



COUNCIL MINUTES

April 11, 2024

The City Council of the City of Mesa met in a Study Session in the lower-level meeting room of the Council Chambers, 57 East 1st Street, on April 11, 2024, at 7:30 a.m.

COUNCIL PRESENT

John Giles
Francisco Heredia
Jennifer Duff
Mark Freeman
Alicia Goforth
Julie Spilsbury

COUNCIL ABSENT

Scott Somers

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

Mayor Giles conducted a roll call.

Mayor Giles excused Councilmember Somers from the entire meeting.

(Items on the agenda were discussed out of order, but for the purpose of clarity will remain as listed on the agenda).

1. Review and discuss items on the agenda for the April 15, 2024, 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: 7-a.

2. Convene an Executive Session.

It was moved by Councilmember Duff, seconded by Vice Mayor Heredia, that the Study Session adjourn at 7:31 a.m. and the Council to enter into an Executive Session.

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Duff–Freeman–Goforth–Spilsbury

NAYS – None

ABSENT – Somers

Mayor Giles declared the motion passed unanimously by those present.

2-a. Discussion or consideration of employment, assignment, appointment, promotion, salaries of a public officer, appointee, or employee of the City Council. (A.R.S. 38-431.03(A)(1)); and discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03(A)(3)).

1. Interview of the following Presiding City Magistrate candidate:

a) Stephen Umpleby

At 8:06 a.m. the Executive Session adjourned, and the Study Session reconvened.

3. Discuss the appointment of a Presiding City Magistrate and provide direction to staff to place a candidate on the April 15, 2024, City Council Meeting Agenda for appointment or provide direction on the process; and discuss and take action on appointment of an Interim Presiding City Magistrate.

Mayor Giles announced the consensus of Council is to place the appointment of Judge Stephen Umpleby on the next Council agenda. He explained that an Interim Presiding City Magistrate will need to be appointed after the retirement of Presiding Magistrate Tatz to meet the requirements of the Arizona Supreme Court.

It was moved by Councilmember Spilsbury, seconded by Councilmember Heredia, to appoint Judge Umpleby as the Interim Presiding City Magistrate.

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Duff–Freeman–Goforth–Spilsbury

NAYS – None

ABSENT – Somers

Mayor Giles declared the motion passed unanimously by those present.

4-a Hear a presentation and discuss the project known as the "Destination at Gateway" that is generally located at the corner of South Signal Butte Road and East Williams Field Road, including the related rezoning case (ZON22-00267) and a proposed amended retail development tax incentive agreement that allows for the inclusion of adjoining property located in Maricopa County, Arizona.

Economic Development Project Manager Nick Juszczak introduced Deputy City Manager Marc Heirshberg and Deputy City Attorney Kelly Whittemore and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Juszczak explained that the purpose of the presentation is to provide an update on the Berge Automotive project, as well as discuss the proposed rezoning and amended development agreement. (See Page 2 of Attachment 1)

Mr. Heirshberg shared a map and described the location of the Berge Automotive development project. (See Page 3 of Attachment 1)

Ms. Whittemore provided a brief history of the Destination at Gateway project stating that a Rezoning Agreement and a Development Agreement (DA) were approved when the project began in 2020 and described the scope of the project at that time. She reviewed the details of the proposed amended DA and rezoning proposal. (See Pages 4 and 5 of Attachment 1)

Mr. Juszczak recalled that an Automotive Point Analysis study was performed in 2018 which was intended to determine the best possible locations for car dealerships in Mesa. He reported that the findings of the study indicated that the use proposed for the site is feasible. (See Page 6 of Attachment 1)

Ms. Whittemore discussed the structure of the DA and outlined the requirements to qualify for the incentive reimbursement of up to \$14.4 million for public infrastructure. (See Page 7 of Attachment 1)

City Manager Christopher Brady added an explanation of the non-dedicated sales tax, identifying that the reimbursement will only be given for public infrastructure based on the performance of collecting sales tax by the auto dealerships.

Additional discussion ensued regarding the reimbursement incentives.

Mr. Juszczak identified the infrastructure that would be eligible for reimbursement for the proposed property and for potential annexed property. He pointed out the requirements and emphasized that only the areas in front of the auto mall qualify. (See Pages 8 and 9 of Attachment 1)

Ms. Whittemore summarized the proposed reimbursement incentives for public infrastructure. She explained the sales tax reimbursement, the reimbursement cap amount, the incentive period deadlines, details about how and why the incentive period may be extended and reported that the total incentive period could extend to December 31, 2050. She reviewed the agreement use restrictions and design element requirements, highlighting the prohibited uses while reiterating that there is currently a DA on this project and that the proposal is an amendment and restatement of the current DA. She provided an overview of the design guideline requirements and confirmed the lighting and public address system parameters which will minimize the impact of the nearby single family residential housing. (See Pages 10 and 11 of Attachment 1)

Ms. Whittemore described the statute requirements for a project to qualify to receive the reimbursement incentives, noting that the incentives may only be offered to retail businesses and only for the public infrastructure. She provided an overview of the public notice requirements and resolutions that would be coming to Council. (See Page 12 of Attachment 1)

In response to a question from Councilmember Goforth, Ms. Whittemore confirmed the requirement of A.R.S. §9-500.11 and pointed out the dealerships will have to provide reporting documents that indicate the sales tax numbers for each location.

Mr. Juszczak reported the findings from the project economic impact analysis which was completed by Applied Economics. He provided examples of estimated sales tax revenues and an

estimated rebate to the developer as well as the amount that the City would retain. (See Page 13 of Attachment 1)

Mr. Brady acknowledged that the proposed rebate is on par with other neighboring cities. He emphasized that this project has been in process for several months with many difficulties.

Additional discussion ensued regarding the dealership and their intent to proceed.

Responding to a question from Vice Mayor Heredia, Assistant City Manager Scott Butler reported that the second phase of State Route 24 should happen in the first five years of the project and should sync with the milestones of the complex to alleviate the traffic conditions.

In response to a question from Councilmember Duff, Planning Director Mary Kopaskie-Brown indicated that the current zoning allows for a portion of residential use.

Mr. Heirshberg verified the next steps, pointing out that the final action on the request is planned for City Council action on May 20, 2024. (See Page 14 of Attachment 1)

Mayor Giles thanked staff for the presentation.

4-b. Hear a presentation and discuss utility projects included in the Capital Improvement Program.

Office of Management and Budget Director Brian Ritschel introduced Office of Management and Budget Capital Improvement Plan (CIP) Coordinator Billie Schomer and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Ritschel provided an overview of the CIP funding sources including how each are obtained and utilized. He stressed the importance of the operation and maintenance of capital improvements, explaining that there are ongoing costs such as additional staffing for plant expansion and one-time costs such as furniture or fixtures. He reported on the current challenges in CIP. (See pages 2 through 4 of Attachment 2)

Ms. Schomer summarized CIP projects that were completed in fiscal year (FY) 2023/ 2024 and stated that despite the inflationary issues, the City has had a productive year. She provided the details of the Energy Resources and Water Resources completed projects and gave updates of the projects currently under construction. She pointed out that several of the projects are for aging infrastructure and highlighted the project at the Northwest Water Reclamation Plant. She identified upcoming Energy, Water Resources, and Solid Waste upcoming projects. She provided information about the proposed lifecycle purchases and called attention to the Solid Waste Tablet Project, explaining the current procedures, and detailing how the upgrade will improve the waste collection efficiency. (See Pages 5 through 9 of Attachment 2)

In response to questions from Councilmembers Spilsbury and Freeman, Mr. Ritschel reiterated that the information provided today was a brief overview of the projects noting that each department will be presenting their budgets at a later date with more detail. He added that the CIP plan will be adopted separately and is not included in the department budget.

Mr. Brady stated that the CIP information, which includes each project with details, is also located on the City website.

Responding to a comment from Mayor Giles, Mr. Brady stated that the Downtown infrastructure is aging; however, the timeline and costs to update the utilities are similar across the industry. He acknowledged the difficulty of converting the buildings to be used for different business types.

Additional discussion ensued regarding the utility infrastructure in the Downtown core.

Mayor Giles thanked staff for the presentation.

4-c. Hear a presentation, discuss, and provide direction on the Water Resources budget.

Water Resources Director Christopher Hassert introduced Water Enterprise Services Deputy Director Seth Weld and displayed a PowerPoint presentation. **(See Attachment 3)**

Mr. Hassert summarized the Water Resources public purpose and priorities. He explained the five-year performance metrics of groundwater pumped, noting that the goal is to stay below 10%. He identified the spikes on the chart as intentional and took place during plant maintenance. He pointed out that the fiscal year measures are in good standing. (See Pages 2 through 5 of Attachment 3)

Discussion ensued relative to the groundwater and aquifer levels.

