



COUNCIL MINUTES

November 6, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on November 6, 2025, at 7:30 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Julie Spilsbury

COUNCIL ABSENT

None

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

Mayor Freeman conducted a roll call.

Mayor Freeman excused Councilmember Duff from the beginning of the meeting; she arrived at 8:56 a.m.

1-a. Hear a presentation, discuss, and provide direction on the Water and Wastewater Capacity Fees and Utility Fund recommended rate adjustments.

Management and Budget Director Brian Ritschel introduced Water Resources Director Christopher Hassert and displayed a PowerPoint presentation. (**See Attachment 1**)

Mr. Hassert provided an update on the proposed capacity fee, which is intended to generate approximately \$400 million over the next decade to fund water and wastewater infrastructure, is developed through the integrated Master Plan and needed to support future growth. He confirmed that the current systems are sized for the existing customer base and new infrastructure is required only to accommodate additional development. He stated the fee is a one-time charge applied to new developments, reflecting their share of future growth-related infrastructure costs. He shared feedback from recent outreach with the development community, noting that while most stakeholders preferred the statutory process for development impact fees, one prominent single-family home builder supported Mesa's approach and offered constructive feedback, including potential middle-ground solutions. He reported that, based on this input, staff proposed two modifications to the draft ordinance. (See Pages 3 through 5 of Attachment 1)

In response to a request from Mayor Freeman, City Attorney Jim Smith explained that while impact fees and capacity fees are similarly designed to ensure new development pays for the infrastructure needed to support growth, they have statutory differences which he explained.

City Manager Scott Butler added that impact fees cover a broader range of infrastructure needs beyond water and wastewater, and the City of Mesa (COM) may consider conducting a study in the future to evaluate the potential introduction of impact fees. He clarified that capacity and impact fees would not be applied simultaneously and that implementing an impact fee program would take several years. He added, in the meantime, without such fees, new development would not contribute to infrastructure costs, leaving those expenses to be subsidized by existing ratepayers.

Mr. Hassert identified the two proposed modifications to the draft ordinance that included adjusting the trigger for assessing the capacity fee to allow developments already well underway to be exempt. He explained that projects with applications submitted to Development Services before January 1, 2025, would be grandfathered in and exempt from the capacity fee, even if their permits are issued later. He noted that this change acknowledges the financial commitments already made by projects in the development pipeline. He further stated that the second modification would provide temporary relief for small-scale developments by offering a 50% reduction in the capacity fee for three-quarter inch and one inch water meters during the first six months following the ordinance's effective date. He added that this adjustment is intended to assist single-family home builders and small new businesses and clarified that the discount would not apply to larger developments using meters greater than one inch. (See Pages 6 and 7 of Attachment 1)

Responding to a question from Mayor Freeman, Mr. Smith verified that the fees are charged per lot or by meter.

In response to a question from Councilmember Adams, Mr. Hassert explained that the proposed capacity fee is based on the COM's Integrated Master Plan, completed in March, which evaluated system growth needs over the next 10 years. He affirmed that the plan identifies approximately \$400 million in capital projects such as plant expansions, new transmission mains, interceptor sewers, and wells that are required solely to accommodate new development. He noted that the COM is using the incremental method outlined by the Arizona Water Association (AWA) and provided details on how the fee is calculated.

Responding to a question from Councilmember Goforth, Mr. Hassert stated that all remaining vacant lots in the COM are being evaluated to estimate future growth, and while some older impact fee studies extended to 15 years, growth projections beyond 10 years become unreliable. He pointed out that the 5-year Capital Improvement Program (CIP) is recommended to allow for reassessment before entering the less predictable outer years and to avoid missing changes in development trends.

In response to a question from Councilmember Adams regarding the cost recovery for a single-family home versus a multi-unit development, Mr. Smith clarified that the fees are determined by the flow capacity not the number of residents or how the costs are distributed internally.

Responding to a question from Councilmember Heredia, Mr. Hassert added that Mesa remains near the bottom of surrounding municipalities, referring to the comparison slide on page 53. He noted that Phoenix is among the highest at approximately \$30,000 per lot, while Mesa is roughly \$9,500. He stated that updated comparison data will be provided, but Mesa is still below the regional midpoint.

Mr. Butler added that the development community is accustomed to paying impact fees to support system capacity, and while developers express frustration, it is often due to their preference for a

different approach, not the validity of the fee itself. He emphasized the need for equity and the principle of growth paying for growth and pointed out that without capacity fees, new development would otherwise be subsidized by existing ratepayers. He acknowledged the concerns from local developers and agreed that phased implementation can help balance the impact.

Discussion ensued regarding the proposed rates and the impact on both the current ratepayers and the COM.

Mr. Ritschel outlined the impact on water customers if the rate adjustment is adopted. He noted that the typical residential bill, based on a median customer, was reduced to a 4.2% increase after prior discussions, and with capacity fees, the current proposal further lowers the impact to 3.5%, compared to the original estimate of 5.5% earlier in the process. (See Pages 8 through 10 of Attachment 1)

Additional discussion ensued regarding the definition of typical customers and the best way to distribute the cost equally among all users.

Mayor Freeman summarized the discussion which identified the need for further analysis by adding two additional scenarios for the Council to review at a future meeting.

Mr. Ritschel confirmed that staff will analyze service charges and usage levels under two scenarios, no increase for the first two residential tiers and a residential-only adjustment, to identify options that reduce the burden on residents while still meeting the utility's revenue requirements.

Vice Mayor Somers cautioned against policy changes that create problems in later years and noted that other cities are moving toward Mesa's approach.

Mr. Ritschel continued his review of the monthly impact on each customer type should the proposed rate adjustments be adopted. He reiterated that approximately \$180 million in maintenance and lifecycle costs for Water and Wastewater infrastructure had been deferred in recent years. He explained that addressing these needs now is essential to ensure the existing systems can support increased demand from growth and to avoid a significant, one-time rate increase in the future. (See Pages 12 and 13 of Attachment 1)

Mr. Ritschel provided a comparison of Mesa's proposed rates to other cities, noting that Tempe will be implementing an 11% increase, with 9.5% for wastewater and 4.5% for solid waste. He reviewed the next steps with the ordinance scheduled for introduction at the November 17 Council meeting, with possible adoption on December 1, and an effective date of January 1, 2026. (See Pages 14 and 15 of Attachment 1)

Mr. Smith explained the existing challenges of completing the turnaround between next Thursday and the following Monday due to the volume of documents associated with the rate increases. He confirmed that staff will begin preparations and clarified that the item is an ordinance by City Charter, not a resolution. He verified that staff will return next Thursday to continue preparations and aim to have everything ready for the subsequent Monday meeting, per Council's direction.

Mayor Freeman commented on concerns regarding the anticipated Central Arizona Pipeline (CAP) water allocation reductions in 2027 and emphasized the need to prepare now for future cuts.

Mayor Freeman thanked staff for the presentation.

1-b. 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 on the City's use of American Rescue Plan Act (ARPA) funds. (**See Attachment 2**)

Ms. Ashworth reminded the Council that ARPA funds were allocated for eligible uses, including responding to the public health emergency, addressing negative economic impacts from COVID-19, providing premium pay for essential workers, and revenue replacement. She reported that all ARPA funds had to be obligated by December 31, 2024, and that the COM successfully obligated the full \$105 million. She added that all ARPA funds must be spent by December 31, 2026, and as of September 30, 2025, approximately \$ \$13 million remains. (See Pages 2 and 3 of Attachment 2)

Ms. Ashworth highlighted several projects that had been completed to date using ARPA funds and provided an overview of projects currently underway. She explained that any interest earned on ARPA funds is being used to support ongoing projects, including payroll for construction contracts, such as the Restaurant Incubator, Sunaire, and Wi-Fi broadband, and unanticipated infrastructure costs. She verified that when all ARPA funds and interest are expended, remaining interest will be transferred to the General Fund. She emphasized that ARPA-funded projects remain within the ARPA account to avoid impacting the General Fund. (See Pages 4 through 7 of Attachment 2)

Responding to a request from Councilmember Spilsbury, Ms. Ashworth displayed the status of the funds used for current projects as of September 30 and verified that the projects are on track to spend all funds received by the December 31, 2026, deadline. She reported that to date \$4 million of interest has been earned on the ARPA funds since May 2021. (See Pages 9 and 10 of Attachment 2)

In response to a question from Councilmember Goforth, Deputy City Manager Candace Cannistraro recalled that during the first half of 2024, all Council-approved ARPA projects were reviewed, and funds were directed to ensure obligations were met by the deadline of December 31, 2024, while recognizing there were still two years to expend the funds. She used the Sunaire project as one example where the funds could not be obligated by the December 31 deadline, so the expenditure was shifted to ARPA interest funds which do not have the same obligation deadline, allowing the City to spend the funds within the remaining two-year window.

Responding to a question from Mayor Freeman, Mr. Butler clarified that the intent of ARPA funding for the Real-Time Crime Center was to cover capital costs for construction and outfitting, while ongoing operational expenses, such as personnel and maintenance, would be paid out of the Police Department's regular budget. He noted that once all ARPA projects are completed, any remaining funds could be transferred to the General Fund and used for any purpose at Council's direction, and he emphasized the importance of ensuring all projects are fully closed out and that any unforeseen construction or related costs are accounted for before transferring balances.

Ms. Ashworth added that, regarding the Real-Time Crime Center specifically, leftover ARPA interest funds could be applied to offset budget costs if Council chooses and would be considered one-time funds. She stated that the overall goal of the ARPA program is to build city resiliency by funding capital projects, not to create ongoing operational commitments.

Mayor Freeman thanked staff for the presentation.

1-c. Hear a presentation and discuss the city's response to homelessness and an overview of the associated programs.

Community Services Deputy Director Lindsey Balinkie introduced Court Administrator Shawn Haught, Deputy Court Administrator Danica Sanchez, and Homeless Solutions Public Safety Liaison Jason Flam and displayed a PowerPoint presentation. (**See Attachment 3**)

Ms. Balinkie provided a history of the City's evolving response to homelessness and confirmed that in 2018, the COM launched the Community Court program, coinciding with rulings that required cities to offer viable shelter to enforce homeless-related ordinances, which resulted in an increase in homelessness. She continued saying that the 2020 pandemic intensified these challenges, prompting the use of federal relief funds to expand shelter capacity, including the COM's Off the Streets program. She stated that in 2021, the end of the eviction moratorium contributed to increased evictions, and rental assistance and ARPA funding were deployed in response. She pointed out that the COM created the Office of Homeless Solutions (OHS) to improve coordination and reduce siloed efforts in 2022 and the *Grants Pass* Supreme Court ruling was lifted in 2024, removing the requirement to provide shelter before enforcing certain ordinances. She reported that the community continues to face rising evictions and high living costs. She reported that a separate program was created to work with individuals that have serious mental illness (SMI). (See Page 2 of Attachment 3)

Ms. Balinkie reviewed current trends in homelessness and service demand. She explained that the number of Mesa residents seeking services through the Homeless Management Information System has continued to rise. She presented a graph that reflected the number of individuals being served whose last known address was in Mesa and all other individuals seeking services within Mesa, regardless of residency. She shared regional data from Maricopa County, noting a significant imbalance between those entering homelessness and those being housed. She confirmed that Mesa's local trends mirror those seen countywide. (See Pages 3 and 4 of Attachment 3)

Ms. Balinkie reviewed Mesa's eviction trends from Fiscal Year (FY) 2019 through 2024, noting a sharp decline during the COVID-related eviction moratorium followed by a steady increase in subsequent years. She explained that FY 2024 data is still incomplete, with May and June missing, but final totals are expected to approach 10,000 evictions. She added that countywide filings remain extremely high and early Maricopa County data suggests FY 2025 is likely to reach a record level, although Mesa-specific figures for FY 2025 are not yet available. She noted several compounding factors contributing to housing instability. She pointed out that shelter capacity remains insufficient and stated that within the Off the Streets program at the Windemere site, 30 families are currently being served, and 14 families remain on the waitlist. (See Pages 5 and 6 of Attachment 3)

Ms. Balinkie explained how the COM is using this information to guide its response to homelessness through the Mesa Housing Path, which serves as a continuum of care to inform service delivery and strategic decision-making. She highlighted that the plan emphasizes coordination across City departments with the goal to ensure all services are interconnected, working collaboratively to address homelessness effectively. (See Pages 7 and 8 of Attachment 3)

Discussion ensued regarding the importance of partnerships and collaboration citywide.

Ms. Sanchez explained that Community Court was created as an alternative to traditional responses to homelessness, which relied on arrest and citation cycles that failed to address root causes and strained police resources. She confirmed that Community Court is a voluntary, pre-adjudication program that helps participants address the root causes of homelessness by connecting them to housing, income, and support services. She reported that success is measured by stability in these areas, and participants who do not make progress return to the traditional court system. (See Pages 10 and 11 of Attachment 3)

In response to a question from Councilmember Adams, Ms. Sanchez reiterated that success is measured in multiple ways, including program graduation, reduced recidivism, and smaller milestones such as obtaining documentation or employment. She advised that tracking outcomes is challenging, as data collection is managed in collaboration with Community Development Investments (CDI), which holds the program contract. She clarified that efforts to connect participants with housing and resources may involve multiple steps, making it difficult to attribute specific outcomes. She confirmed that prosecutors act as gatekeepers, requiring documentation and evidence that participants have made efforts toward change.

Mr. Haught recalled that shortly after Community Court was established, a special docket for defendants with SMI was created. He explained that the participants of this program work closely with behavioral health case managers to address housing, treatment, and related needs, and the program also offers incentives like fee mitigation and potential dismissal of charges. He verified that the graduation requirements include stability in housing, finances, and behavior; however, he noted that smaller successes, such as obtaining documentation or employment, also reflect program impact. (See Page 12 of Attachment 3)

Additional discussion ensued regarding the parameters and success of the Community Court programs provided.

Mr. Flam emphasized the importance of ensuring that officers utilize homelessness programs effectively and efficiently, providing street outreach resources so first responders can focus on emergencies. He highlighted the key goals and core program components. He reported that since 2022, the COM has expanded heat safety initiatives to help reduce heat-related deaths, including air conditioner loans, transportation, cooling centers, and a primary relief center. He noted that heat relief programs are supported through citywide outreach and collaboration with Mesa Fire & Medical, Mesa PD, and partner organizations. (See Pages 16 through 18 of Attachment 3)

Mr. Flam confirmed that the preliminary county data shows 34 heat-related deaths in the COM to date, compared to 55 in 2024 and 47 in 2023. He added that some deaths may have occurred in unincorporated areas, and many cases are still under investigation, but substance use and lack of air conditioning continue to be significant contributing factors, with final 2025 data expected in early 2026. He presented a map showing 2024 heat-related deaths and 2025 heat-relief locations, noting that prior-year data guides annual resource placement. He pointed out that the zip code 85205, which had 13 heat-related deaths in 2024, was prioritized with six heat-relief sites and a new heat-relief transportation pilot in 2025 and that deaths in this area have decreased to four. He stated that the map data also included 2025 heat-related deaths reported by the County and Mesa Fire and Medical call volumes, as previously requested by Council. He advised that the final data will be reviewed in early 2026 to determine resource adjustments. (See Pages 19 and 20 of Attachment 3)

Mr. Flam highlighted the Portable Air Conditioner (AC) Loan Program and the heat safety transport service, which are both aimed at reducing heat-related emergencies. He reported that these programs help divert individuals from higher-cost emergency and medical systems. He commented that the primary heat-relief center at Resurrection Street Ministries recorded over 13,000 visits from 3,257 unique individuals. He listed the various resources provided at these centers and noted that many guests also received outreach and service connections through Phoenix Rescue Mission, which staffs a Mesa-dedicated team of 12 navigators. He explained that the navigators meet monthly with first responders and community partners to address problem areas and encampments, and provide coverage in Mesa seven days a week, often for extended hours. (See Pages 21 through 23 of Attachment 3)

Mr. Flam presented data on Phoenix Rescue Mission's street outreach and case-management activities between July and September 2025. He confirmed that during this period, navigators engaged with 719 individuals and 31 individuals entered the Phoenix Rescue Mission residential program. (See Page 24 of Attachment 3)

Ms. Balinkie gave the background of the Off the Streets program, which has been in place since 2020 and was established in response to the Martin v. Boise ruling. She stated that the program currently operates out of 85 rented rooms at the Windemere Hotel and is scheduled to relocate to the Sunaire property in spring 2026. She noted that the program supports Public Safety and Community Court by ensuring officers and firefighters have a safe placement option when engaging individuals in need of shelter. She confirmed that the shelter includes case management, structured rules, and requirements, and is one of the only shelters in Mesa that serves families and single women. She pointed out that for the current calendar year, the program has served 374 individuals and has an 85% positive exit rate, meaning participants are moving to the next appropriate step in their housing plan rather than returning to homelessness. She remarked that an increasing number of women and families are seeking services. (See Pages 25 and 26 of Attachment 3)

Discussion ensued regarding the data and tracking criteria.

Ms. Balinkie discussed the client exits from the Off the Streets program and a breakdown of where clients go when they exit. She explained that a high number of exits to other shelters reflects system capacity constraints when longer-term placements are not immediately available. She confirmed that construction of the Sunaire property began in January and is progressing toward anticipated occupancy in spring 2026. She presented renderings and recent site photos of the site and showed planned upgrades. She added that the site will contain 64 program rooms and will offer significantly more structure and control compared to the current Windemere location. She confirmed that the program will continue operating as a 90-day shelter focused on Mesa's most vulnerable residents, including seniors, families, and individuals experiencing domestic violence, and that procurement is underway for a program and property management provider. She said the City is exploring federal funding opportunities to support program costs. (See Pages 27 through 31 of Attachment 3)

Ms. Balinkie addressed eligibility for the Off the Streets program and the recommendation that single women are classified under the domestic violence-impacted category for program eligibility. She noted that this change would result in approximately 15% of single men who do not meet other eligibility criteria no longer qualifying for the program and explained that these individuals may access the East Valley Men's Shelter or work with a navigator to identify alternative options. (See Page 32 of Attachment 3)

Ms. Balinkie presented an overview of the region and emphasized that the COM collaborates with neighboring cities, many of which operate their own heat-safety programs and facilities during the heat season. She explained that COM programs primarily serve individuals originally based in Mesa and coordinate with other jurisdictions for a warm handoff when outreach teams encounter someone from another city. She noted that several partner cities operate their own shelter programs, contributing to regional capacity, and all offer some form of diversion or community court, many modeled after COM's program. She provided the list of agencies and partners that COM collaborates with and their engagement in various special projects. (See Pages 33 and 34 of Attachment 3)

Ms. Balinkie highlighted upcoming healthy-giving opportunities for the holiday season and ways they are partnering with the Mesa Public Libraries. She also noted new healthy-giving signage, including expanded panhandling alternative signs that direct citizens to different ways to support the homeless. She reviewed available resources, confirming that the Phoenix Rescue Mission Street Outreach Line remains the primary contact for connecting individuals with outreach navigators, and provided information about Mesa's Homeless Resource Line, which assists residents and businesses with system navigation, questions about services, and other concerns. (See Pages 35 and 36 of Attachment 3)

At 10:31 a.m., Mayor Freeman excused Councilmember Adams from the remainder of the meeting.

