



COUNCIL MINUTES

March 28, 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 March 28, 2024, at 7:30 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

Mayor Giles conducted a roll call.

(Mayor Giles excused Vice Mayor Heredia from the beginning of the meeting; he joined the meeting at 8:00 a.m. and participated in the meeting through the use of video conference equipment.)

1. Review and discuss items on the agenda for the April 1, 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: 5-d

Mayor Giles reported that last year, 645 heat-related deaths were reported in Maricopa County. He stressed the importance of doing something to address this crisis.

Community Services Director Ruth Giese displayed a PowerPoint presentation on Item 5-d, **(Approving and authorizing the City Manager, or designee, to enter into an Intergovernmental Agreement with Maricopa County to accept annual funds from April 1, 2024, to December 31, 2026, relating to the provision of Heat Relief Services in Mesa, including a Day Respite Center for May-September 2024. (Citywide))**, on the Regular Council meeting agenda. **(See Attachment 1)**

Ms. Giese reported that the statistics about heat-related deaths last year indicated a 50% increase from the prior year. She provided an overview of the heat relief programs from summer 2023, stating that services offered at the respite centers are improving every year and the centers are not only for respite but are cooling stations also. She announced that 7,847 individuals received heat relief services in 2023 and provided details about the respite centers including locations and the schedules. (See Page 2 of Attachment 1)

Ms. Giese explained the heat relief plan for 2024, indicating that American Rescue Plan Act (ARPA) funding of \$235,464 will be accepted as part of the Intergovernmental Agreement (IGA) with Maricopa County. She clarified that the IGA does not cover funding for security and program administration which will be paid from the City's General Fund budget. She confirmed that in collaboration with the non-profit partners, the hours were adjusted to meet the needs of staff and the community. She highlighted areas in Mesa that individuals may utilize if the respite center near them is closed and described the services provided at each. (See Pages 3 and 4 of Attachment 1)

City Manager Christopher Brady stressed the need to either grow the existing non-profit's capacity or find another group to help with the increased need in East Mesa.

In response to a question from Councilmember Freeman, Ms. Giese confirmed that the Heat Relief Network deploys Street Navigators who work with Police and Fire to navigate the needs of calls that are received requesting assistance through the hotline which include a wide variety of situations ranging from medical emergencies to home rehabilitation or modifications. She pointed out that the City Council has approved additional funding to be able to continue to serve the growing needs of the community. She provided information about other services that are offered through local partners that do preventative outreach such as checking the function of a home's air conditioning before the situation becomes dire and offering shelter during home rehabilitation.

Additional discussion ensued regarding the Heat Relief effort.

Mayor Giles thanked staff for the presentation.

Responding to a question from Councilmember Duff regarding Item 4-f, **(Three-Year Term Contract with Two Years of Renewal Options for Philips CityTouch Streetlight Monitoring System with Nodes for the Transportation Department. (Sole Source) (Citywide))**, on the Regular Council meeting agenda, Transportation Department Director RJ Zeder explained that this is a continuation of the streetlight conversion from high-pressure sodium lights to light-emitting diode (LED), and he provided a brief history of the project. He confirmed that since the conversion began customer complaints have decreased, which could be attributed to the light shields installed. He clarified that staff will be able to monitor and adjust the lighting once the conversion is completed and until then concerns are being handled in a case-by-case manner.

In response to a question from Councilmember Goforth regarding Item 5-a, **(Modifying fees and charges for the Parks, Recreation and Community Facilities Department. (Citywide))**, on the Regular Council meeting agenda, Parks, Recreation and Community Facilities Director Andrea Moore confirmed that the fees are updated annually and are determined through market comparison with other cities. She explained that the ARPA program is over at the end of the year; however, multiple programs are offered allowing the City to continue to assist low- to

moderate-income families. She highlighted the Mesa Recreation Scholarship (MRS). She summarized the proposed changes to the fee schedule.

2-a. Hear a presentation and discuss the fiscal year 2024/2025 summary of the proposed budget.

Management and Budget Director Brian Ritschel introduced Management and Budget Operations Coordinator Kristi Griffin and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Ritschel explained that he will be presenting the City Manager's proposed budget overview for fiscal year (FY) 2024/2025. He noted that each department will be presenting their budget individually to Council at separate meetings in April.

Mr. Ritschel defined the requirements of an annual budget to appropriate the annual expenditures for the next FY and set a secondary property tax levy and associated rate. He said the annual budget sets the FY maximum expenditure, which is part of Home Rule; and the budget is always based on total resources available, meaning the revenue coming in and the fund balance covers the budgeted expenses. He advised that the budget theme for this year is Financial and Environmental Sustainability. (See Pages 2 and 3 of Attachment 2)

Mr. Ritschel recognized that the proposed budget focuses on balancing the current levels of service while also looking at the future needs. He highlighted the financial impacts that the City may be facing as reduction of revenue, increased labor costs, higher than normal inflation, utility cost increase, the Climate Action Plan, cost overruns for capital projects and fleet delays, and increased fuel costs. (See Page 4 of Attachment 2)

Mr. Ritschel reviewed the General Governmental Funds Financial Principles and provided an overview of each of the five principles. He explained how the process is used for financial forecasting and ensuring the City is sustainable into the future. He outlined the process for operational expenditure forecasting, indicating the factors that are calculated in the operational part of the budget. He reported other financial pressures being considered in the budget. (See Pages 5 through 8 of Attachment 2)

Mr. Ritschel identified the Police sworn overtime as a focus for the next FY, illustrating the increased trajectory over a three-year period. He noted that additional information will be provided during the Police Department budget presentation. (See Page 9 of Attachment 2)

In response to a question from Mayor Giles, Mr. Brady identified that the reason for the increased overtime is staff using sick leave and other absences and reported that there are a variety of factors that are being reviewed.

Additional discussion ensued regarding the reason for the overtime trends.