Mr. Hassert gave an overview of the performance measures that indicate the amount of reclaimed water that is put to beneficial use and explained the ideal water levels. (See Page 6 of Attachment 3)

Additional discussion ensued regarding the treated water being diverted to other jurisdictions.

Mr. Weld provided an outline of the financial summary, stressing the budgeting challenges due to inflation and added staffing expenses. He highlighted the proposed fiscal year 2024/2025 budget and explained the variances and differences from the past years. (See Pages 7 through 9 of Attachment 3)

Mr. Hassert explained the proposed budget adjustments, highlighting the details of the Bartlett Dam Modification Feasibility Study and the SRP/CAP Interconnect Facility (SCIF) Technical Review. He noted the one-time costs which will require a budget increase. (See Pages 10 through 12 of Attachment 3)

Mr. Weld reported on the water distribution warehouse budget adjustment and stated the reasons for the increase. (See Pages 13 and 14 of Attachment 3)

Mr. Hassert announced that April 22nd – 25th is Arizona Water Professionals Appreciation week. (See Page 15 of Attachment 3)

Mayor Giles thanked staff for the presentation.

(Mayor Giles declared a recess at 9:32 a.m. The meeting reconvened at 9:40 a.m.)

4-d. Hear a presentation, discuss, and provide direction on the Solid Waste budget including an update on recycling.

Solid Waste Director Sheri Collins introduced Solid Waste Deputy Director Joe Giudice and Senior Fiscal Analyst Justin Stadt and displayed a PowerPoint presentation. **(See Attachment 4)**

Ms. Collins described the public purpose of the Solid Waste department and reviewed the priorities and objectives of the department, highlighting the priority of modernizing the current process and procedures to improve efficiency and excellence. She explained the Household Hazardous Materials (HHM) Facility performance measure, pointing out that the number of users is greater than initially expected. She announced that the HHM hours are being adjusted in response to citizen feedback. She said that the new hours will be monitored to verify that the additional hours are a benefit to the community. (See Pages 2 through 5 of Attachment 4)

Additional discussion ensued regarding the items that can be dropped at the HHM and the risk of having an open drop off without staffing.

Mr. Stadt provided a summary of the department expenditures and the proposed budget changes, explaining the reason for the increases. He noted the landfill contract is expiring and the new contract amount is much larger. He emphasized the tablet project and explained the project details, pointing out the one-time and ongoing costs as well as the vendor subscription fees. (See Pages 6 and 7 of Attachment 4)

Additional discussion ensued regarding the tablet project and the improved efficiency of the solid waste collection process.

Mr. Giudice gave an update and provided a history on the Materials Recovery Facility (MRF) project. (See Page 8 of Attachment 4)

In response to a question from Mayor Giles, Ms. Collins reported that the goal of 90% of the recycled materials to be diverted by 2050 is lofty; however, the City is making progress toward this goal and is always looking for opportunities to recycle.

Additional discussion ensued regarding the recycling effort and the MRF.

Mr. Giudice explained the City's recycling program and identified the plastics that have been added to the acceptable items. He confirmed that there will be new marketing and branding to create awareness and provide education on recyclable materials. He highlighted the community outreach efforts and the importance of communicating the changes to the public. He announced that the City received a recycling grant which will be used to enhance the Downtown recycling initiative. (See Pages 9 through 11 of Attachment 4)

Mayor Giles thanked staff for the presentation.

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

- 5-a. Museum and Cultural Advisory Board meeting held on November 16, 2023.
- 5-b. Museum and Cultural Advisory Board meeting held on January 25, 2024.
- 5-b. General Plan Advisory Committee meeting held on December 11, 2023.
- 5-d. Economic Development Advisory Board meeting held on March 5, 2024.

5-e. Judicial Advisory Board meeting held on March 13, 2024.

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

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Duff–Freeman–Goforth–Spilsbury

NAYS – None

ABSENT – Somers

Mayor Giles declared the motion passed unanimously by those present.

6. Current events summary including meetings and conferences attended.

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

7. Scheduling of meetings.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Monday, April 15, 2024, 4:30 p.m. – Study Session

Monday, April 15, 2024, 5:45 p.m. – Regular meeting

8. Adjournment.

Without objection, the Study Session adjourned at 10:25 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 Study Session of the City Council of Mesa, Arizona, held on the 11th day of April 2024. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK



DESTINATION AT GATEWAY

April 11, 2024

Marc Heirshberg - Deputy City Manager

Kelly Whittemore - Deputy City Attorney

Nick Juszcak - Economic Development Project Manager



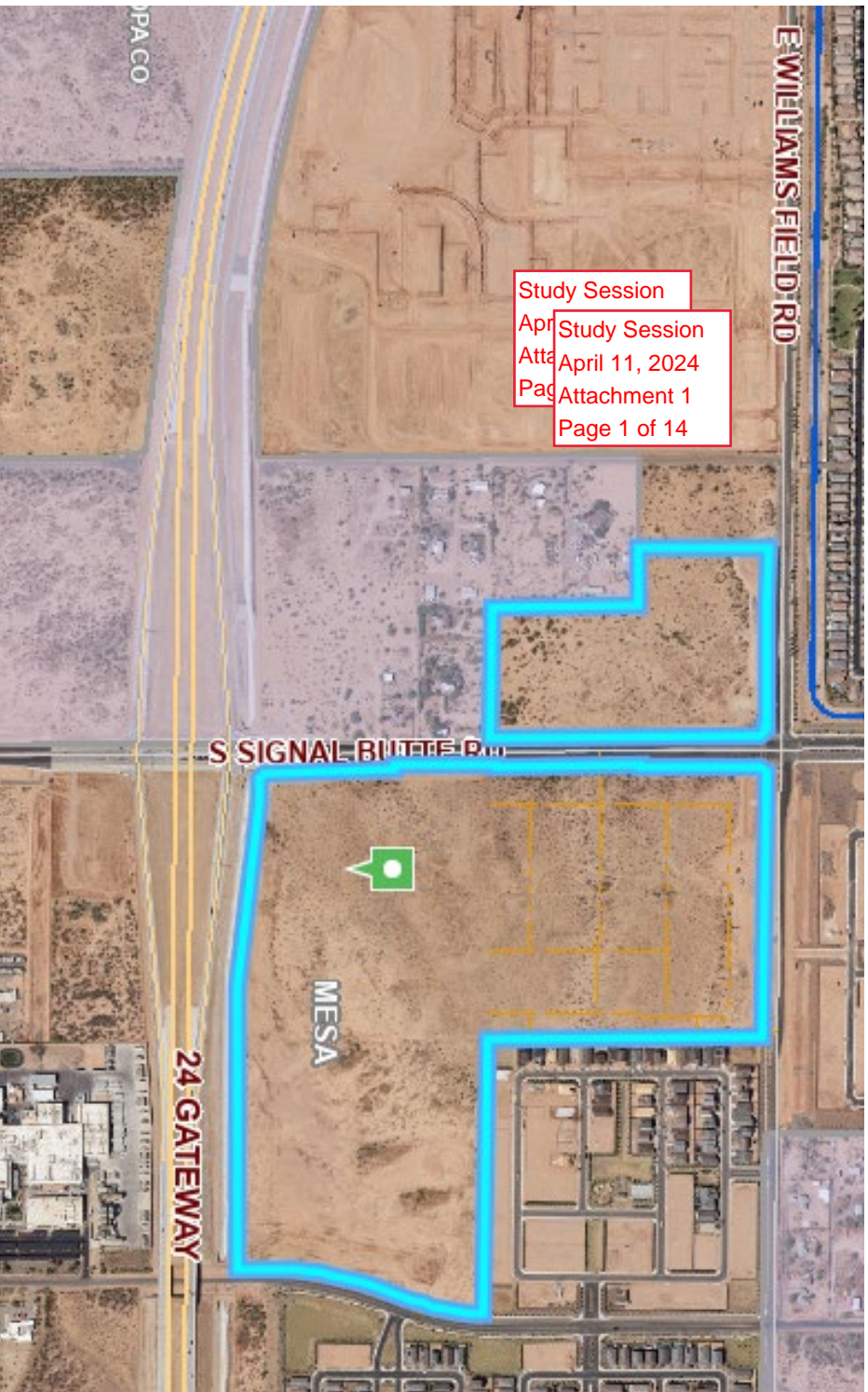
Purpose

To discuss the background, rezoning, and amended development agreement for the Berge Automotive Development



Location

South of Williams Field
Road on the east and
west sides of Signal
Butte Road



Destination at Gateway

PREVIOUSLY APPROVED DA AND ZONING

ZONING

- 2020 Rezoning and Development Agreement
- General Commercial

PROPOSAL

- 89-acre mixed-use development
- Commercial Uses - new car auto dealerships and supporting retail
- Multiple Residence
- Reimbursement for public infrastructure improvements



