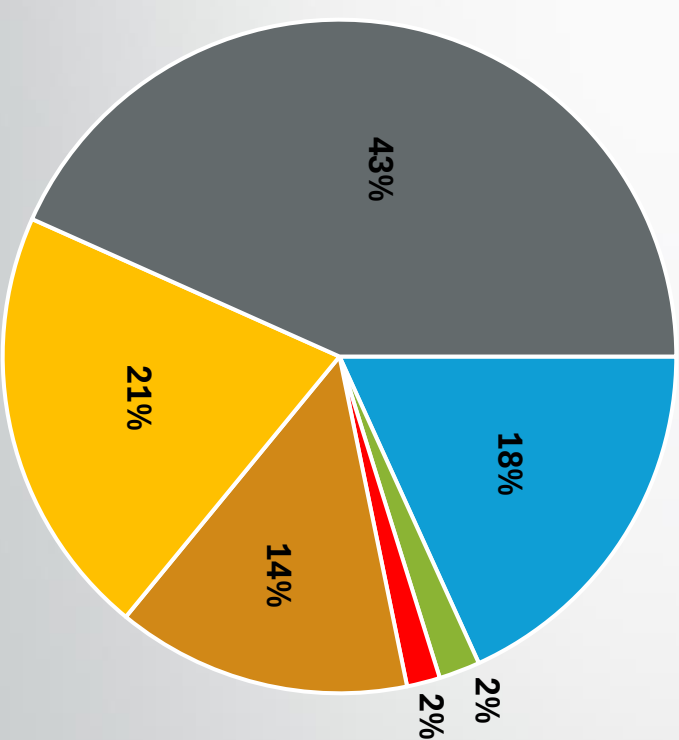
(Pinal Solar increases renewable power from 35% to 57%)

Percentage Renewable / Traditional Power

Fiscal Year 25-26



Fiscal Year 28-29

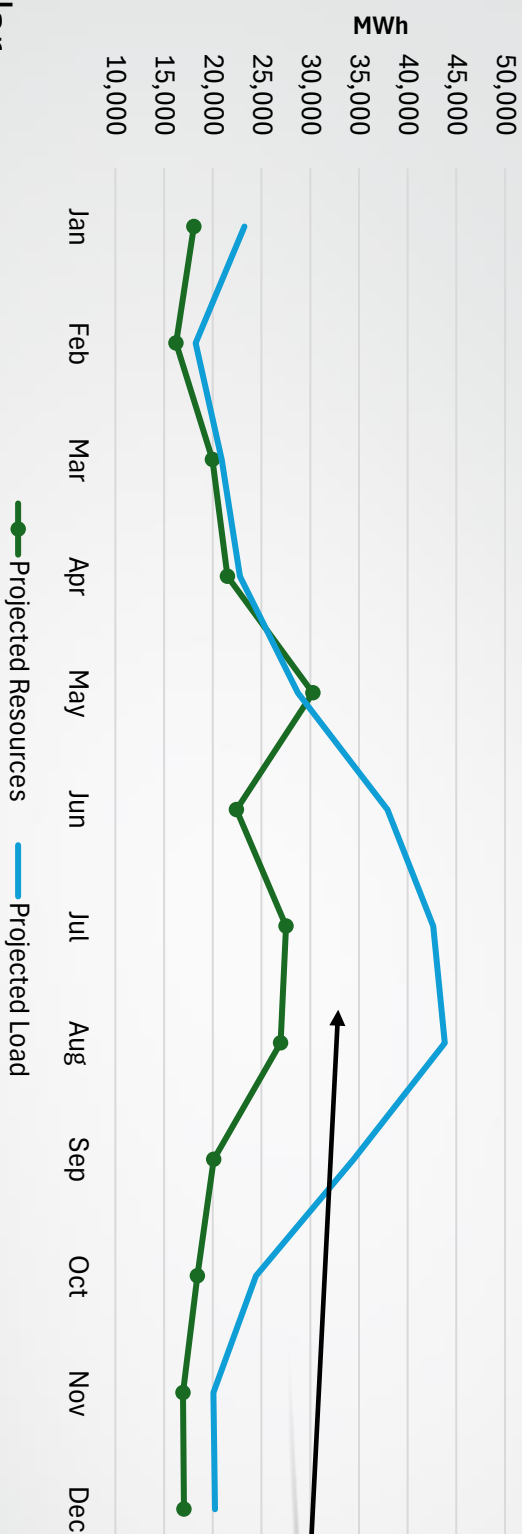


- Hydropower (up to 15 MW)
- Customer Solar (2.2 MW)
- Utility Scale Solar (25 MW)

- City Solar (3.7 MW)
- SRP Renewables (16 MW)
- Traditional Power (mixed fuels, various MW)

Mesa Future Load Shape

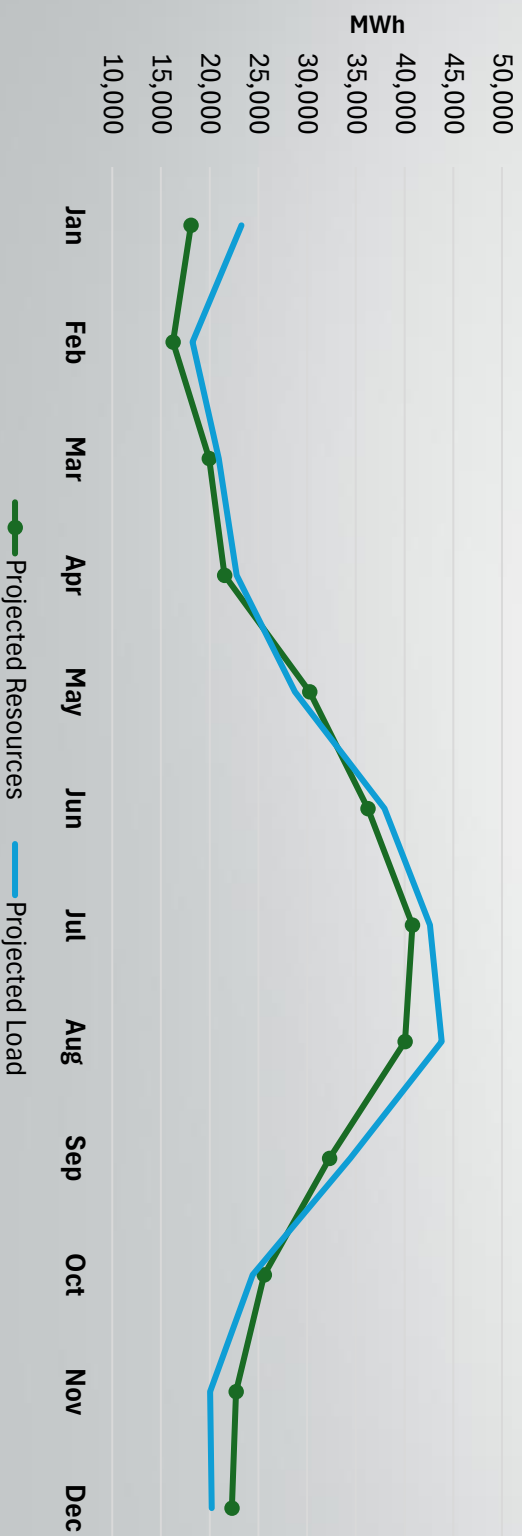
Projected Load & Resources Without Pinal Solar or BESS