Mr. Ritschel reported that the Mesa Fire and Medical Department is also seeing an increase in overtime but for different factors, such as the transport program, which is being monitored. (See Page 10 of Attachment 2)

Ms. Griffin confirmed the five themes for FY 2024/2025 proposed budget and provided an explanation of each. She highlighted the Public Safety staffing capacity included in the proposed

budget, pointing out the additional employees that will fill new fire stations and vacant positions and keep up with attrition staffing for Police. (See Pages 11 through 13 of Attachment 2)

Ms. Griffin confirmed that infill and redevelopment has been identified as a priority and two new positions will be implemented to assist with the project. (See Page 14 of Attachment 2)

Responding to questions from several Councilmembers, Mr. Brady confirmed that the structure of the positions related to infill and redevelopment are still being discussed but confirmed they would fall under the Downtown Transformation Department. He advised that the positions are being added based on information received at the Strategic Planning meeting. He suggested that discussions are needed for placemaking and how that relates to the budget, and he provided examples of possible projects.

Additional discussion ensued regarding placemaking.

Ms. Griffin continued by providing details about Workforce Development and the efforts being made to cultivate a skilled and talented workforce. She identified types of projects that support the Mesa Climate Action Plan. (See Pages 15 and 16 of Attachment 2)

Mr. Ritschel summarized the proposed budget and expressed that the process was not easy, especially when looking for efficiencies and still meeting all needs while planning for the future and adhering to City policy. (See Page 17 of Attachment 2)

Mr. Brady commented that while the City is projecting ending the year with the highest reserve balance in the history of Mesa, he reiterated the importance of planning for the future by looking into the economic forecast.

Additional discussion ensued regarding future sources and uses as well as the financial forecast.

Mr. Ritschel provided an overview of the Utility Fund Financial Principles. He identified the forecasting sources, indicating the importance of receiving data directly from the departments involved in the projects. He added that inflation costs have been as high as 20%. (See Pages 18 through 21 of Attachment 2)

Mr. Ritschel identified ways to support meeting the needs and growth of the community while meeting the sustainability goal, which involves maintaining service levels and a safe and environmentally friendly fleet. He reviewed the proposed budget for Utilities and reported that there will be a rate adjustment coming in the fall which will change the forecast. (See Pages 22 and 23 of Attachment 2)

(At 9:00 a.m. Mayor Giles excused Councilmember Freeman from the remainder of the meeting.)

Additional discussion ensued regarding the possible upcoming utility rate increases.

Mr. Ritschel detailed the next steps and reviewed the budget process schedule. (See Page 24 of Attachment 2)

Mayor Giles thanked staff for the presentation.

(At 9:06 a.m. Mayor Giles excused Vice Mayor Heredia from the remainder of the meeting.)

(Mayor Giles declared a recess at 9:06 a.m. The meeting reconvened at 9:15 a.m.)

2-b. Hear a presentation, discuss, and provide direction on proposed City Ballot Measures for the 2024 General Election focusing on proposed City Charter Amendments and also including Permanent Based Adjustment, Bonds, General Plan; and including information on potential state legislative ballot referrals for the 2024 election.

Deputy City Attorney Kelly Whittemore introduced City Clerk Holly Moseley and displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Whittemore provided a background of the Constitutional Authority for the City Charter, which is known as the Home Rule Provision. She pointed out the Charter Amendment process and commented that the recommendation is to limit the Charter Amendments to two per election year. (See Pages 2 and 3 of Attachment 3)

Ms. Moseley listed reasons that Charter Amendments are recommended such as technology changes, alignment with Maricopa County election procedures, process improvement, and cost savings. She highlighted six amendments for Council consideration. (See Pages 4 and 5 of Attachment 3)

Ms. Whittemore provided the current language of Section 201(A)(5): Council District Redistricting and discussed previous challenges incurred during the redistricting process that initiated the proposed change. She stated the suggested modification would alleviate the need to consider residency of an incumbent Councilmember serving the last year of an expired term. (See Page 6 of Attachment 3)

Responding to a question from Councilmember Somers, City Attorney Jim Smith stated that he would review any potential impact of a Councilmember who served two full terms being reassigned to another district, to avoid the possibility of running for another Council seat before sitting out for one full term in between.

Ms. Moseley reviewed the current language of Charter Section 201(F) related to Primary Elections. She explained the proposed change to forego the Primary Election if less than three candidates have qualified for the ballot, meaning the need for a run-off would not exist. She provided the potential cost savings of foregoing a Primary Election. (See Page 7 of Attachment 3)

Responding to a question from Councilmember Goforth, Ms. Moseley identified the cost factors for the Primary Election. She indicated that if any Council seat had more than two candidates qualified, then a Primary Election would still be necessary.

Additional discussion ensued regarding the proposed amendment to Charter Section 201 (F).

Ms. Whittemore gave an overview of the proposed changes to Charter Section 209(A) regarding the frequency of City Council meetings. She said that the changes would modify the requirements to account for Council breaks. (See Page 8 of Attachment 3)

Additional discussion ensued regarding the proposed amendment to Charter Section 209(A).

Ms. Moseley outlined the proposed changes to Charter Section 211(B)(1) regarding the ordinance posting requirements, suggesting it mirrors the updated statutory requirements. She reviewed Charter Section 703 related to the form of the ballot, stating that the City must comply with the County's ballot structure since consolidating elections. (See Pages 9 and 10 of Attachment 3)

In response to an inquiry from Councilmember Goforth relating to potential violations in the Charter, Ms. Whittemore confirmed that matters of local concern allow the Charter to differ from the State law; however, administrative differences are more of a nuance.

Ms. Whittemore explained the changes being requested to Charter Section 903(A)(3) relating to a withdrawal of petition signatures. She indicated that the proposed language change would bring the language in line with the State Statute and referenced an Arizona Supreme Court case to support the change. (See Page 11 of Attachment 3)

Ms. Moseley reported that at this time staff are looking for direction from the Council on how to proceed and provided a timeline of the next steps in the process. (See Page 12 of Attachment 3)

Mr. Smith emphasized that Council should choose only two questions per ballot to avoid voter fatigue. He recalled that the suggested amendments are mostly cleanup and said that this election may not be the right time to address the items, noting that a decision does not need to be made today.