Additional discussion ensued regarding the resources for homeless people in the COM.

Mayor Freeman thanked staff for the presentation.

2. Current events summary including meetings and conferences attended.

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

3. Scheduling of meetings.

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

Thursday, November 13, 2025, 7:30 a.m. – Study Session

4. Adjournment.

Without objection, the Study Session adjourned at 10:36 a.m.



MARK FREEMAN, MAYOR

ATTEST:



HOLLY MOSELEY, CITY CLEEK



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 6th day of November 2025. I further certify that the meeting was duly called and held and that a quorum was present.


HOLLY MOSELEY, CITY CLERK

sr
(Attachments – 3)

WATER & WASTEWATER CAPACITY FEE AND FY 2025/26 UTILITY RATES RECOMMENDATION UPDATE

City Council Study Session

Presented by: Brian A. Rittschel – Management & Budget Director
Christopher Hassert – Water Resources Director

November 6, 2025



WATER AND WASTEWATER CAPACITY FEE UPDATE

Capacity Fee – Overview

Water Resources projects \$400M in vital infrastructure needed over the next ten years to accommodate future growth in Mesa

Competing funding needs between growth infrastructure and rehabilitation will accelerate rate increases without growth paying for growth

One-time charge for new or upsized meters

Water Resources will re-examine the capacity at the same time Future Master Plans are developed approximately every 5 years

Capacity Fee – Stakeholder Meetings

Two stakeholder meetings held on October 8, 2025 and October 20, 2025 attended by:

- Valley Partnership
- Homebuilders Association
- Blandford Homes
- AZ Multifamily Association
- NAIOP Commercial Real Estate Development Association

Capacity Fee – Stakeholder Meetings

Discussed the evolution of the development of the Capacity Fee:

- Authorized by ARS § 9-511.01
- Existing infrastructure is sized to meet current demand
- Capacity Fee is designed to recover the costs of developing new and expanded water/wastewater infrastructure needed to facilitate new development

Capacity Fee— Implementation

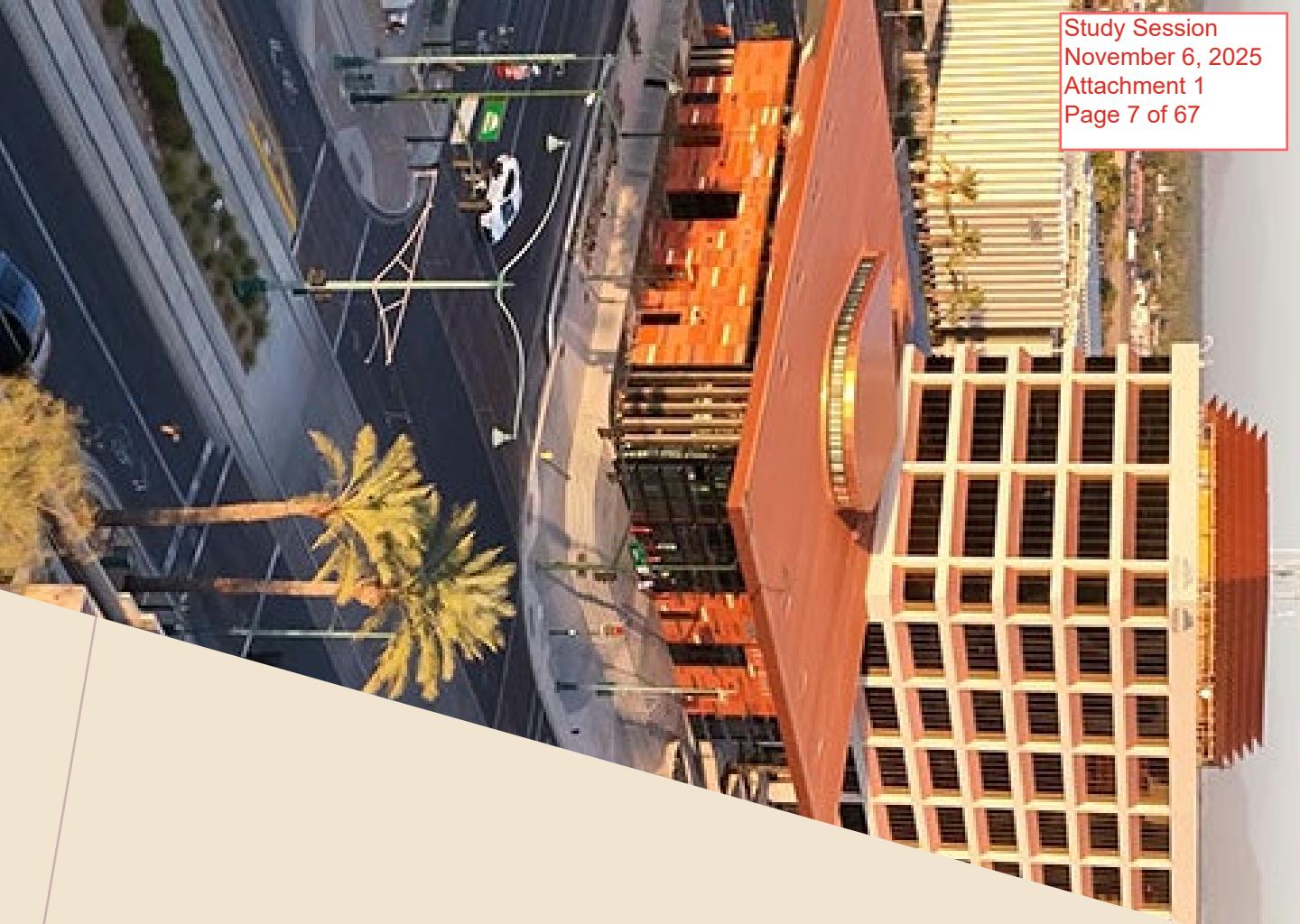
- Effective date of January 1, 2026
- 50% discount of fee for 0.75 inch and 1 inch meter sizes for the first six months (January 1, 2026 through June 30, 2026)
- 0.75 inch and 1 inch meter sizes will pay 100% of fee amount beginning July 1, 2026
- No discount for meter sizes above 1 inch

NEXT STEPS

November 17 - Introduction of Capacity Fee Ordinance

December 1 - City Council Action on Capacity Fee

January 1 - Effective Date for Capacity Fee



FY 2025/26 UTILITY RATES ADJUSTMENTS UPDATE

Utility Rates Adjustments Main Focuses

- Equity between residential and non-residential rates
- Growth pays for growth
- Conservation of discretionary water use
- Smooth rate adjustments throughout the forecast

Customer Impact - Water

Typical Customer	Impact to Current Bill – AF&E Committee		Impact to Current Bill – Notice of Intent		Impact to Current Bill with Capacity Fee	
	Residential (6 kgals/month)	Multi-unit Development (6 kgals/month)	Commercial – General (9 kgals/month)	Commercial – Landscape (29 kgals/month)	Commercial – Landscape (29 kgals/month)	Commercial – Landscape (29 kgals/month)
Residential (6 kgals/month)	+5.5%	\$45.95/mo (+\$2.38/mo)	+4.3%	\$45.46/mo (+\$1.89/mo)	+4.2%	\$45.41/mo (+\$1.84/mo)
Multi-unit Development (6 kgals/month)	+8.6%	\$43.93/mo (+\$3.47/mo)	+10.1%	\$44.56/mo (+\$4.10/mo)	+8.7%	\$43.98/mo (+\$3.52/mo)
Commercial – General (9 kgals/month)	+7.7%	\$84.64/mo (+\$6.05/mo)	+7.7%	\$84.66/mo (+\$6.07/mo)	+7.4%	\$84.39/mo (+\$5.80/mo)
Commercial – Landscape (29 kgals/month)	+12.1%	\$198.39/mo (+\$21.38/mo)	+13.6%	\$204.06/mo (+\$27.05/mo)	+13.6%	\$204.06/mo (+\$27.05/mo)

Customer Impact - Wastewater

Typical Customer	Impact to Current Bill – AF&E Committee		Impact to Current Bill – Notice of Intent		Impact to Current Bill with Capacity Fee	
	Residential (4 kgals/month)	Commercial (9 kgals/month)	Residential (4 kgals/month)	Commercial (9 kgals/month)	Residential (4 kgals/month)	Commercial (9 kgals/month)
	+8.0%	\$30.32/mo (+\$2.25/mo)	+8.0%	\$30.32/mo (+\$2.25/mo)	+7.5%	\$30.18/mo (+\$2.11/mo)
	+9.0%	\$61.98/mo (+\$5.12/mo)	+9.0%	\$61.98/mo (+\$5.12/mo)	+8.5%	\$61.69/mo (+\$4.83/mo)

Residential Rate Adjustments – Typical Customer

Residential Monthly Bill	Current	Recommended	Change
Water (6 kgal)	\$43.57	\$45.41	+\$1.84
Wastewater	\$28.07	\$30.18	+\$2.11
Solid Waste (90-gal + Green & Clean Fee)	\$34.17	\$35.99	+\$1.82
Total – Citywide Service Area	\$105.81	\$111.58	+\$5.77

Residential Monthly Bill	Current	Recommended	Change
Electric	\$135.71	\$137.98	+\$2.27
Natural Gas	\$41.06	\$42.49	+\$1.43

FY 25/26 RECOMMENDED RATE ADJUSTMENTS WITH CAPACITY FEE

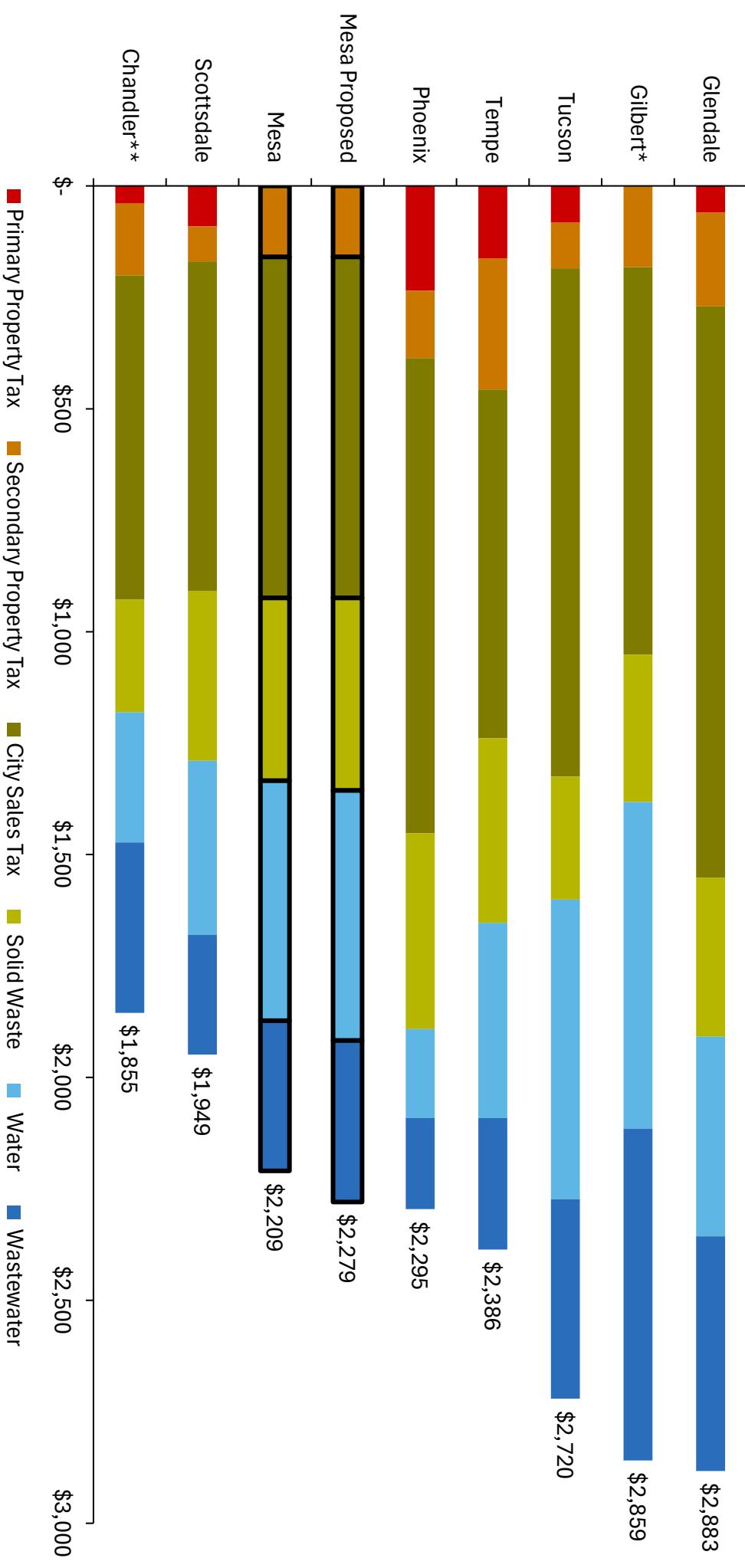
As of 9/15/2025		FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER		\$3,472,435	(\$5,859,349)	(\$4,354,832)	\$5,268,997	\$14,888,058	\$25,536,796	\$42,556,577
WASTEWATER		(\$7,285,154)	(\$12,080,760)	(\$7,048,336)	(\$3,014,649)	\$1,702,838	\$10,205,256	\$10,129,209
SOLID WASTE		\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC		\$1,435,561	(\$1,066,822)	(\$706,935)	(\$871,150)	(\$1,117,234)	(\$1,646,811)	(\$1,171,368)
NATURAL GAS		(\$877,183)	(\$3,793,486)	(\$1,982,515)	(\$1,440,090)	\$2,013,693	\$1,626,125	\$2,301,975
DISTRICT COOLING		(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES		(\$3,544,639)	(\$28,840,828)	(\$13,575,288)	(\$1,002,574)	\$19,896,079	\$44,046,695	\$62,643,402
Beginning Reserve Balance		\$117,019,543	\$113,474,904	\$84,634,076	\$71,058,788	\$70,056,214	\$89,952,293	\$133,998,988
Ending Reserve Balance		\$113,474,904	\$84,634,076	\$71,058,788	\$70,056,214	\$89,952,293	\$133,998,988	\$196,642,390
Ending Reserve Balance Percent*		20.1%	13.6%	11.4%	10.8%	13.4%	18.9%	26.4%

*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	6.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
WATER Commercial (usage)	8.50%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
WASTEWATER Residential	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
WASTEWATER Non-Residential	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$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	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

HOMEOWNER'S COMPARISON

estimated as of April 2026



■ Primary Property Tax

■ Secondary Property Tax

■ City Sales Tax

■ Solid Waste

■ Water

■ Wastewater

*includes proposed 25% Water increase

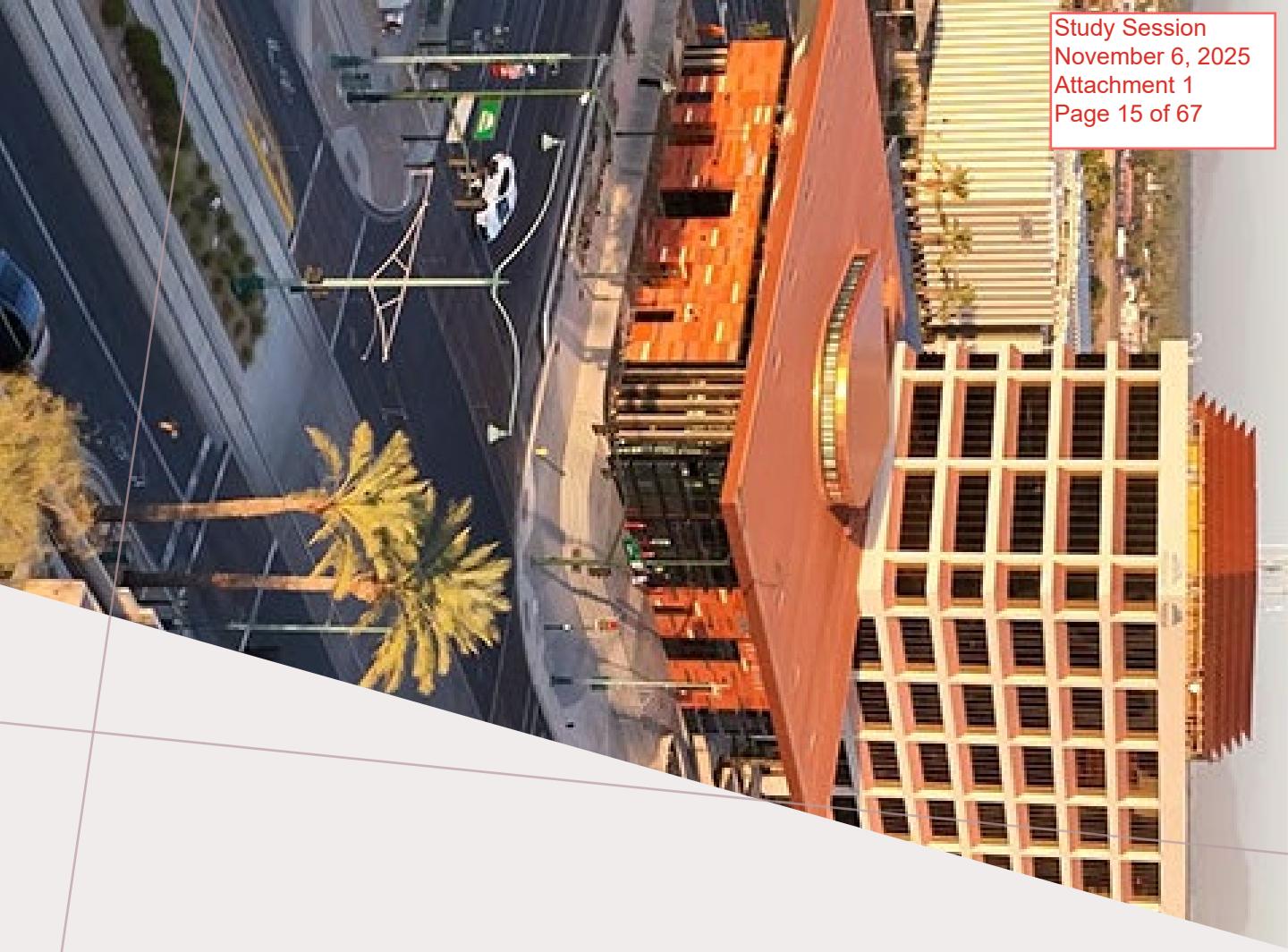
**includes proposed 15% Water, 15% Wastewater, and 6% Solid Waste increases

