



# COUNCIL MINUTES

November 18, 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 November 18, 2024, at 4:30 p.m.

## COUNCIL PRESENT

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

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Christopher Brady  
Holly Moseley  
Jim Smith

Mayor Giles conducted a roll call.

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 November 18, 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: None

### 2-a. Hear a presentation, discuss, and receive an update on Mesa's American Rescue Plan Act (ARPA) funding.

Finance Director Irma Ashworth displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Ashworth explained the eligible uses and the deadlines for obligating and spending the ARPA funds. She gave a summary of the spending of the ARPA funds as of October 31, 2024. (See Pages 2 and 3 of Attachment 2)

Ms. Ashworth reported that ARPA funds were allocated to public safety support, household and small business assistance, cybersecurity and essential City operations, and homelessness

support programs. She provided the amount of funds budgeted, currently obligated, and the expenditure to date for each category and confirmed that all funds are expected to be utilized before the deadline of December 31, 2026. She gave an update reporting that both the Off the Streets program and the Sunaire project have signed contracts and that all the allocated funds have been obligated. (See Pages 4 through 9 of Attachment 2)

Ms. Ashworth recalled the ARPA revenue replacement allocations, explaining that these funds were to be used for general governmental services. She confirmed that \$4.4 million of the \$10 million has been spent and stressed that the full amount will be utilized prior to the spending deadline. (See Page 10 of Attachment 2)

City Manager Christopher Brady reported that a lot of progress has been made to get the funds obligated and confirmed that the remaining amount will be applied prior to the deadline.

In response to a question from Councilmember Somers, Business Services Department Director Ed Quedens explained that the energy commodity cost allocated for household and small business assistance is related to the utility rate increase recommendation. He pointed out the rising commodity costs. He confirmed that for almost two years, ARPA funds were used to keep utility costs low for the residential and commercial City of Mesa (COM) customers.

Energy and Sustainability Director Scott Bouchie referred to the Electric Energy Cost Adjustment Factor (EECAF) and explained that it is a charge on a ratepayer's electric bill which reflects an adjustment for the actual cost of wholesale power during each billing period. He confirmed that the ARPA funds were allocated and used to smooth the utility rates and provide relief to the customers.

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss the Utility Fund recommended rates, forecast, assistance programs, and the City homeowner comparison.

Management & Budget Director Brian Ritschel introduced Management & Budget Deputy Director Chris Olvey and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Brady explained that the Council requested an updated presentation to present to the citizens during the Regular meeting and that since the rates have been reviewed many times, staff will only highlight the areas that have been added or changed since the last presentation.

Mr. Olvey gave an overview of the investments that are being made in the COM wastewater facilities, the Central Mesa Reuse Pipeline, and the advanced metering infrastructure. (See Page 6 of Attachment 1)

Discussion ensued regarding the relevant information to be presented at the Council meeting.

Mr. Ritschel supplied an example of a typical residential and non-residential water customer profile and pointed out that there are fewer non-residential customers with significantly higher water consumption. (See Page 10 of Attachment 1)

Responding to a question from Councilmember Somers, Mr. Olvey highlighted the proposed rate adjustments for commercial and residential customers and explained each customer rate tier and the reason for the increase. (See Pages 28 and 29 of Attachment 1)

Discussion ensued regarding the proposed increase for each usage tier and the manner of calculation for all the COM utilities.

In response to a question from Mayor Giles, Eva Felix, Director of Community Services Mesa Community Action Network (Mesa CAN), reported that the amount of funding assistance that the program needs far exceeds the \$200,000 contribution received from the COM. She provided an overview of the programs that are currently offered by Mesa CAN, the approval criteria, and how the funds are distributed. She confirmed that there is a maximum annual assistance amount of \$1,500 per household and reported that the funds received from the COM should last through January or February 2025.

Additional discussion ensued regarding the programs offered by Mesa CAN and the approval process and eligibility parameters.

Mr. Quedens confirmed that the Utility Assistance program started in 2016 and is funded by utility revenues, adding that the moratorium for utility shut-off for non-payment began in 2020 and utilized ARPA funds.

Mr. Olvey provided information about the water conservation incentive programs offered by the COM and details about where citizens may obtain additional information, resources, and tools about water conservation. (See Page 19 of Attachment 1)

Mr. Ritschel provided details about the projected increase in revenue from the proposed rate adjustments and reviewed the operating expenses, debt service, and other transfers and expenses for the utilities. (See Page 21 of Attachment 1)

Discussion ensued regarding topics to be presented during the Regular meeting.

Mayor Giles thanked staff for the presentation.

2-c. Hear a presentation, discuss, and receive an update on the City's homelessness strategy, including urban camping, and updates to the City Park Code.

Community Services Deputy Director Lindsey Balinkie introduced Parks, Recreation and Community Facilities Director Andrea Moore, Assistant City Prosecutor Kristin Hooker, Community Court Administrator Shawn Haught, and Police Chief Kenneth Cost, and displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Balinkie explained that the presentation is a continuation of the November 7, 2024, Study Session.

Mr. Haught provided a brief history of the COM Community Court program which was established in 2018 to help unhoused individuals resolve pending legal cases and receive social services. He advised that a community of prosecutors, public defenders, peer navigators, and community organizations assist in connecting program participants to housing, education and resources,

aiming to stop the cycle of homelessness and addiction. He reported that the court directive is to have the participants return every 30 days to present their life improvements or something good they have done for the community. He reported statistics on the type and number of services provided since September 2024. (See Pages 10 and 11 of Attachment 3)

Mr. Haught shared a story about a participant who successfully completed the program and the positive impact it had on her life, reporting that she now provides peer support for addiction recovery. He announced that the Mesa Community Court had been awarded the Arizona Association of Drug Court Professionals Innovation Award and the State of Arizona Supreme Court Strategic Agenda Award for promoting access to justice. (See Page 12 of Attachment 3)

Ms. Balinkie reported that the Homeless Solutions team is now fully staffed and highlighted the members, pointing out their backgrounds and how they support the needs of the first responders and citizens that receive the services. She highlighted the partnership with the Phoenix Rescue Mission and the Hope Coach group, which has six people dedicated to Mesa, that assist with active community outreach. (See Pages 14 and 15 of Attachment 3)

In response to a question from Vice Mayor Heredia, Mr. Brady confirmed that since the Community Court program began, there has been a decrease in the amount of money spent on jail facility housing.

Mayor Giles thanked staff for the presentation.

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

3-a. Parks and Recreation Advisory Board meeting held on September 11, 2024

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

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Duff–Freeman–Goforth–Somers–Spilsbury  
NAYS – None

Carried unanimously.

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:

Thursday, November 21, 2024, 7:30 a.m. – Study Session

Thursday, November 21, 2024, 7:30 a.m. – Special Meeting

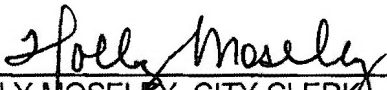
6. Adjournment.

Without objection, the Study Session adjourned at 5:45 p.m.