Additional discussion ensued regarding the placement of questions on the ballot.

Government Relations Director Miranda DeWitt reported that a large number of measures are anticipated to be on the statewide ballot and gave an overview of each of them. She suggested focusing on the essential issues such as conflicts in the Charter to follow the State law and propose others for a future election. (See Pages 13 and 14 of Attachment 3)

Additional discussion ensued regarding the possible charter amendments.

Consensus of the Council was to not proceed with the proposed Charter Amendments on the 2024 Election due to the length of the upcoming ballot.

Assistant City Manager Scott Butler pointed out that in addition to the ballot measures that were mentioned earlier, there will also be a County Supervisor, two seats on the Arizona Corporation Commission, and 48 judicial retention questions.

Mayor Giles thanked staff for the presentation.

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

3-a. Community and Cultural Development Committee held on February 22, 2024.

3-b. Parks and Recreation Advisory Board Meeting held on January 10, 2024.

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

Upon tabulation of votes, it showed:

AYES – Giles–Duff–Goforth–Somers–Spilsbury

NAYS – None

ABSENT – Heredia–Freeman

Mayor Giles declared the motion carried unanimously by those present.

4. Current events summary including meetings and conferences attended.

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

5. Scheduling of meetings.

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

Monday, April 1, 2024, 4:45 p.m. – Study Session

Monday, April 1, 2024, 5:45 p.m. – Regular meeting

6. Adjournment.

Without objection, the Study Session adjourned at 10:07 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 28th day of March 2024. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

sr
(Attachments – 3)



Community Services

Heat Relief Update

March 28, 2024

Ruth Giese, Community Services Director

Summer 2023

- Maricopa County Human Services IGA
- City of Chandler managed the program
- ARPA funds with Resurrection Street Ministries
- Safe cool space with expanded wrap around services
- Light rail access
- Low impact on surrounding area
- 7,847 individuals served 2023
- Monday-Saturday 9:30-6:30pm, Sundays 12pm-6pm
- Additional cooling centers and hydrations stations at local agencies



Summer 2024

- Maricopa County Public Health IGA
- \$235,464
- Day Respite Center @ Resurrection Street Ministries
- New bi-lingual call center and transportation assistance added to region by County Public Health.
- Coordinated marketing and outreach to community
- Security and Program Administration not included
- Monday-Saturday 10am-7pm
- Additional cooling centers and hydrations stations at local agencies



Heat Relief Map 2024

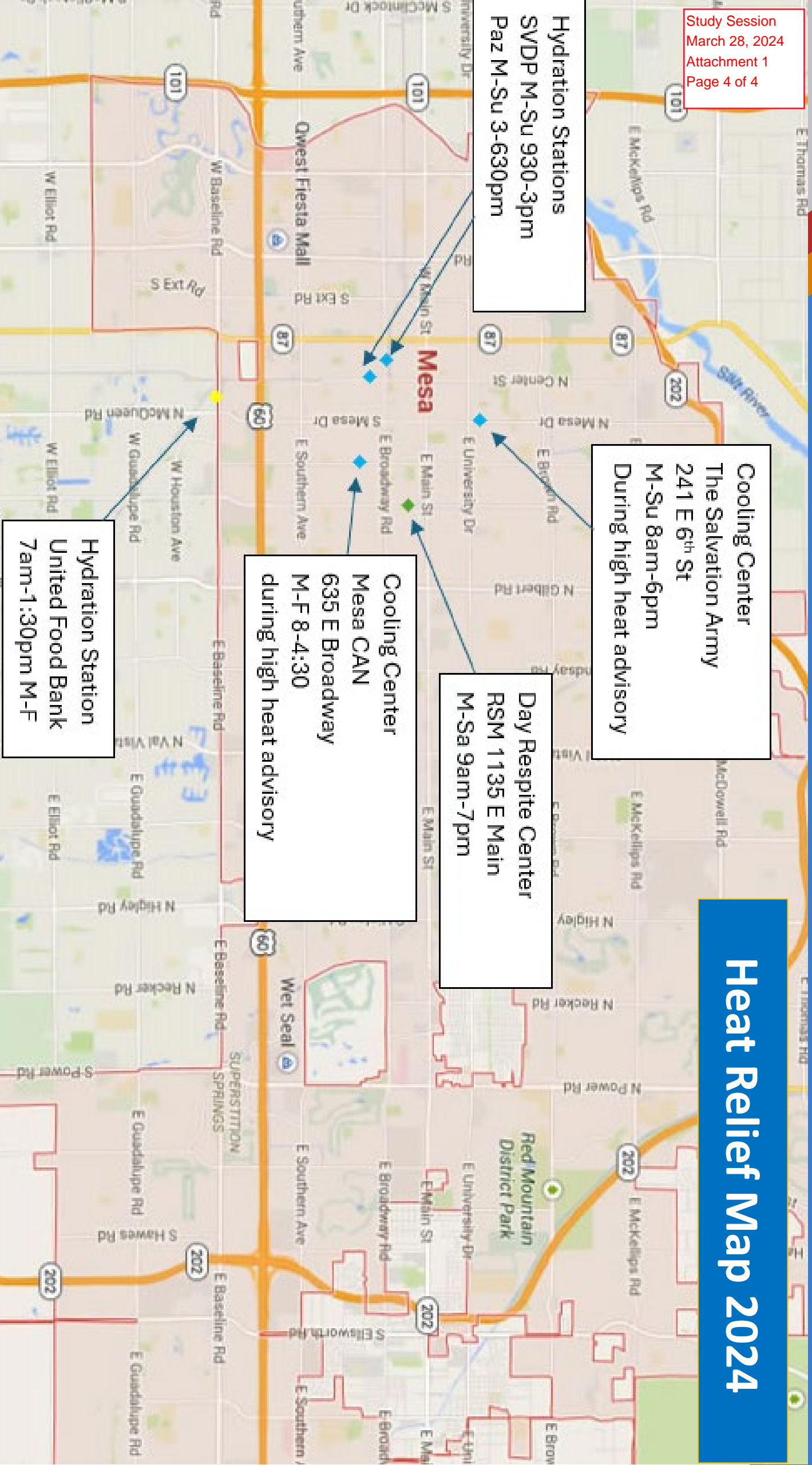
Cooling Center
The Salvation Army
241 E 6th St
M-Su 8am-6pm
During high heat advisory