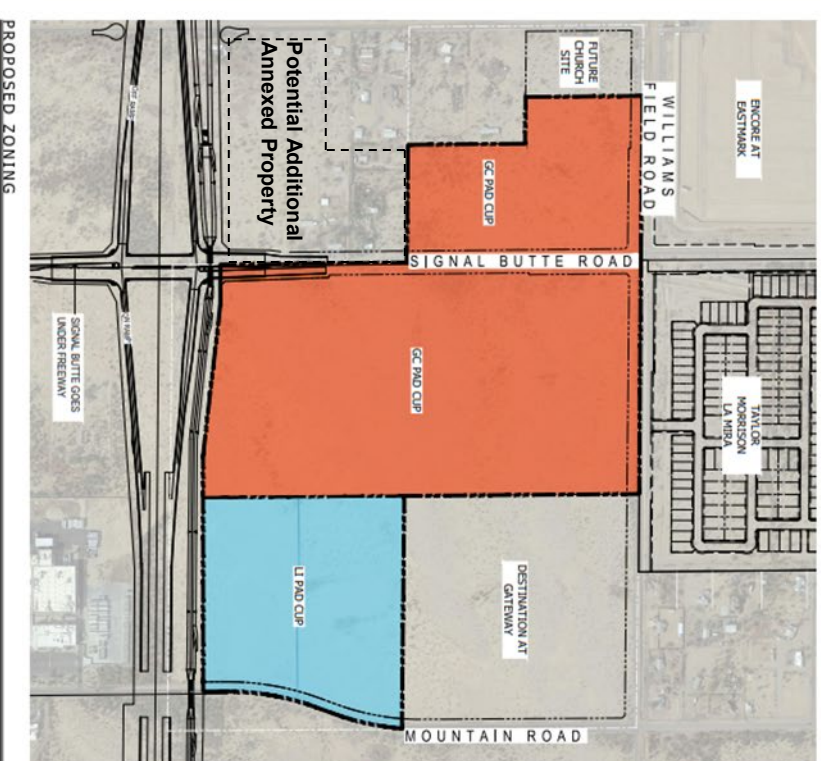
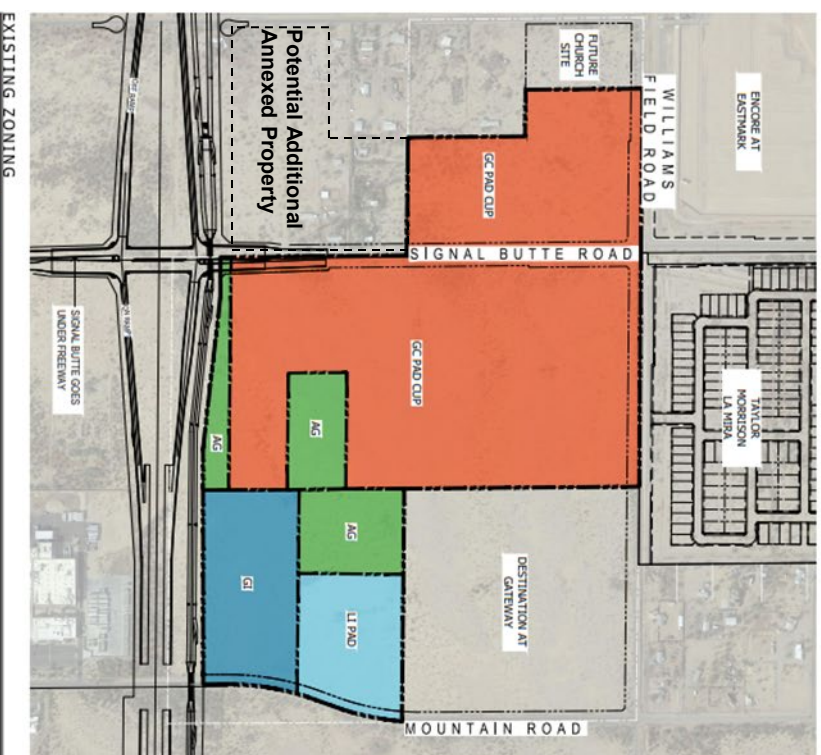
Destination at Gateway

AMENDED DA & REZONING PROPOSAL

ZONING: GC-PAD-CUP & LI-PAD-CUP

PROPOSAL:

- 127-acre Mixed-Use Development, plus ~27 acres in Maricopa County if property is annexed
- Commercial Uses
 - Auto Dealerships (New, Used, Motorcycle) & Supporting Retail
 - General Commercial
- Multiple Residence
- Reimbursement for public infrastructure improvements



2018 Automotive Point Analysis

Assessment based on:

- Accessibility, visibility, and other demographic features

Findings:

- Land near SR 24 and Signal Butte Road is the only location in Mesa that meets the requirements for an auto mall
- Based on SanTan Freeway, Superstition Springs, and Apache Junction Clusters: area is available to most makes

DA Structure

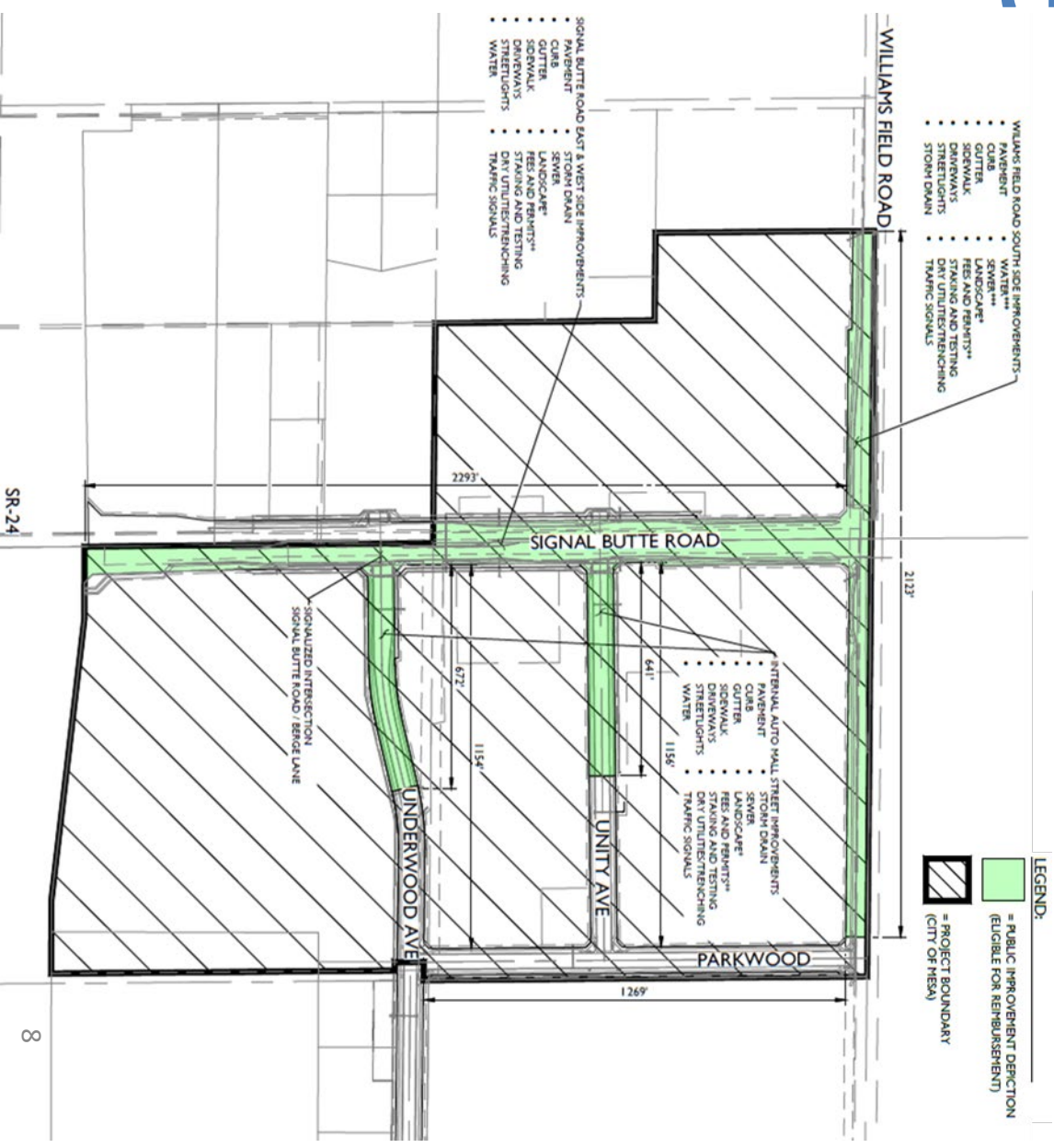
- Reimbursement for eligible public infrastructure up to \$14.4 million if Developer completes all of the following:
 - Infrastructure improvements completed and dedicated by April 1, 2028 which must be designed, bid, and built per applicable law, including A.R.S. Title 34
 - Required right-of-way dedications by April 1, 2028
 - First new car dealership operations and open for business to the public by July 1, 2029