NEXT STEPS

November 17 - Introduction of Utility Rate Ordinances

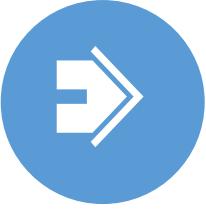
December 1 - City Council Action on Utility Rates

January 1 - Effective Date for Utility Rate Changes





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**

OTHER VALLEY MUNICIPALITIES

- East Valley Municipalities
 - “...raising the rates annually would allow the city to compound the money, meaning it won’t need as big an increase the following year.” (East Valley Tribune – Chandler)
 - Council told staff that it wants to look at annual increases starting with the next budget cycle, which begins in October.” (East Valley Tribune – Chandler)
 - “So what we can learn from these two examples is that smaller, consistent increases generated more revenue for the fund and ended with a lower final bill at the end of 20 years... This also means that ratepayers have more money in their pocket today than they would have had over time, but we need to catch up on missed funding.” (Gilbert Sun News)

Utility Rates

Recommendation – Adjustments from AF&E Committee and Notice of Intent

Water Rate	AF&E Committee	Notice of Intent	Recommended with Capacity Fee
Residential Tier 1 Usage	+5.5%	+4.0%	+3.5%
Residential Tier 2 Usage	+7.0%	+5.5%	+3.5%
Residential Tier 3 Usage	+8.0%	+6.5%	+4.5%
Residential Tier 4 Usage	+9.0%	+7.5%	+4.5%
Multi-Unit Usage	+11.0%	+14.5%	+12.0%
General Commercial Usage	+12.0%	+14.0%	+13.0%
Commercial Excess Surcharge Usage	+12.0%	+14.0%	+13.0%
Large Commercial Usage	+19.0%	+20.0%	+19.0%
Non-Residential Landscape Usage	+15.0%	+20.0%	+20.0%
Wastewater Rate	AF&E Committee	Notice of Intent	Recommended with Capacity Fee
Residential	+8.0%	+8.0%	+7.5%
Non-Residential	+9.0%	+9.0%	+8.5%

FY 25/26 ADOPTED BUDGET

As of 05/13/2025	FY 23/24 Actuals	FY 24/25 Projected	FY 25/26 Budget	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$205,201)	\$3,604,393	(\$6,770,889)	(\$13,812,950)	(\$11,152,245)	(\$4,844,905)	\$5,153,942
WASTEWATER	(\$13,836,490)	(\$9,498,102)	(\$12,213,330)	(\$7,718,734)	(\$3,819,034)	\$811,319	\$5,969,894
SOLID WASTE	(\$8,224,846)	(\$4,804,691)	(\$4,078,076)	\$1,729,927	\$659,615	\$4,151,286	\$10,384,745
ELECTRIC	(\$296,202)	\$1,038,184	(\$1,137,384)	(\$1,059,105)	(\$1,453,150)	(\$1,839,521)	(\$2,345,276)
NATURAL GAS	(\$4,462,547)	(\$2,405,972)	(\$4,056,668)	(\$3,201,983)	(\$2,782,143)	\$576,552	\$472,621
DISTRICT COOLING	(\$368,815)	(\$515,479)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)
TOTAL NET SOURCES AND USES	(\$27,394,100)	(\$12,581,668)	(\$28,438,133)	(\$24,234,347)	(\$18,863,341)	(\$1,327,604)	\$19,450,652
Beginning Reserve Balance	\$144,413,643	\$117,019,543	\$104,437,875	\$75,999,742	\$51,765,395	\$32,902,054	\$31,574,450
Ending Reserve Balance	\$117,019,543	\$104,437,875	\$75,999,742	\$51,765,395	\$32,902,054	\$31,574,450	\$51,025,102
Ending Reserve Balance Percent*	22.4%	18.5%	11.9%	8.1%	4.9%	4.6%	7.0%

*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

FY 25/26 RECOMMENDED RATES FOR AF&E COMMITTEE

	As of 08/20/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER		\$3,472,435	(\$5,954,870)	(\$12,873,158)	(\$4,922,100)	\$4,880,586	\$13,810,550	\$26,942,225
WASTEWATER		(\$7,285,154)	(\$11,996,287)	(\$6,784,238)	(\$2,018,970)	\$2,770,034	\$12,384,228	\$12,390,217
SOLID WASTE		\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC		\$1,435,561	(\$1,066,822)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
NATURAL GAS		(\$817,183)	(\$3,793,487)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
DISTRICT COOLING		(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,851,875)	(\$21,964,085)	(\$10,148,134)	\$10,745,265	\$34,646,237	\$49,047,666	
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,623,029	\$62,658,943	\$52,510,810	\$63,256,075	\$97,902,312	
Ending Reserve Balance	\$113,474,904	\$84,623,029	\$62,658,943	\$52,510,810	\$63,256,075	\$97,902,312	\$146,949,978	
Ending Reserve Balance Percent*	20.1%	13.4%	9.9%	8.0%	9.2%	13.4%	19.2%	
*As a % of Next Fiscal Years Expenditures								
*Does not include Water & Wastewater Capacity Fee	6.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
WATER Residential (Tier 1 usage)	8.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	
WASTEWATER Residential	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$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	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

udit, Finance & Enterprise Committee and City Council Recommendations

- Accelerate equity between residential and non-residential
- Reduce residential and increase non-residential rate adjustments from the current recommended rate adjustments
- Increase non-residential landscape usage rate adjustment from current recommended rate adjustment
- Review the residential usage tiers rates adjustments

Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

Presented at AF&E Committee	Equity Between Residential & Non-residential Water Rate Revenue				
	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
Residential Rate Revenue	55%	54%	53%	52%	50%
Non-residential Rate Revenue	45%	46%	47%	48%	50%
Residential Consumption	49%	48%	48%	48%	48%
Non-residential Consumption	51%	52%	52%	52%	53%

Adjusted per AF&E Recommendation	Equity Between Residential & Non-residential Water Rate Revenue				
	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
Residential Rate Revenue	55%	54%	52%	50%	50%
Non-residential Rate Revenue	45%	46%	48%	51%	53%
Residential Consumption	49%	48%	48%	48%	48%
Non-residential Consumption	51%	52%	52%	52%	53%

FY 25/26 RECOMMENDED RATES FOR NOTICE OF INTENT

As of 9/15/2025		FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER		\$3,472,435	(\$5,576,800)	(\$11,922,572)	(\$3,041,675)	\$8,245,747	\$19,405,397	\$35,335,473
WASTEWATER		(\$7,285,154)	(\$11,996,288)	(\$6,784,238)	(\$2,018,970)	\$2,770,034	\$12,384,228	\$12,390,217
SOLID WASTE		\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC		\$1,435,561	(\$1,066,822)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
NATURAL GAS		(\$817,183)	(\$3,793,486)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
DISTRICT COOLING		(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES		(\$3,544,639)	(\$28,473,806)	(\$21,013,499)	(\$8,267,709)	\$14,110,426	\$40,241,083	\$57,440,914
Beginning Reserve Balance		\$117,019,543	\$113,474,904	\$85,001,098	\$63,987,599	\$55,719,890	\$69,830,317	\$110,071,400
Ending Reserve Balance		\$113,474,904	\$85,001,098	\$63,987,599	\$55,719,890	\$69,830,317	\$110,071,400	\$167,512,314
Ending Reserve Balance Percent*		20.1%	13.4%	10.1%	8.4%	10.1%	15.0%	21.7%

*As a % of Next Fiscal Years Expenditures

*Does not include Water & Wastewater Capacity Fee	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
WATER Residential (Tier 1 usage)	8.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
WASTEWATER Residential	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Non-Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$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	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

Summary of Recommended Rate Adjustments

	FY 25/26 Projected No Capacity Fee	FY 25/26 Projected w/Capacity Fee
TOTAL NET SOURCES AND USES	(\$28,473,806)	(\$28,840,828)
Beginning Reserve Balance	\$113,474,904	\$113,474,904
Ending Reserve Balance	\$85,001,098	\$84,634,076
Ending Reserve Balance Percent* <small>*As a % of Next Fiscal Year's Expenditures</small>	13.4%	13.6%
WATER Residential (Tier 1 usage)	4.00%	3.50%
WATER Commercial (usage)	14.00%	13.00%
WASTEWATER Residential	8.00%	7.50%
WASTEWATER Non-Residential	9.00%	8.50%
SOLID WASTE Residential	5.50%	5.50%
SOLID WASTE Commercial	5.50%	5.50%
SOLID WASTE Rolloff	5.50%	5.50%
ELECTRIC Residential - svc charge	\$1.00	\$1.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00
GAS Non-Residential - svc charge	\$3.00	\$3.00

Residential Rate Adjustments – Typical Customer with Capacity Fee

Residential Monthly Bill	Current	Recommended	Change
Water (6 kgal)	\$43.57	\$45.41	+\$1.84
Wastewater	\$28.07	\$30.18	+\$2.11
Solid Waste (90-gal + Green & Clean Fee)	\$34.17	\$35.99	+\$1.82
Total – Citywide Service Area	\$105.81	\$111.58	+\$5.77

Residential Monthly Bill	Current	Recommended	Change
Electric	\$135.71	\$137.98	+\$2.27
Natural Gas	\$41.06	\$42.49	+\$1.43

Residential Tier Adjustments Impact

Residential Tiers	Current	Recommended	w/ Capacity Fee	Alternative
Tier 1	\$3.72	+4.0% (+\$0.15)	+3.5% (+\$0.13)	+3.0% (+\$0.11)
Tier 2	\$5.67	+5.5% (+\$0.31)	+3.5% (+\$0.20)	+4.0% (+\$0.23)
Tier 3	\$6.94	+6.5% (+\$0.45)	+4.5% (+\$0.31)	+5.0% (+\$0.35)
Tier 4	\$7.83	+7.5% (+\$0.59)	+4.5% (+\$0.35)	+6.0% (+\$0.47)

Water Department Backup

Customer Impact - Water

Typical Customer	Impact to Current Bill—	
	Notice of Intent	with Capacity Fee
Residential (6 kgals/month)	+4.3%	\$45.46/mo (+\$1.89/mo)
Multi-unit Development (6 kgals/month)	+10.1%	\$44.56/mo (+\$4.10/mo)
Commercial – General (9 kgals/month)	+7.7%	\$84.66/mo (+\$6.07/mo)
Commercial – Landscape (29 kgals/month)	+13.6%	\$204.06/mo (+\$27.05/mo)
	+13.6%	\$204.06/mo (+\$27.05/mo)

Customer Impact - Wastewater

Typical Customer	Impact to Current Bill— Notice of Intent	Impact to Current Bill with Capacity Fee
Residential (4 kgals/month)	+8.0% (\$30.32/mo (+\$2.25/mo)	+7.5% (\$30.18/mo (+\$2.11/mo)
Commercial (9 kgals/month)	+9.0% (\$61.98/mo (+\$5.12/mo)	+8.5% (\$61.69/mo (+\$4.83/mo)

Other Rates

Mesa Gateway Airport Fire Protection Demand Charge

- Rate updated for the first time in ten years last year (+30%).
- Another adjustment recommended for this year (+30%).
- Part of a three-year plan to attain cost recovery.

Crismon Road Water Hauling Station – Bulk Water Sales

- Moving to credit card-based point of sale system.
- Already some of the most expensive water the City sells.
- Recommending a +12% increase as a further deterrent to wide-spread use.



Water Hydrant Meter Service

- Recommending a +12% increase.

FY 25/26 Recommended rate adjustments

As of 9/3/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER	\$3,472,435 (\$7,285,154)	(\$5,680,372) (\$11,996,288)	(\$12,536,550) (\$6,784,238)	(\$4,541,420) (\$2,018,970)	\$5,308,076 \$2,770,034	\$14,288,476 \$12,384,228	\$27,475,861 \$12,390,217
WASTEWATER	\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
SOLID WASTE	\$1,435,561	(\$1,066,822)	(\$741,823)	(\$834,907)	(\$1,173,447)	(\$1,603,113)	(\$1,239,981)
ELECTRIC	(\$817,183)	(\$3,793,486)	(\$2,082,196)	(\$1,426,474)	\$1,864,370	\$1,729,243	\$2,128,194
NATURAL GAS	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,753)
DISTRICT COOLING							
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,577,378)	(\$21,627,478)	(\$9,767,453)	\$11,172,755	\$35,124,163	\$49,581,301
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,897,526	\$63,270,049	\$53,502,596	\$64,675,351	\$99,799,514
Ending Reserve Balance	\$113,474,904	\$84,897,526	\$63,270,049	\$53,502,596	\$64,675,351	\$99,799,514	\$149,380,815
Ending Reserve Balance Percent*	20.1%	13.4%	10.0%	8.1%	9.4%	13.7%	19.5%
*As a % of Next Fiscal Year's Expenditures							
*Does not include Water & Wastewat er Capacity Fee	6.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
WATER Residential (Tier 1 usage)	8.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
WATER Commercial (usage)	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
WASTEWATER Residential	8.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
WASTEWATER Non-Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Residential	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	\$2.75	\$1.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

Rate Adjustment Recommendations

Rate Component	Customer	Recommended Rate Adjustment
Service Charge	All Customers	+5.5%
Usage Charge	Residential	
	• Tier 1 (4,000 – 6,000 gallons)	+5.5%
	• Tier 2 (7,000 – 14,000 gallons)	+7.0%
	• Tier 3 (15,000 – 24,000 gallons)	+8.0%
	• Tier 4 (>24,000 gallons)	+9.0%
	Multi-unit Development	+11.0%

Rate Adjustment Recommendations

Rate Component	Customer	Recommended Rate Adjustment
Service Charge	All Customers	+5.5%
Usage Charge		
Non-residential/Commercial – General		+12.0%
• Excess Water Surcharge – General		+12.0%
Non-residential/Commercial – Landscape		+15.0%
• Excess Water Surcharge – Landscape		+15.0%
Large Commercial		+19.0%
Interdepartmental		+11.4%

Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	53%	52%	50%	49%
Non-residential Rate Revenue	45%	46%	47%	48%	50%	51%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Customer Impact

Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill
Residential (6 kgals/month)	\$43.57/mo	+5.5%	\$45.95/mo (+\$2.38/mo)
Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.6%	\$43.92/mo (+\$3.47/mo)
Commercial – General (9 kgals/month)	Service Charge: +5.5% Usage Charge: +11.0%	+7.7%	\$84.64/mo (+\$6.05/mo)
Commercial – Landscape (29 kgals/month)	Service Charge: +5.5% Usage Charge: +15.0%	+12.1%	\$198.39/mo (+\$21.38/mo)

Rate Adjustment Recommendations - Water

Rate Component	Recommended Rate Adjustment with Capacity Fee
Service Charge	+4.5%
Usage Charge	+5.5%
Residential (Tiers I – IV)	
• Tier 1	+5.5%
• Tier 2	+7.0%
• Tier 3	+8.0%
• Tier 4	+9.0%
Multi-unit Development	+11.0%

Rate Adjustment Recommendations - Water

Rate Component	Recommended Rate Adjustment with Capacity Fee
Service Charge	+4.5%
All Customers	+5.5%
Usage Charge	
Non-residential/Commercial – General	+12.0%
• Excess Water Surcharge – General	+12.0%
Non-residential/Commercial – Landscape	+15.0%
• Excess Water Surcharge – Landscape	+15.0%
Large Commercial	+19.0%
Interdepartmental	+11.4%

Rate Adjustment Recommendations - Wastewater

Rate Component	Customer Adjustment	Recommended Rate Adjustment with Capacity Fee
Service Charge		
Residential	+8.0%	+7.5%
Non-residential	+9.0%	+8.5%
Usage Charge		
Residential	+8.0%	+7.5%
Non-residential	+9.0%	+8.5%

Residential and Non-residential Comparison

Equity Between Residential & Non-residential Water Rate Revenue

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Residential Rate Revenue	55%	54%	53%	51%	49%	48%
Non-residential Rate Revenue	45%	46%	47%	49%	51%	52%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Customer Impact - Water

Customer	Typical Customer	Recommended Rate Adjustment	Recommended Rate	Impact to Current Bill
			Impact to Adjustment with Capacity Fee	Impact to Current Bill
Residential (6 kgals/month)		SC: +5.5% UC: +5.5%	+5.5%	\$45.95/mo (+\$2.38/mo)
Multi-unit Development (6 kgals/month)		SC: +5.5% UC: +11.0%	+8.6%	\$43.93/mo (+\$3.47/mo)
Commercial – General (9 kgals/month)		SC: +5.5% UC: +12.0%	+7.7%	\$84.64/mo (+\$6.05/mo)
Commercial – Landscape (29 kgals/month)		SC: +5.5% UC: +15.0%	+12.1%	\$198.39/mo (+\$21.38/mo)
				SC: +4.5% UC: +15.0%
				+11.9% (+\$20.87/mo)
				\$197.88/mo (+\$20.87/mo)

No Capacity Fee – Alternative (Parity FY27/28)

Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill			
			Tier 1:	+4.0%	Non-res/Commercial/XWA:	+14.0%
Residential (6 kgals/month)	\$43.57/mo	Service Charge: +4.5% Usage Charge: +4.0%	+4.3%	\$45.46/mo (+\$1.89/mo)	Non-res/Commercial Landscape/XWA:	+15.0%
Multi-unit Development (6 kgals/month)	\$40.46/mo	Service Charge: +4.5% Usage Charge: +14.5%	+10.1%	\$44.56/mo (+\$4.10/mo)	Tier 2: +5.5%	+20.0%
Commercial – General (9 kgals/month)	\$78.59/mo	Service Charge: +4.5% Usage Charge: +14.0%	+7.7%	\$84.66/mo (+\$6.07/mo)	Tier 3: +6.5%	+9.8%
Commercial – Landscape (29 kgals/month)	\$177.01/mo	Service Charge: +4.5% Usage Charge: +15.0%	+11.8%	\$197.88/mo (+\$20.87/mo)	Tier 4: +7.5%	
FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	
Residential Rate Revenue	55%	54%	52%	50%	49%	47%
Non-residential Rate Revenue	45%	46%	48%	50%	51%	53%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Capacity Fee – Alternative (Parity FY27/28)