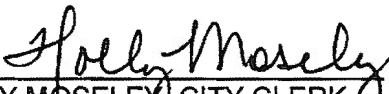
  
\_\_\_\_\_  
JOHN GILES, MAYOR



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 18<sup>th</sup> day of November 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)

# City of Mesa

## FY 2024/25

# Utility Fund Recommended Rates, Assistance Programs, and Homeowner Comparison

City Council Study Session

November 18, 2024

Presented By:

Brian A. Ritschel – Management & Budget Director

Chris Olvey – Management & Budget Deputy Director

# Utility Operations

- Each utility is operated as a separate business center but treated as one fund
- Reserve balance provides a safety net for unforeseen conditions
- Reserve balance can be used to smooth rate adjustments year to year

# Financial Principles



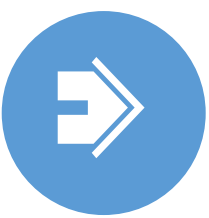
BALANCE NET  
SOURCES AND  
USES



20% OR HIGHER  
RESERVE FUND  
BALANCE



RATE ADJUSTMENTS  
THAT ARE  
PREDICTABLE AND  
SMOOTHED  
THROUGHOUT THE  
FORECAST



EQUITY BETWEEN  
RESIDENTIAL AND  
NON-RESIDENTIAL  
RATES



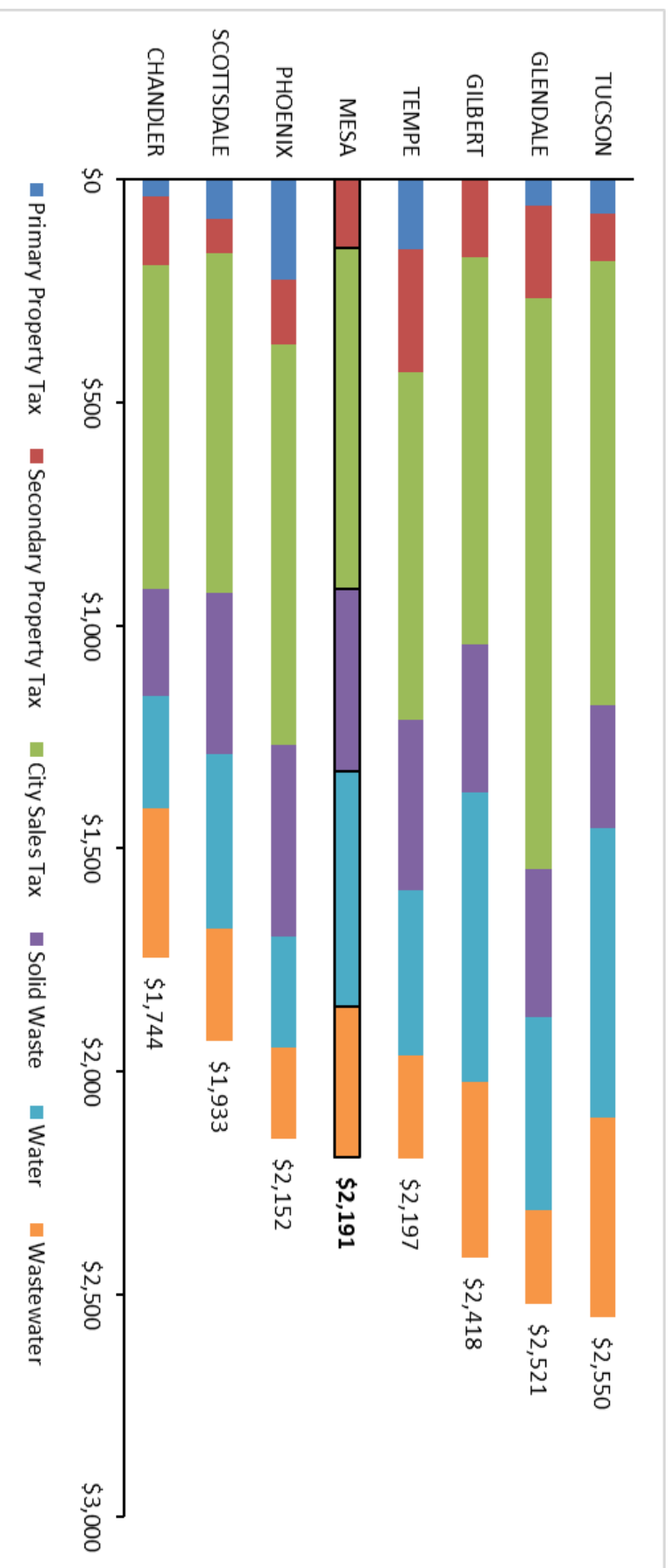
AFFORDABLE  
UTILITY SERVICES



# Homeowner Comparison Overview

- Tool used to compare typical costs as a whole for homeowners between comparable cities
- The comparison includes the following categories
  - **Primary & Secondary Property Tax:** based on Mesa's FY 24/25 Limited Property Value (LPV) and each city's FY 24/25 property tax rates
  - **City Sales Tax:** calculated by applying each city's sales tax rates to the Bureau of Labor Statistics' annual Consumer Expenditure Survey
  - **Solid Waste:** uses 90-gallon barrel rate for each city
  - **Water:** uses median monthly residential consumption with ¾" meter
  - **Wastewater:** rate structure varies by city—using a flat monthly amount and/or based on winter water average