Infrastructure Eligible for Reimbursement

PROPOSED PROPERTY

Requires investment in public infrastructure that includes:

- Pavement
- Curb, gutter, and sidewalks
- Storm Drain
- Streetlights
- Traffic Signals
- Utilities
 - Sewer Line
 - Water Line

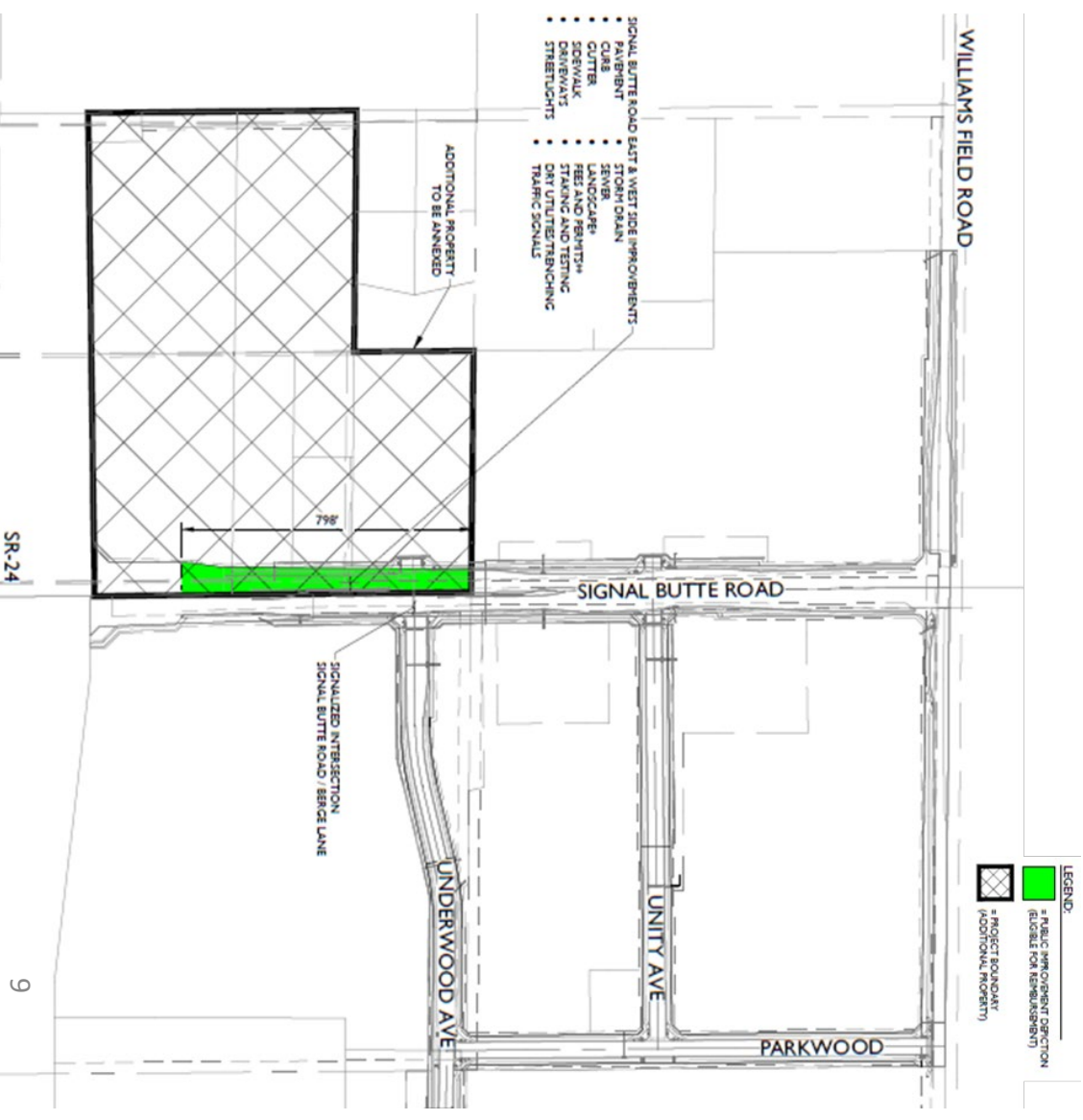


Infrastructure Eligible for Reimbursement

POTENTIAL ANNEXED PROPERTY

Requires investment in public infrastructure that includes:

- Pavement
- Curb, gutter, and sidewalks
- Storm Drain
- Streetlights
- Traffic Signals
- Utilities
 - Sewer Line
 - Water Line



Proposed Public Infrastructure Reimbursement Incentives

- Sales tax reimbursement equal to 50% of the 1.2% non-dedicated general fund sales taxes received by City that are generated by the operations of the dealership(s), including sales, parts, and taxable portions of service centers
 - City of Mesa total sales tax rate is 2%
 - Reimbursement does not include any tax funds dedicated for Streets and Maintenance (0.3%), Quality of Life (0.25%) and Public Safety (0.25%)
 - Motorcycle dealership tax reimbursed only after two new car dealerships are open for business to public
- Reimbursement capped at \$14.4 million and will only cover the actual cost of public improvements constructed and dedicated to the City that meet DA requirements
- The incentive period is 12 years and begins when the first new car dealership opens
- The incentive period can be **extended** up to three times for a period of three years per extension for each subsequent new car dealership - maximum of 21 years (December 31, 2050)

Agreement Use Restrictions & Design Elements

- Minimum of 60% commercial
- Maximum of 40% multiple residence and restricted locations on property
- Prohibited uses includes limitations on stand-alone auto repair stations, service stations, car washes, and food/beverage drive-thrus
- Developer will submit comprehensive design guidelines to the City prior to the approval of any site plan
- Limits on the use of PA systems and lighting requirements to minimize impact to nearby single-family residential

Findings & Economic Impact Analysis

- Per A.R.S. 9-500.11, Council Must Find:
 - The proposed retail sales tax incentive (dealerships) will raise more revenues than the amount of the incentive during the term of the agreement; and
 - Dealerships would not locate in Mesa in the same time, place or manner in the absence of a tax incentive.
- Statute requires independent third-party review of the Council findings - completed by Applied Economics
- A.R.S. 42-6010 requires that sales tax incentives offered to retail businesses be provided only as reimbursement for public infrastructure dedicated to, and accepted and controlled upon completion of the project, by the City
- Separate resolutions will be presented to Council for approval of agreement and findings

Project Economic Impact Analysis

- Revenues to the City:

The project would generate a significantly greater amount of sales tax revenues than the total amount of the rebate



| ONE DEALERSHIP - Estimated Sales Tax | |
|---|--------|
| Reimbursement to Developer by 2034 | \$2.9M |
| Revenues to City by 2034 | \$7.2M |

| EIGHT DEALERSHIPS - Estimated Sales Tax | |
|--|---------|
| Reimbursement to Developer by 2034 | \$14.4M |
| Revenues to City by 2034 | \$42.9M |

Additional dealerships would increase revenues to the City during the 12-year period in proportion to the year in which they are built.

Next Steps

April 15, 2024

City Council meeting to hear resolution of adoption of notice of intent to enter into a retail development tax incentive agreement

May 6, 2024

City Council meeting to hear introduction of Zoning Ordinance

May 20, 2024

City Council meeting to consider and take action on the rezoning request and development agreement



Utility Capital Improvement Program

FY 2025-2029

April 11, 2024

Brian A. Ritschel – Office of Management and Budget Director
Billie Schomer – Office of Management and Budget CIP Coordinator

CIP Funding Sources

- **Local Revenues**
- **Grants**
- **Utility Revenue Obligations**
- **Utility Taxable Obligations**

Operations and Maintenance

One-time start up purchases and ongoing costs are reviewed and included in the financial forecast with the completion of a project to ensure the City can meet the operational requirements.