Day Respite Center
RSM 1135 E Main
M-Sa 9am-7pm

Cooling Center
Mesa CAN
635 E Broadway
M-F 8-4:30
during high heat advisory

Hydration Stations
SVDP M-Su 930-3pm
Paz M-Su 3-630pm

Hydration Station
United Food Bank
7am-1:30pm M-F



PROPOSED BUDGET OVERVIEW FISCAL YEAR 2024/25

MARCH 28, 2024 CITY OF MESA



**Community
Health & Safety**



**Sustainable
Environment**



**Neighborhoods &
Placemaking**



**Thriving
Economy**



**Skilled & Talented
Workforce**



**Strong Community
Connections**



mesa·az

- Presented by:
 - Brian A. Ritschel, Management and Budget Director
 - Kristi Griffin, Management and Budget Operations Coordinator

An Annual Balanced Budget

- Each year the City of Mesa is required to appropriate an annual expenditure budget and set a secondary property tax levy and associated rate
- The annual budget sets the maximum expenditure limit for the fiscal year
- A balanced budget means that the total resources available to the city must be sufficient to cover the budgeted expenses

“Financial & Environmental Sustainability”

Fiscal Year 2024/25 Proposed Budget



FY 2024/25 Proposed Budget
ses on the City's effort to
**face current levels of service and
future needs** while addressing the
following impacts:

- Reduced on-going revenues
- Labor cost increases due to staff overtime and attracting qualified workforce
- Continued higher than normal inflation on commodities, services, and contracts
- Utility cost increases related to water and solid waste services
- Continuation of the Mesa Climate Action Plan
- Cost overruns and delays in receiving capital construction materials
- Delays and costs increase related to fleet fuel supplies and parts



General Governmental Funds Financial Principles



Balance net sources and uses



10% – 15% reserve fund balance over the
5-year forecasted period



Sustainability of programs and services



Keep wages and benefits competitive
compared to other valley cities in order to
retain and recruit quality staff



Investment in capital and lifecycle replacement
projects

Financial Forecasting

- ▶ The City uses current expenditures and revenues along with historical trends as a basis to forecast future expenditures and revenues over multiple years
- ▶ Multi-year forecasting allows for evaluation of the sustainability of programs and services
- ▶ Future needs are incorporated to enhance ability to plan
- ▶ The City's financial policies call for the use of on-going revenues for on-going expenditures



Operational Expenditure Forecasting

Expenditure categories are analyzed and forecasted individually

▶ Personal Services

- Many factors contribute to overall estimates such as pension rates, medical premiums, salary movement, overtime, etc.

▶ Other Services/Commodities

- Large specialty contracts are handled separately while forecasted consumer price index is applied to general expenditures

▶ Capital

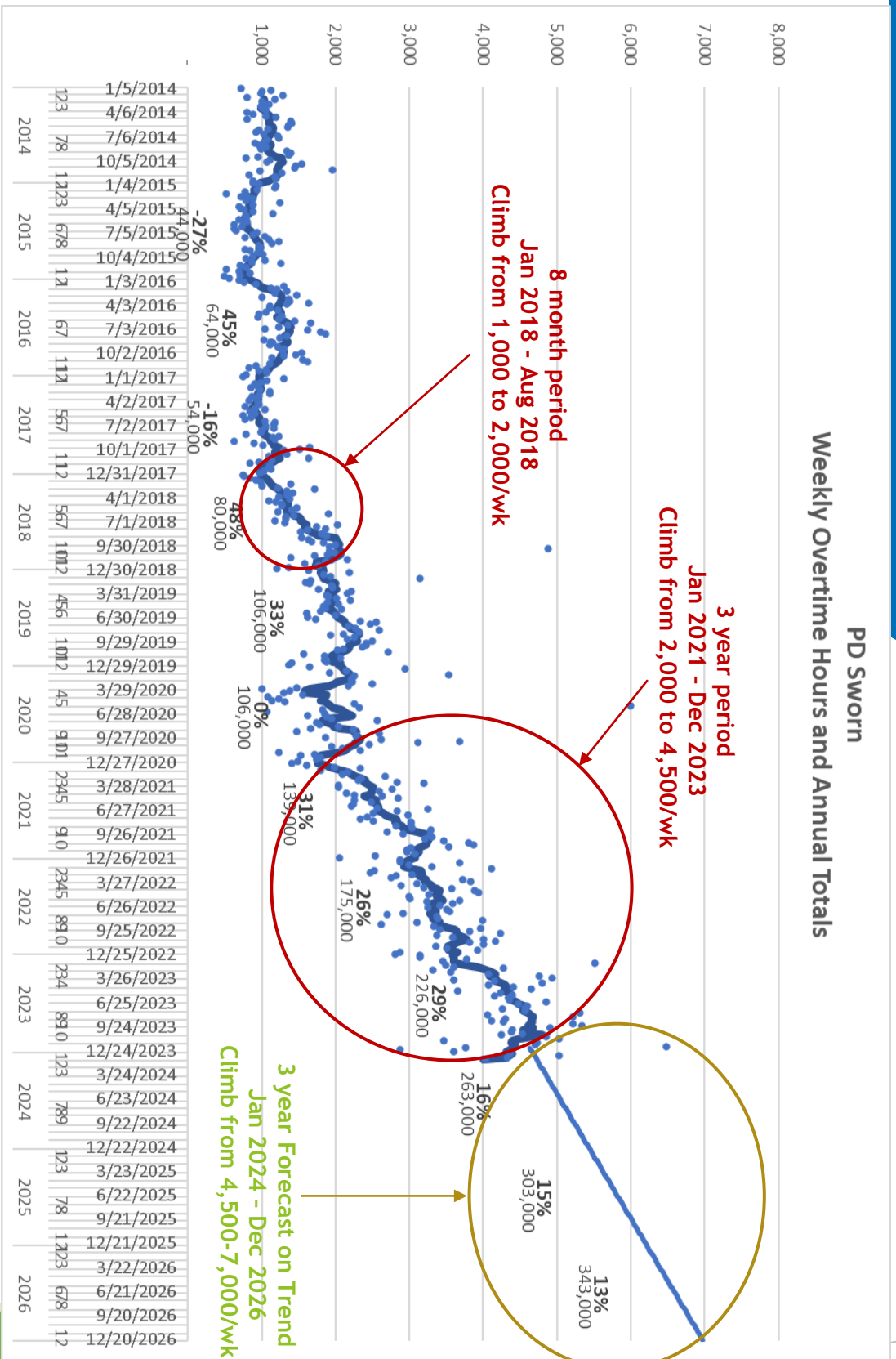
- Majority of expenditures are related to construction projects and vehicle purchases. Multi-year plans are developed and included in the forecast