# Homeowner Comparison



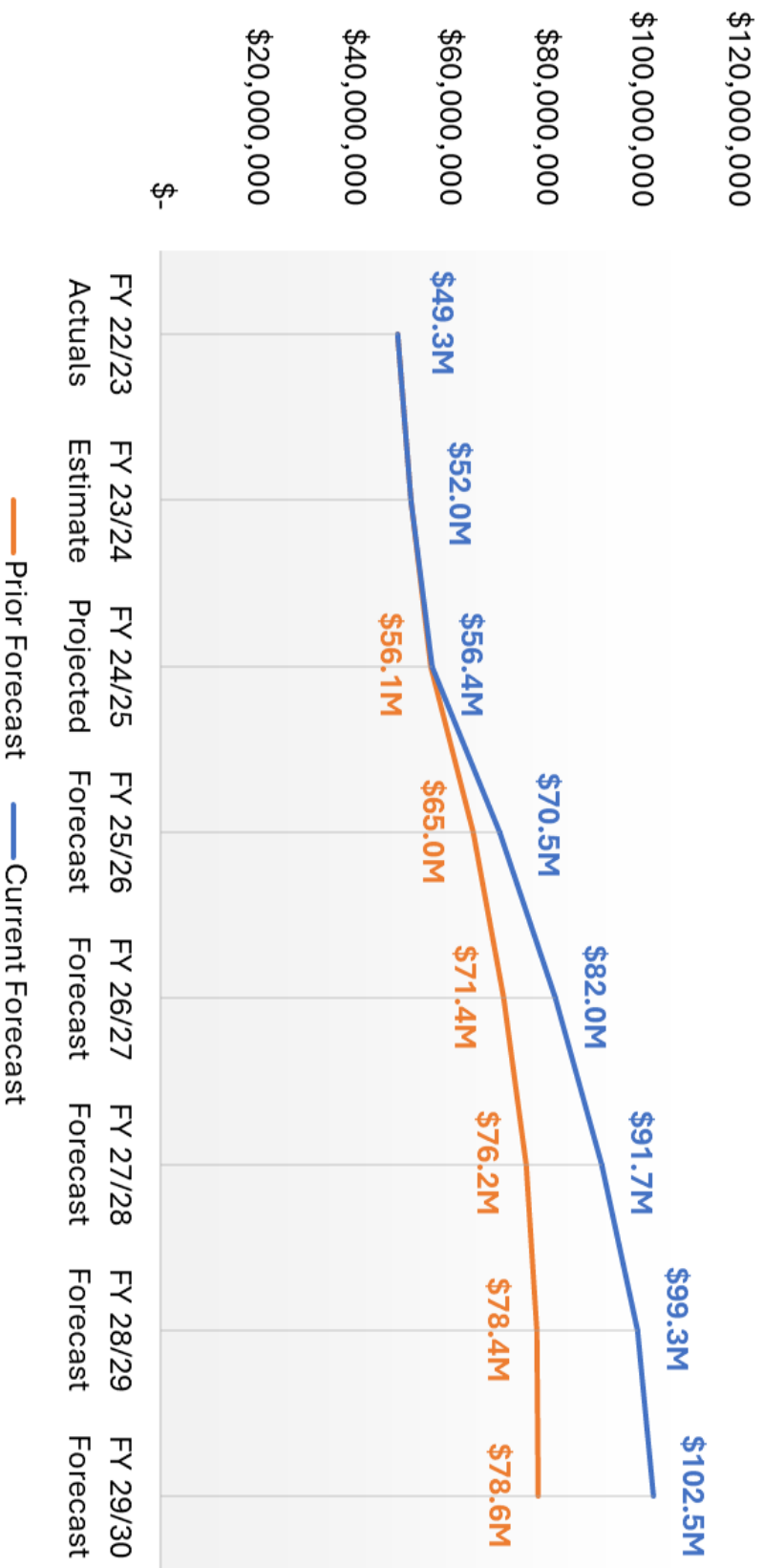
estimated as of April 2025

# Project Costs in the Water Utility – Big 3 Projects

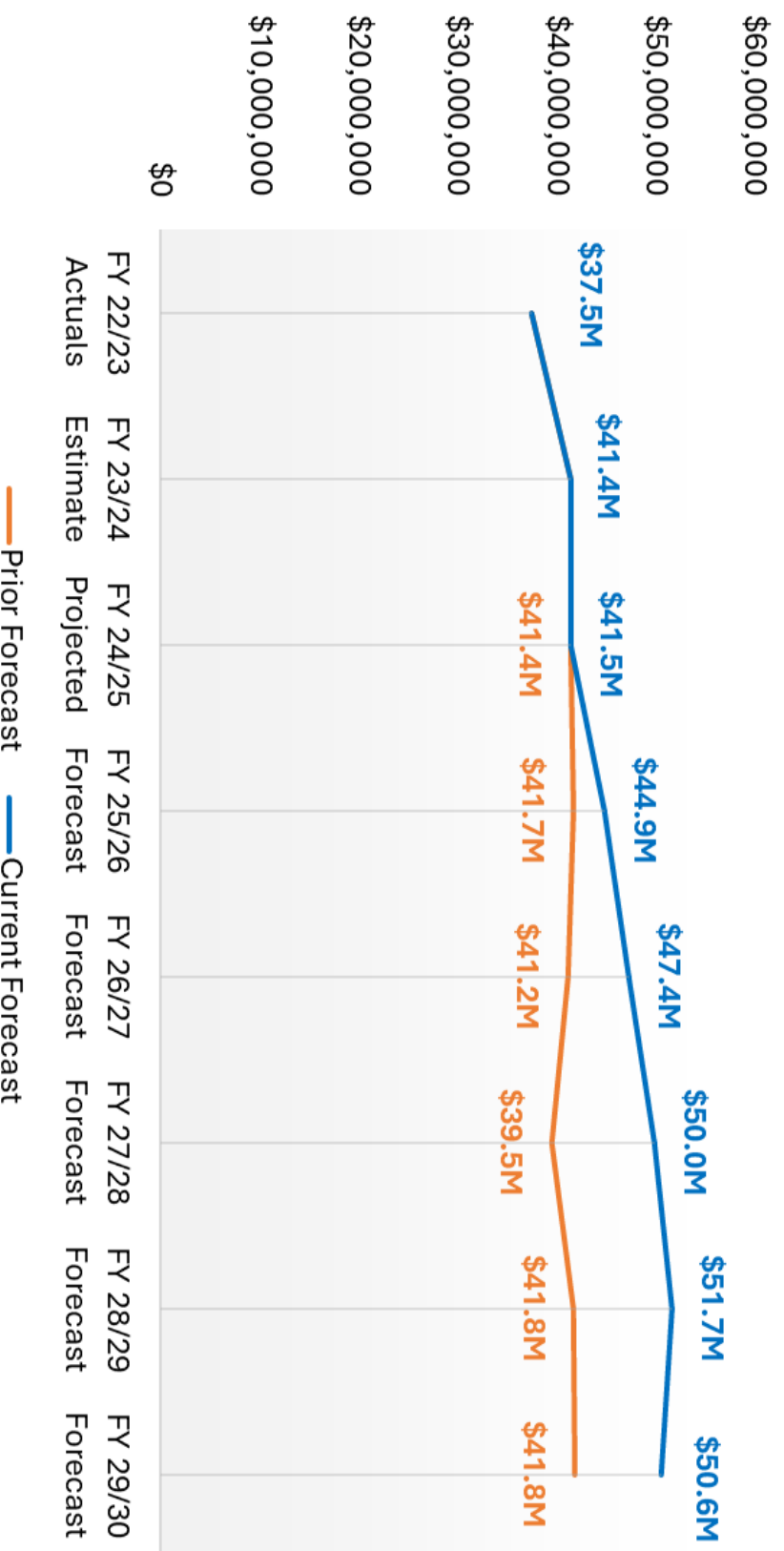
Current forecast includes Big 3 Projects based on latest estimates and contract costs:

- Central Mesa Reuse Pipeline: \$210M
  - Water received through GRIC exchange is \$200/AF cheaper than City rate (based on 2025 rates)
  - Water received from GRIC is higher priority water than City allocation
- Signal Butte WTP Expansion: \$200M
  - Increased MGD to serve the city through build-out
  - Decreased reliance on groundwater pumping during high-demand periods
- AMI: \$101M
  - Customers can monitor usage to identify leaks earlier
  - Reduction in the number of staff needed to manually read meters

# Expense Pressures – Water Utility Debt Service



# Expense Pressures – Wastewater Utility Debt Service



# Expense Pressures – Operating Costs

## **Operating Cost Increases above Last Year's Forecast**

- **Water Utility**
  - +\$1.2M ongoing: Val Vista WTP operating costs
  - +\$1.1M ongoing: Water commodity cost
- **Solid Waste**
  - +\$3.0M ongoing: Landfill charges
  - +\$3.0M ongoing: Fleet maintenance

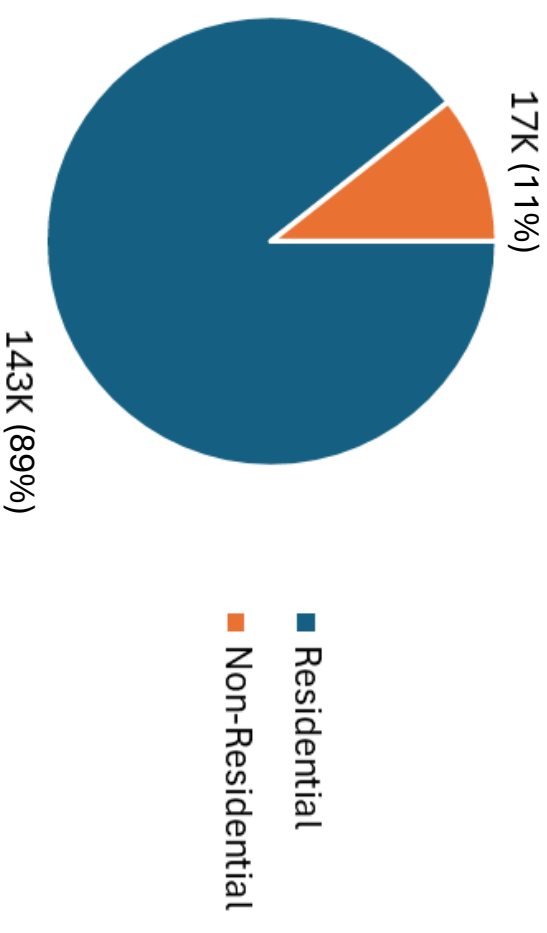
# Water Customer Profile

June 2023 – May 2024

Water Consumption  
*(in kgals)*



Water Accounts  
*(average per month)*



# Water Customers by Tier

Usage by Residential Tier	January 2024 (Winter)	July 2024 (Summer)
<b>Tier 0</b> (0-3 kgal)	33.4%	26.7%
<b>Tier 1</b> (4-6 kgal)	31.3%	21.4%
<b>Tier 2</b> (7-14 kgal)	28.1%	29.8%
<b>Tier 3</b> (15-24 kgal)	5.3%	13.8%
<b>Tier 4</b> (25+ kgal)	1.9%	8.4%