Service Charge (all customers): +4.5% Residential -	Impact to Current Bill			
	Tier 1: +3.5%	Tier 2: +3.5%	Non-res/Commercial/XWA: +13.0%	Non-res/Commercial Landscape/XWA: +15.0%
Tier 3: +4.5% Large Commercial:				+19.0%
Tier 4: +4.5% Interdepartmental:				+9.3%
Multi-unit Development: +12.0%				
Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill	
Residential (6 kgals/month)	\$43.57/mo	Service Charge: +4.5% Usage Charge: +3.5%	+4.2% (\$1.84/mo)	\$45.41/mo
Multi-unit Development (6 kgals/month)	\$40.46/mo	Service Charge: +4.5% Usage Charge: +12.0%	+8.7% (\$3.53/mo)	\$43.98/mo
Commercial – General (9 kgals/month)	\$78.59/mo	Service Charge: +4.5% Usage Charge: +13.0%	+7.4% (\$5.80/mo)	\$84.39/mo
Commercial – Landscape (29 kgals/month)	\$177.01/mo	Service Charge: +4.5% Usage Charge: +15.0%	+11.8% (\$20.87/mo)	\$197.88/mo
FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
Residential Rate Revenue	55%	54%	52%	50%
Non-residential Rate Revenue	45%	46%	48%	50%
Residential Consumption	49%	48%	48%	48%
Non-residential Consumption	51%	52%	52%	52%

No Capacity Fee – Alternative (Parity FY26/27)

Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill			
			Tier 1:	+1.0%	Non-res/Commercial/XWA:	+21.0%
Residential (6 kgals/month)	\$43.57/mo	Service Charge: +3.5% Usage Charge: +1.0%	+2.8%	\$44.81/mo (+\$1.24/mo)	Non-res/Commercial Landscape/XWA:	+25.0%
Multi-unit Development (6 kgals/month)	\$40.46/mo	Service Charge: +3.5% Usage Charge: +16.3%	+10.7%	\$44.80/mo (+\$4.35/mo)	Tier 3: +1.0%	+28.0%
Commercial – General (9 kgals/month)	\$78.59/mo	Service Charge: +3.5% Usage Charge: +21.0%	+9.5%	\$86.04/mo (+\$7.45/mo)	Tier 4: +1.0%	+6.7%
Commercial – Landscape (29 kgals/month)	\$177.01/mo	Service Charge: +3.5% Usage Charge: +25.0%	+15.0%	\$209.74/mo (+\$32.73/mo)		
FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	
Residential Rate Revenue	55%	54% 50%	48%	45%	41%	
Non-residential Rate Revenue	45%	46% 50%	52%	55%	59%	
Residential Consumption	49%	48%	48%	48%	47%	
Non-residential Consumption	51%	52%	52%	52%	53%	

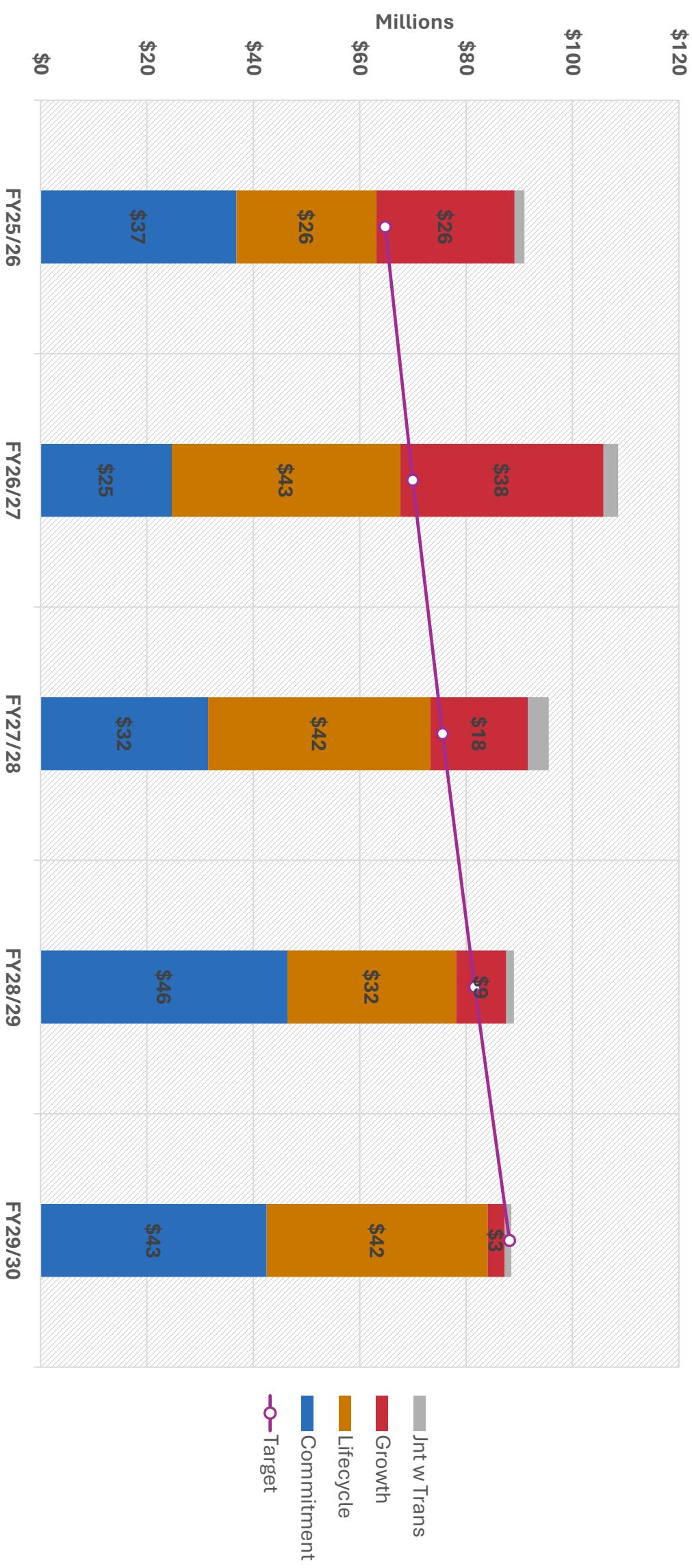
Capacity Fee – Alternative (Parity FY26/27)

Typical Customer	Current Bill	Recommended Rate Adjustment	Impact to Current Bill			
			Tier 1:	+0.5%	Non-res/Commercial/XWA:	+20.0%
Residential (6 kgals/month)	\$43.57/mo	Service Charge: +1.0% Usage Charge: +0.5%	+0.9%	\$43.95/mo (+\$0.38/mo)	Non-res/Commercial Landscape/XWA:	+23.0%
Multi-unit Development (6 kgals/month)	\$40.46/mo	Service Charge: +1.0% Usage Charge: +18.0%	+8.6%	\$43.94/mo (+\$4.31/mo)	Tier 3: +0.5%	+25.0%
Commercial – General (9 kgals/month)	\$78.59/mo	Service Charge: +1.0% Usage Charge: +18.0%	+7.5%	\$84.49/mo (+\$5.90/mo)	Tier 4: +0.5%	+6.1%
Commercial – Landscape (29 kgals/month)	\$177.01/mo	Service Charge: +1.0% Usage Charge: +19.0%	+16.4%	\$205.99/mo (+\$28.98/mo)		
FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	
Residential Rate Revenue	55%	54%	50%	48%	44%	41%
Non-residential Rate Revenue	45%	46%	50%	52%	56%	59%
Residential Consumption	49%	48%	48%	48%	48%	47%
Non-residential Consumption	51%	52%	52%	52%	52%	53%

Residential Water Usage - Highest Point of Usage (by Account)					
Average Winter (December 2024 - February 2025)			Average Summer (June 2025 - August 2025)		
Kgals	Tier	Percent Accounts	Number Accounts	Percent Accounts	Number Accounts
0	0	30.06%	40,605	26.44%	36,353
1					
2					
3					
4					
5	1	29.79%	40,247	22.25%	30,595
6					
7					
8					
9					
10	2	30.44%	41,119	30.89%	42,479
11					
12					
13					
14					
15					
16					
17					
18					
19	3	6.98%	9,435	13.01%	17,884
20					
21					
22					
23					
24					
>24	4	2.74%	3,698	7.42%	10,203
Total		100.00%	135,104	100.00%	137,514

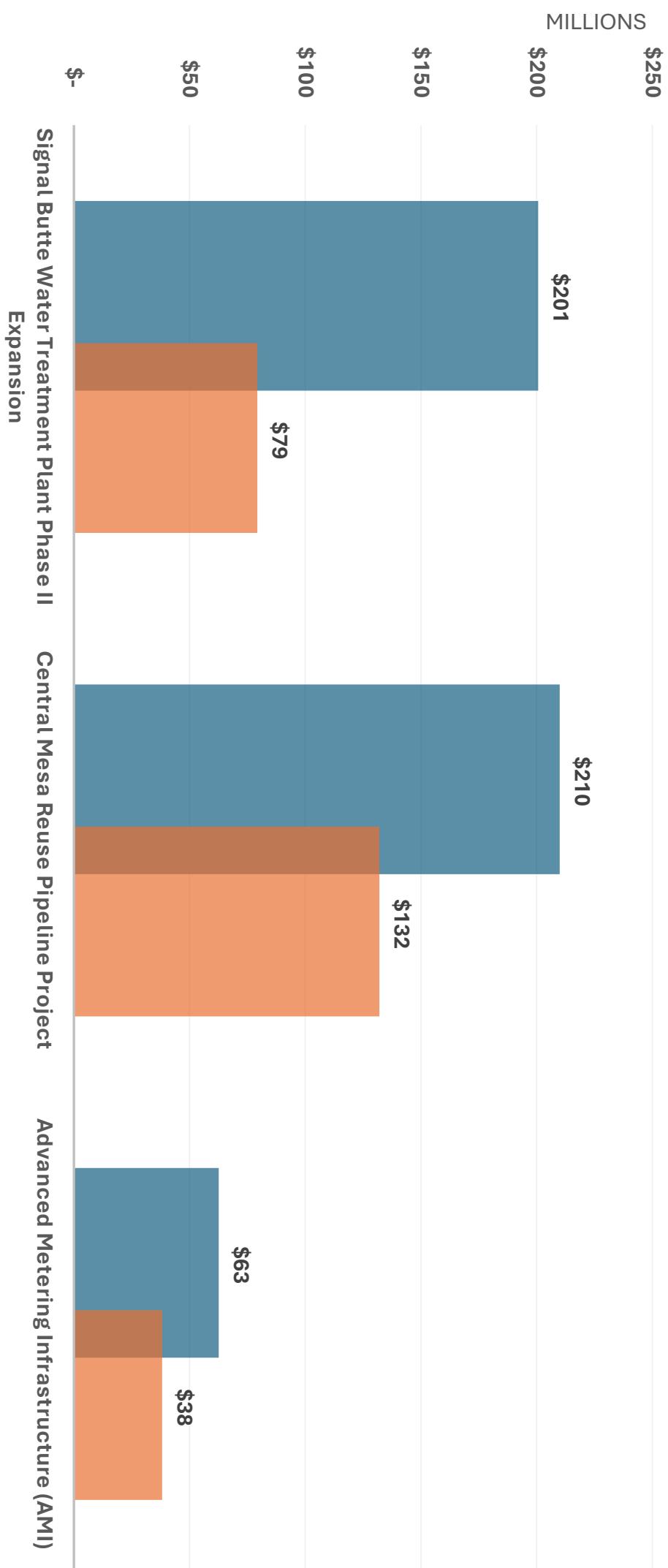
Water Resources 5-Year CIP

Water/Wastewater Projected CIP Project Costs by Fiscal Year



Big 3 Budget and Actuals Comparison

Water Resources Only



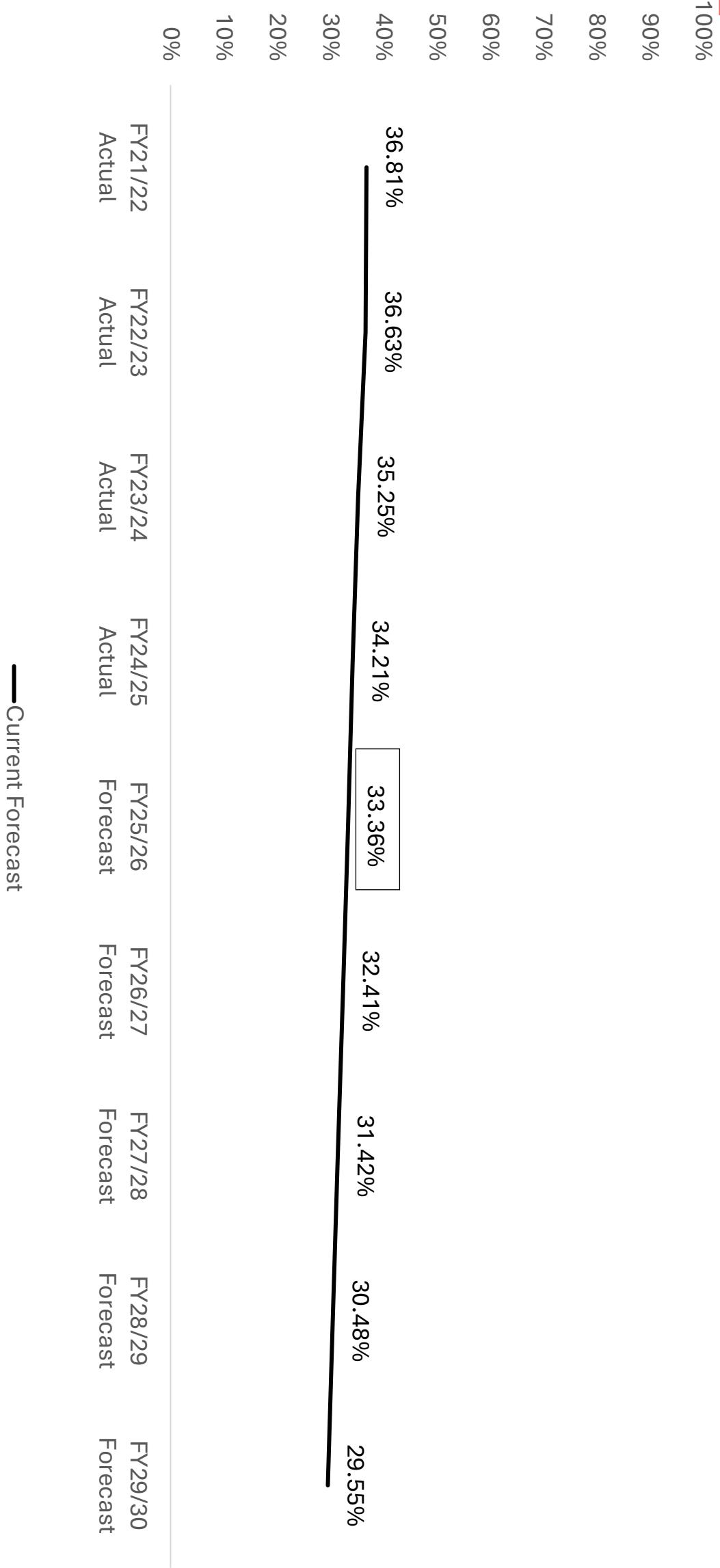
■ Project Budgets

■ Actual Expenditures (Inception to Date)

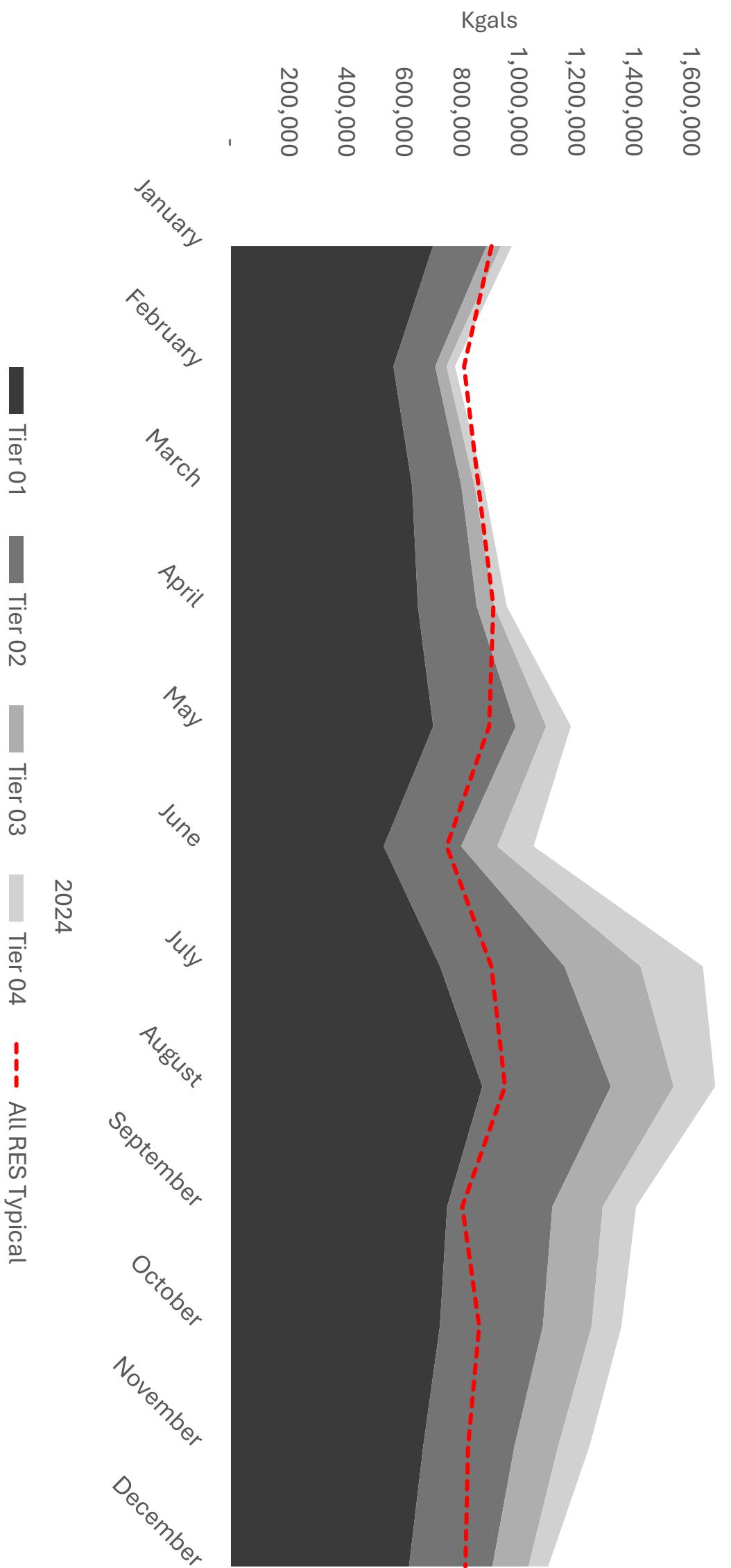
Water Resources Projects Deferred Outside 5-year Window