Significant Pressures

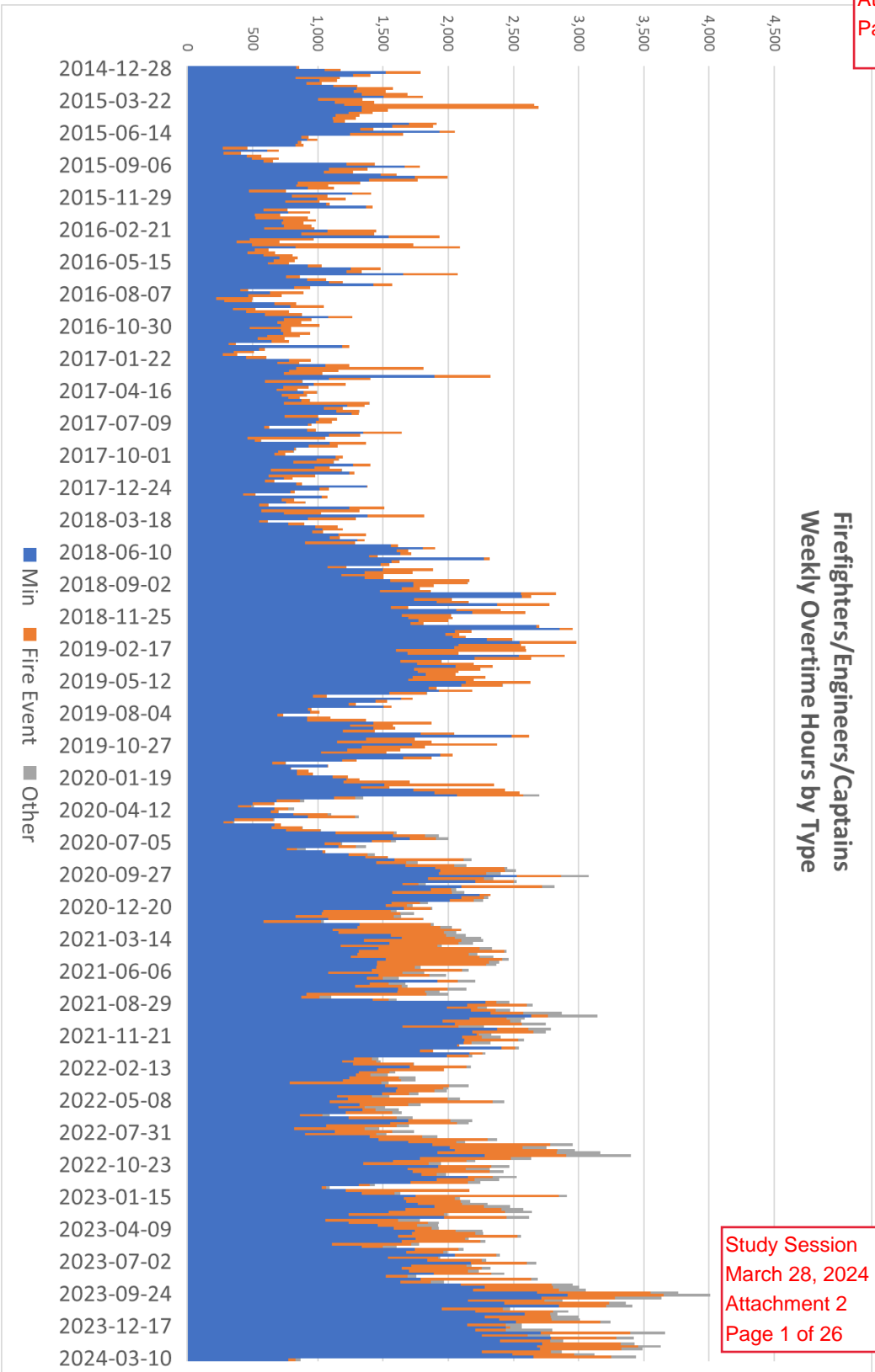
- Public Safety Sworn Overtime
- Capital projects costs continue to come in significantly higher than originally estimated due to significant increases in material costs and delays in receiving construction materials
- Facility Maintenance and Improvements

Sworn Overtime



Fire & Medical Sworn Overtime

Firefighters/Engineers/Captains
Weekly Overtime Hours by Type



Proposed Budget FY 2024/25

- The Proposed Budget for FY 2024/25 highlights the following themes:
 - Financial Sustainability
 - Public Safety Staffing
 - Infill/Redevelopment
 - Workforce Development
 - Mesa Climate Action Plan

Financial Sustainability



**Community
Health & Safety**



**Sustainable
Environment**



**Neighborhoods &
Placemaking**



**Thriving
Economy**



**Skilled & Talented
Workforce**



**Strong Community
Connections**

The City is targeting to align forecasted on-going expenditures with on-going resources.