- Nearly 2/3 of customers are in Tier 0 & Tier 1 during Winter
- Outdoor water use in Summer pushes customers into higher tiers



# Revised – Typical Customer – Residential

	2024	2025 – Recommendation (9/12)	2025 - Revised
<b>Residential - Small (3kgal/mo)</b>	\$30.93/mo	Service Charge Usage Charge Effective Increase \$32.63/mo (\$1.70/mo)	Service Charge Usage Charge <b>Effective Increase</b> \$32.17/mo (\$1.24/mo)
		5.50% 5.50% 5.50%	4.00% 6.00% <b>4.00%</b>
<b>Residential - Typical (6kgal/mo)</b>	\$41.70/mo	Service Charge Usage Charge Effective Increase \$43.98/mo (\$2.28/mo)	Service Charge Usage Charge <b>Effective Increase</b> \$43.57/mo (\$1.87/mo)
		5.50% 5.50% 5.50%	4.00% 6.00% <b>4.48%</b>

# Residential Rate Adjustments – Water, Wastewater, Solid Waste (Citywide Service Area)

<b>Residential Monthly Bill – Small</b>			
	<b>Current</b>	<b>Recommended</b>	<b>Change</b>
Water (3 kgal, included in service charge)	\$30.93	\$32.17	+\$1.24
Wastewater	\$22.43	\$24.11	+\$1.68
Solid Waste (90-gal + Green & Clean Fee)	\$32.40	\$34.17	+\$1.77
<b>Total</b>	<b>\$85.76</b>	<b>\$90.45</b>	<b>+\$4.69</b>
<b>Residential Monthly Bill – Typical</b>			
	<b>Current</b>	<b>Recommended</b>	<b>Change</b>
Water (6 kgal)	\$41.70	\$43.57	+\$1.87
Wastewater	\$26.11	\$28.07	+\$1.96
Solid Waste (90-gal + Green & Clean Fee)	\$32.40	\$34.17	+\$1.77
<b>Total</b>	<b>\$100.21</b>	<b>\$105.81</b>	<b>+\$5.60</b>

# Utility Fund Contribution – Overview

- 30% of the Utility Fund operating revenues are transferred to the General Fund based on the following:
  - 25% is designated for Public Safety
    - Police, Fire & Medical, and Municipal Court
  - 5% is designated for all General Fund supported services
    - Police, Fire & Medical, Municipal Court, Parks, Library, etc.

# Utility Fund Contribution – Detail

	<b>FY 24/25 Projected</b>
<b>25% Contribution for Public Safety</b>	
Police	\$76,995,710
Fire & Medical	\$33,240,449
Municipal Court	\$3,427,572
<b>Total of 25% Contribution for Public Safety</b>	<b>\$113,663,731</b>
<b>5% Contribution for General Fund Services</b>	<b>FY 24/25 Projected</b>
Police	\$8,195,499
Fire & Medical	\$3,538,146
Other Services (Court, Parks, Library, etc.)	\$10,999,146
<b>Total 5% Contribution for General Fund Services</b>	<b>\$22,732,746</b>

# Utility Fund Contribution – Police Impact

<b>FY 24/25 Projected</b>		<b>Police</b>
25% Contribution for Public Safety		\$76,995,710
5% Contribution for General Fund Services		\$8,195,499
<b>Total Contribution Support</b>		<b>\$85,191,209</b>
<hr/>		
<b>Utility Contribution Impact*</b>		<b>FY 24/25 Budget</b>
Police Dispatch & 911 Call Center		\$11,448,755
Fleet Maintenance & Fuel		\$9,731,537
Position Costs (Avg. Total Compensation) for 336 Police Officers		\$64,029,840
<b>Total</b>		<b>\$85,210,132</b>

\*for illustration purposes only

# Utility Fund Contribution – Fire & Medical Impact

<b>FY 24/25 Projected</b>	<b>Fire &amp; Medical</b>
25% Contribution for Public Safety	\$33,240,449
5% Contribution for General Fund Services	\$3,538,146
<b>Total Contribution Support</b>	<b>\$36,778,595</b>
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<b>Utility Contribution Impact*</b>	<b>FY 24/25 Budget</b>
Fire Dispatch	\$4,142,657
Fleet Maintenance & Fuel	\$3,933,325
In-House Medic School	\$2,185,364
Position Costs (Avg. Total Compensation) for 12 Fire Stations	\$27,334,332
<b>Total</b>	<b>\$37,595,678</b>

\*for illustration purposes only

# Utility Assistance Programs

- Limited Income Senior Rate Program – just over 900 customers
  - 30% discount on the Water Service Charge
- Summer Electric Assistance Program – approx. 260 customers in 2024
  - Income-qualified program for City Electric customers that eliminates the Electric Service Charge during Summer
- Mesa Community Action Network – \$200,000 in annual City support
  - Includes assistance program for utility payments
- Completed \$20M in Electric utility assistance from ARPA funding
  - Provided to residential and commercial Electric customers
  - Began in November 2021 and funds were fully spent in October 2023

Limited Income Assistance Programs: <https://www.mesaaz.gov/residents/limited-income-assistance-programs>

# Water Conservation

- Residential Grass-to-Xeriscape Landscape Incentive Program
  - Program aims to help single-family residential customers reduce their landscape water use by replacing lawns with plants appropriate to the Sonoran Desert Climate
  - Homes that meet qualifications can receive up to \$1,100
- Incentive programs are for future conversion projects.
- Applications and more information, resources and tools are available on the Water Conservation website
  - <https://www.mesaaz.gov/residents/water/water-conservation>



# Utility Fund Forecast

As of 9/16/2024

	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
<b>Sources of Funding</b>							
Revenues	\$424,835,698	\$457,155,546	\$490,221,264	\$527,504,674	\$569,319,198	\$612,374,625	\$659,172,957
EECAF/PNGCAF Revenues	\$42,383,458	\$49,028,654	\$49,394,806	\$48,523,460	\$48,019,951	\$48,592,019	\$48,304,421
<b>Total Sources</b>	<b>\$467,219,156</b>	<b>\$506,184,200</b>	<b>\$539,616,069</b>	<b>\$576,028,133</b>	<b>\$617,339,149</b>	<b>\$660,966,644</b>	<b>\$707,477,378</b>

## Uses of Funding

Operating Expenditures	\$188,057,503	\$212,742,710	\$217,534,467	\$222,745,229	\$230,196,352	\$236,438,004	\$243,859,549
EECAF/PNGCAF Expenditures	\$42,540,631	\$49,028,654	\$49,394,806	\$48,523,460	\$48,019,951	\$48,592,019	\$48,304,421
Debt Service Transfer	\$113,582,553	\$116,742,722	\$137,211,912	\$153,013,299	\$167,109,229	\$175,965,022	\$181,464,085
Other Transfers & Expenditures	\$145,082,099	\$149,636,924	\$158,421,164	\$171,011,479	\$186,632,287	\$199,444,583	\$214,364,162
<b>Total Uses</b>	<b>\$489,262,787</b>	<b>\$528,151,010</b>	<b>\$562,562,349</b>	<b>\$595,293,466</b>	<b>\$631,957,819</b>	<b>\$660,439,628</b>	<b>\$687,992,217</b>

## Net Sources and Uses

	(\$22,043,631)	(\$21,966,810)	(\$22,946,279)	(\$19,265,333)	(\$14,618,671)	\$527,016	\$19,485,161
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,403,202	\$77,456,923	\$58,191,590	\$43,572,919	\$44,099,936