Water Projects	Budget	Wastewater Projects	Budget
Large Diameter Pipeline	\$23.8M	Northwest Water Reclamation Plant	\$55.0M
Small Diameter Pipeline	\$19.9M	Lift Stations	\$26.5M
Groundwater Wells	\$10.7M	Large Diameter Pipes	\$19.4M
Water Treatment Plant	\$8.1M		
SRP/CAP Interconnect Facility	\$5.3M		
Bartlett Dam and Reservoir Expansion	\$5.0M		
Hydrant/Meters/Valves	\$4.4M		
Reservoir/Pump Stations	\$4.0M		
Total Water	\$81.2M	Total Wastewater	\$100.9M

Fixed Revenues



Tiers



Conservation

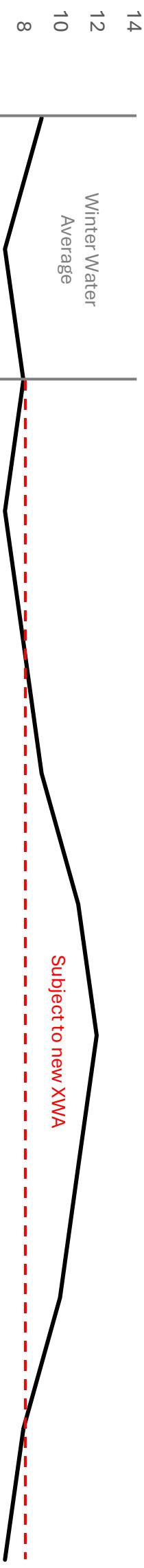
Landscape - Average Consumption per Account:

	FY22/23	FY23/24	FY24/25
Commercial Landscape (kgals)	88.01	96.52	106.00
MUD Landscape (kgals)	99.57	107.29	122.11

Rate Adjustment (usage charge) +7.5% +7.5% +10.5%

Non-residential Excess Water Surcharge:

Excess Water Surcharge



0

December

January

February

March

April

May

June

July

August

September

October

November

2023

Regional Rate Adjustments

Residential Water:

	FY 24/25	FY 25/26		FY 24/25	FY 25/26
Gilbert	25.0%		Gilbert	95.0%	0.0%*
Phoenix	13.0%		Tempe	16.4%	9.5%*
Tempe	12.0%	11.1%*	Glendale	9.9%	3.1%
Scottsdale	6.3%	4.5%*	Scottsdale	8.0%	6.0%
Tucson	5.7%	3.5%	Mesa	7.5%	8.0%
Glendale	4.5%	10.4%	Phoenix	7.0%	
Mesa	4.5%	5.5%	Tucson	0.0%	3.0%*
Chandler	0.0%	15.0%*	Chandler	0.0%	15.0%*

Residential Wastewater:

* Not yet included in a Notice of Intent but is in a published forecast.

Regional Comparison

Residential (Typical Customer)

\$140						
\$120						
\$100						
\$80	\$62.01					
\$60		\$43.42				
\$40			\$30.32			
\$20				\$22.42		
\$-					\$20.80	
						\$27.65
						\$32.56
						\$32.25
						\$21.06
						\$15.88
						\$6.03

Gilbert

Glendale

Mesa - Proposed

Tempe

Scottsdale

Chandler

Phoenix

■ Water

■ Wastewater

Commercial (Typical Customer)

\$300						
\$250						
\$200	\$84.80					
\$150		\$74.40				
\$100			\$73.86			
\$50	\$155.48			\$53.59		
\$-					\$61.98	
						\$48.91
						\$84.64
						\$43.63
						\$28.26
						\$40.29

Gilbert

Scottsdale

Tempe

Glendale

Mesa - Proposed

Chandler

Phoenix

■ Water

■ Wastewater

Affordability

The EPA and AWWA use 2.5% and 2% as benchmarks for affordability of water and wastewater services, respectively, with a combined threshold of 4.5% of median household income (MHI).

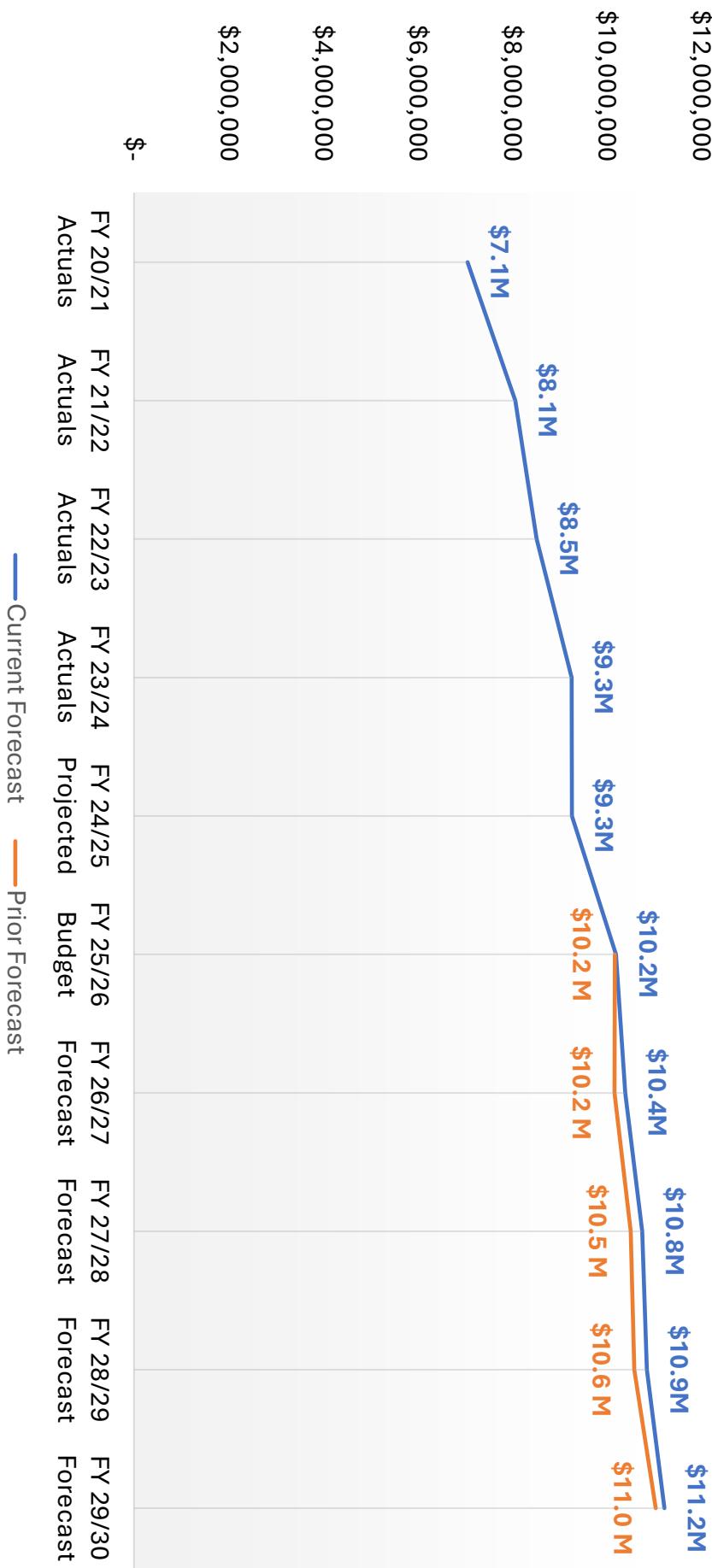
ZIP	Median Household Income ("MHI")	Typical RES Water Bill (Annual)	Typical RES Wastewater Bill (Annual)	Typical RES	
				% MHI	
85201 - 85215	\$59,680 - \$123,404	\$551.40	0.92% - 0.45%	\$363.84	0.61% - 0.29%

What about the City's low-income households?

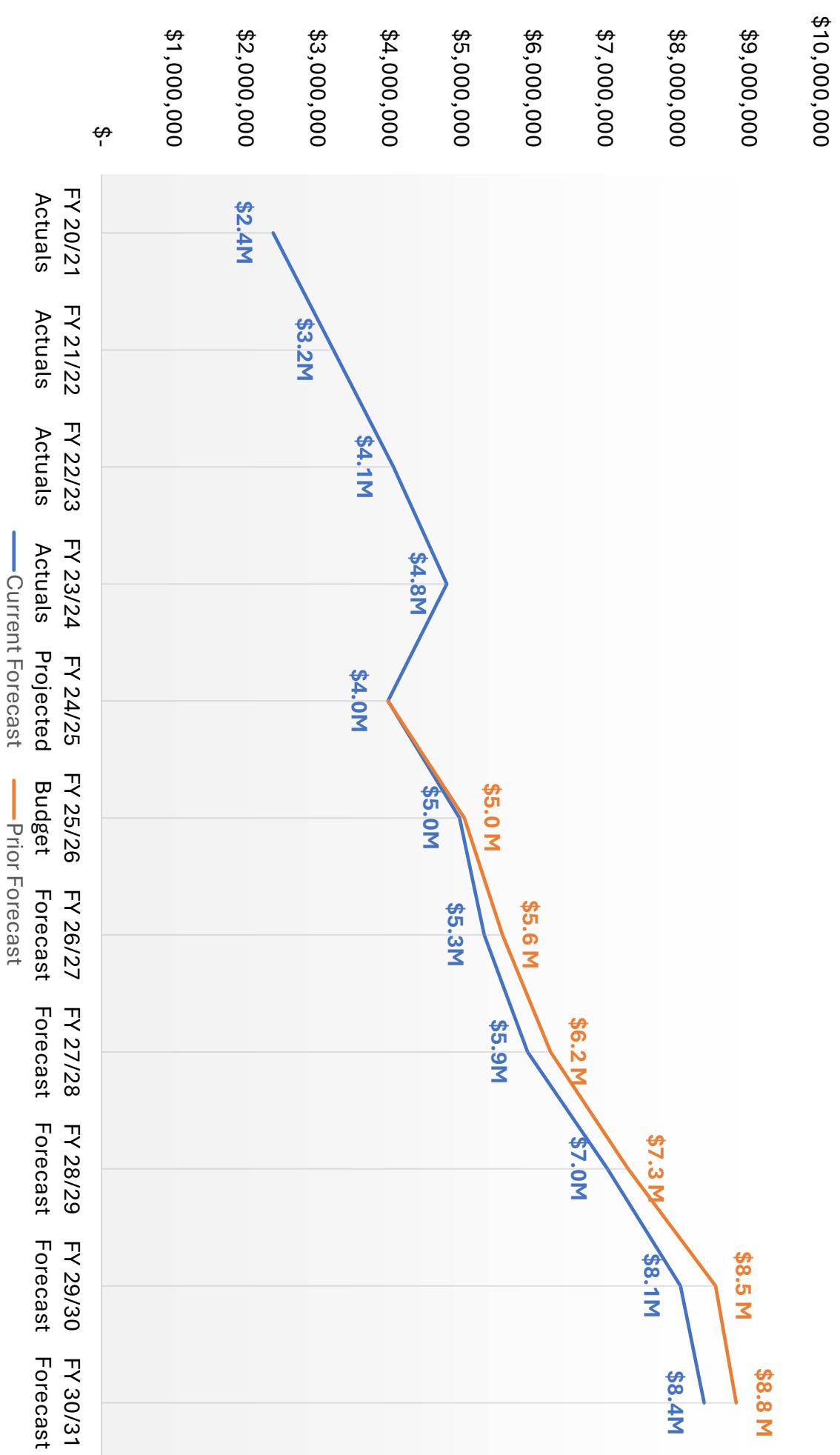
AZ Minimum Wage 2025	% of Annual Income for Typical Annual RES Water Bill (annual)	% of Annual Income for Typical Wastewater Bill (annual)
Hourly		
\$14.70	\$30,576.00	1.80%
		1.19%

Energy Department Backup

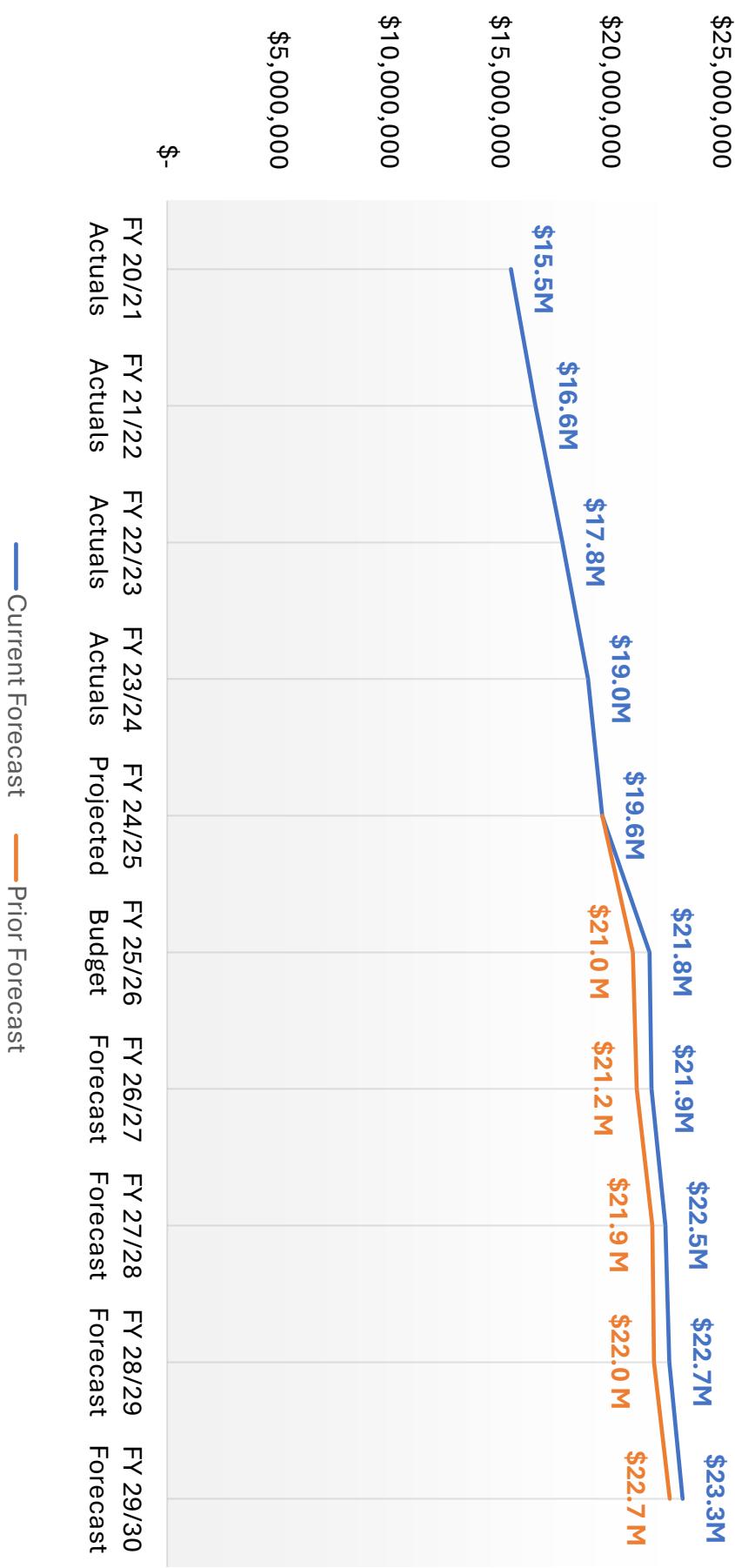
Increasing Operating Costs on the Electric Utility



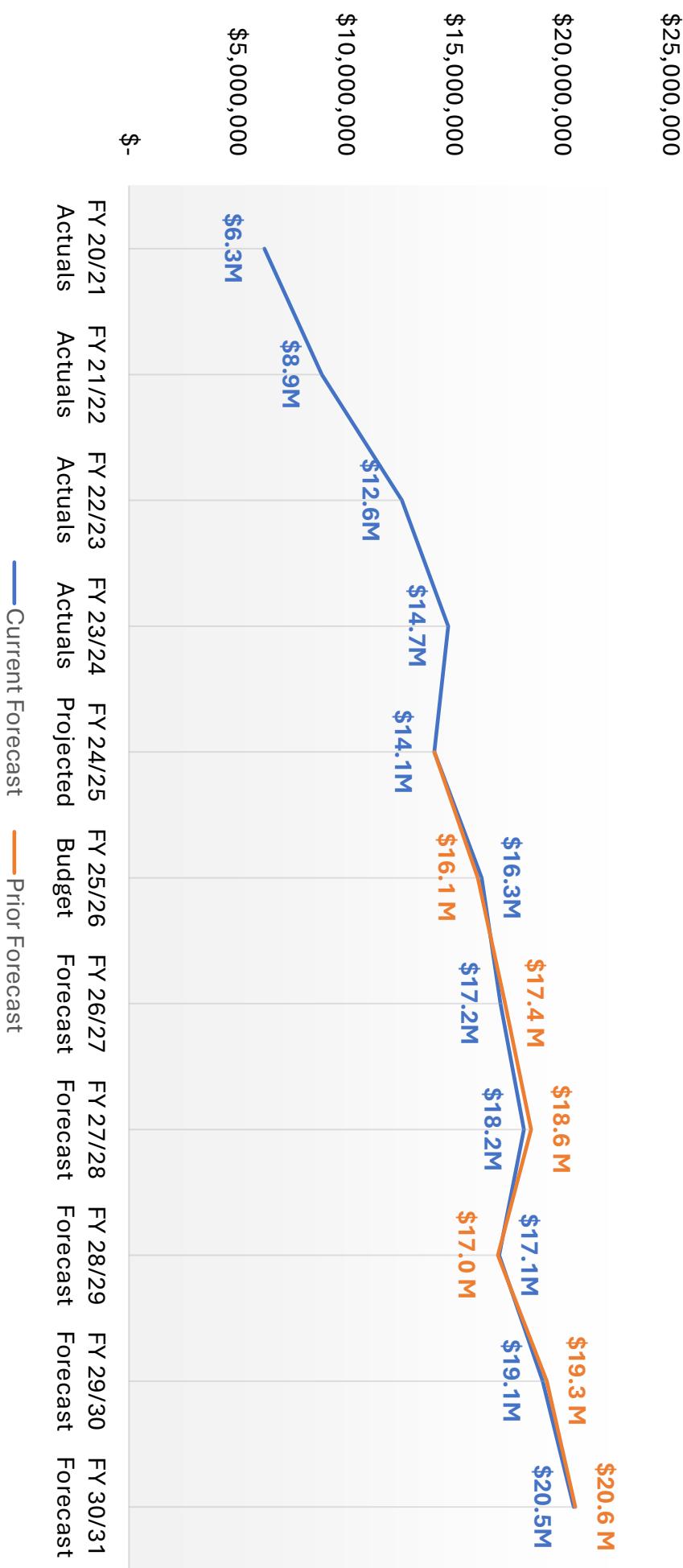
Increasing Debt Service Costs on the Electric Utility