On-going revenues were reduced due to the implementation of the state income flat tax and elimination of residential rental tax.

Departments were asked to review items in their base budgets that they could reduce through operational efficiencies.

Public Safety Staffing

The FY 24/25 Proposed Budget includes capacity for three police recruit academies and two firefighter recruit academies. The estimated number of recruits for these academies are 110 for Police and 50 for Fire & Medical.

The academies include 5 additional sworn police officers, 12 fire fighters for Station 224, and 8 fire fighters for a new 12-hour Medical Response Unit.

*Financial & Environmental
Sustainability*

Civilization of the vacant Special Operations Organized Crime Interdiction Detective position with 2 FTEs.



Community
Health & Safety



Infill/ Redevelopment

Support the implementation of Mesa's Redevelopment Areas (RDA) with the addition of two new positions. These positions will specifically support infill/redevelopment initiatives and projects. The proposed positions will identify target areas for redevelopment, incentives, and policy adjustments needed to attract infill development city-wide.



Workforce Development

- Provide the resources needed to support the efforts between Economic Development and the Education Workforce Development staff to cultivate a skilled and competent workforce that meets the current and future needs of high-wage job markets.
- Implement strategies to equip individuals with the necessary skills, training, and education required to succeed in various industries and occupations by focusing on initiatives that foster collaboration between public and private organizations and create pathways to employment. (ex: internships, apprenticeships, mentorships, etc.)



**Skilled & Talented
Workforce**

*Financial & Environmental
Sustainability*

Mesa Climate Action Plan



Financial & Environmental Sustainability

Adding the following types of projects to the MCAP:

- Solar and electric vehicle charging
- Watershed protection
- Neighborhoods tree planting programs
- Remove non-functional grass to xeriscap City facilities
- LED lighting conversions at city sports fields

Study Session
March 28, 2024
Attachment 2
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Sustainable
Environment



FY 2024/25 Proposed Budget

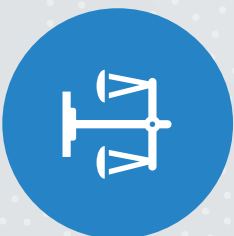
City of Mesa
 General Governmental Funds

	Actuals FY 22/23	Projected FY 23/24	Budget FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28	Forecast FY 28/29
Beginning Reserve Balance	\$184.9	\$219.7	\$229.7	\$207.7	\$172.8	\$137.3	\$107.6
Total Sources	\$639.9	\$688.3	\$644.3	\$627.9	\$648.1	\$678.2	\$700.2
Total Uses	\$605.1	\$678.2	\$666.4	\$662.9	\$683.5	\$708.0	\$720.5
Net Sources and Uses	\$34.7	\$10.1	(\$22.0)	(\$35.0)	(\$35.4)	(\$29.8)	(\$20.3)
Ending Reserve Balance	\$219.7	\$229.7	\$207.7	\$172.8	\$137.3	\$107.6	\$87.2
Ending Reserve Balance Percent*	32.4%	34.5%	31.3%	25.3%	19.4%	14.9%	12.0%

*As a % of all Next Year's uses of funding
 Note: Includes economic recession beginning 2024
 data as of March 2024
 dollars in millions

Financial & Environmental Sustainability

Utility Fund Financial Principles



BALANCE NET
SOURCES AND USES



20% OR HIGHER
RESERVE FUND
BALANCE



RATE ADJUSTMENTS
THAT ARE
PREDICTABLE AND
SMOOTHED
THROUGHOUT THE
FORECAST



EQUITY BETWEEN
RESIDENTIAL AND
NON-RESIDENTIAL
RATES



AFFORDABLE
UTILITY SERVICES

ces Forecasting

- The City's forecasting approach to utility revenues includes statistical analysis and collaboration with departments
- Statistical software is applied in house to analyze the correlation between economic trends and the City's utility sources
- Relevant economic indicators are considered, such as population growth, along with reviewing historical trends in account growth and consumption/usage
- Mesa specific factors are applied such as economic development activities, additional large customers, etc.



Forecasting

- Departments provide specific forecasts for large budget items where costs can fluctuate over time, including water commodity purchases, water and wastewater treatment plant chemicals, and solid waste tipping fees
- Debt service payments are included in the Utility Fund forecast, where funds are transferred according to utility debt service schedules

Y Fund Departments Challenges

- Costs have significantly increased for commodities such as water, chemicals, and landfill fees.
- Capital projects costs are coming in significantly higher than originally estimated due to significant increases in material costs and delays in receiving project materials (e.g., AMI meters)

Meeting Community Needs and Growth Utility Fund

Financial & Environmental Sustainability

- To support several significant water and wastewater projects, increase additional water resources, and maintain current service levels
- To support the growth in solid waste; fleet replacement
- To support several significant gas and electric growth projects and maintain current service levels