Traditional
 Bilateral - Ranging
 \$60+ - \$151/MWh

Graphs represent
 2027, with Pinal Solar
 starting in June 2027

Projected Load & Resources With Pinal Solar and BESS

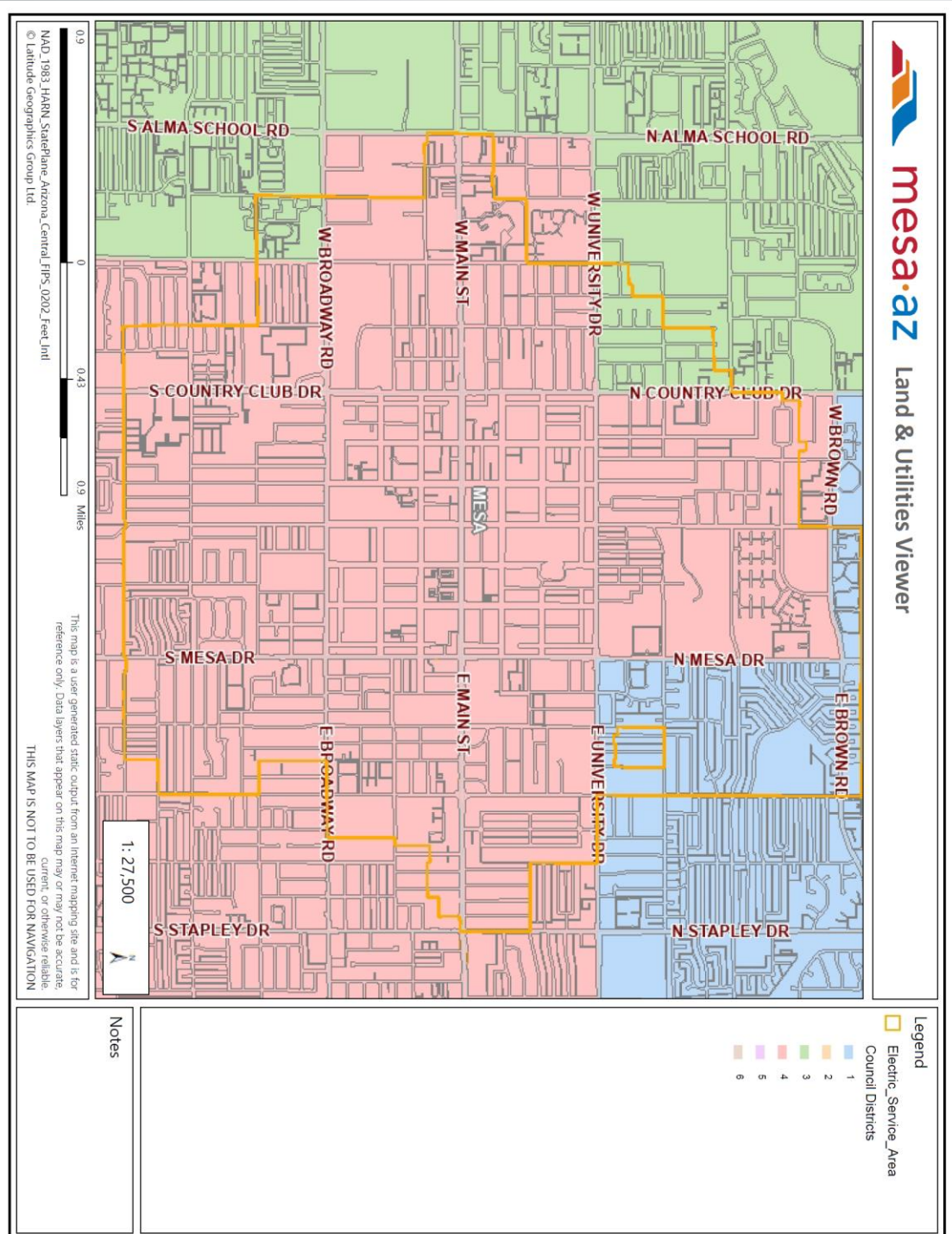


Questions or Comments?

City Council Study Session – 3/5/26



Mesa Electric Service Area (ESA) and Council District Boundaries



Addressing Homelessness for Community Health and Safety

March 5, 2026

Candace Cannistraro, Deputy City Manager

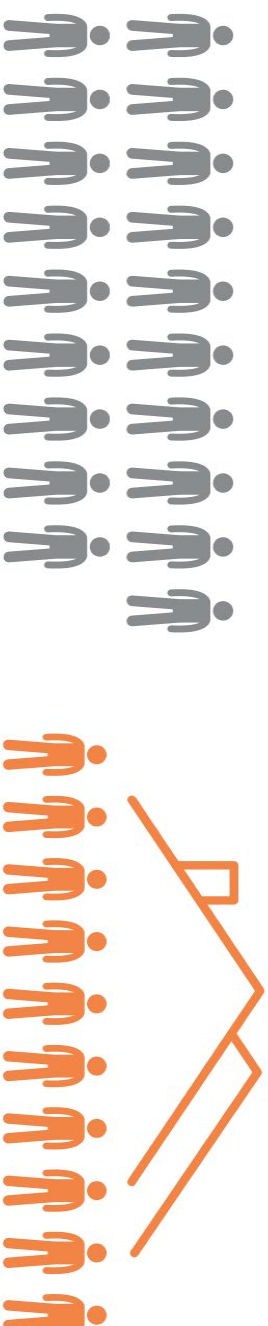
Dominique Sterlin, Assistant Police Chief

Lindsey Balinkie, Deputy Director Community Services

Jussane Goodman, Human Services Administrator

Maricopa County Homelessness Trends Report*

There are more people entering homelessness than leaving homelessness. From January 2024 – December 2024, there were 19 new people experiencing homelessness for every 10 people finding housing.



There is a significant number of new people entering homelessness each month. In 2024, an average of **962 new households per month** experienced homelessness for the first time. In 2025, shelters and bridge housing programs continue to have long waitlists and cannot meet the demand.

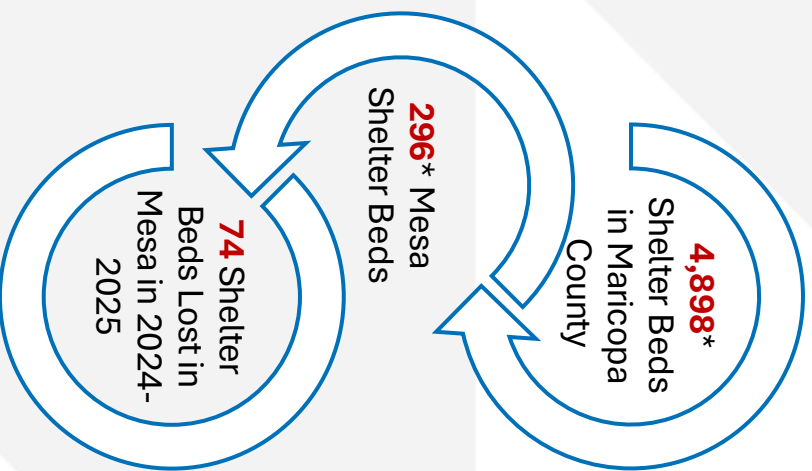
Breakdown of people experiencing homelessness in Maricopa County in December 2024.