<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$100,403,202</b>	<b>\$77,456,923</b>	<b>\$58,191,590</b>	<b>\$43,572,919</b>	<b>\$44,099,936</b>	<b>\$63,585,097</b>
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Ending Reserve Balance Percent*	<b>23.2%</b>	<b>17.8%</b>	<b>12.3%</b>	<b>9.2%</b>	<b>6.6%</b>	<b>6.4%</b>	<b>8.9%</b>
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\*As a % of Next Fiscal Year's Expenditures

# Rate Adjustments & Expense Increases

- Annualized revenue increase from recommended rate adjustments: \$29.6M

	<b>FY 24/25 Projected</b>	<b>FY 25/26 Forecast</b>	<b>Increase</b>
Operating Expenses	\$212.7M	\$217.5M	+\$4.8M
Debt Service Transfer	\$116.7M	\$137.2M	+\$20.5M
Other Transfers & Expenses	\$149.6M	\$158.4M	+\$8.8M
<b>Total</b>	<b>\$479.0M</b>	<b>\$513.1M</b>	<b>+\$34.1M</b>

# Schedule for FY 2024/25 Utility Rate Adjustment Recommendation

**Nov 18** – Introduce Utility Rate Ordinances

**Dec 2** – City Council Action on Utility Rates

**Feb 1** – Effective date for Utility Rate changes

# Utility Fund Forecast: Notice of Intent

As of 9/16/2024	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
<b>TOTAL NET SOURCES AND USES</b>	(\$22,043,631)	(\$21,966,810)	(\$22,946,279)	(\$19,265,333)	(\$14,618,671)	\$527,016	\$19,485,161
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$100,403,202	\$77,456,923	\$58,191,590	\$43,572,919	\$44,099,936
<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$100,403,202</b>	<b>\$77,456,923</b>	<b>\$58,191,590</b>	<b>\$43,572,919</b>	<b>\$44,099,936</b>	<b>\$63,585,097</b>

Ending Reserve Balance Percent\* **23.2%**    **17.8%**    **12.3%**    **9.2%**    **6.6%**    **6.4%**    **8.9%**  
 \*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	3.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
WATER Commercial (usage)	5.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
WASTEWATER Residential	4.75%	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	5.00%	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%
SOLID WASTE Residential	3.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	7.50%	10.00%	7.50%	7.50%	7.50%	7.50%	7.50%
SOLID WASTE Rolloff	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
ELECTRIC Residential - svc charge	\$2.25	\$2.75	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.75	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$2.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

# Utility Fund Scenario: No Res Adjustments in FY 24/25 Res Adjustments in FY 25/26

As of 9/16/2024	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
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TOTAL NET SOURCES AND USES	(\$22,043,631)	(\$25,788,395)	(\$30,303,493)	(\$15,084,254)	(\$10,160,650)	\$5,208,658	\$24,404,425
Beginning Reserve Balance	\$144,413,643	\$122,370,012	\$96,581,617	\$66,278,124	\$51,193,871	\$41,033,221	\$46,241,878

<b>Ending Reserve Balance</b>	<b>\$122,370,012</b>	<b>\$96,581,617</b>	<b>\$66,278,124</b>	<b>\$51,193,871</b>	<b>\$41,033,221</b>	<b>\$46,241,878</b>	<b>\$70,646,303</b>
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Ending Reserve Balance Percent*	<b>23.3%</b>	<b>17.3%</b>	<b>10.4%</b>	<b>8.1%</b>	<b>6.2%</b>	<b>6.7%</b>	<b>9.8%</b>
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\*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	3.00%	0.00%	15.00%	6.00%	6.00%	6.00%	6.00%
WATER Commercial (usage)	5.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
WASTEWATER Residential	4.75%	0.00%	15.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	5.00%	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%
SOLID WASTE Residential	3.00%	0.00%	15.00%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	7.50%	10.00%	7.50%	7.50%	7.50%	7.50%	7.50%
SOLID WASTE Rolloff	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
ELECTRIC Residential - svc charge	\$2.25	\$0.00	\$5.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.75	\$0.00	\$3.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$2.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

# Inflation & Rate Adjustments

## Annual year-over-year growth

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
<b>Significant Utility Expenses</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>
Fleet Maintenance & Repair	-4.7%	+10.7%	+24.5%	+16.9%	-8.0%
Personnel	+1.8%	+7.1%	+5.2%	+6.1%	+5.6%
Solid Waste Disposal	-2.0%	+6.9%	+5.8%	-2.3%	+50.5%
Water Commodity	-7.3%	+20.5%	+7.2%	+27.5%	+15.1%
WTR/WW Plant Chemicals	+11.1%	+14.9%	+22.2%	+8.3%	+22.1%
Val Vista Water Treatment Plant	+43.2%	-35.5%	+50.2%	+23.3%	+12.2%
91 <sup>st</sup> Ave Water Reclamation Plant	-30.1%	+33.7%	-5.9%	+84.2%	+14.5%