FY 2024/25 Proposed Budget

UTILITY FUND NET SOURCES AND USES	FY 22/23 Projected	FY 23/24 Budget	FY 24/25 Budget	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
WATER	\$664	(\$5,464)	\$785	(\$3,824)	(\$4,916)	(\$4,151)	(\$3,578)
WASTEWATER	(\$4,836)	(\$15,518)	(\$9,178)	(\$6,446)	(\$2,815)	\$2,382	\$1,320
SOLID WASTE	(\$629)	(\$7,108)	(\$8,148)	(\$4,471)	(\$3,174)	(\$5,160)	(\$2,352)
ELECTRIC	\$1,272	\$1,521	(\$996)	(\$423)	(\$162)	(\$335)	(\$1,011)
NATURAL GAS	\$3,351	(\$8,335)	(\$5,297)	(\$3,950)	(\$3,066)	(\$2,875)	\$614
DISTRICT COOLING	\$19	(\$292)	(\$11)	\$20	\$50	\$44	\$52
TOTAL NET SOURCES AND USES	(\$158)	(\$35,196)	(\$22,844)	(\$19,094)	(\$14,083)	(\$10,094)	(\$4,954)
Beginning Reserve Balance	\$144,572	\$144,414	\$109,218	\$86,374	\$67,280	\$53,197	\$43,103
Ending Reserve Balance	\$144,414	\$109,218	\$86,374	\$67,280	\$53,197	\$43,103	\$38,149
Ending Reserve Balance Percent*	28.8%	20.7%	15.8%	11.9%	9.0%	7.1%	6.1%

*As a % of Next Fiscal Year's Expenditures

data as of March 2024
 Dollars in Thousands


Financial & Environmental Sustainability

Budget Process Calendar

 **April 1 – 25** Departmental Presentations

 **May 2** Tentative Budget Presentation & Non-Utility CIP

 **May 20** Tentative Adoption of Annual Budget

 **June 3** Adoption of Five-Year Capital Improvement Program
Public Hearing on Annual Budget and Secondary Property Tax Levy
Final Adoption of Annual Budget

 **June 19** Adoption of Secondary Property Tax Levy

FY 2024/25 Proposed Budget

**City of Mesa
 General Governmental Funds**

	Actuals FY 19/20	Actuals FY 20/21	Actuals FY 21/22	Actuals FY 22/23	Projected FY 23/24	Budget FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28	Forecast FY 28/29
Beginning Reserve Balance	\$90.5	\$126.5	\$203.1	\$184.9	\$219.7	\$229.7	\$207.6	\$172.8	\$137.3	\$107.6
Total Sources	\$468.6	\$532.3	\$583.4	\$639.9	\$688.3	\$644.3	\$627.9	\$648.1	\$678.2	\$700.2
Total Uses	\$432.6	\$455.6	\$601.6	\$605.1	\$678.2	\$666.4	\$662.8	\$683.5	\$708.0	\$720.5
Net Sources and Uses	\$36.0	\$76.6	(\$18.2)	\$34.7	\$10.1	(\$22.1)	(\$34.9)	(\$35.4)	(\$29.8)	(\$20.3)
Ending Reserve Balance	\$126.5	\$203.1	\$184.9	\$219.7	\$229.7	\$207.6	\$172.8	\$137.3	\$107.6	\$87.2
Ending Reserve Balance Percent*	27.8%	33.8%	30.6%	32.4%	34.5%	31.3%	25.3%	19.4%	14.9%	12.0%

*As a % of all Next Year's uses of funding
 Note: Includes economic recession beginning 2024
 data as of March 2024
 dollars in millions

Utility Fund Forecast

As of 3/19/2024	FY 22/23 Actuals	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
TOTAL NET SOURCES AND USES	(\$158,043)	(\$35,196,018)	(\$22,843,731)	(\$19,093,531)	(\$14,083,076)	(\$10,094,480)	(\$4,954,300)
Beginning Reserve Balance	\$144,571,686	\$144,413,643	\$109,217,625	\$86,373,894	\$67,280,363	\$53,197,287	\$43,102,807
Ending Reserve Balance	\$144,413,643	\$109,217,625	\$86,373,894	\$67,280,363	\$53,197,287	\$43,102,807	\$38,148,507
Ending Reserve Balance Percent*	28.8%	20.7%	15.8%	11.4%	9.0%	7.1%	6.1%
<i>*As a % of Next Fiscal Year's Expenditures</i>							
WATER Residential (Tier 1 usage)	2.75%	3.00%	3.50%	4.00%	4.00%	4.00%	4.00%
WATER Commercial (usage)	5.50%	5.00%	5.50%	5.75%	5.75%	5.75%	5.75%
WASTEWATER Residential	4.25%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
WASTEWATER Non-Residential	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SOLID WASTE Residential	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Commercial	4.50%	7.50%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Rolloff	7.75%	6.50%	3.00%	3.00%	3.00%	3.00%	3.00%
ELECTRIC Residential - svc charge	\$0.00	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
ELECTRIC Non-Residential - svc charge	\$0.00	\$5.00	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
GAS Residential - svc charge	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Proposed Charter Amendments

2024 General Election Ballot

Kelly Whittemore, Deputy City Attorney
Holly Moseley, City Clerk
Miranda DeWitt, Government Relations Director

Charter City Authority

- **Constitutional Authority for City Charter – Arizona Constitution**
- **91 Cities & Towns in Arizona – 20 Charter Cities**
- **Mesa City Charter**
 - **Original Adoption August 18, 1967**

Charter Amendments

- **Amendment Process: Section 903**
 - **Proposal Process**
 - **Submission to Electors**
 - **Adoption**
- **Amendments Approved at 14 Elections**
- **Recommendation: No more than two Charter Amendments be proposed to the voters per election year.**

Why are Charter Amendments Recommended?



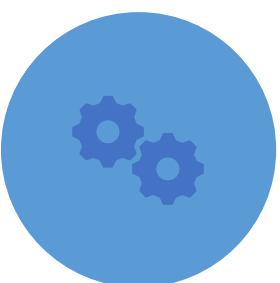
To align with state law.



To support cost savings.



To align with Maricopa County Elections procedures.



Process improvement.