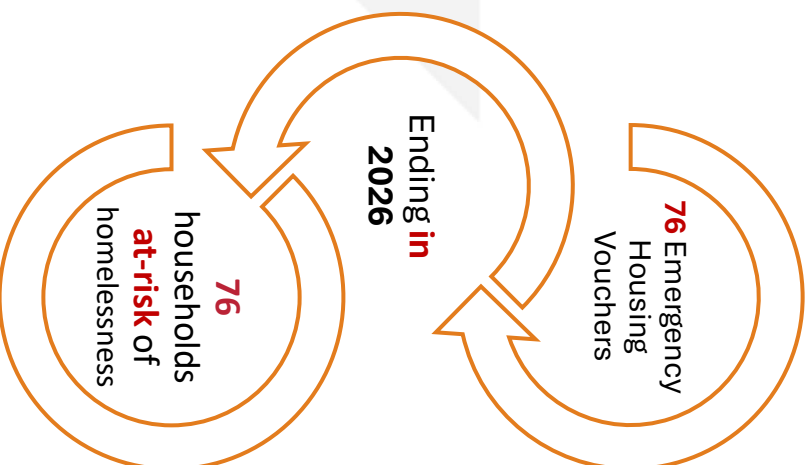
er Impacts & Trends in Mesa



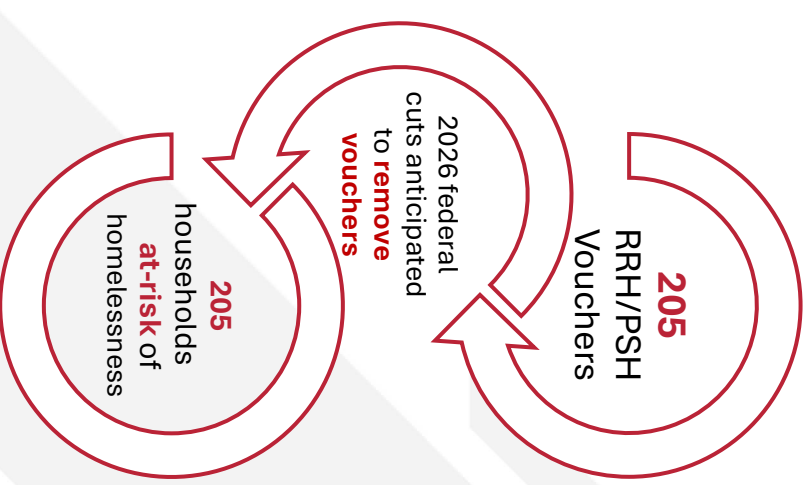
Homeless Shelter Beds



Emergency Housing Voucher Cuts



Other Anticipated Housing Voucher Loss



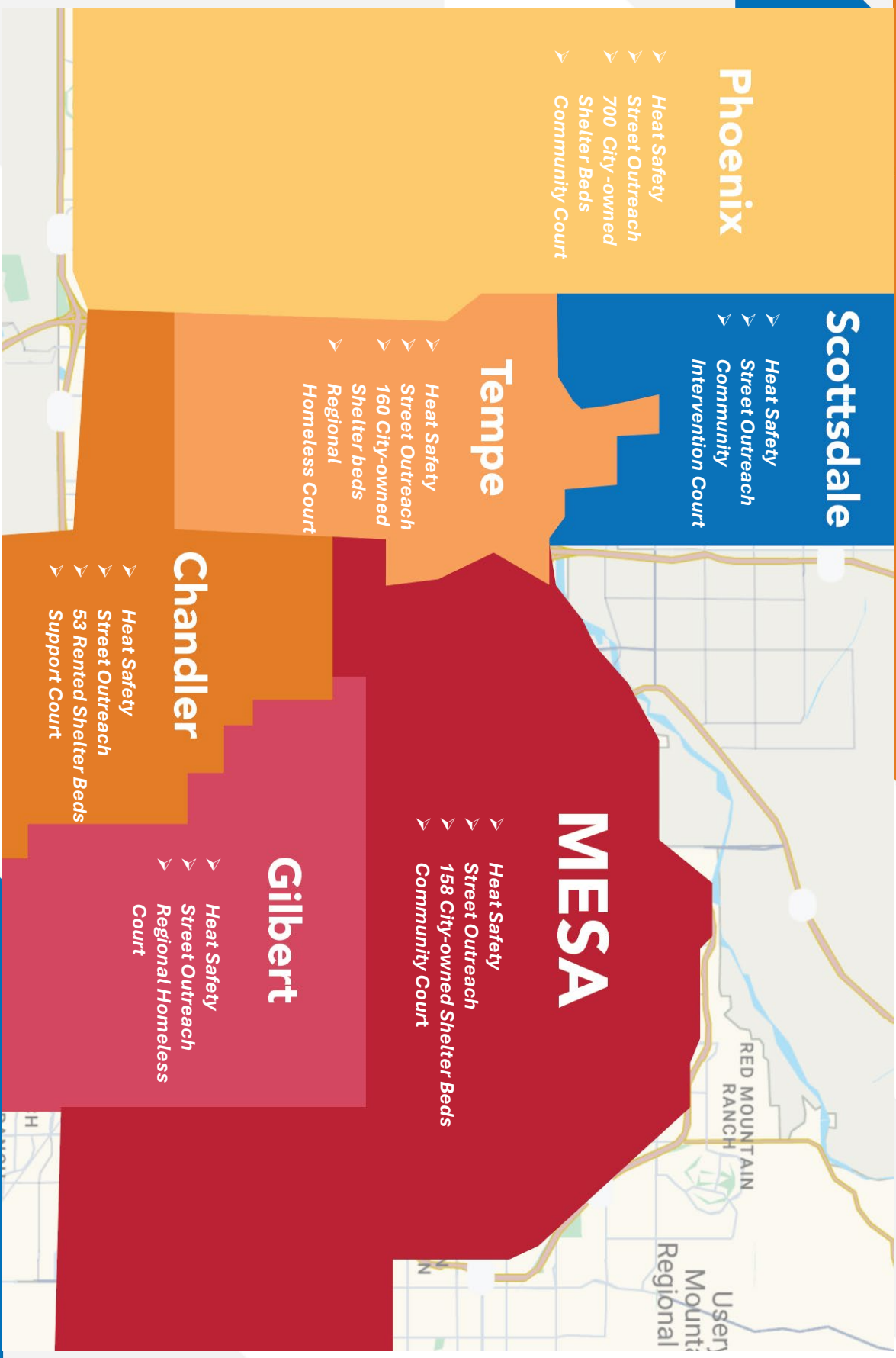
*Single adult & family beds

Mesa Housing Authority

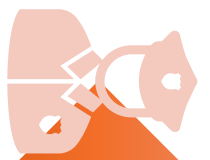
Reductions to COC HUD Rapid Rehousing and Permanent Supportive Housing

County Shelter Beds Source: COC HIC

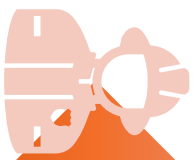
Regional Government Efforts



Mesa's Crisis Response Model



Police



Fire & Medical



Emergency Shelter



Mental/Behavioral Health

Community Involvement: Lessons Learned



Mesa pays for homelessness with or without providing services.



City-led coordination is essential in meeting public safety needs of entire community.



First Responder support is required.

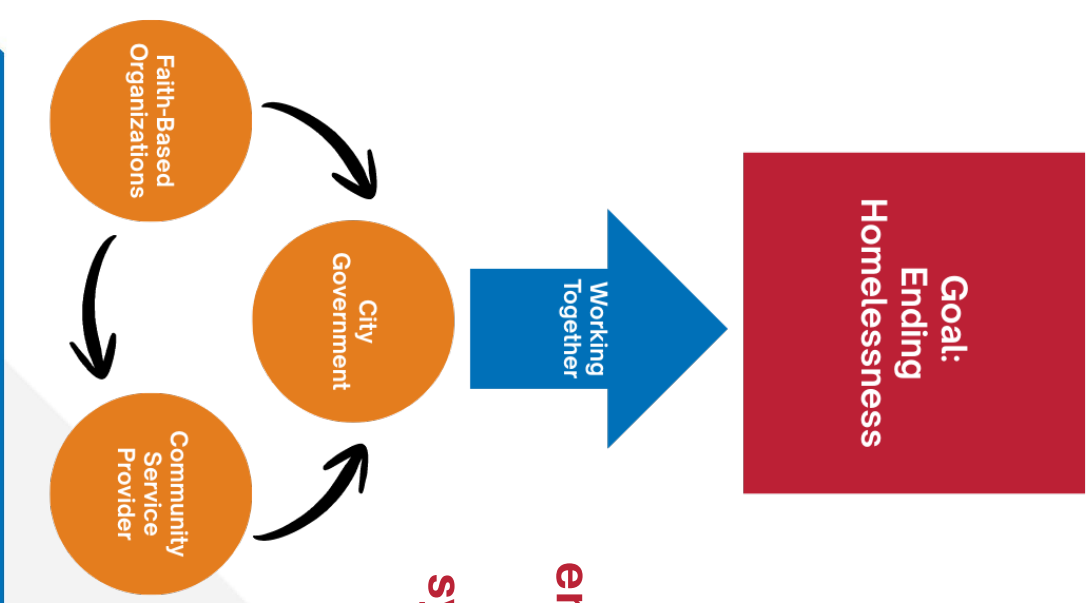
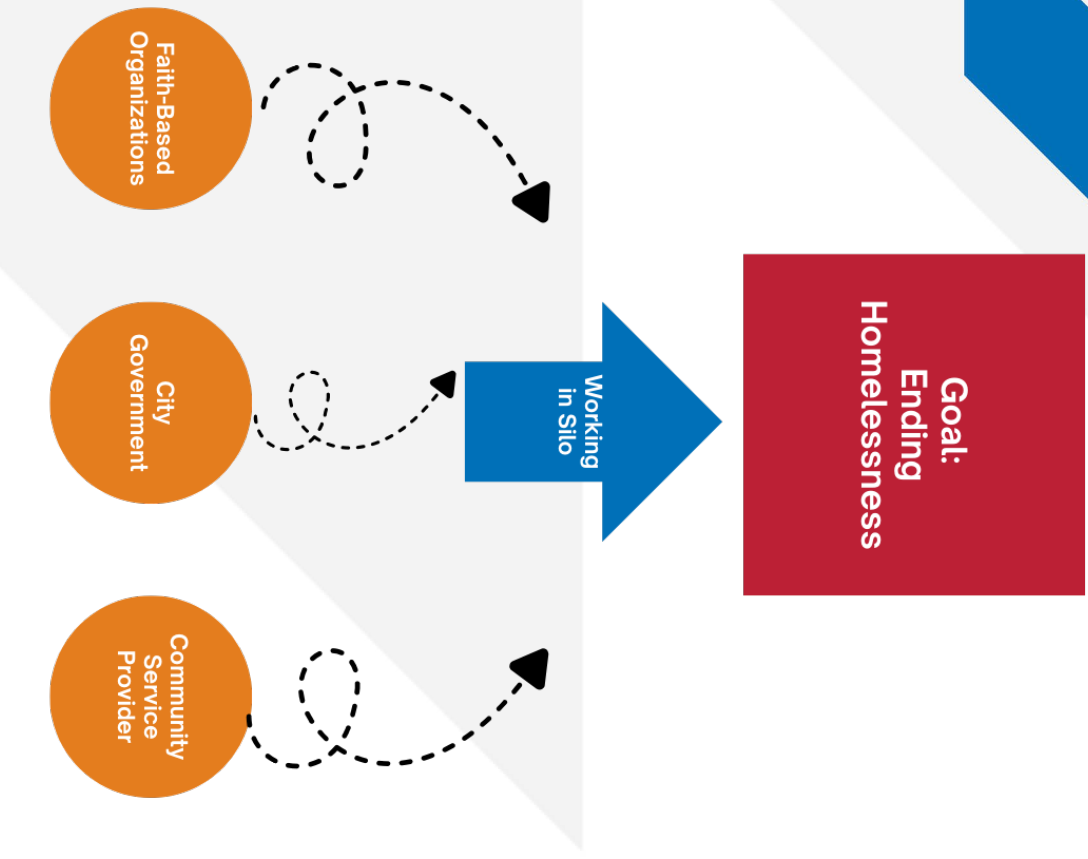


Collaboration increases capacity to serve needs better together.