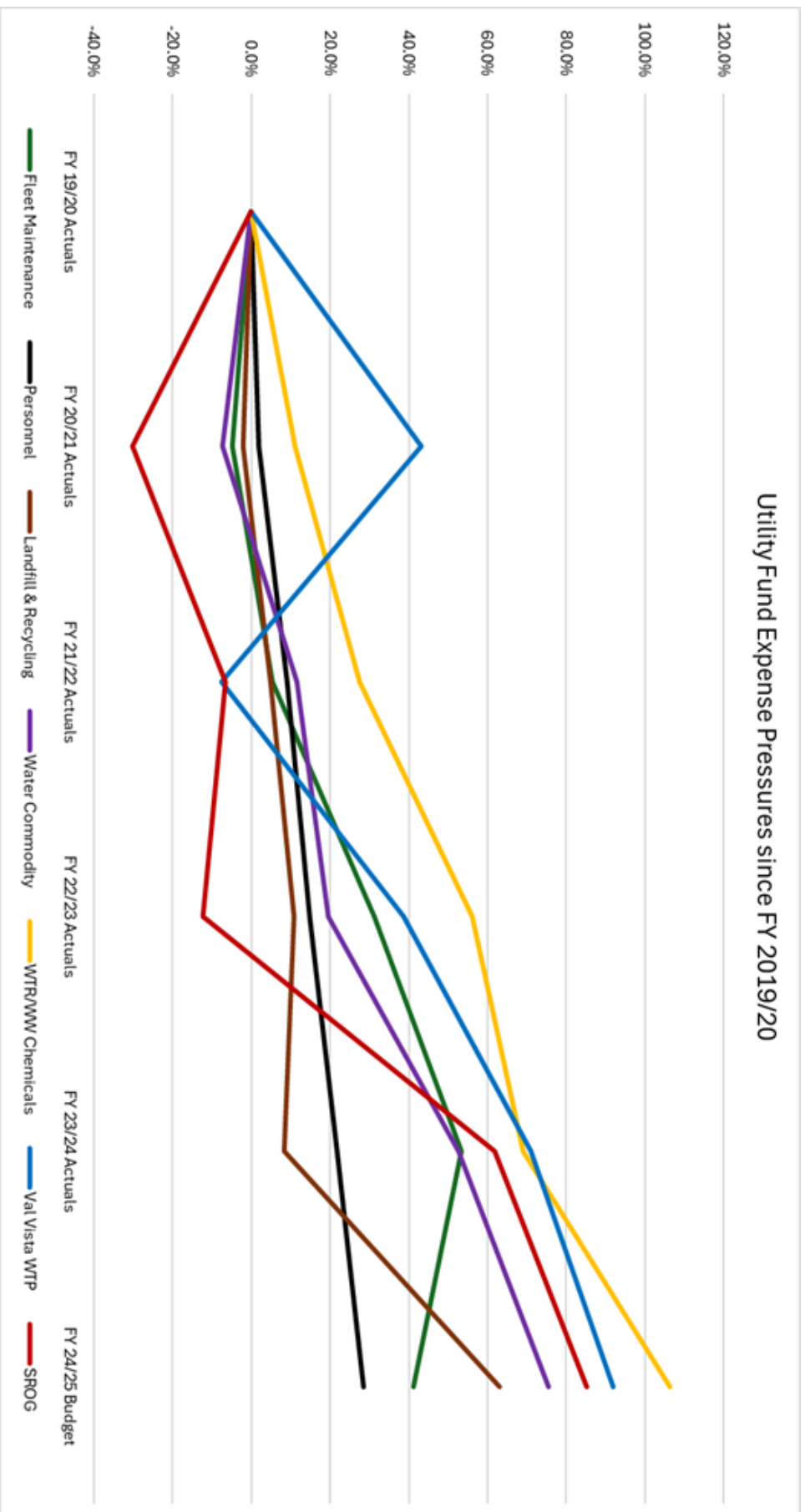
# Inflation & Rate Adjustments

Growth since FY 19/20

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
<b>Significant Utility Expenses</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Budget</b>
Fleet Maintenance & Repair	-4.7%	+5.5%	+31.3%	53.5%	+41.2%
Personnel	+1.8%	+9.0%	+14.7%	+21.8%	+28.6%
Solid Waste Disposal	-2.0%	+4.8%	+10.9%	+8.4%	+63.2%
Water Commodity	-7.3%	+11.7%	+19.7%	+52.6%	+75.6%
WTR/WW Plant Chemicals	+11.1%	+27.6%	+56.0%	+69.0%	+106.4%
Val Vista Water Treatment Plant	+43.2%	-7.7%	+38.8%	+71.1%	+91.9%
91 <sup>st</sup> Ave Water Reclamation Plant	-30.1%	-6.6%	-12.1%	+61.9%	+85.4%



# Utility Fund Expense Pressures





# Revised – Typical Customer – Commercial

	2024	2025 – Recommendation (9/12)	2025 - Revised
<b>Commercial General</b> (9kgal/mo)	Service Charge	5.50%	5.50%
	Usage Charge	8.00%	8.50%
	<b>Effective Increase</b>	6.31%	<b>6.46%</b>
	\$73.82/mo	\$78.47/mo (\$4.65/mo)	\$78.59/mo (\$4.77/mo)
<b>Commercial Landscape</b> (29kgal/mo)	Service Charge	5.50%	5.50%
	Usage Charge	10.00%	10.50%
	<b>Effective Increase</b>	8.53%	<b>8.84%</b>
	\$162.64/mo	\$176.51/mo (\$13.87/mo)	\$177.01/mo (\$14.37/mo)
<b>Large Commercial</b> (7,500kgal/mo)	Service Charge	5.50%	5.50%
	Usage Charge	18.00%	19.50%
	<b>Effective Increase</b>	17.25%	<b>18.80%</b>
	\$20,849.00/mo	\$24,446.09/mo (\$3,597.09/mo)	\$24,768.46/mo (\$3,919.46/mo)

# Revised – Water Conservation

## Residential

	<u>9/12 Rec.</u>	<u>Revised</u>
• Tier 2 (7-14kgals):	+6.50%	+7.00%
• Tier 3 (14-24kgals):	+7.50%	+8.00%
• Tier 4 (>24kgals):	+8.50%	+9.00%

## Non-residential

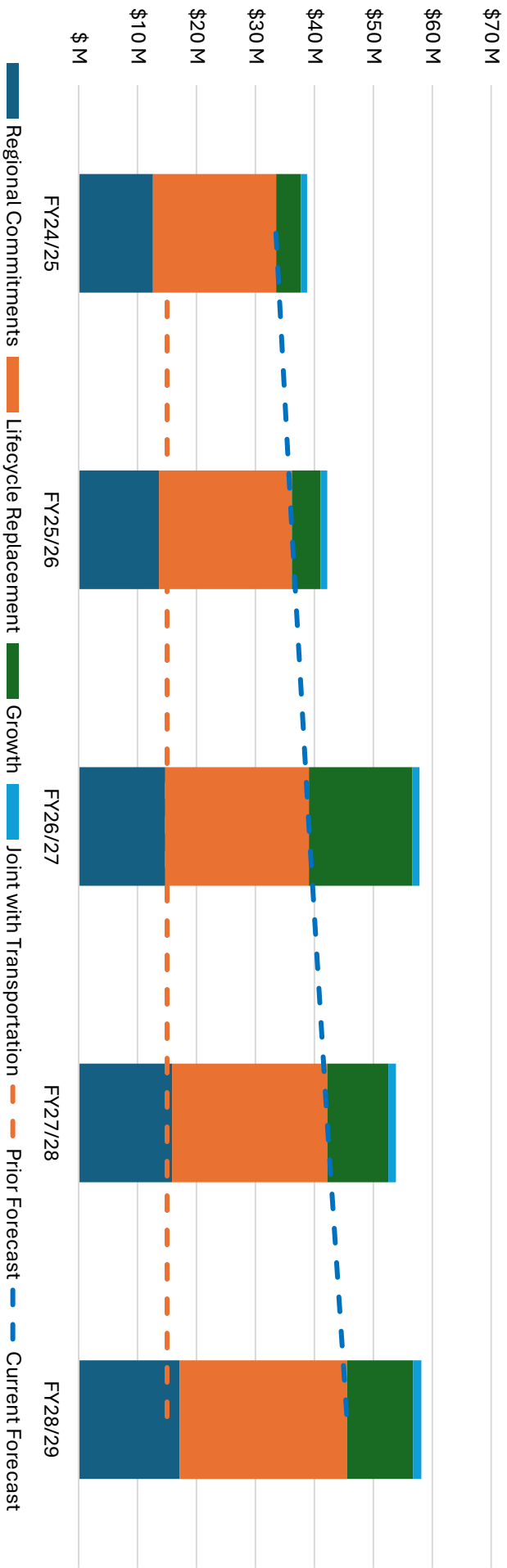
	<u>9/12 Rec.</u>	<u>Revised</u>
• General:	+9.00%	+10.00%

### Surcharge for Use Above Winter Water Average (Non-residential)

	<u>9/12 Rec.</u>	<u>Revised</u>
• General:	+9.50%	+10.00%
• Landscape:	+10.00%	+10.00%

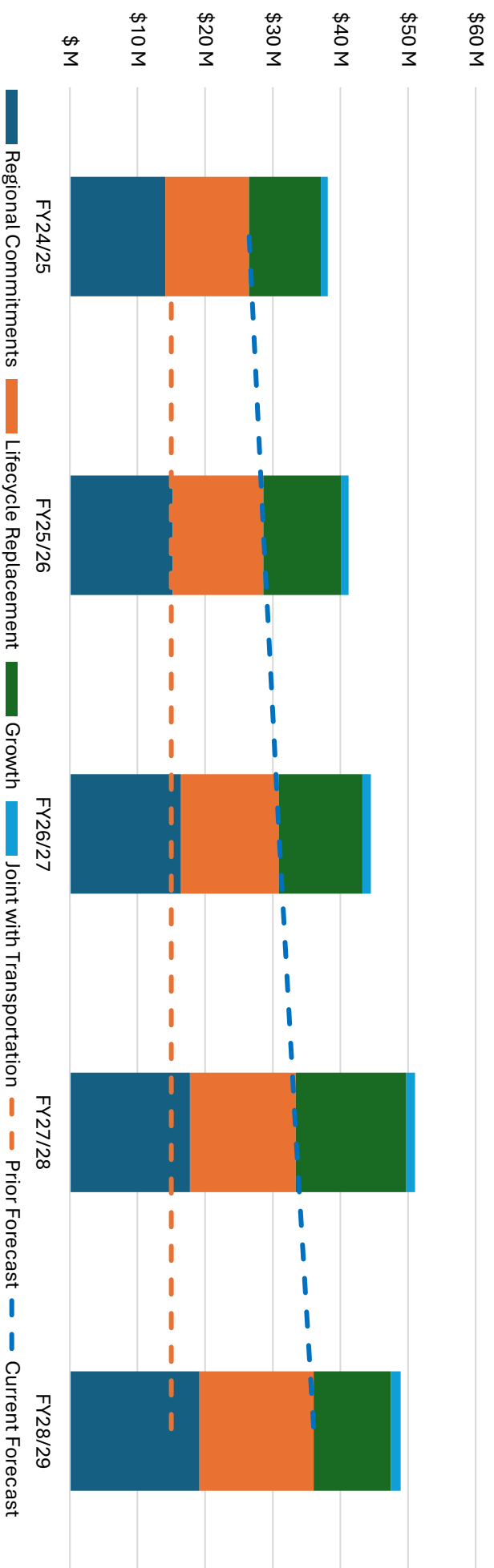
# Increasing Project Costs on the Wastewater Utility