Amendments to Consider

Section 201(A)(5):
Council Districts
(Redistricting)

Section 201(F):
City Council
(Primary Elections)

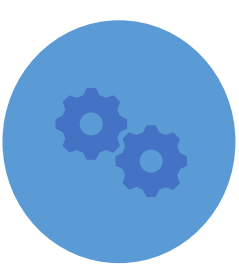
Section 209(A):
City Council Meetings

Section 211(B)(1):
Ordinance Posting
Requirements

Section 703:
Ballots for Ordinances
and Charter
Amendments

Section 903(A)(3):
Charter Amendments

Charter Section 201(A)(5) Council Districts (Redistricting)



Current Language –

(A) Composition. There shall be a City Council consisting of a Mayor and six (6) other district Councilmembers elected by the qualified electors of the City as follows:

(5) ...The redrawing of district boundaries shall not remove the residence of an incumbent Councilmember from the district he was elected to represent during his term in that office...

Amendment to Consider –

- *Modify the requirement to add an exception.... if an incumbent Councilmember is serving the last year of an expired term, then their residence need not be considered.*
- Councilmember would remain in office until the expiration of their term.

Charter Section 201(F) City Council (Primary Elections)



Current Language –

(F) ELECTIONS

(1) ...Any candidate for the office of district Councilmember who shall receive at the **primary election** the number of votes constituting a majority of all of the valid ballots cast for the office of Councilmember in that district shall be declared elected...

(2) A general election shall be held for those seats where no candidate was elected at the primary election...
(Proposal Failed at 2012 Election)

Amendment to Consider –

- Modify to forego the primary election and only have a general election for Councilmember seats and Mayor if no more than two candidates are running for each seat.
- Cost of Primary Election has ranged from \$72,000 to \$142,000 in the past ten years.

Charter Section 209(A)

Frequency of City Council Meetings

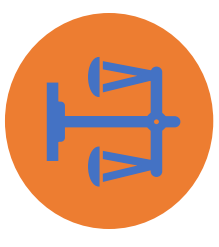


Current Language –

(A) MEETINGS. The Council shall hold a regular meeting at least twice in every month at such times and place as the Council may prescribe by ordinance.

Amendment to Consider –

- Modify the requirement that two meetings be held per month.
- Propose two meetings per month, except two months out of the year hold one or as otherwise determined by Council.



Charter Section 211(B)(1) Ordinance Posting Requirements

Current Language –

(1) Upon introduction of any ordinance...the Clerk shall file copies in his office to be made available to the public, shall post a copy in each of the three (3) public places designated for the posting of public meeting notices and agendas, and shall publish at least one (1) time a summary of the ordinance, together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council.

Amendment to Consider –

- Modify ordinance posting requirement to one location, plus website.
- Mirror A.R.S. § 9-813 which allows for ordinances with a penalty to be posted in one public place & city website.

Every ordinance imposing a penalty, fine, forfeiture or other punishment...shall be published after its enactment by posting at city or town hall or in one public place, within the city or town, on the city's or town's website and any additional public notice as is reasonable and practicable and shall be in force from and after the date of posting.

Charter Section 703

Form of Ballots for Ordinances & Charter Amendments



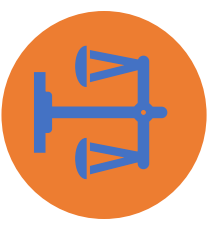
Current Language –

An ordinance or Charter amendment requiring a vote of the electors shall be presented for voting by ballot title. The ballot title of a measure may differ from its legal title and shall be a clear, concise statement describing the substance of the measure without argument or prejudice. Below the ballot title shall appear the following question: "Shall the above-described (ordinance) (amendment) be adopted?" Immediately below such question shall appear the words "yes" and "no" and a square by each in which by making a cross (x) the elector may cast his vote...

Amendments to Consider –

- Modify to make consistent with current election practice. The City now consolidates with the County elections and follows the ballot standards as required by the County.
- Example: Squares are no longer used on ballots.

Charter Section 903(A)(3)



Charter Amendments – Withdrawal of a Petition Signature

Current Language –

(A) PROPOSAL OF AMENDMENTS. Amendments to this Charter may be framed and proposed:

(3) By the electors using the initiative procedure as provided in this Charter or by ordinance or by law...The petitioners may withdraw the petition before the fifteenth (15th) day prior to the date scheduled for the City vote on the amendment.

Amendments to Consider –

- Modify to bring in line with state law that signatures can be withdrawn by the individual (not petitioner) pursuant to state law (A.R.S. § 19-113 and 19-205.04).
- Supported by AZ Supreme Court case of *Powers v. Carpenter*: “Absent contrary statutory provisions, the right to sign a petition is a personal privilege, and the right to withdraw a signature from a petition can be exercised only by the person directly concerned.”

Next Steps

- Council direction on the inclusion of one or more Charter Amendments to propose to Mesa voters at the 2024 General Election.
- April - Ordinance(s) drafted by City Clerk & City Attorney.
- May 6 – Introduction of Ordinance(s).
- May 20 – Adoption of Ordinance(s).
- June 3 – Adopt Call of Election.

Other 2024 General Election City Ballot Measures

- Permanent Base Adjustment
- General Plan
- General Obligation (GO) Bonds

2024 General Election Ballot Measures

- Initiative Measures
 - More than 12 statewide initiatives filed; signatures due July 3, 2024
 - Examples: Raise the Wage AZ, Arizona Works Together, New Day in Politics, Abortion Access Act, Make Elections Fair Act
- 2024 session, lawmakers have referred 2 ballot measures
 - HCR 2023 Property tax; refund nuisance enforcement
 - SCR 1021 Sex trafficking; child; natural life

(Lawmakers introduced more than 80 ballot measures this legislative session, with several still moving through the legislative process that have the potential to be added to the 2024 statewide ballot.)
- 2023 session, lawmakers referred 4 ballot measures; required 1 additional county-only measure
 - HCR 2033 primary elections; eligible candidates
 - HCR 2039 Governor; emergency powers
 - SCR 1006 death benefit; assault; first responders
 - SCR 1015 initiative; referendum; signatures; legislative districts
 - SB 1102 transportation sales tax; Maricopa county(*Prop 479 - Maricopa County voters only*)

Questions?



m.e.s.a.az