City investment in services strengthens accountability and aligns services with priorities

Importance of Mesa's Involvement



**City of Mesa is the
entity best positioned
to coordinate a
systematic response**

Importance of Mesa's Involvement



Diverting from Higher Cost Systems



Homelessness touches nearly every public system:

- police
- fire/medical
- behavioral health
- Courts
- Libraries
- code enforcement
- housing services
- neighborhoods

st Responder Support & Collaboration



Impact of homelessness on first responders

Importance of collaboration with homeless services system

Benefits of Street Outreach, Shelter and Heat Relief

Diverting from higher cost systems

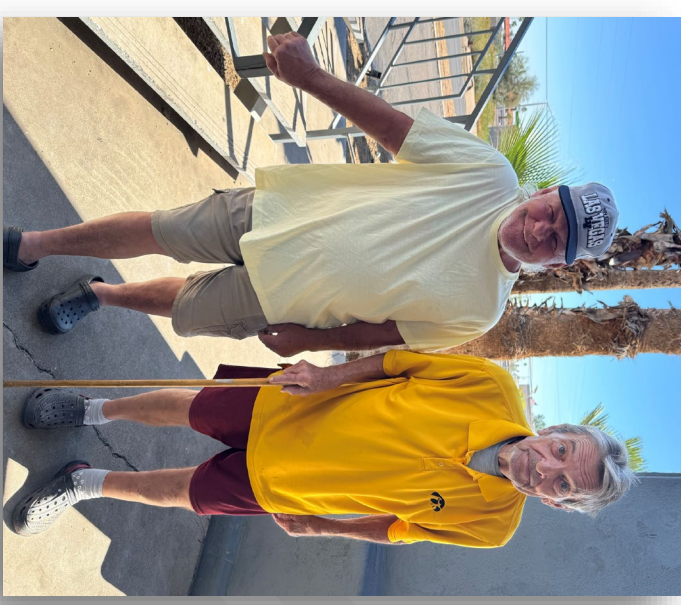
Off the Streets Shelter Program Overview

- 5+ years emergency homeless shelter services
- Focused on Mesa-based residents
- Began with *Martin v Boise*, Covid funding and rise in homelessness
- Currently renting 85 rooms at Windemere Hotel
- Supports Public Safety/Community Court
- Good Neighbor Policy
- Only Mesa shelter for families/women/seniors

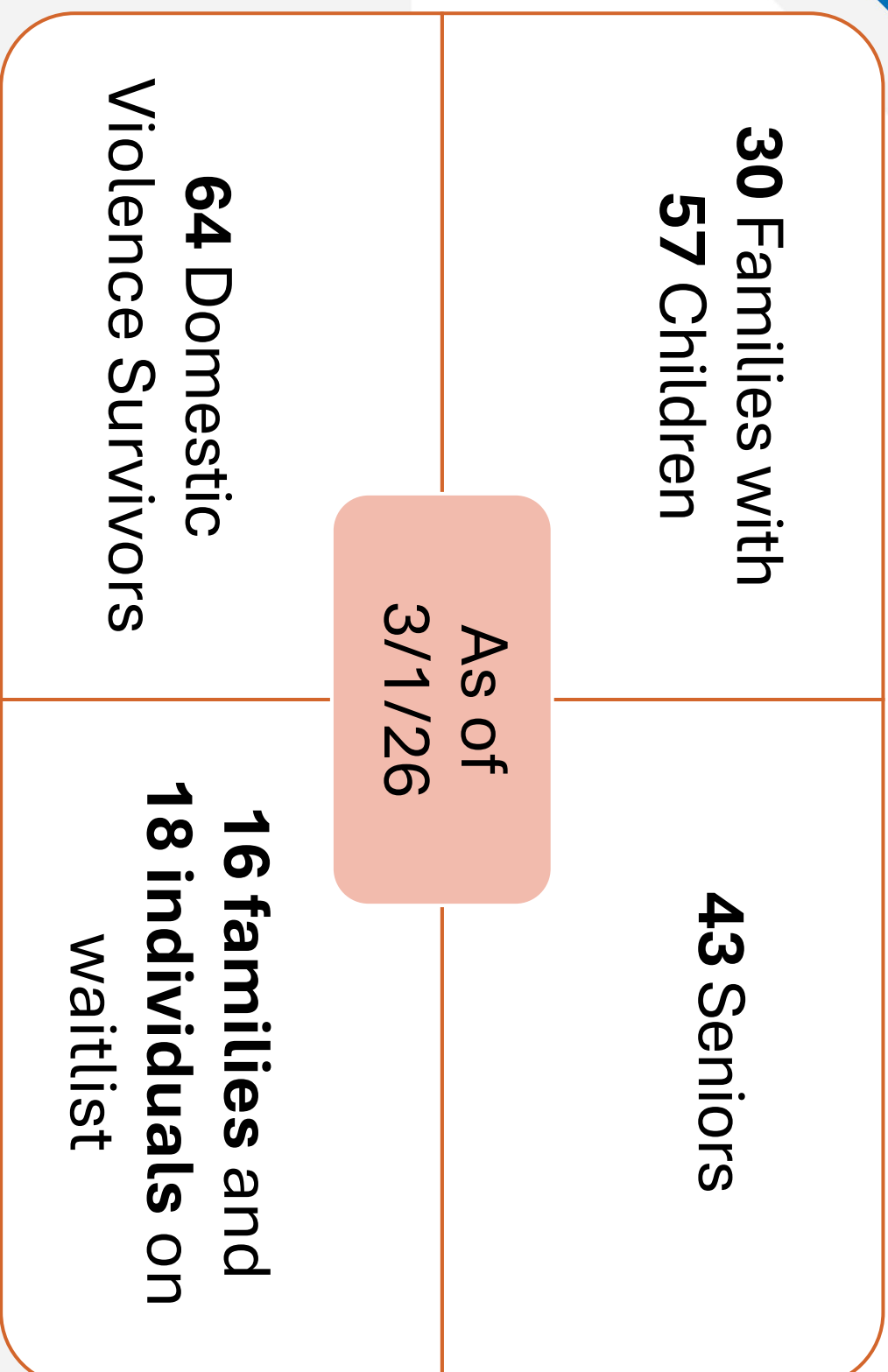


The Streets Program Requirements

- Up to a 90 day stay
 - Case Management services
 - Positive progress in the program required
- Zero-tolerance drug policy
- Regular room checks
- Closed campus, no walk-up referrals
- 10:00 PM curfew
- Connection to housing/employment services, medical care (substance/mental health treatment, etc.)
- Connection to elementary schools