Examples of ongoing:

- Additional staffing for a plant expansion
- Maintenance costs for a plant expansion

Examples of one-time:

- Furniture, fixtures, and equipment
- Vehicles

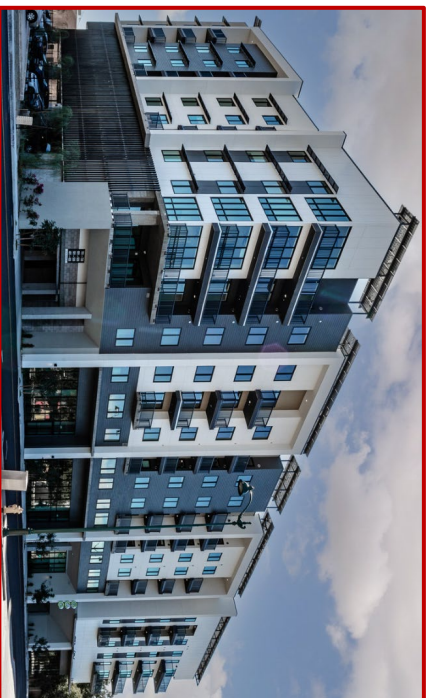
Current Challenges in CIP

- Cost overruns and delays in receiving construction materials
- Increased cost of labor
- Higher than normal inflation on commodities, services, and contracts
- Keeping up with growth while maintaining current infrastructure

Completed Projects FY 23/24

Energy Resources

- New Services (Eco Mesa *, Nuevas Vistas Ph1, 2nd Ave. Commons, Melody on Main, Residences on 1st Phase 3)
- 6-in Polyethylene Gas Line Hawes Rd., Elliot Rd.
- Gas Line Improvements - Warner Rd. – East Maricopa Floodway to Sossaman Rd.
- Meridian Road Improvements - 12-Inch Gas Line Relocation (Queen Creek to Germann)



* Pictured

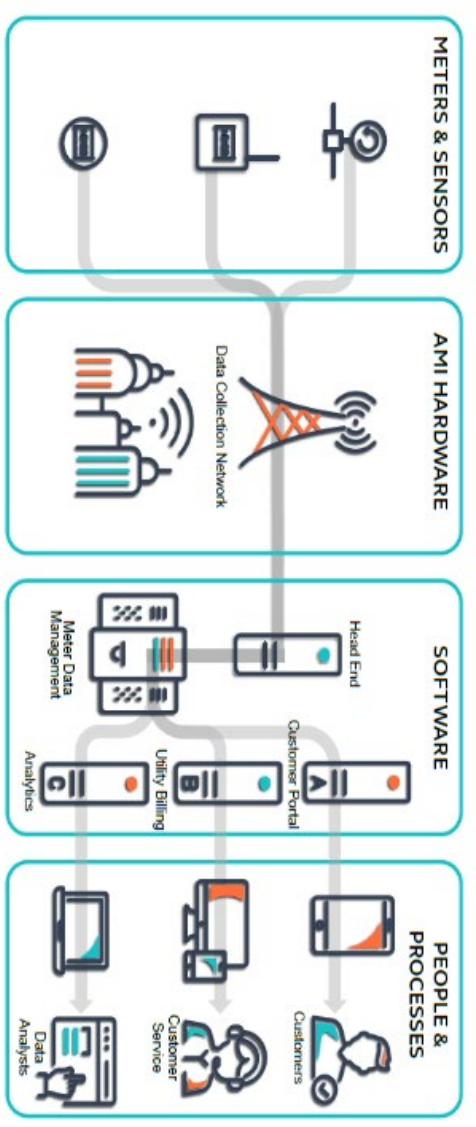
Water Resources

- Brown Rd. Water Treatment Plant City & Supervisory Control and Data Acquisition (SCADA) Fiber Loops
- 24-in Water Transmission Main - Signal Butte Rd.
- Influent Water Flowmeter Replacement (Greenfield Plant)
- Greenfield Water Uninterrupted Power Supply (UPS) Replacements
- Sewer Quarter Section Rehab Quarter Section 44

Completed Projects FY 23/24, Continued

Energy and Water Resources Joint Projects

- Advanced Metering Infrastructure (AMI) Phase 1
 - Project Management
 - Communication Network (Base Stations & Radio Equip.)
 - Data Management System (Software)
 - Meters and Endpoints



Projects Under Construction

Energy Resources

- Queen Creek Gate Station
- Gas Main Replacements Quarter Sections 44B & 44D
- Electric Infrastructure Replacements and System Reliability

Water Resources

- Signal Butte Water Treatment Plant Reservoir Expansion
- Northwest Water Reclamation Plant Solids Stream System Improvements
- Central Mesa Reuse Pipeline Project*

Energy and Water Resources Joint Projects

- AMI Phase 2
 - Facility Improvements



*Pictured

Projects to be Initiated FY 24/25



Energy Resources

- Rogers Security Project w/SRP
- New Electric Services:
 - Mesa General Hospital Site
 - Zen City
 - The Edge on Main

Water Resources

- Quarter Section 21D Southwest Corner of Country Club Dr. & Main St.
- Water Transmission Main Improvements
 - Desert Sage
 - Adobe St./Brown Rd.
 - Center Street

Solid Waste

- Downtown Trash Compactors *

Lifecycle Purchases

- Vehicle Replacements
- Solid Waste Tablet Project*
- Large Water Meter Replacements
- Compliance Lab Equipment



*Pictured

Water Resources

April 11, 2024

Presented By: Christopher Hassert, Water Resources Director
Seth Weld, Deputy Director – Water Enterprise Services

Fiscal Year 2024/25

Public Purpose

To provide superior water and
wastewater services to our community

orities

01

Bolstering water
portfolio

02

Meeting customer
demand

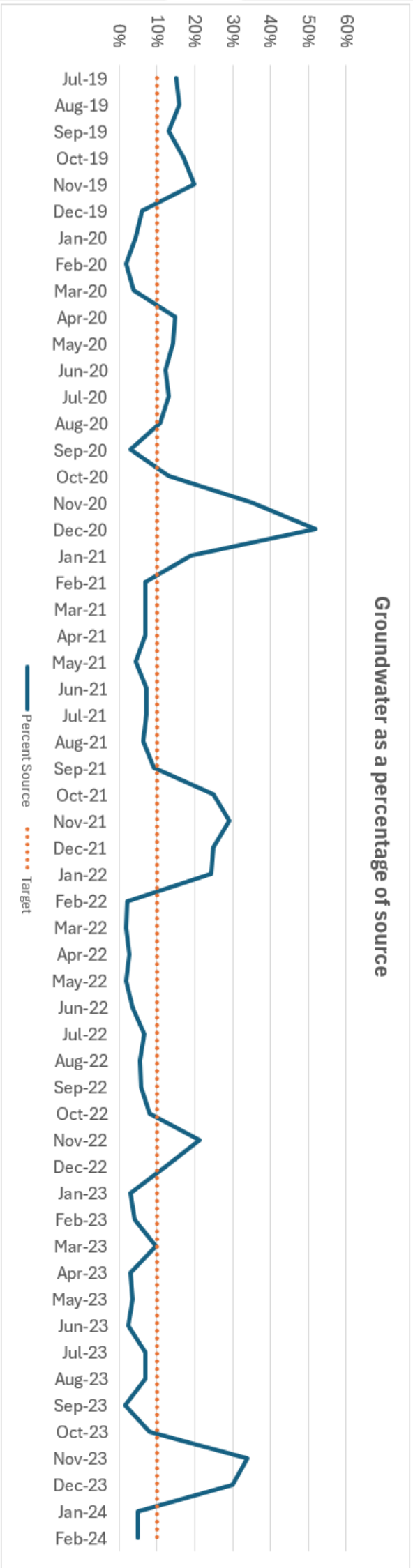
03

Enhancing
reliability and
improving
efficiency

04

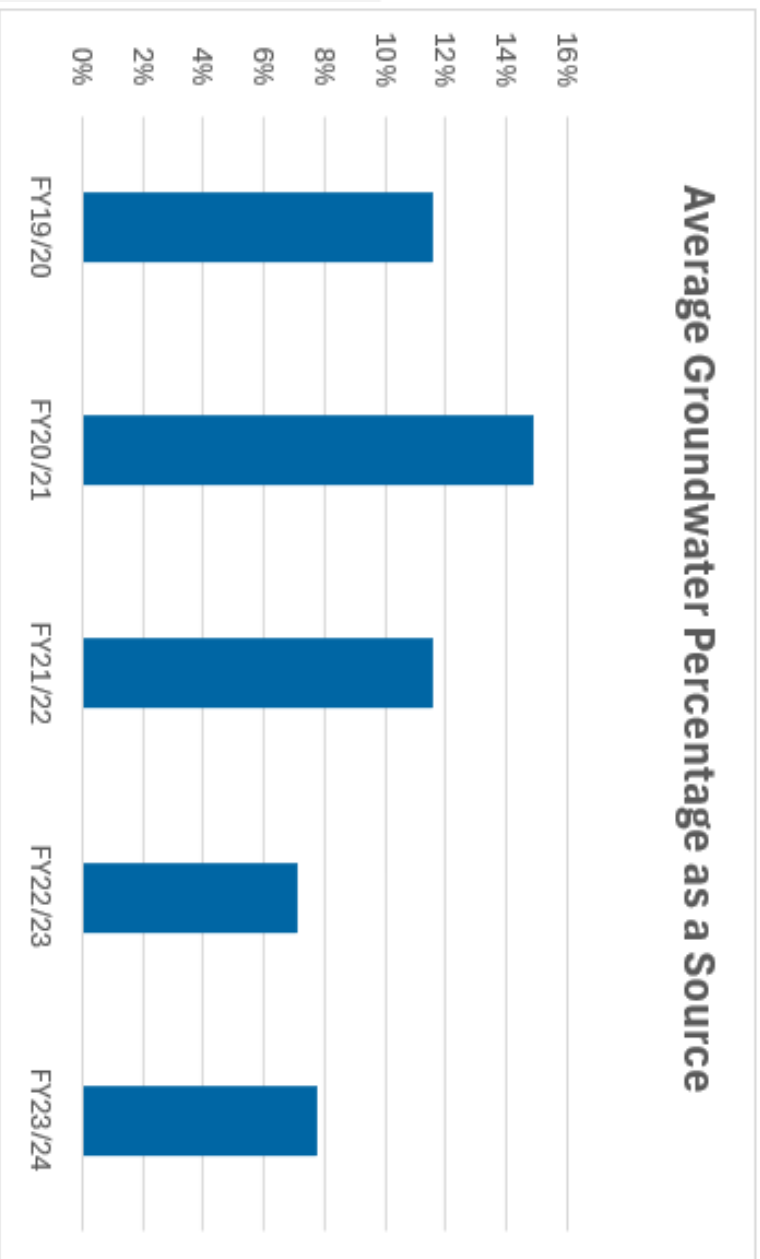
Ensure compliance
with reclaimed
water/air quality
regulations