Increasing Operating Costs on the Gas Utility



Increasing Debt Service Costs on the Gas Utility



Electric Project Cost Increases

PROJECT	PRIOR FORECAST	CURRENT FORECAST	INCREASE
Advanced Metering Infrastructure	\$4.1M	\$4.2M	\$100k
Edge on Main (New service)	\$0	\$2.4M	\$2.4M
Substation Improvements (w/SRP at Rogers)	\$200k	\$1.5M	\$1.3M

Gas Project Cost Increases

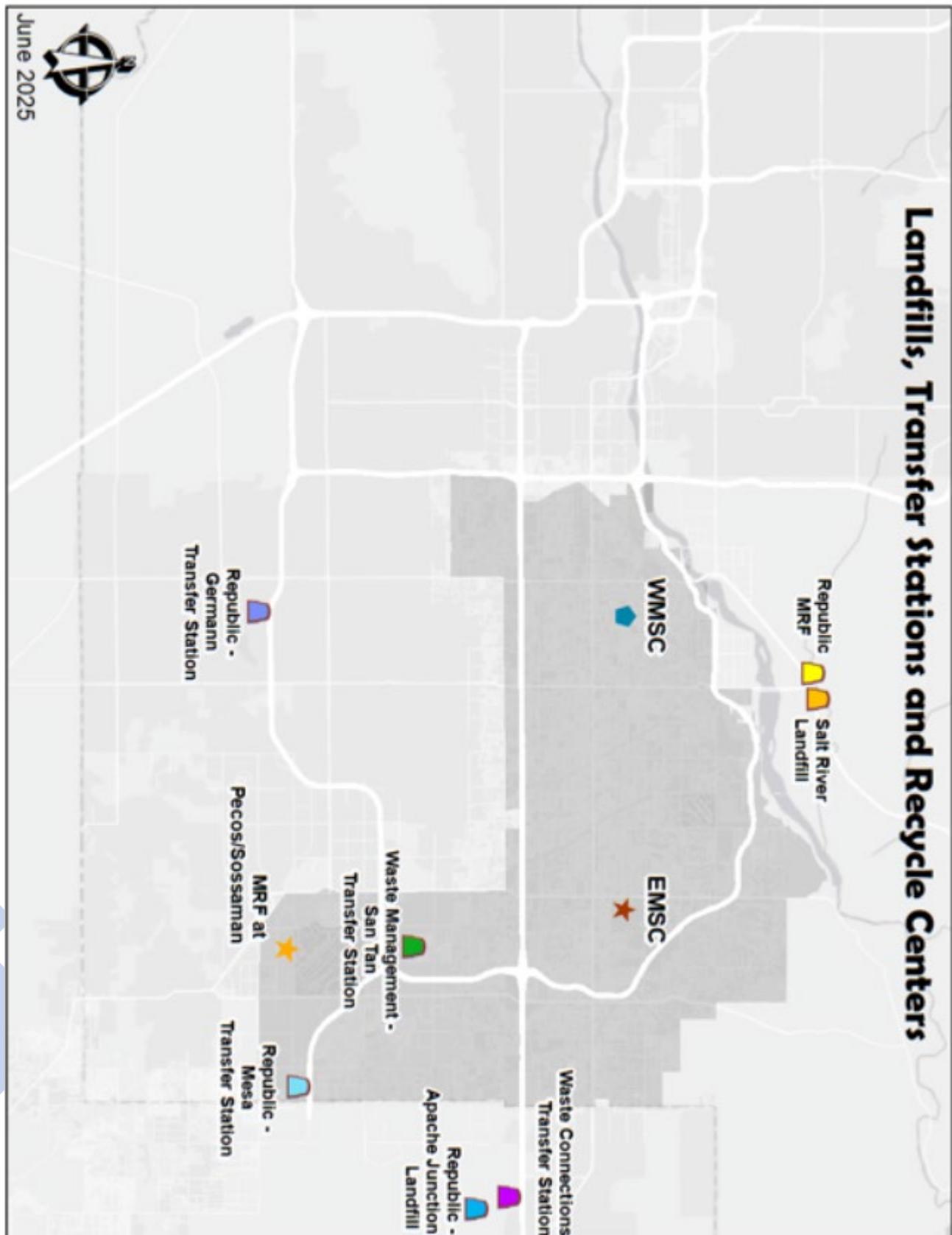
PROJECT	PRIOR FORECAST	CURRENT FORECAST	INCREASE
Advanced Metering Infrastructure	\$15.3M	\$19.5M	\$4.2M
New Mains	\$14.0M	\$15.3M	\$1.3M
New Services	\$14.0M	\$14.6M	\$600k
High Pressure Mains	\$1.7M	\$4.3M	\$2.6M

Solid Waste Department Backup

Total Uses and Sources

	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
Total Uses - Current Forecast	\$76.6M	\$87.6M	\$85.7M	\$92.4M	\$94.7M	\$94.7M
Total Sources - Current Forecast	\$76.6M	\$81.7M	\$86.4M	\$91.8M	\$97.4M	\$103.3M
Total Sources - December 2024	\$76.3M	\$81.1M	\$86.4M	\$92.0M	\$97.9M	\$104.2M

Landfills, Transfer Stations and Recycle Centers



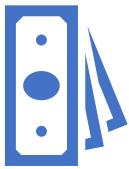
Landfill Costs

Landfill	2025 Rate	2026 CPI Forecast	Increase/(Decrease)
Salt River	\$39.64	\$41.62	5.0%
RAD	\$36.94	\$38.79	5.0%
Mesa Transfer	\$45.00	\$47.25	5.0%
Germann Transfer	\$45.00	\$47.25	5.0%
San Tan	\$44.08	\$46.28	5.0%
Apache Junction	\$42.56	\$44.69	5.0%

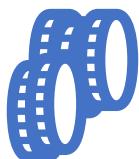
Year	Landfill Cost	Increase/(Decrease)
2023	\$8,609,980	
2024	\$8,843,441	2.7%
2025	\$9,571,123	8.2%



Every Other Week Recycling



9,640 households
7.6% of
audited
population



~\$1.6M Annual
Savings

Update - American Rescue Plan Act - Local Fiscal Recovery

November 6, 2025



ARPA – Eligible Uses and Deadlines

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

Summary (as of September 30th)

The City received \$105,515,724

The City obligated \$105,515,724

The City has spent \$92,042,405

ARPA Completed Projects

- PD Real Time Crime Center
- 911 Mental Health Response
- Ambulance Purchases
- Energy Commodity Costs
- United Food Bank – Food Distribution
- Mesa Business Builder @ The Studios
- Mesa Small Business Technical Assistance Program
- Convention Center Floor Replacement
- Arts & Cultural Education Assistance Programs
- Parks Youth Recreation Scholarships
- Parks – Fun & Fitness

ARPA Completed Projects - Continued

- New Leaf – East Valley Men’s Center – Operations Support
- Landlord Participation Program
- SCADA Investment Projects
- Broadband Cybersecurity
- Premium Pay for Essential Workers
- Revenue Replacement – General Governmental Services

Current ARPA Projects

- Wi-Fi and Mobile Broadband
- Restaurant & Food Business Incubator Program
- Mesa Workforce – Jobs Access Center
- New Leaf – East Valley Men’s Center expansion Project
- Helaman House Transitional Housing
- Phoenix Rescue Mission/ Heat Relief
- Off the Streets Program:
 - ✓ Windemere/Sunaire
 - ✓ Community Bridges

Interest Earned on ARPA Funds

- Unspent ARPA funds have earned interest since the initial receipt of funds in May 2021.
- The City will use interest earned to support current ARPA projects as needed
- When all ARPA funds are spent, any remaining interest earned will be transferred to the General Fund

ARPA Project Costs Funded by Interest Earned:

- Payroll on Construction contracts - after obligation date of 12/31/2024
- Unanticipated Infrastructure Costs
- Sunaire FF&E



Current Projects Status (as of September 30th)

	Budget	Expense
Wi-Fi and Mobile Broadband	\$ 5,967,235	\$ 4,821,489
Restaurant & Food Business Incubator	6,692,222	4,066,422
Mesa Workforce – Jobs Access Center	330,928	250,665
Helaman House Transitional Housing	2,500,000	1,819,350
New Leaf – East Valley Men's Center Renovation	3,900,000	2,904,610
Phoenix Rescue Mission	554,303	438,984
Off the Streets:		
Windemere	6,180,554	4,447,595
Sunaire	9,291,519	6,601,711
Community Bridges	3,000,000	1,057,001

Interest Earned on ARPA Funds

Interest Earned

\$ 4,136,590

Current Allocated use of Interest Earnings:

Payroll on Construction contracts	\$ 350,000
Unanticipated Infrastructure costs	210,000
Sunaire FF&E	<u>750,000</u>
	\$ 1,310,000

Addressing Homelessness for Community Health and Safety

November 6, 2025

Lindsey Balinkie, Community Services Deputy Director
Shawn Haught, Court Administrator
Danica Sanchez, Deputy Court Administrator
Jason Flam, Homeless Solutions Public Safety Liaison

History of Homelessness in Mesa



Prior to 2018	2018	2020	2021	2022	2024	2025
<p>Police cite and release:</p> <ul style="list-style-type: none">cycle of arrest and releaseaccumulated fineslimited positive results	<p>July: Community Court established.</p> <p>September: <i>Martin v Boise</i> requires viable shelter to enforce. (upheld by Supreme Court 2019)</p>	<p>July: End of eviction moratorium.</p> <p>Reduction in rental assistance programs.</p> <p>ARPA Funds introduced.</p>			<p>June: Grants Pass Supreme Court ruling lifts <i>Martin v Boise</i> requirements.</p>	
<p>Pandemic hardship:</p> <ul style="list-style-type: none">unemployment and housing costsmental health and substance usehomelessness					<ul style="list-style-type: none">OHS establishedCOM heat relief (extreme temps and heat related deaths)Enhanced collaboration and improved services	<ul style="list-style-type: none">Record high evictionsRising cost of livingSMI court distinguished from Community Court
<p>Covid CARES funds introduced:</p> <p>Municipalities nationwide respond with services, OTS May 2020.</p>						

a Homelessness Trends by Year



Individuals Receiving Homeless Services

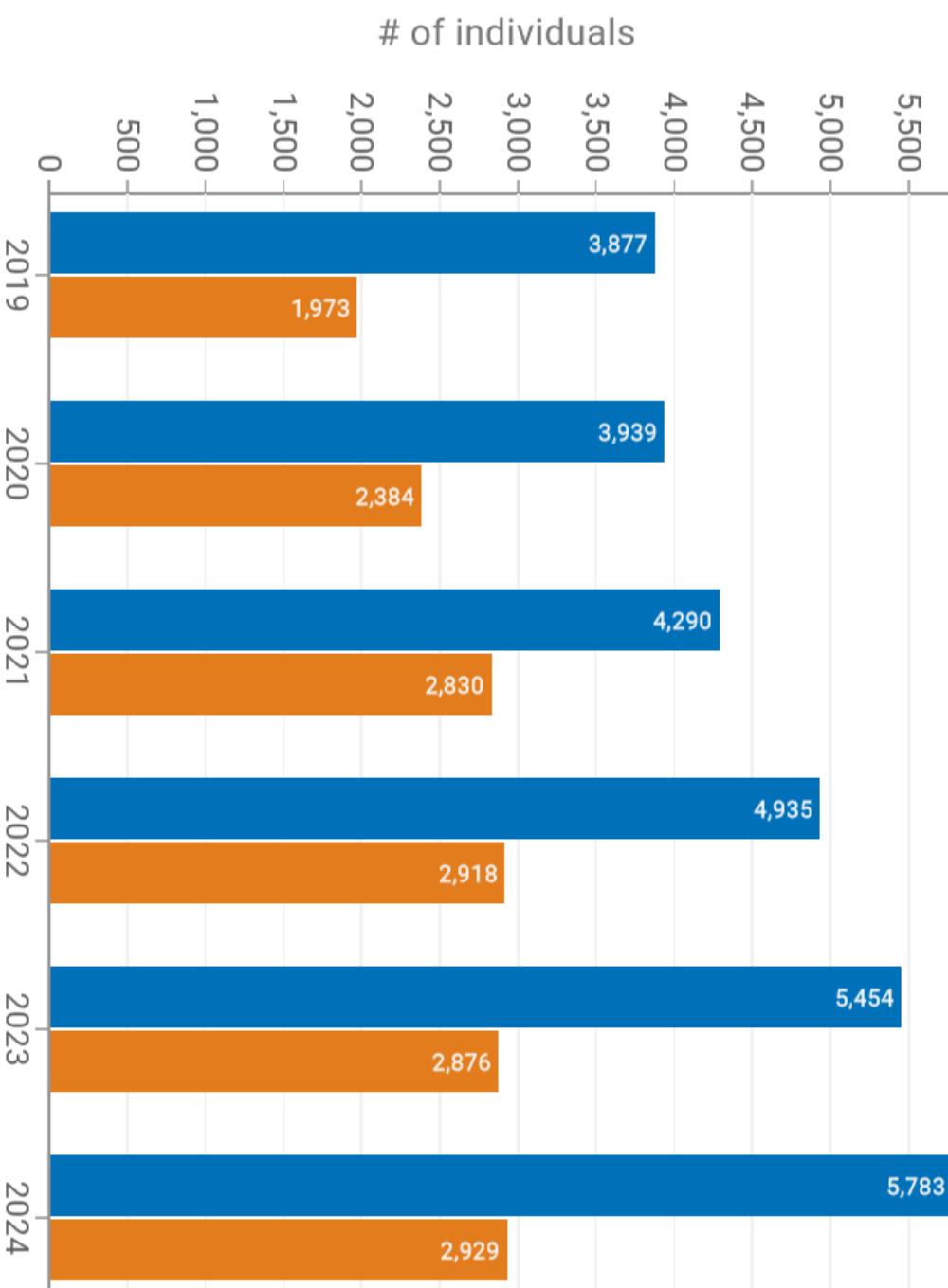
Unique number of clients Mesa residents at a Maricopa County service provider or any person at a Mesa-based provider.

2
::

Mesa Residents
Served Countywide

Total Served in

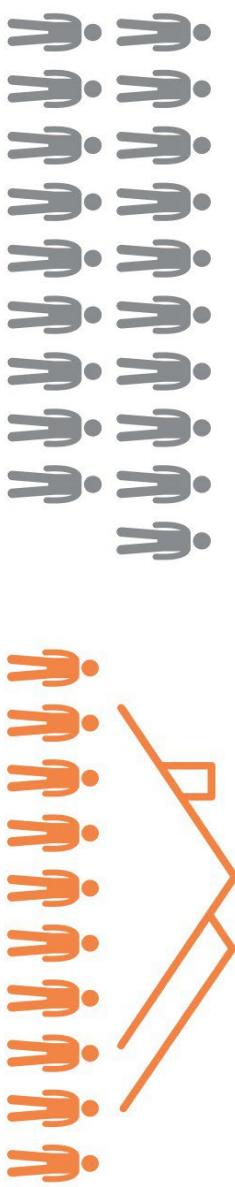
Mesa



onal Homelessness Trends 2024

Top Takeaways from the Homelessness Trends Report, Q4 2024

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



- 2 There is still a significant number of new people entering homelessness each month. In December, 905 households experienced homelessness for the first time, averaging 962 households over the last year.

- 3 Breakdown of people experiencing homelessness:



SINGLE / COUPLE

Households: 8,062
People: 9,502

FAMILY

Households: 1,386
People: 5,295



Impacts: Mesa Evictions by Fiscal Year 2019-2024



Justice Court Eviction Filings by Fiscal Year

Arizona Supreme Court AOC



pounding issues



11% (57k) Mesa residents are living below the poverty line.



Rents have increasing by 46% from 2019-22.
Mobile home lot rental increase from \$250 to \$800+.



Wages have increased at a slower rate than housing costs by 21.5% from 2019-22.



Health Care costs rising



Reduction or loss of rental assistance and other support programs.

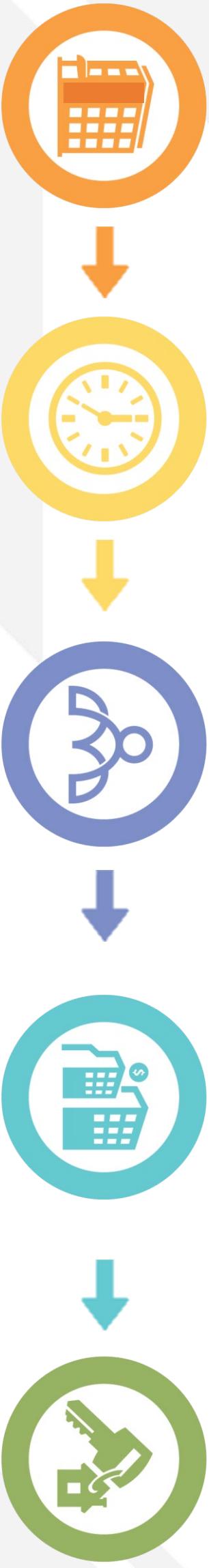


Not enough shelter to meet the need.
OTS waitlist: 14 families, up to 30 day wait.