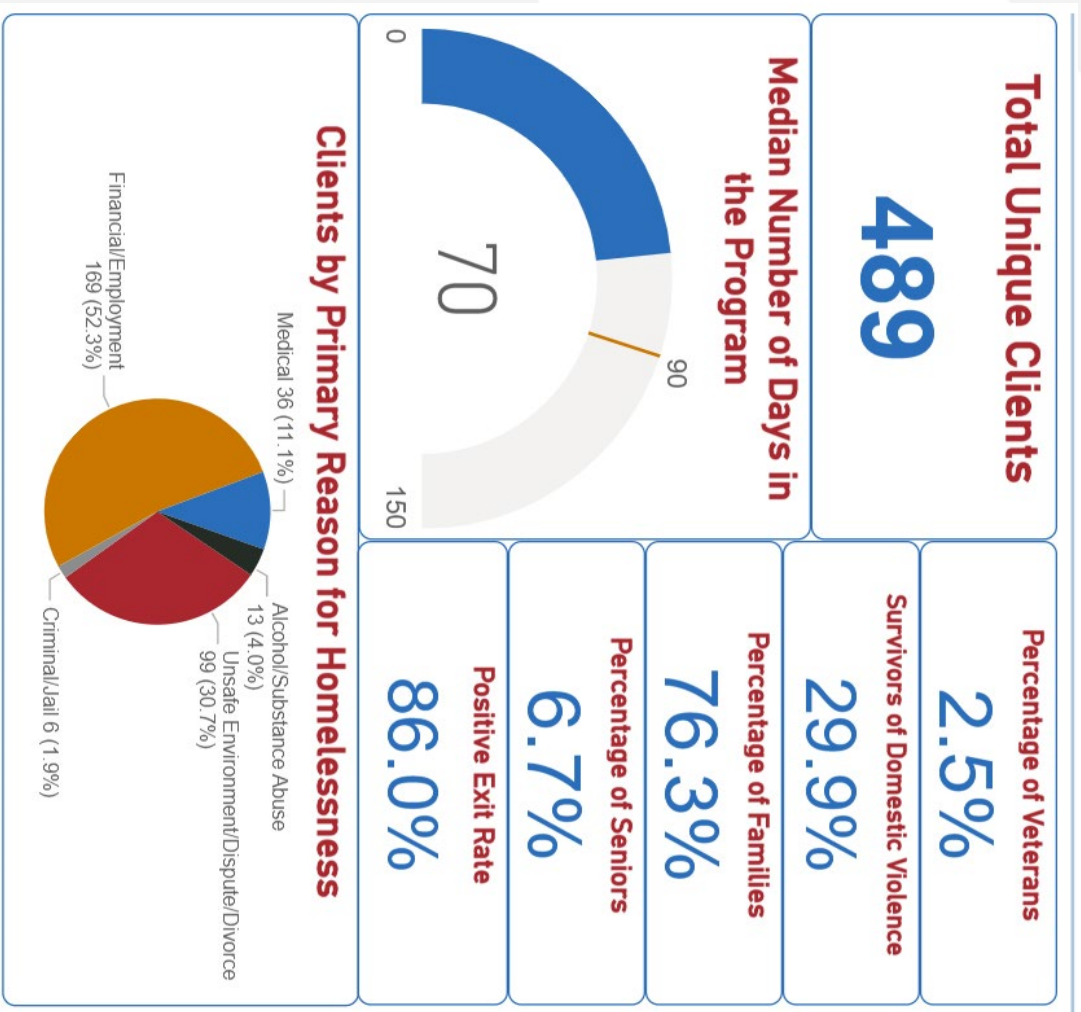


the Streets Current Program Data



Source: Homeless Management Information System

The Streets Program Data Calendar Year 2025



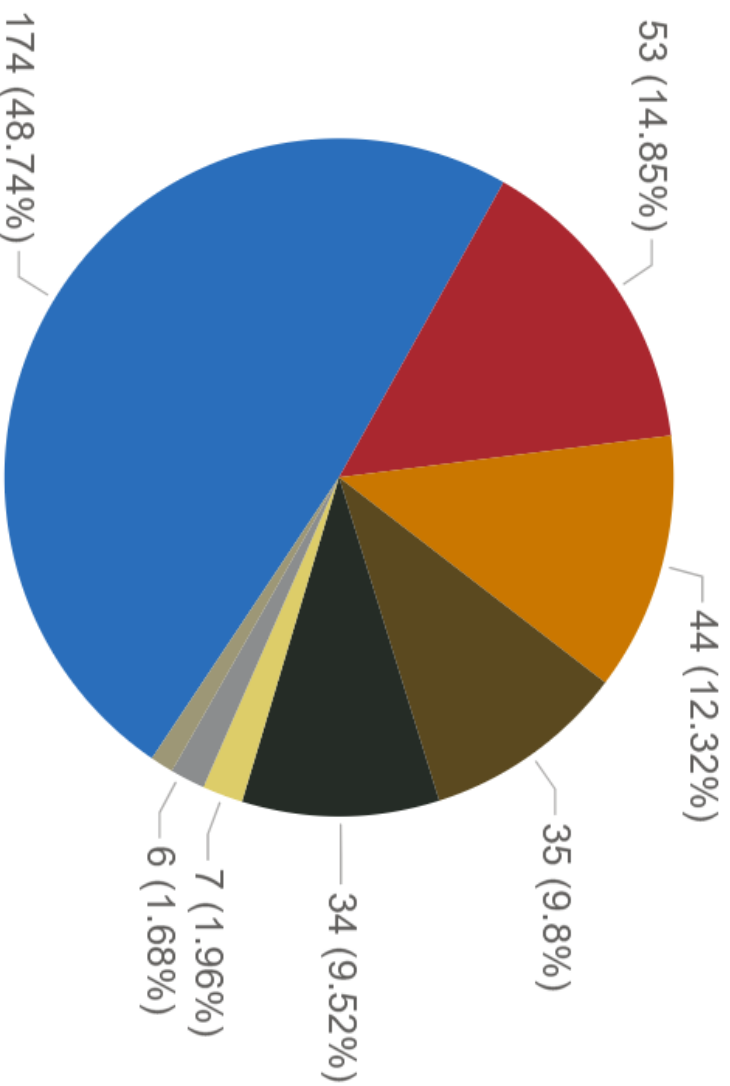
Total unique clients served since May 2020: 3,289

Source: Homeless Management Information System

The Streets Program Data Calendar Year 2025



Clients by Exit Destination Category



- Homeless Shelter
- Housing (with Voucher/Support)
- Return to homelessness
- Self paid housing w/o support
- Housing (with family/friend)
- Medical/Long-Term Care Facility/Group Home
- Other
- Bridge Housing

Source: Homeless Management Information System

er Program Models

Family Promise

Bridge Housing

Up to 10 Families with Minor Children

Up to 60 days length of stay

Funded by private donations, grants, and 12% government funding.

Eden Village

Permanent Housing

Single Adults

No cap on length of stay

Funded by private donations and grants.

The Other Side Village (Utah)

Permanent Housing

Single Adults

No cap on length of stay

Funded by client rent, social enterprise, private donations, and grants. City land contribution and funding for capital.

S Program Transition to Sunaire

CONTINUES

*90-day structured program

*Program management

Property management

*No walk ups

Transportation

*Police presence

Pet friendly

NEW

Control of campus

*Serving seniors, families and domestic violence victims ONLY

Additional family friendly rooms

*Cameras

Photo rendering



*Council Use Permit Requirement/Good Neighbor Policy

Benefits of Property Ownership



- Existing program demonstrates success and strong partnerships.
- Ownership of property allows Mesa to control quality, security, population served, citywide public safety.
 - ADA compliant/friendly
 - Pet friendly
 - Controlled access to campus/building
- Federal ARPA funding supports investment in long-term stability.
- Ongoing cost savings and cost avoidance.
- Alignment with city priorities and community needs



Off the Streets

Community Sentiment & Engagement



Hotel Purchase Community Engagement 2023

- Three large, well attended, community meetings and many additional neighborhood meetings by request.
- Three rounds of door-to-door visits and discussions with area residents.
- Meeting reminders and program updates via web, email, social media, flyers, bilingual materials, resource line.
- Connections to online resources and an extensive Q&A.

2023 Community Survey at time of Sunaire purchase

48% of residents
see homelessness as
an issue in Mesa

71% of residents believe
the issue of homelessness
is the City of Mesa's
responsibility to address