- Prior forecast used a base amount of \$15M per year for the Department, determined pre-inflation
- Current forecast uses a base amount of \$33M for FY 24/25 for the Department and includes inflation



# Increasing Project Costs on the Water Utility

- Prior forecast used a base amount of \$15M per year, determined pre-inflation
- Current forecast uses a base amount of \$27M for FY 24/25 and includes inflation



# Update - American Rescue Plan Act – Local Fiscal Recovery

November 18, 2024

Irma Ashworth, Finance Director



Funds allocated to the following eligible uses:

- ✓ Responding to public health emergency or its negative economic impacts
- ✓ Providing premium pay for essential workers
- ✓ Revenue Replacement

Deadlines:

- ✓ Funds obligated by December 31, 2024
- ✓ Funds spent by December 31, 2026

## Spending Summary (as of October 31<sup>st</sup>)

The City received \$105,515,724

The City has obligated \$93,046,834

Unobligated funds \$12,522,652

The City has spent \$73,585,807

# Public Safety Support

	Budget	Obligated	Expense
PD Real Time Crime Center	\$ 3,300,000	\$ 3,300,000	\$ 2,746,539
911 Mental Health Response	5,340,000	5,340,000	3,778,741
Ambulance Purchases	1,668,252	1,668,252	1,668,252



# Household & Small Business Assistance

	Budget	Obligated	Expense
Energy commodity Cost	\$ 19,979,452	\$ 19,979,452	\$ 19,979,452
UFB Food Distribution	5,000,000	5,000,000	5,000,000
Restaurant & Food Business Incubator	6,681,850	6,260,265	1,840,466
Mesa Business Builder @ The Studios	4,170,000	4,137,639	3,829,832
Wi-Fi and Mobile Broadband	6,000,000	6,000,000	4,782,109

# Household and Small Business Assistance (Continued)

	Budget	Obligated	Expense
Mesa Small Business Technical Asst Program	\$ 315,000	\$ 312,181	\$ 312,181
Convention Center Floor Replacement	144,886	144,886	144,886
Arts & Cultural Education Asst Programs	245,000	179,871	179,871
Parks Youth Recreation Scholarships	314,243	278,545	278,545
Parks – Fun & Fitness	132,757	132,757	132,757
Mesa Workforce – Job Access Center	333,000	309,459	178,009

# Cybersecurity & Essential City Operations

	Budget	Obligated	Expense
SCADA Investments	\$ 1,004,500	\$ 803,854	\$ 797,296
Broadband Cybersecurity	2,700,000	2,231,454	2,288,601
Premium Pay for Essential Workers	12,095,540	12,095,540	12,095,540

# Homeless Support Programs

	Budget	Obligated	Expense
New Leaf-East Valley Men's Center Ops	\$ 250,000	\$ 250,000	\$ 225,776
Helaman House Transitional Housing	2,500,000	2,500,000	1,196,443
New Leaf – East Valley Men's Center Renovation	9,500,000	9,500,000	403,446
Landlord Participation Program	471,000	470,525	470,525
Phoenix Rescue Mission – Heat Relief	530,128	530,128	0
Off the Streets Program	9,100,000	3,200,000	3,008,773
Sunaire	9,408,878	4,022,025	3,907,766

# Projects with contracts pending



## Off the Streets Program

- Unobligated \$5,900,000
- Contract with Windemere Hotel pending
- Contract with CBI pending

## Sunaire

- Unobligated \$5,386,853
- Council approval of construction contract on 11/4/2024

# Revenue Replacement

May elect a standard allowance of up to  
\$10,000,000

Standard Allowance available to all  
recipients

\$4,400,000 Spent on general  
Governmental Services



# Homeless Response Updates

**Council Study Session  
November 7, 2024**

Andrea Moore, Director Parks, Rec, Community Facilities

Lindsey Balinkie, Deputy Director Community Services

Kristin Hooker, Assistant City Prosecutor/Interim Police Legal Advisor

Shawn Haught, Community Court Administrator

# Public Safety and Urban Camping Ordinance Update

Kristin Hooker

Andrea Moore



## SERVICES VS CITATIONS



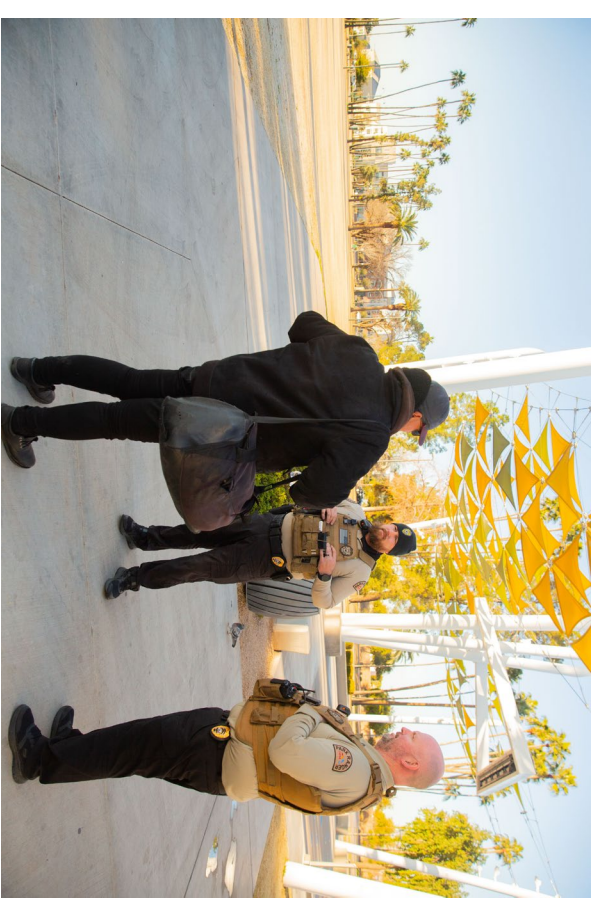
- The City of Mesa has been enforcing urban camping in accordance with *Martin V. Boise*, by first offering shelter beds, and then citing into community court, if a bed is refused.
- With the decision in *Grants Pass v. Johnson*, from June 2024, cities are no longer *required* to offer shelter beds prior to citing someone with urban camping.
- However, the City of Mesa will still seek to provide services first before issuing a citation.

## PROPOSED UPDATES TO THE CITY CODE

- The City of Mesa Code currently offers two ways the City can enforce urban camping or camping related activity:
  - Public Park Regulations – the "urban camping" prohibition is currently only located in the City Public Park Regulations and is limited to parks. Title 6, Chapter 10.
  - Prohibition Against Blocking the Public Right-of-Way – because urban camping is currently limited to parks, this can be used in certain circumstances in rights-of-way. Title 6, Chapter 1-17.