Performance Measure - Groundwater Pumped

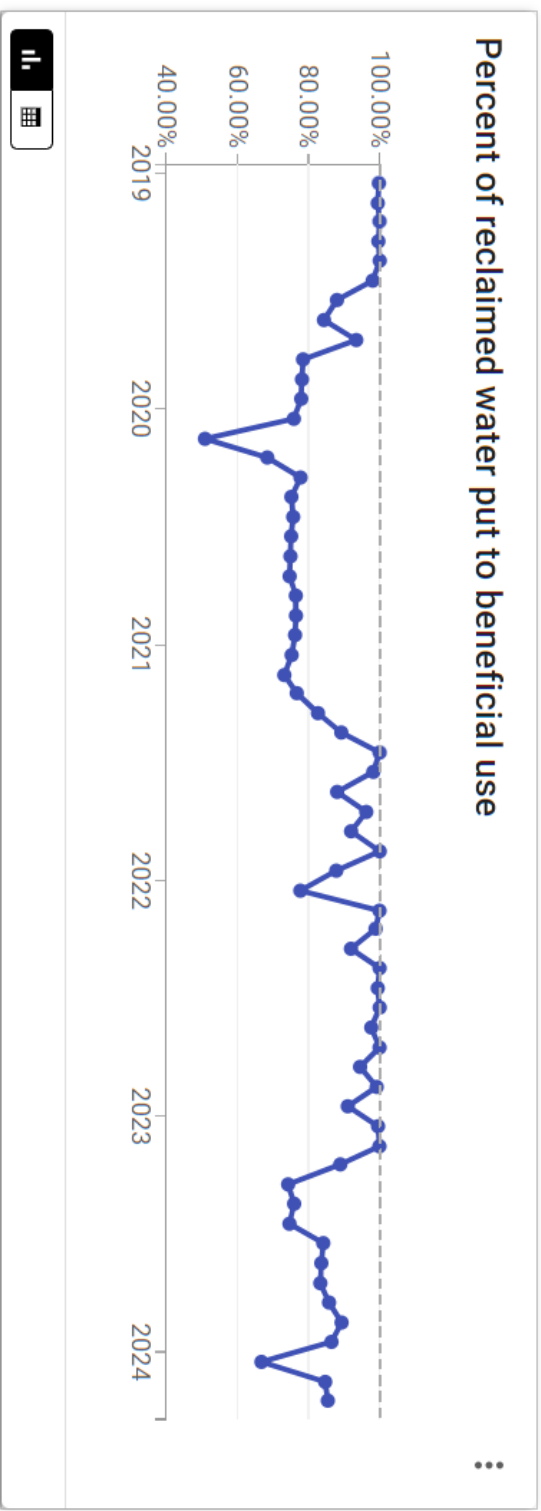
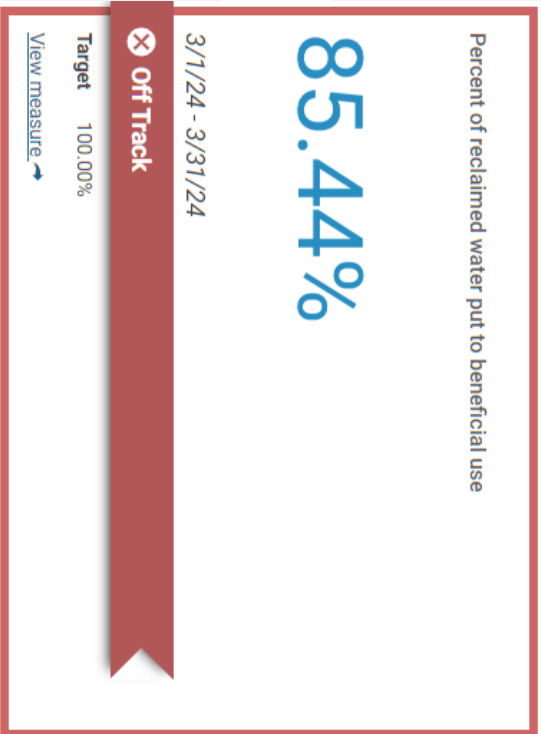


Performance Measure - Groundwater Pumped

Average Groundwater Percentage as a Source



Performance Measure - Reclaimed Water Put to Beneficial Use



Department Financial Summary



| | FY 22/23 Year End Actuals | FY 23/24 Revised Budget | FY 23/24 Year End Estimate | FY 24/25 Proposed Budget |
|--------------------------------|---------------------------------|-------------------------------|----------------------------------|--------------------------------|
| Core Business Processes | | | | |
| Water | | | | |
| Water Distribution | \$32.3 | \$37.6 | \$38.2 | \$39.8 |
| Water Treatment | \$19.4 | \$22.8 | \$23.8 | \$25.0 |
| Reclaimed | \$13.8 | \$17.8 | \$19.4 | \$20.3 |
| Expenditures Total | \$65.5 | \$78.2 | \$81.4 | \$85.1 |

Figures in millions, rounded

Department Financial Summary



| | FY 22/23 Year End Actuals | FY 23/24 Revised Budget | FY 23/24 Year End Estimate | FY 24/25 Proposed Budget |
|--------------------------------|---------------------------------|-------------------------------|----------------------------------|--------------------------------|
| Core Business Processes | | | | |
| Wastewater | | | | |
| Wastewater Collection | \$5.9 | \$6.6 | \$7.3 | \$7.6 |
| Wastewater Treatment | \$25.9 | \$35.5 | \$32.8 | \$36.2 |
| Expenditures Total | \$31.8 | \$42.1 | \$40.1 | \$43.8 |