Strategic Plan for Addressing Homelessness

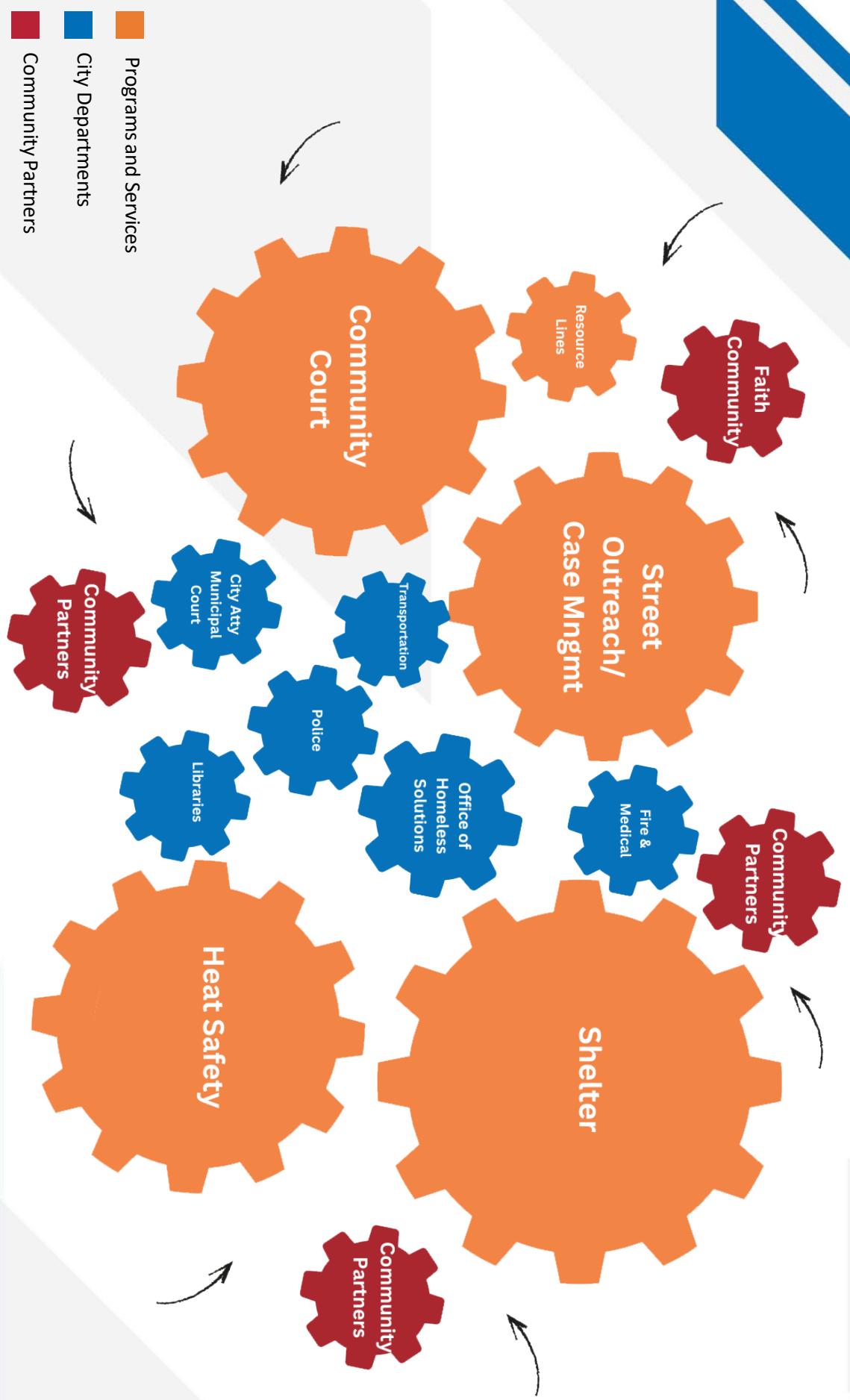


Mesa's Housing Path



Phase	Key Features
EMERGENCY	Immediate shelter. Safety. Housing Plan.
STABILIZATION	More rules and responsibilities. Health and employment needs.
BRIDGE TO SUCCESS	Demonstrated success. Bridge housing. Continued support services. Connected to housing vouchers.
RENTAL ASSISTANCE	Rental assistance. Housing vouchers.
INDEPENDENCE	Move to complete independence. Home ownership.

Connected Services



Community Court

Danica Sanchez, Deputy Court Administrator
Shawn Haught, Court Administrator

Community Court?

- Justice partners saw repeat offenses tied to homelessness.
- Traditional justice responses did not change behavior.
- Opportunity to improve resource use, community safety, and individual outcomes.
- Enforcement alone could not resolve homelessness.
- A collaborative, community-based solution was created – **Community Court (2018)**.

Collaborative Approach



Program Model:

- Pre-adjudication
- Voluntary participation
- Incentive-based progress
- Transfer to traditional docket if unsuccessful
- Graduation: stable housing, financial stability, and behavioral progress

Support Services:

- IDs & documentation help
- Shelter & housing referrals
- Physical & mental health services
- Substance abuse treatment
- Workforce & job support
- Benefit applications
- Education opportunities

Serious Mental Illness (SMI) Court - 2025

Graduated

Program	2023	2024	2025
CC	126	83	82
SMI	26	27	45

Returned to Program

Program	2023	2024	2025
CC	19	4	1
SMI	5	3	1

- Procedurally more complex than Community Court
- Defendants with SMI designation need deeper behavioral support
- Connected to a clinic - case managers coordinate treatment, housing, and support services
- Pre-adjudication with incentives

Human Services: Office of Homeless Solutions

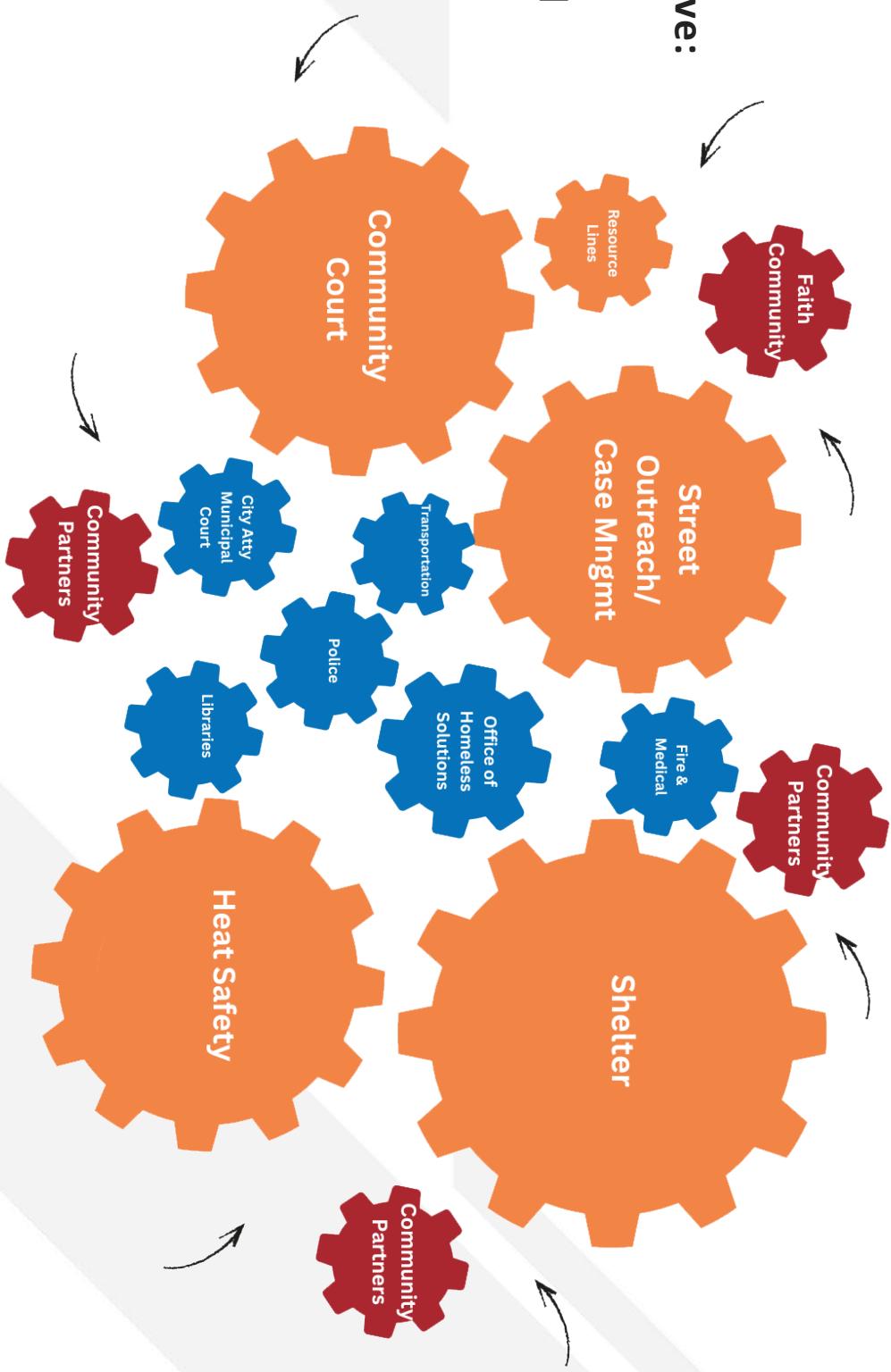
Lindsey Balinkie, Community Services Deputy Director
Jason Flam, Public Safety Liaison

- **Office of Homeless Solutions Objective:**

Create robust partnerships and comprehensive services in addressing homelessness to support a healthy and safe community for all in Mesa.

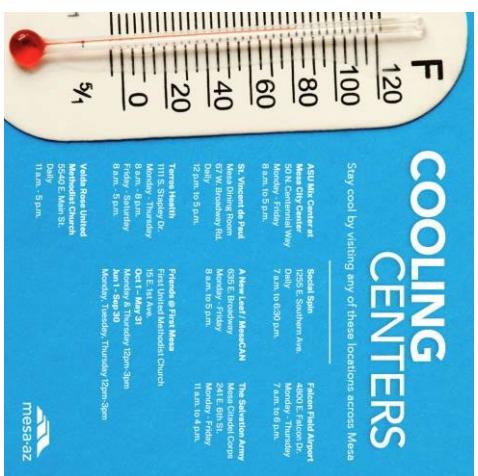
- Core components

- Heat Safety
- Street Outreach
- Shelter
- Education
- Collaboration



Heat Safety Response

- Portable AC Loan Program
- Heat Safety Transportation Service
- 22 Heat Safety Locations
- Emergency Rehabilitation Program 64 new A/C units
- Education and Awareness Campaign
- Hydration Donation Campaign
- Collaboration with MFMD, MPD, Emergency Rehab Program, Heat Relief Network, SEA Program, Together in Service, Community Agencies



Heat Related Deaths in Mesa by Year



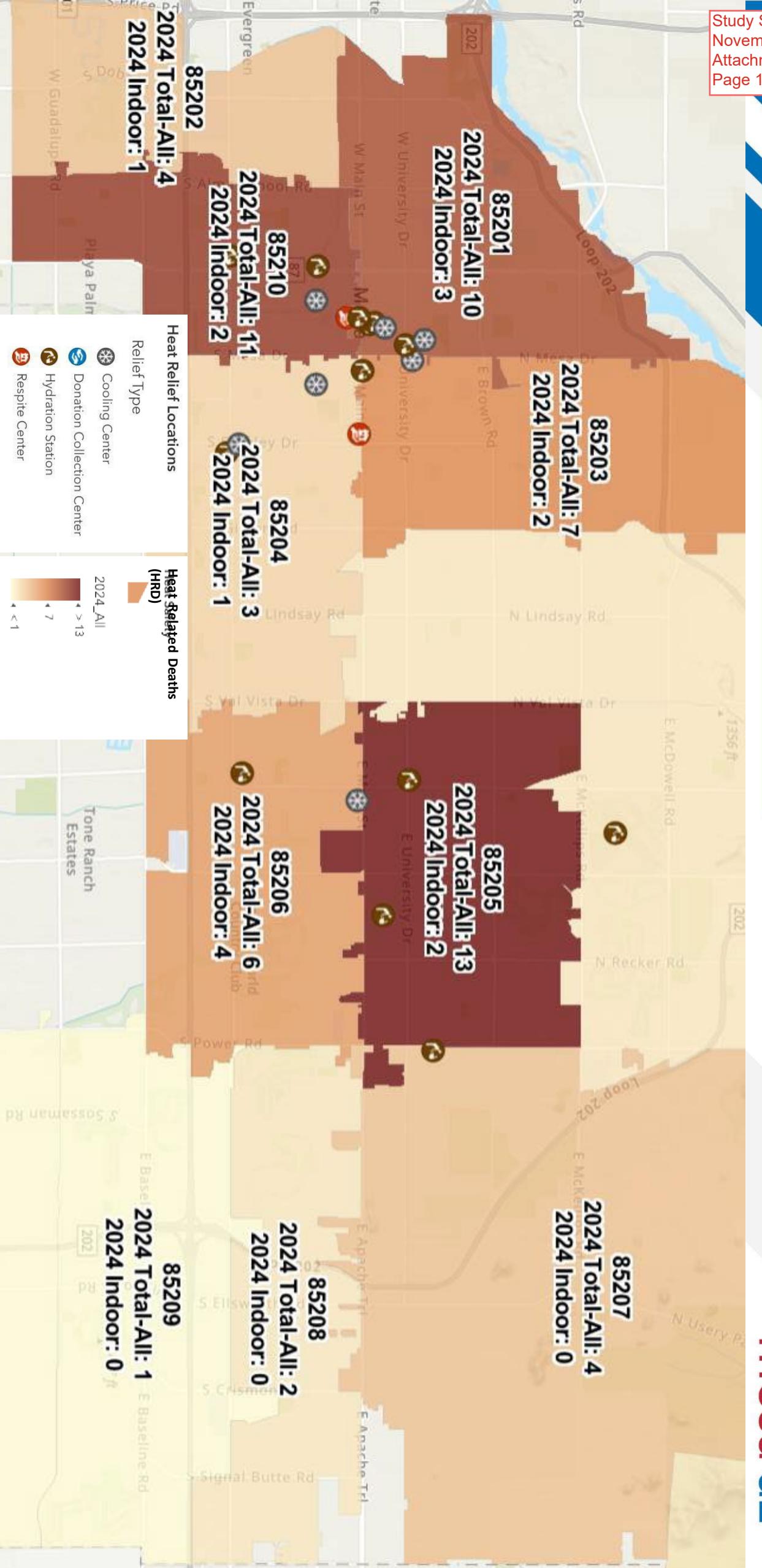
Heat Related Deaths in Mesa

	2023	2024	2025 (As of 10/25/2025)
Total (injury location in Mesa)	47*	55*	34**
Heat Caused	30	30	13
Heat Contributed	17	25	21
Unhoused (patient experiencing homelessness)	20 (62%)	20 (36%)	-
Substance Use Involved (includes drugs/alcohol)	38 (81%)	24 (44%)	-
Outdoor (place of injury)	38 (81%)	38 (69%)	21 (67%)
Indoor (place of injury)	9 (19%)	17 (31%)	13 (33%)
AC Present, Non-Functioning	7	14	-
AC Present, Turned Off	1	1	-
AC Present, No Electricity	0	1	-
AC Not Present	1	1	-

*This number reflects injury locations confirmed to be within Mesa city limits.

** Preliminary deaths within City of Mesa ZIP codes; totals currently available only by injury location (indoor/outdoor) and may include deaths occurring in county islands.

Heat Safety: 2025 Heat Relief Locations and 4 Heat Related Deaths



Heat Related Deaths Reported* and YTD MFMD Heat Related Incidents by Zip Code



MFMD Heat Related
Incidents YTD

44

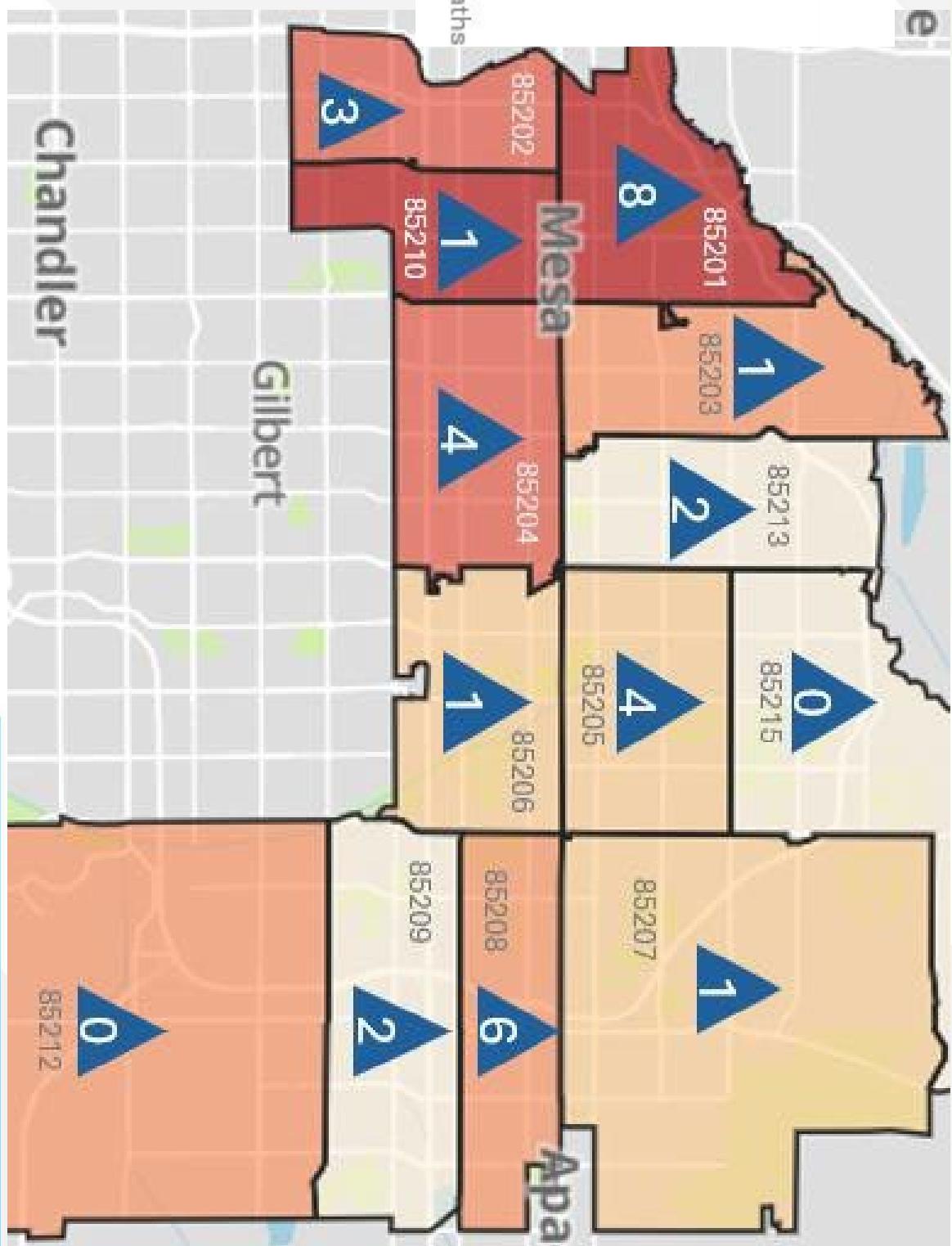
29 - 30

16 - 19

12 - 14

7 - 8

▲ Heat Related Deaths



* Preliminary Maricopa County data

Heat Reports | Maricopa County, AZ

Heat Safety: AC Loan & Transportation



Portable AC Loan Program

- 48 households served
- Prioritization to vulnerable residents (seniors, children, people with disabilities)

Heat Safety Transport 2025

Month	# of Transports
June	124
July	180
August	231
September	317
TOTAL	852

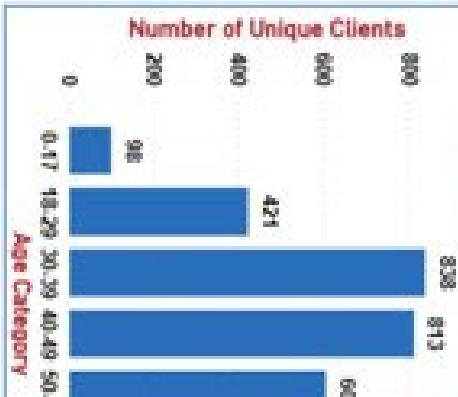
Both services divert from higher cost systems including MFMD and help prevent heat related deaths and homelessness.