Property Ariel Views



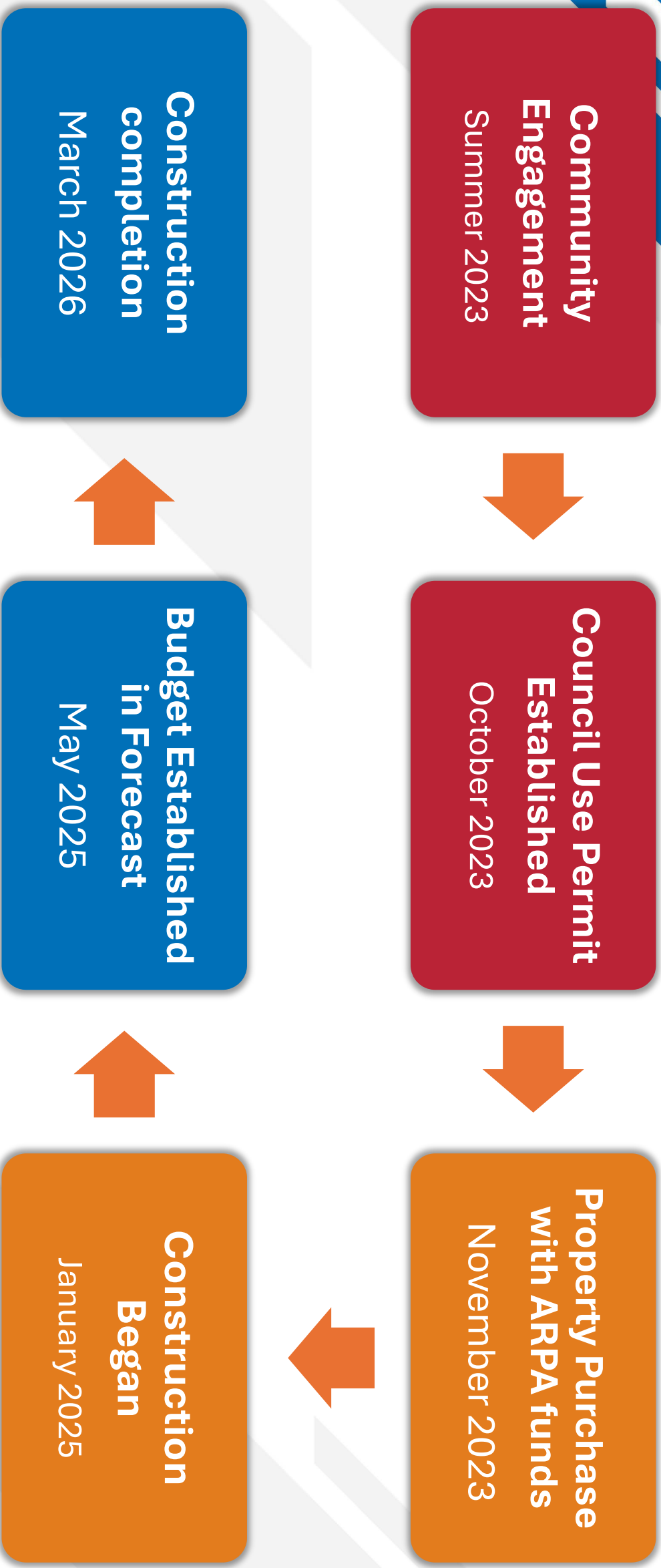
Windemere Hotel 13.6 acres



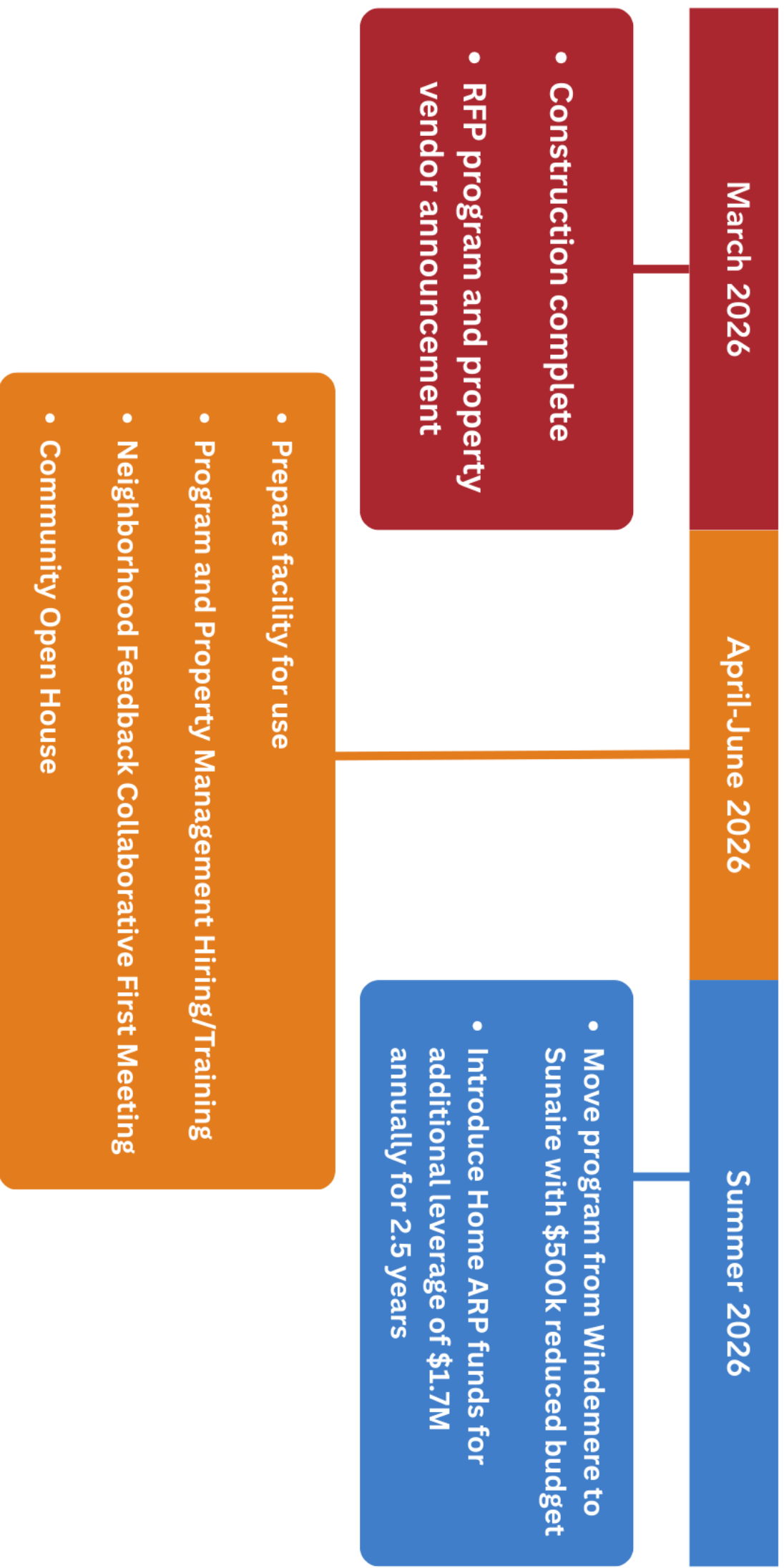
Sunaire Program 1.3 acres



History of Sunaire



Timeline Based on Original Council Direction



ding Source Breakdown : One-Time Costs



Off the Streets @ Sunaire – Budget Overview

Description	One-Time Cost	Funding Source
Property Purchase	\$7,475,388	City ARPA: \$3,475,388 County ARPA: \$4,000,000
Architect Design	\$386,041	ARPA
Construction	\$5,285,205	ARPA
Total One-Time Property Cost:	\$13,146,634	
Furniture Fixtures & Equipment	\$450,000 \$300,000	ARPA-Interest
Total One-Time FFE Cost:	\$750,000	

the Streets Program Budget

Today at Windemere

Windemere
\$98.65
Price per room/day
with case management

Windemere
\$3.1M
85 Rooms/163 Beds

- Windemere contracts are ARPA funded in 2026.
- Windemere ends as Sunaire begins.
- Figures do not reflect cost for PD presence at Windemere.

Summer 2026 Sunaire opens

Sunaire
\$85.27
Price per room/day with
case management*

Sunaire
\$2.0M+ \$0.5M
64 Rooms/158 Beds
+ Grab-n-go meals

*Excludes grab-n-go meals cost for equal comparison.

- Sunaire funding sources: general fund, ARPA interest and HOME ARP .
- Figures do not reflect cost for PD presence at Sunaire.



Off the Streets

Explore making Sunaire facility available to an emergency shelter provider without city funding or oversight

Considerations:

- Feasibility of provider funding availability is low
- Removal of COM funding reduces alignment with council priorities
 - Community Health and Safety
- Loss of leverage to coordinate services
- Cost of police presence remains
- Saves operational costs but unknown long-term impact

Sell Sunaire and Continue OTS at Windemere

Considerations:

- ARPA reimbursement requirements
 - \$9.15M recaptured by US Treasury
 - \$4M returned to Maricopa County per IGA
- Cost to maintain and manage property until sale
- Vacant property with risk of vandalism and damages
- Timing property sale and need for repayment may not align
- Risk of possible mixed hoteling legislation interfering with program operation



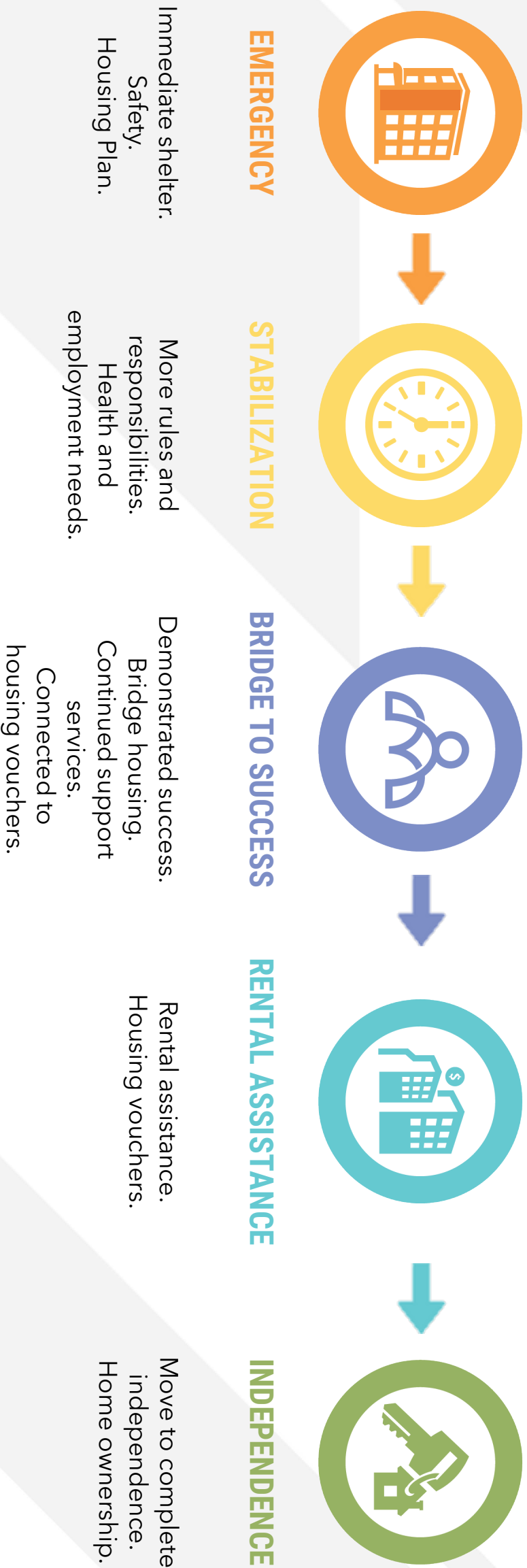
Staff Recommendation:

Complete the Move to Sunaire - 6733 E Main Street

m.e.s.a.az



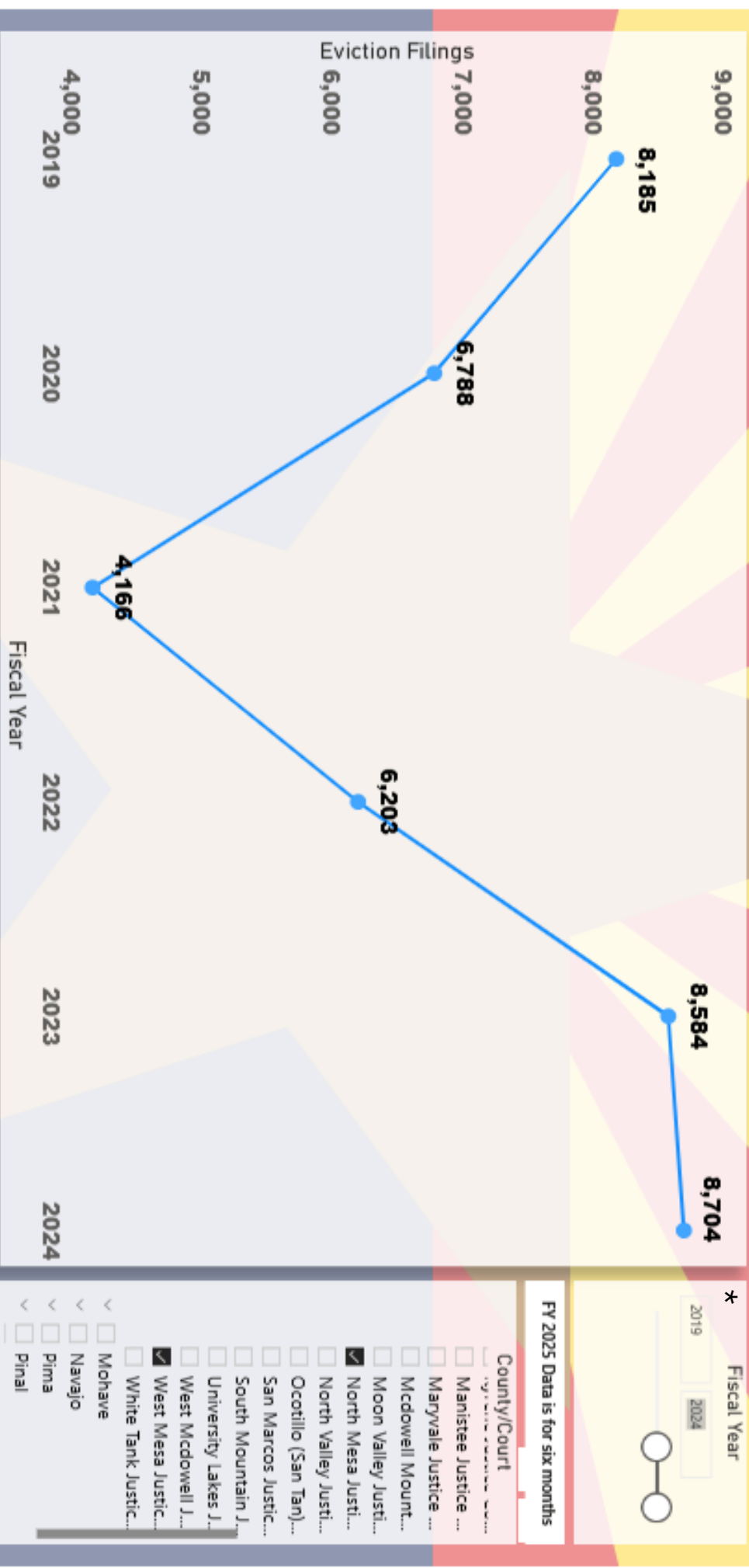
Mesa's Housing Path



er impacts: Mesa Evictions by Fiscal Year 2019-2024

Justice Court Eviction Filings by Fiscal Year

Arizona Supreme Court AOC



* Fiscal Year

2019 2024



FY 2025 Data is for six months

County/Court

- Manistee Justice ...
- Maryvale Justice ...
- McDowell Mount...
- Moon Valley Justi...
- North Mesa Justi...
- North Valley Justi...
- Ocotillo (San Tan)...
- San Marcos Justic...
- South Mountain J...
- University Lakes J...
- West McDowell J...
- West Mesa Justic...
- White Tank Justic...
- Mohave
- Navajo
- Pima
- Pinal

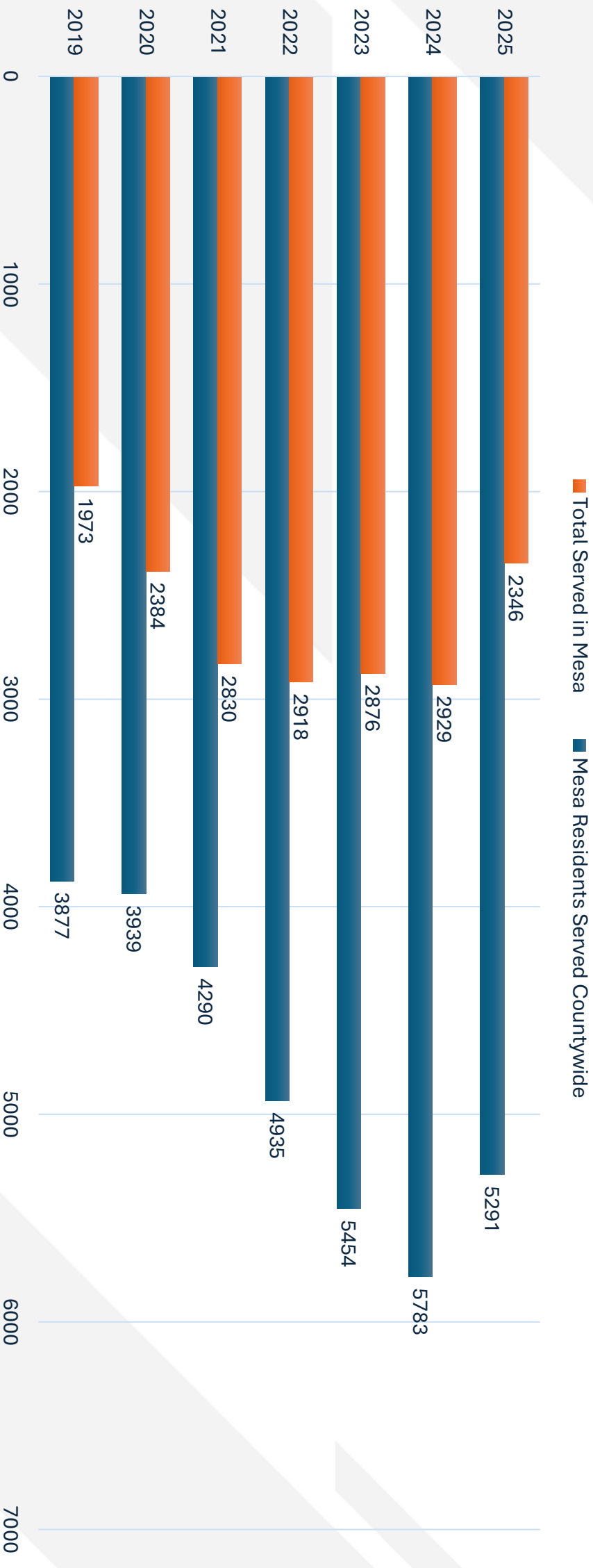
*FY 24 data incomplete.
 Does not include May or
 June 2025 data.