Figures in millions, rounded

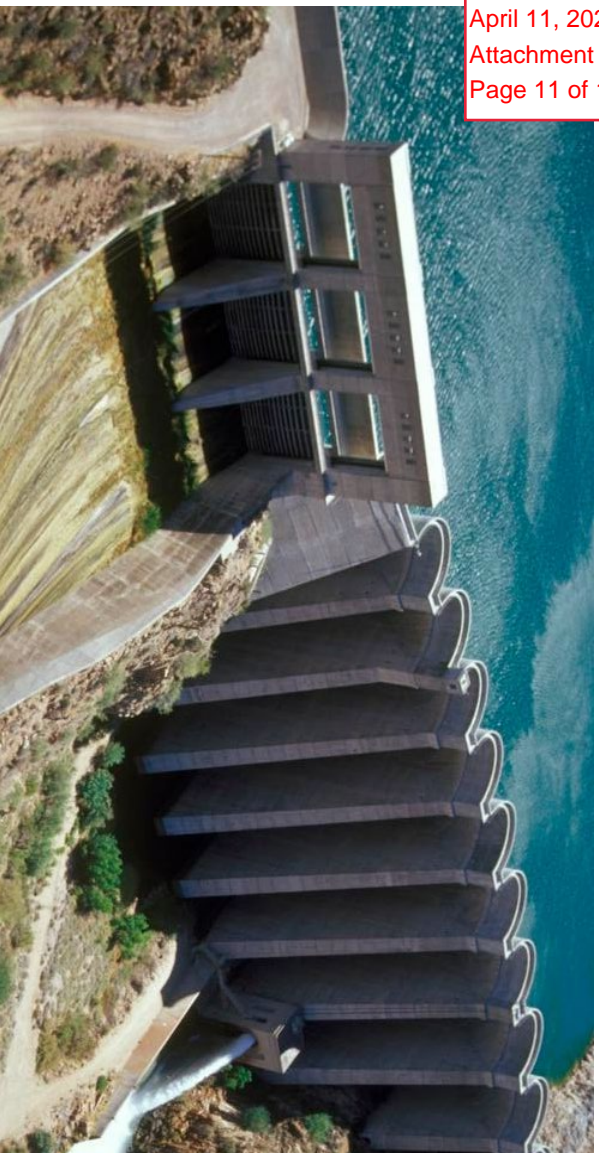
24/25 Standard Baseline Summary



| Standard Baseline | FY 23/24 | FY 24/25 | Variance |
|--|----------------------|----------------------|---------------------|
| Val Vista WTP Obligation | \$ 10,300,000 | \$ 11,700,000 | \$ 1,400,000 |
| Water Chemicals | \$ 2,190,000 | \$ 2,190,000 | \$ - |
| Water Electric | \$ 4,472,100 | \$ 4,846,728 | \$ 374,628 |
| Water Purchases | \$ 17,436,657 | \$ 19,744,354 | \$ 2,307,697 |
| | | | |
| SROG (91st Ave WRP) Obligation | \$ 9,250,000 | \$ 9,630,000 | \$ 380,000 |
| Wastewater Chemicals | \$ 5,427,700 | \$ 6,610,014 | \$ 1,182,314 |
| Wastewater Electric | \$ 3,983,000 | \$ 4,246,177 | \$ 263,177 |
| Wastewater Biosolids Removal | \$ 794,560 | \$ 916,000 | \$ 121,440 |
| Greenfield WRP - Mesa Share ⁽¹⁾ | \$ 6,687,726 | \$ 5,025,273 | \$ (1,662,453) |
| Total | \$ 60,541,743 | \$ 64,908,546 | \$ 4,366,803 |

(1) Estimated GWRP Mesa Share. Actuals to be 35% of approved GWRP Joint Venture Budget

FY 24/25 Budget Adjustments



Bartlett Dam Modification Feasibility Study

One Time Cost: \$100,000

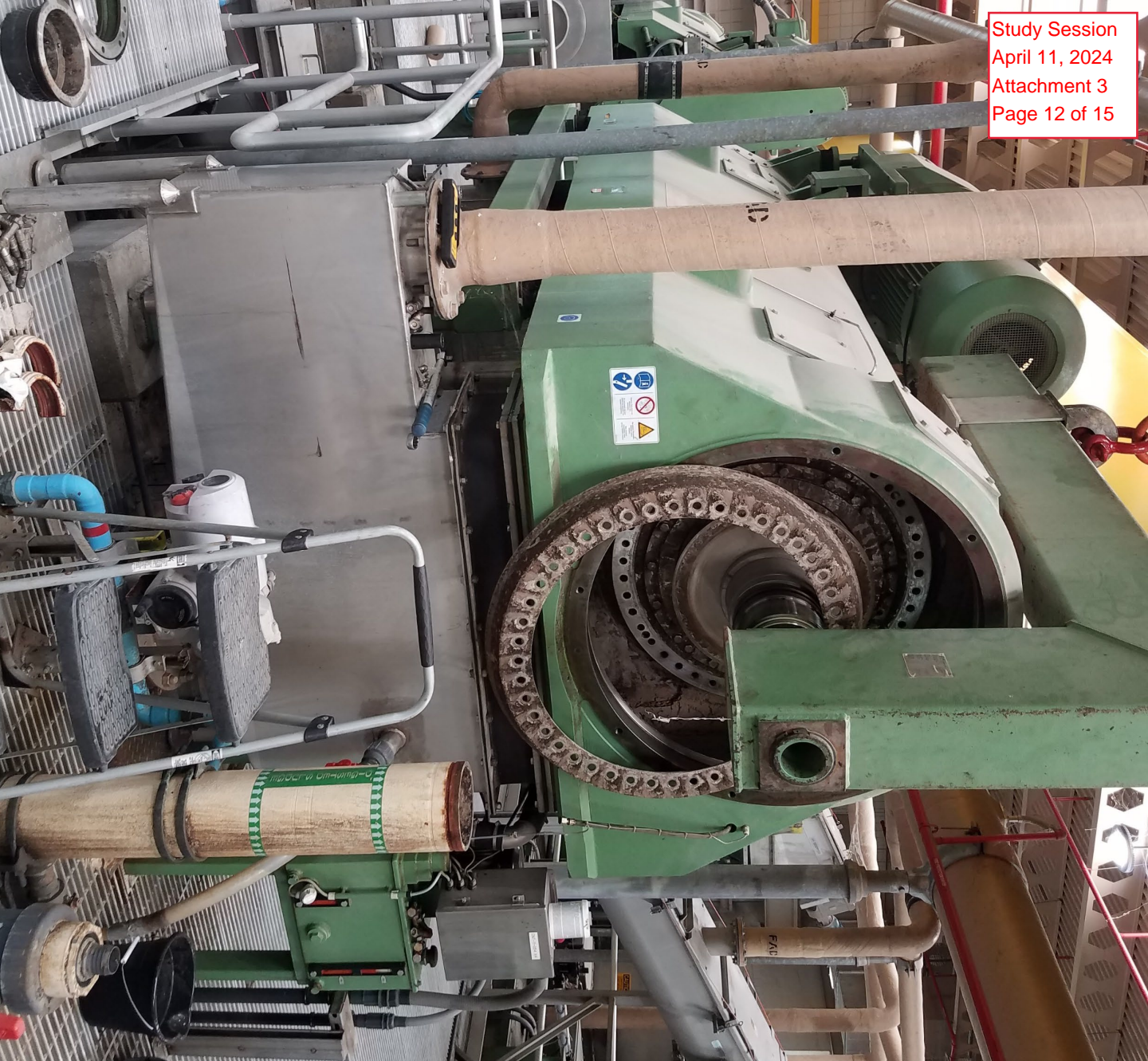
- Mesa could receive additional water supplies created by modifying the dam
- Waters could be used anywhere in the City to meet increasing demand and reduce dependence on CAP Water

SRP/CAP Interconnect Facility (SCIF) Technical Review

One Time Cost: \$81,381

- Would allow water stored in SRP reservoirs to be transported through CAP system to water treatment plants

Budget Offset: These water sources are less expensive than CAP Water



Rebuild Scroll (NWWRP)

One Time Cost: \$115,000

- Rebuild centrifuge thickening scroll due to wear and tear.
- Failure to rebuild this scroll will result in more costly repairs as deterioration continues.
- A compromised scroll would operate at diminished capacity.

Warehouse Base Budget Adjustment (Water Distribution)

Ongoing Cost: \$380,000

- Funding increase requested to respond to rising costs of goods.
- Warehouse budget last increased in FY 18/19. Current budget no longer supports purchases needed to make necessary repairs
- Increased budget capacity allows procurement of parts in timely manner and minimizes the interruption of water service to customers

24/25 Budget Adjustment Summary



| Adjustment | FTE | One-Time | Ongoing | Fund |
|--|----------|-------------------|-------------------|----------------------------------|
| Bartlett Dam Modification Feasibility Study | 0 | \$ 100,000 | \$ - | Special Programs Fund |
| Salt River CAP Interconnect Facility Technical Review (SCIF) | 0 | \$ 81,381 | \$ - | Special Programs Fund |
| Scroll Rebuild (NWWRP) | 0 | \$ 115,000 | \$ - | Replacement, Extension & Renewal |
| Increase Warehouse Base Budget for Water Distribution | 0 | \$ - | \$ 380,000 | Utility - Water |
| Total | 0 | \$ 296,381 | \$ 380,000 | |

April 22nd – 25th, 2024



Solid Waste Department

April 11, 2024

Sheri Collins, Director

Joe Giudice, Deputy Director

Justin Stadt, Senior Fiscal Analyst

Fiscal Year 2024/25

Public Purpose

Protect public health and the environment by ensuring the sanitary handling of solid waste to keep our community clean, safe, and welcoming.