## PROPOSED UPDATES TO THE CITY CODE

- The proposed updates to the Park Regulations, and creation of a new Urban Camping Ordinance, would expand the City's ability to enforce urban camping on other public property outside of the parks, in a manner similar to many other communities.
- This proposed update changes the class of misdemeanor for urban camping in Parks, and throughout the City, from a class 1 to a class 3 misdemeanor. Several neighboring cities, including Scottsdale, Phoenix, and Tucson, have also recently made this change to further align with *Grants Pass*.



## Summary of Changes (two ordinances)

### **1. Urban Camping Ordinance**

- a. Takes the concept of urban camping in the Parks Regulations and makes it applicable to other City property.
- b. Revised definition of camping requires the establishment of temporary or permanent living accommodations similar to other communities.

### **2. Public Park Regulations Ordinance**

Modifies the Park Regulations to change some violations from Class 1 Misdemeanors to Class 3 or 2 Misdemeanors and Civil Violations. For example: abandoning items for distribution, shopping carts, and camping go from Class 1 to Class 3 Misdemeanors, and littering, failure to pick up dog waste, and ice blocking go from Class 1 Misdemeanors to Civil Violations.

## PARK RANGER PROCESSES AND ENFORCEMENT

- Proactively seek and encourage frequent, positive contact with all park patrons
- Utilize available resources to support our homeless population, including referrals to “Off the Streets” program
- Hydration Campaign distributions
- Provide information and education promoting a positive park experience
- Keep parks and green spaces safe for all to use
- Embrace role as approachable leaders in the community throughout our city
- Progressive Enforcement to Maintain Park Safety:
  1. Start with positive explanation of park rules and other City codes
  2. Elevate to written warnings if needed
  3. Repeat and severe violations move to citations
  4. Community Court referrals used as appropriate to circumstance
  5. Mesa Police Department is relied upon for any circumstances that exceed the scope of duties for a Park Ranger

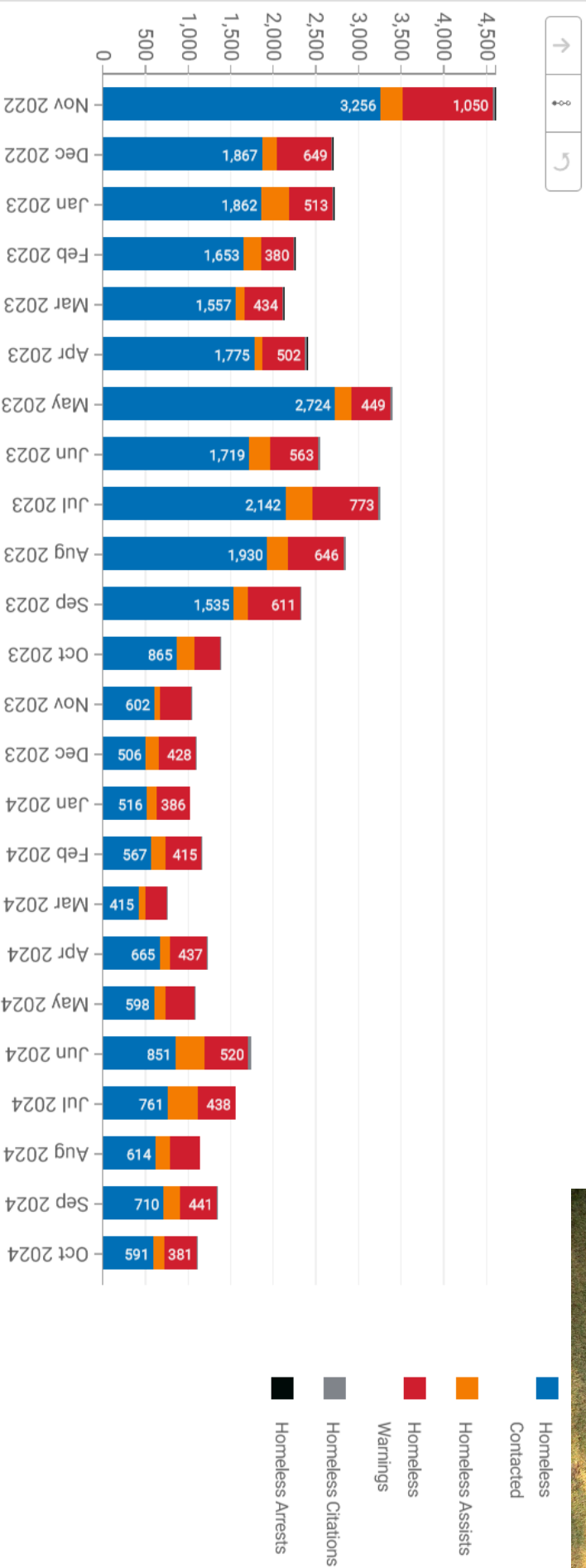






# Homeless Interactions

Code, staffing, and programming changes are leading to positive change in the park system.





# Community Court

Shawn Haught

- **Established in July 2018**
  - Address unhoused with pre-adjudicated offenses
  - Prevent cycle. Couple legal intervention with compassionate services
- **Navigators: Community Bridges (CBI)**
  - Assess, assist, and connect
- **Common Charges:** Trespass, drug paraphernalia, shoplifting, code/park
- **Referrals:** Police, Park Rangers, Prosecutor's Office, Defense Attorney, Judges
- **Court Directive:** goals to meet prior to next court date
  - Do something good for the community
- **4637 Participants:** meet their goals, housed, and employed (or other income)
  - Charges dismissed
  - Fines reduced







# COMMUNITY COURT

## September 2024

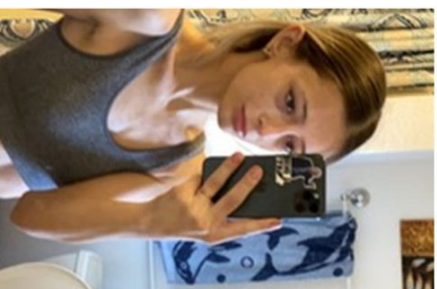
- 46 Housing services
- 77 IDs
- 33 Birth certificates
- 23 Social Security cards
- 11 Outpatient mental health services
- 24 Assistance in hospital/urgent care appointments
- 348 Peer counseling

Scottsdale, Chandler, Tucson & Phoenix

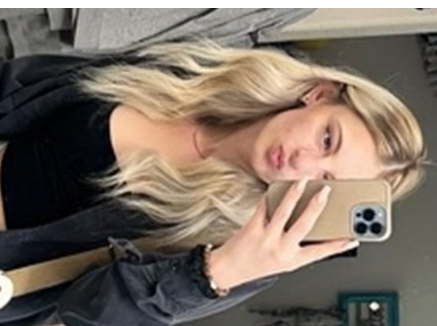
## Court Successes

Natalie: 22, living in car and shed  
18 months clean of meth, fentanyl, LSD  
Works in peer support for addiction recovery

Before



After



## Court Awards





# Office of Homeless Solutions

Lindsey Balinkie



# Homeless Solutions Team





# First Responder Support



- **Street Outreach Navigation**
- **Off the Streets Access**
- **Interdepartmental Collaboration**
- **Community Partner Coordination**



# Questions?



# backup slides



# Addressing Homelessness: Who to Call

## Emergency 911

For a crime in progress.

If you feel unsafe for any reason.

Someone is unstable, yelling/crying hysterically, using substance, or causing a disturbance.

## Mesa PD Non-Emergency 480-644-2211

For non-emergency police questions.

To report an incident that has already happened.

## Mesa Homeless Resource Line 480-644-HOPE (4673)

M-Th business hour response.  
Non-emergency.

To refer anyone requesting services or resources.

For any other homelessness questions about getting/giving help.

## Off the Streets Public Safety Hotline

24/7 Line  
(Contact Deana Lopez for number)

For First Responders Only  
PD/Fire/Parks

To access services/shelter for someone when enforcing urban camping, etc.

## Encampment Reporting

Non-emergency pd  
480-644-2211

Mesa Now App

Citylink