er Impacts & Trends in Mesa

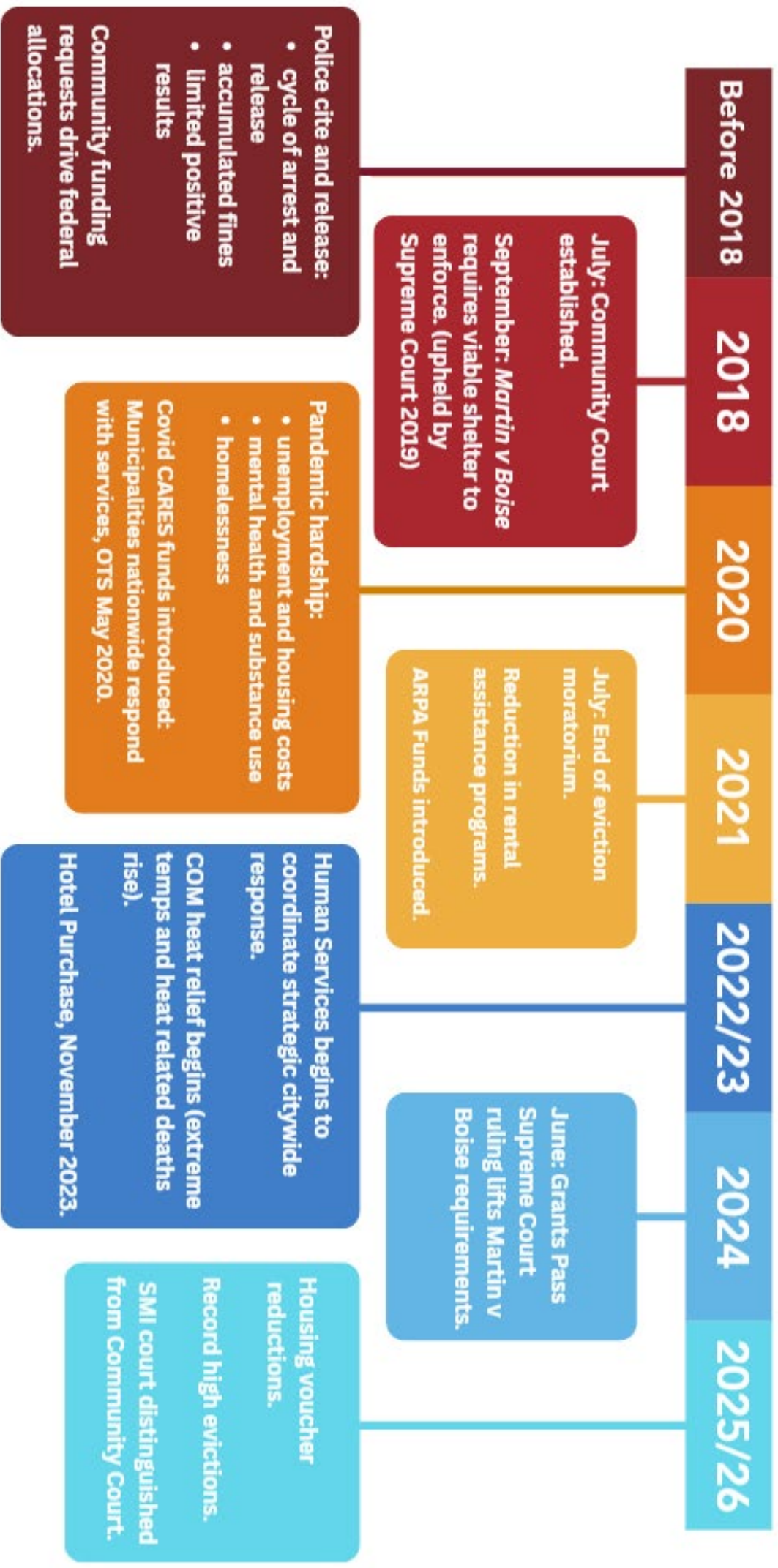


Individuals Receiving Services



Source: Homeless Management Information System

History of Mesa's Response to Homelessness



Community Feedback: Common Themes

Hotel Purchase Community Engagement 2023

- Acknowledgment of citywide issue and more services are needed in Mesa.
- Desire for services in East Mesa and spreading service citywide.
- Awareness that City ownership of property and police presence will bring positive impacts to the neighborhood and the program.
- Desire to volunteer and giveback.
- Goal of helping to minimize stigma for serving families and individuals in crisis by having the right staffing, public safety and social service resources.
- Proud of city/community response to helping people and success of Off the Streets program, especially the focus on families, elderly and domestic violence victims.

Community Feedback: Common Themes

Hotel Purchase Community Engagement 2023

NIMBY concerns and concerns with impact on property values.

- Response: Good Neighbor Report with commitment to uplift the area, provide communication feedback line.

Concern with current public safety in neighborhood and area – drug use, sex offenders, crime in neighborhood and at businesses.

- Response: Mesa Police Department Public Safety meetings, connection and increased focus, Good Neighbor Policy addresses dedicated police presence, strong rules and program structure.

Concern with bringing additional homelessness to the area.

- Response: proactive outreach underway to respond to existing homelessness in the area, closed-campus referral program.

Maintenance of property/area and commitment of the City overtime.

- Response: Comprehensive assessment of neighborhood to infuse resources and updates to streetlights, street surface, trees, cleanups, ongoing neighborhood engagement.

Fear of type of facility being used for alternate social services.

- Response: Limited use outlined in Good Neighbor Report, with requirement for council approval for change.

Program Funding FY 25/26



Program	Funding Source	Budget
Street Outreach/Case Management	Opioid	\$750,000
	General Fund	\$274,000
	CDBG	\$296,000
Heat Safety	County ARPA	\$235,000
	General Fund	\$165,000
Community Court Case Management	General Fund	\$432,000

Additional Furniture



Bunk Bed



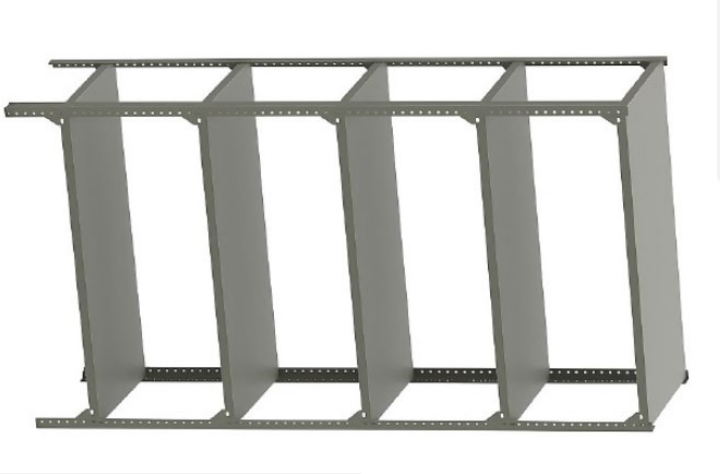
Twin Bed

*Adjustable for ADA needs

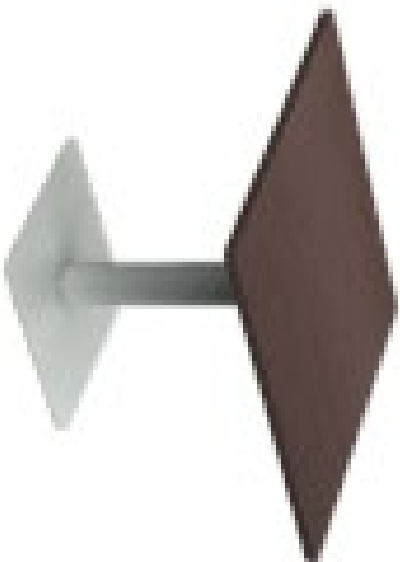


Queen Bed

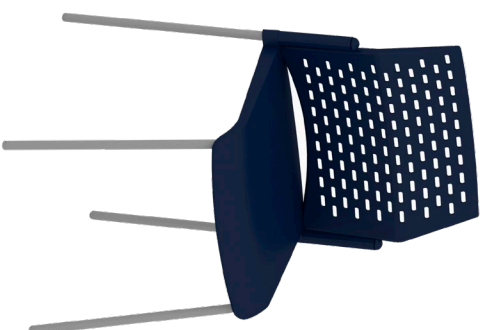
Optional Furniture



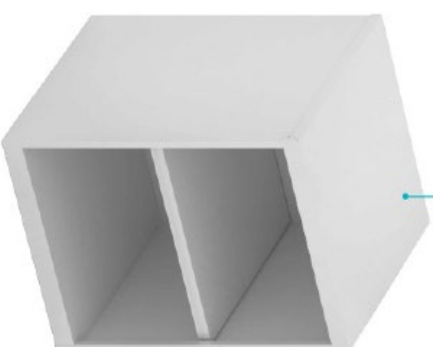
**Wardrobe
Shelving**



Side/Dining Table



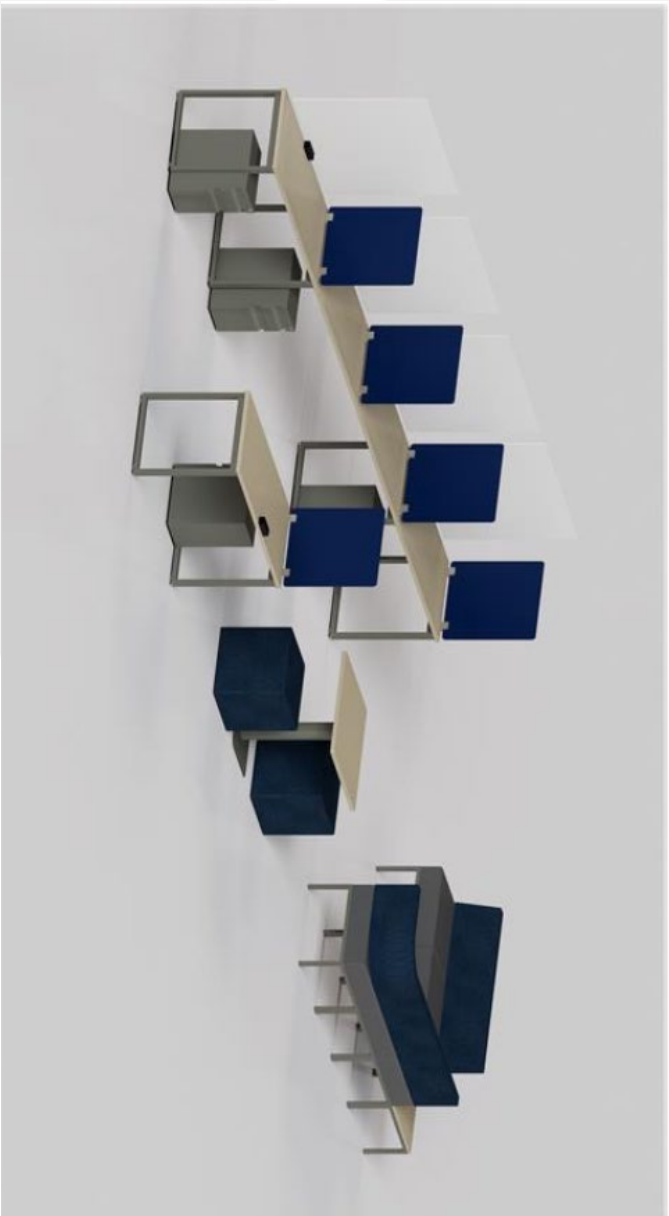
Chairs



Nightstand

Metal case

Additional Furniture



- **Case Managers**



- **Mesa Room (Intake, Meetings, Resident Gatherings)**
- **Job/Housing Search Computer Stations**