Priorities/Objectives

Safe and Reliable Infrastructure and Trucks

Employee Investment

Long Term Materials Management

Modernization to Achieve Operational Excellence

Performance Measure #1



Household Hazardous Materials(HHM) Facility Users

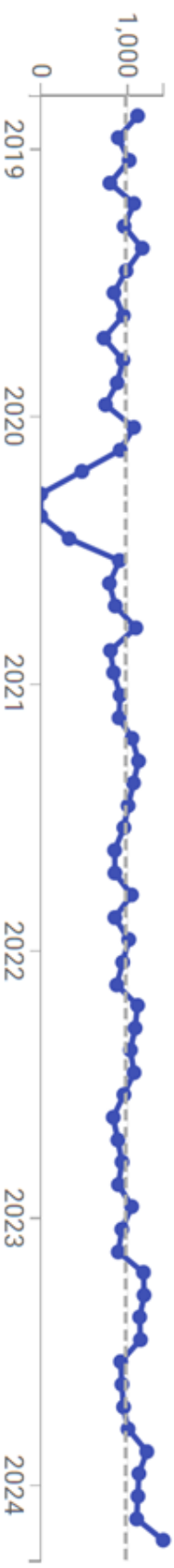
1,406

Drop Offs

3/1/24 - 3/31/24

✓ On Track

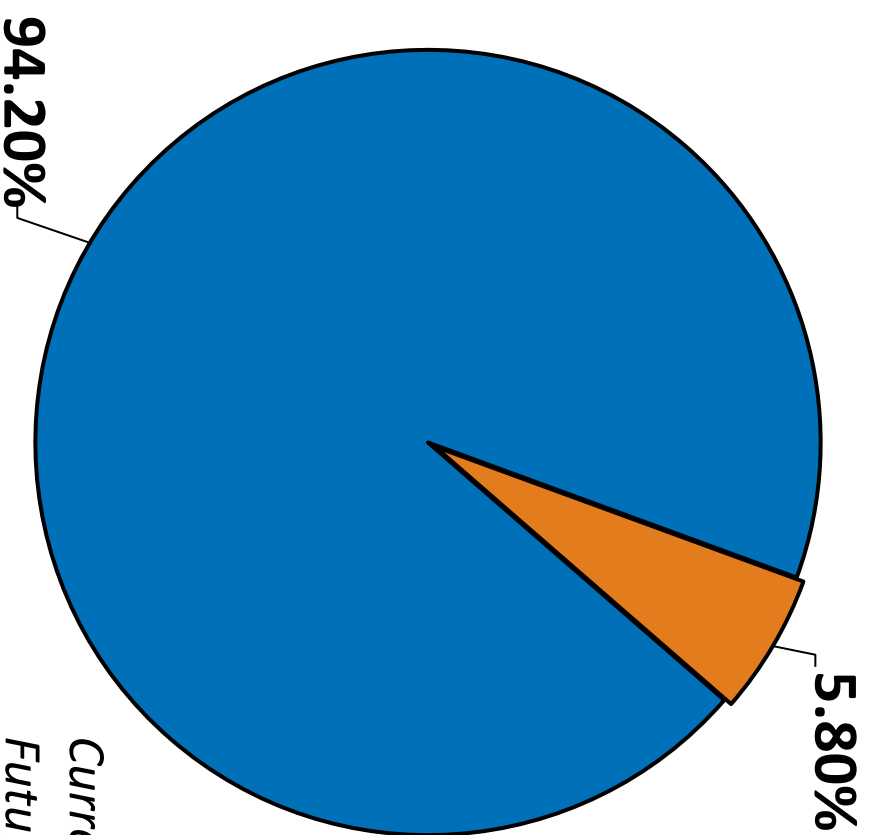
Target 975



Sustainable
Environment

HHM Survey

Survey Results: Add 2 hours per Day



■ Neutral/In Favor

■ Opposed/Other

Current Hours: Wed-Sat 7am to noon

Future Hours: Wed-Sat 7am to 2pm

Department Expenditure Summary



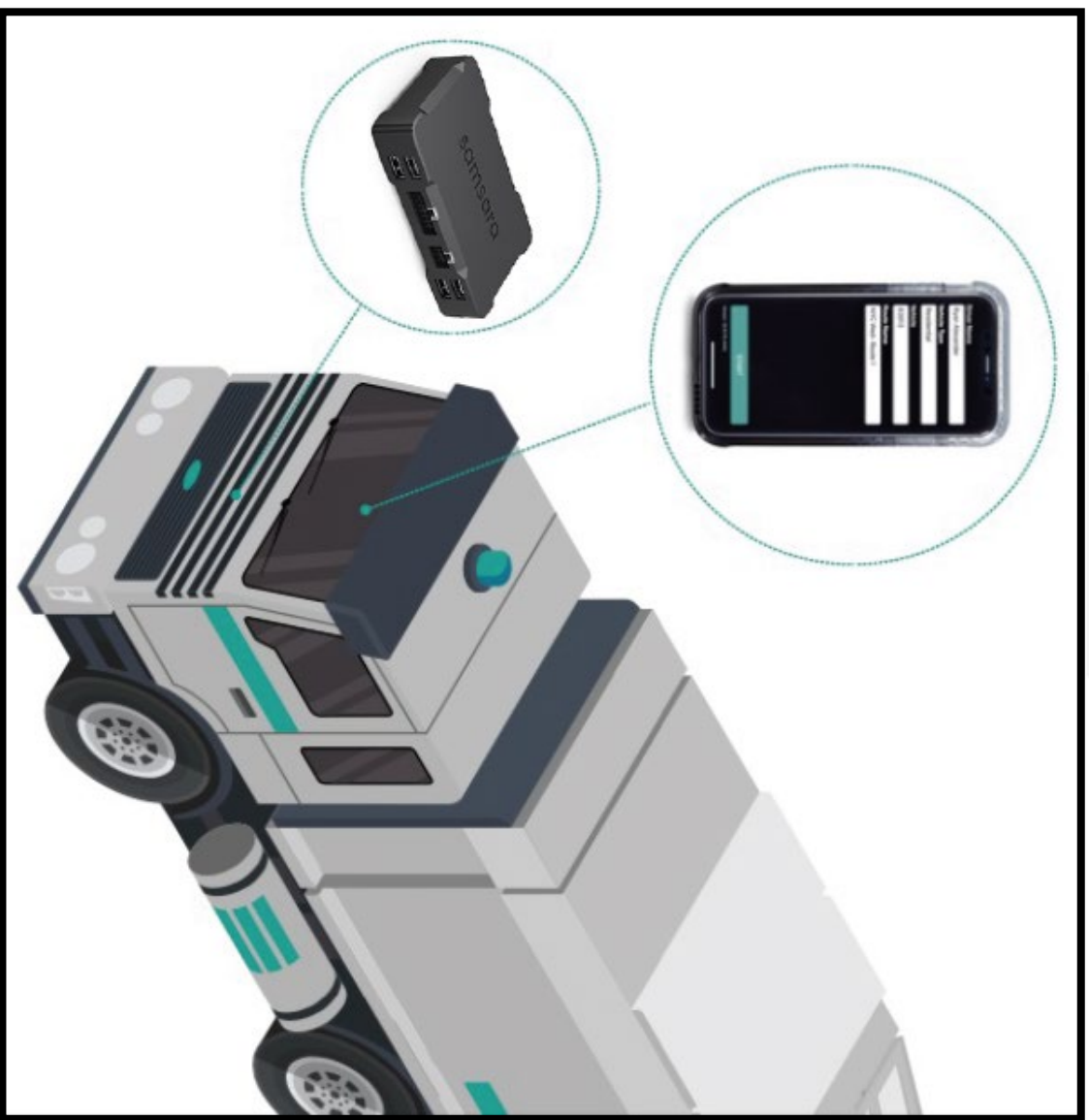
| Core Business Process | FY 22/23 Year End Actuals | FY 23/24 Revised Budget | FY 23/24 Year End Estimate | FY 24/25 Proposed Budget |
|--|---------------------------------|-------------------------------|----------------------------------|--------------------------------|
| Collection Service | \$32.4 | \$34.7 | \$33.4 | \$38.9 |
| Solid Waste Administration | \$5.5 | \$5.9 | \$5.9 | \$6.7 |
| Recycling and Outreach | \$0.3 | \$0.4 | \$0.4 | \$0.4 |
| Safety | \$0.2 | \$0.3 | \$0.2 | \$0.3 |
| Household Hazardous Materials Facility | \$0.7 | \$1.5 | \$1.4 | \$0.8 |
| Total | \$39.1 | \$42.8 | \$41.3 | \$47.1 |

Figures in millions, rounded

Tablets

- 9-Month Pilot
- Digitization of Routes
- A.I. Safety
- Service Verification

| Costs | |
|-----------|-----------|
| One-Time | On-Going |
| \$165,000 | \$275,000 |



Materials Recovery Facility (MRF)

MRF Update

- Republic MRF
 - Opened September 2023
- Recycling Diversion
 - 30% to 70%
- 15% Design
 - To Be Completed August 2024



RECYCLE ACCEPTED ITEMS

NEW ITEMS
ADDED!



Cans

Food & beverage cans.



Cardboard

Clean and flat cardboard.



Paper

Mail, newspaper, copy paper, empty cereal boxes, soda boxes, tissue boxes.



Plastic

Beverage bottles and jugs, soap bottles, yogurt containers, berry containers, condiment bottles.



Glass

Clean and dry bottles and jars.

Visit mesarecycles.org for more information.



Batteries



Bags



Food



Clothing



Yard Waste



Community Outreach

Outreach Efforts

- Mailers, social media ads & news media
- Partnership with Mesa Public Schools
- Partnership with Republic Services
- Community Engagement