It Safety: Day Respite Center 2025

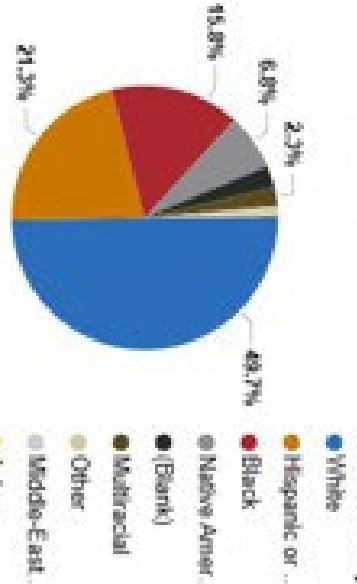
Unique Guests: 3257 | **Total Visits: 13.87K**



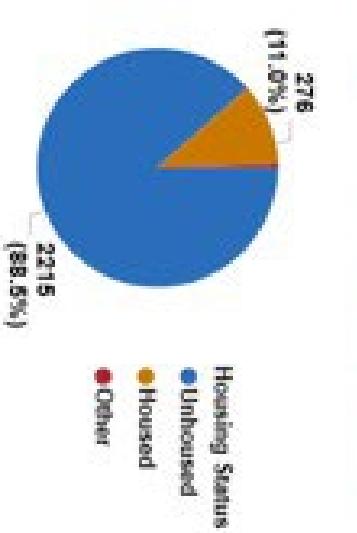
Unique Guests by Age



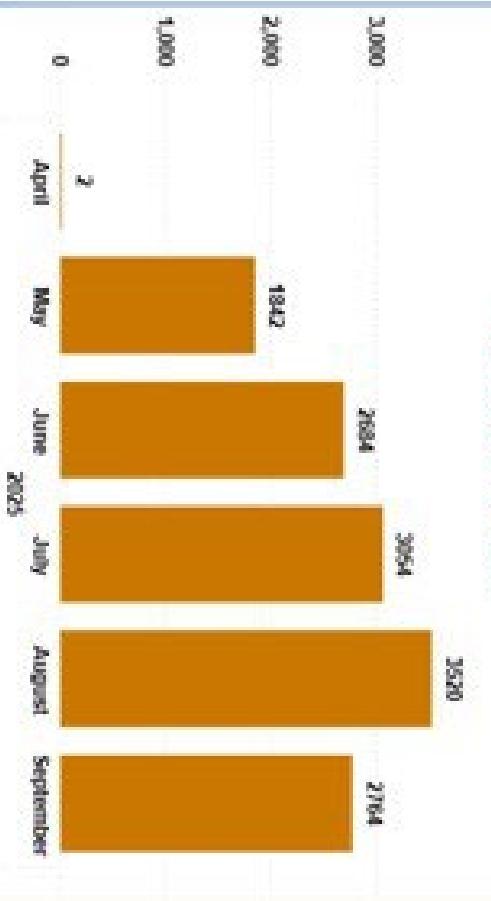
Unique Guests by Race/Ethnicity



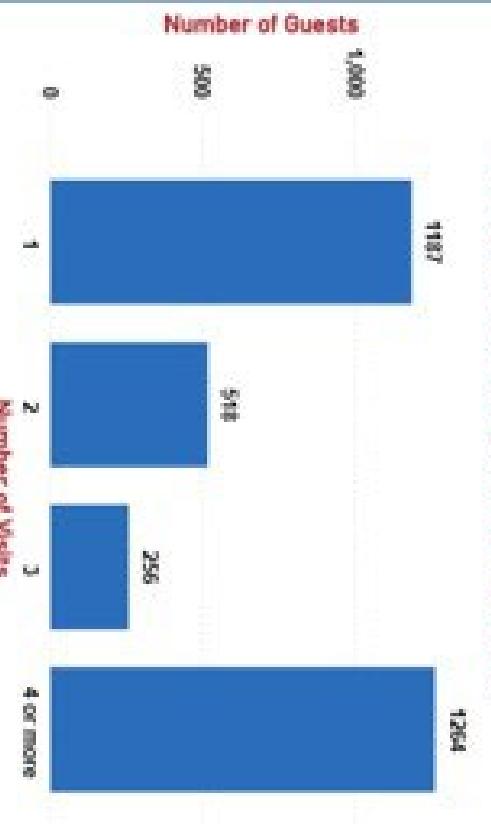
Unique Guests by Housing Status



Visits to Program



Unique Guests by Number of Visits

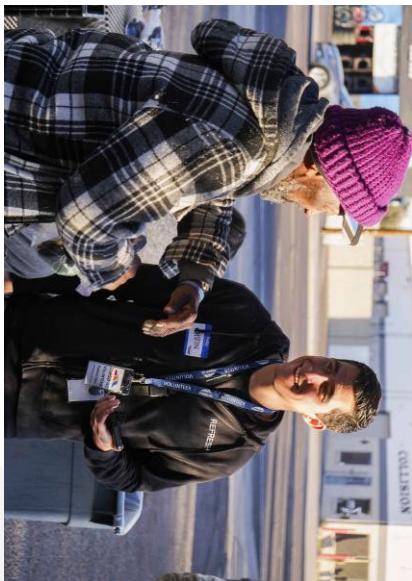


Diverts from higher cost systems including MFMD or hospital and prevents heat related deaths.

Street Outreach and Case Management



- 12 street outreach navigators, vehicles, tool kits
- 10 mobile, 2 stationed with local sites
- Hotline and referral system
- Coordinated collaborative approach
- Daily citywide street outreach (7days/up to 16 hours per day)
- Supports Heat Relief, Public Safety, Mesa Libraries, local agencies
- Expertise in peer support, building rapport through repeated connections, case management with connection to services



et Outreach & Case Management Results



July-September 2025

719

**UNIQUE
INDIVIDUALS**

132 SHELTER/HOUSING PLACEMENTS

- 31 PRM Residential
- 77 Shelter/Temp Housing
- 24 Permanent Housing

96

**RECOVERY PROGRAM
PLACEMENTS***

*Contract YTD (Feb-Sept 2025)

431

**TRANSPORT TO SERVICES
ENSURE CONNECTION**

- 69 Behavioral Health/Medical
- 62 Substance Use
- 13 Employment Services
- 142 Birth Certificate/ID

117
HOTLINE CALLS

**Male
53%**

**Female
42%**

This service diverts from and/or reduces higher cost systems including PD, MFMMD, Hospital, New/Chronic Homelessness, supports police and library staff.

Off the Streets Program Background

- ✓ 5 years of community impact
- ✓ Began in alignment with Martin v Boise, Covid Funding and rise in homelessness
- ✓ Currently renting 85 rooms at Windemere Hotel
- ✓ Moving to Sunaire property Spring 2026
- ✓ Supports Public Safety/Community Court
- ✓ Rules and requirements
- ✓ Case management
- ✓ Only Mesa shelter for families/women



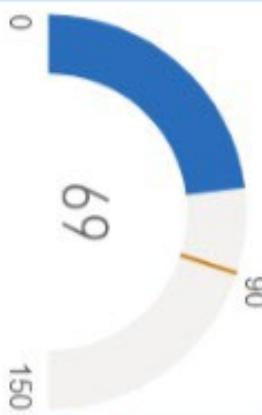
the Streets 2025 Calendar YTD



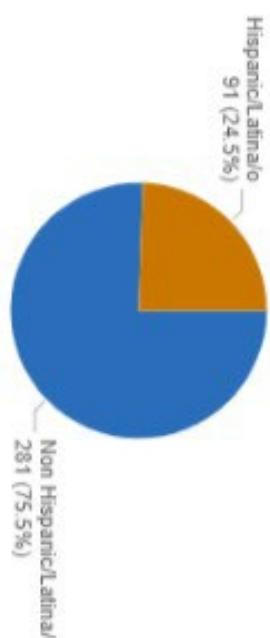
Total Unique Clients

374

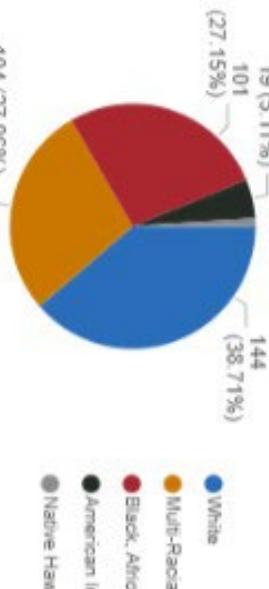
Median Number of Days in the Program



Clients by Ethnicity Simplified



Clients by Primary Race



Disabilities Reported by Clients

1.9%

Median Adult Client Age (18+)

31.6%
Positive Exit Rate

85.43%

Clients by Primary Reason for Homelessness

Alcohol/Subs... 10 (4.0%)
Medical 32 (13.0%)
Unsafe Environment/Dispute/Divorce 59 (23.9%)

Criminal/Jail 6 (2.4%)

Financial/Employment 140 (56.7%)

*Click on category to see individual reasons for homelessness

Clients by Age and Gender

● Female ● Male

(18-61) Adult

(0-17) Minor

(62+) Senior

27.5%
25.1%
10.4%

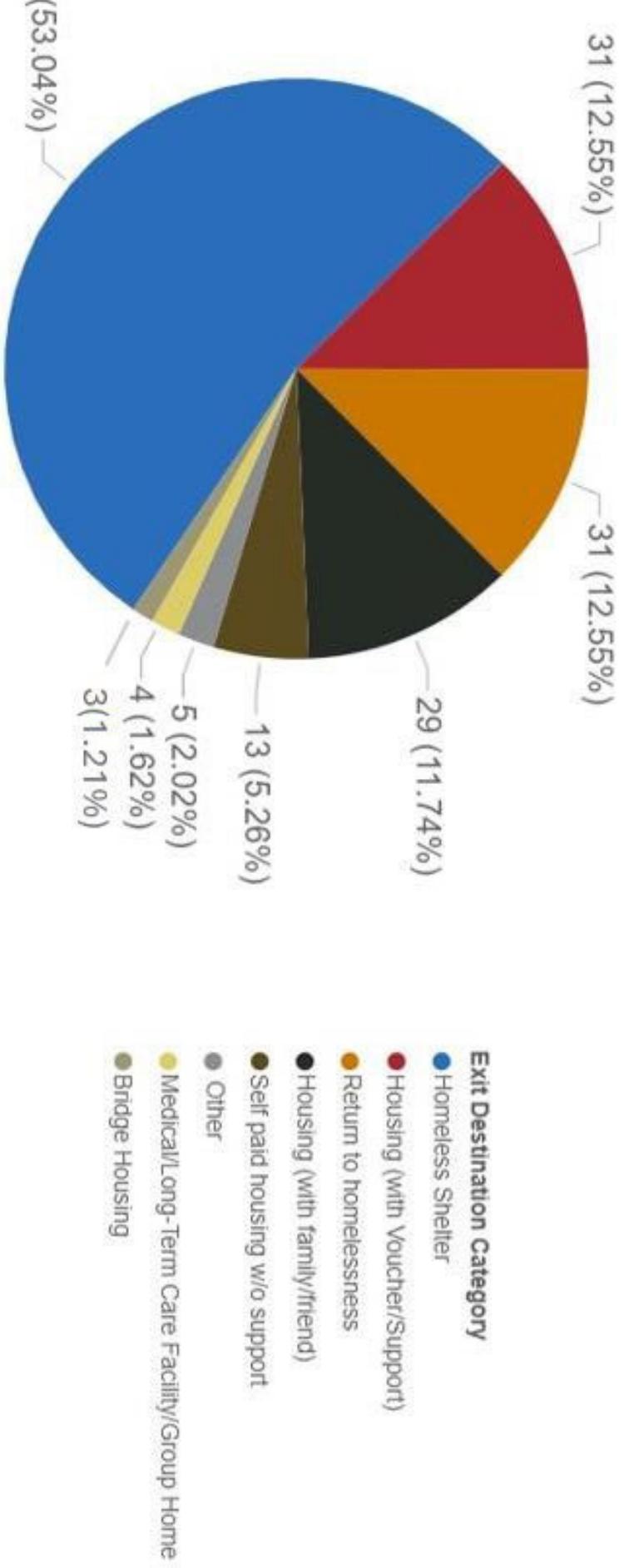
19%
17%

22%
35%

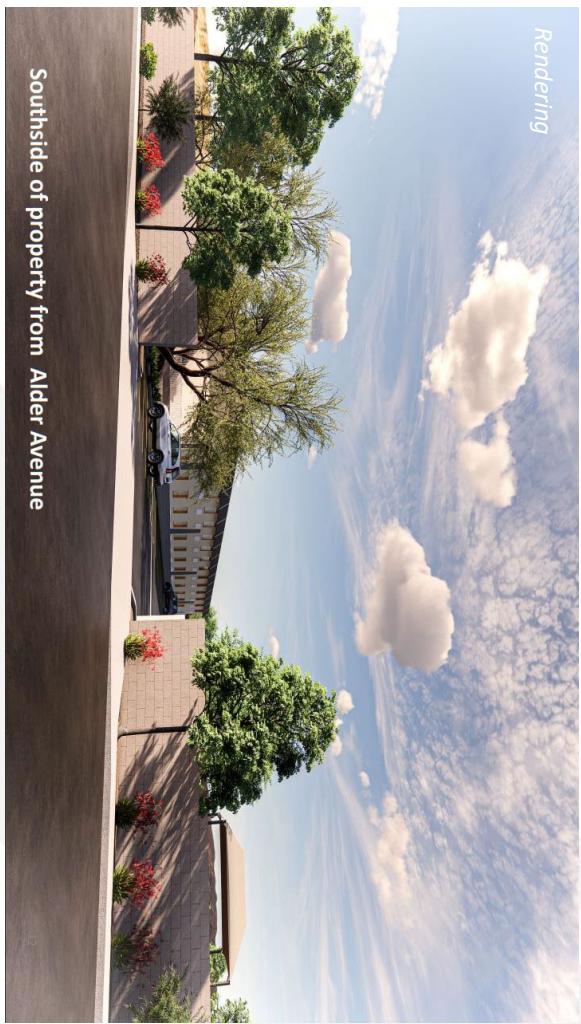
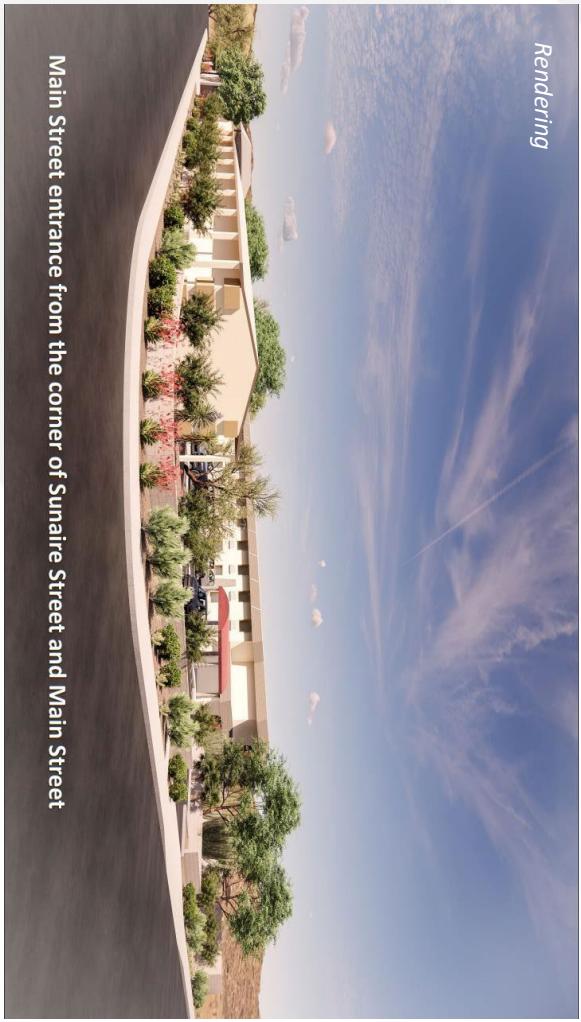
Disability Percentage



Clients by Exit Destination Category



aire Update: Timeline



aire Off the Streets Program Update



Off the Streets

CONTINUES

*90-day structured program

*Program management

Property management

*No walk ups

Transportation

*Police presence

Pet friendly

NEW

Control of campus

*Serving seniors, families and
domestic violence victims
ONLY

Additional family friendly
rooms

*Cameras

*Council Use Permit Requirement





- 64 shelter rooms
- Room furniture
- Adjoining doors
- Intake room
- Laundry
- Security cameras
- Playground
- Fence





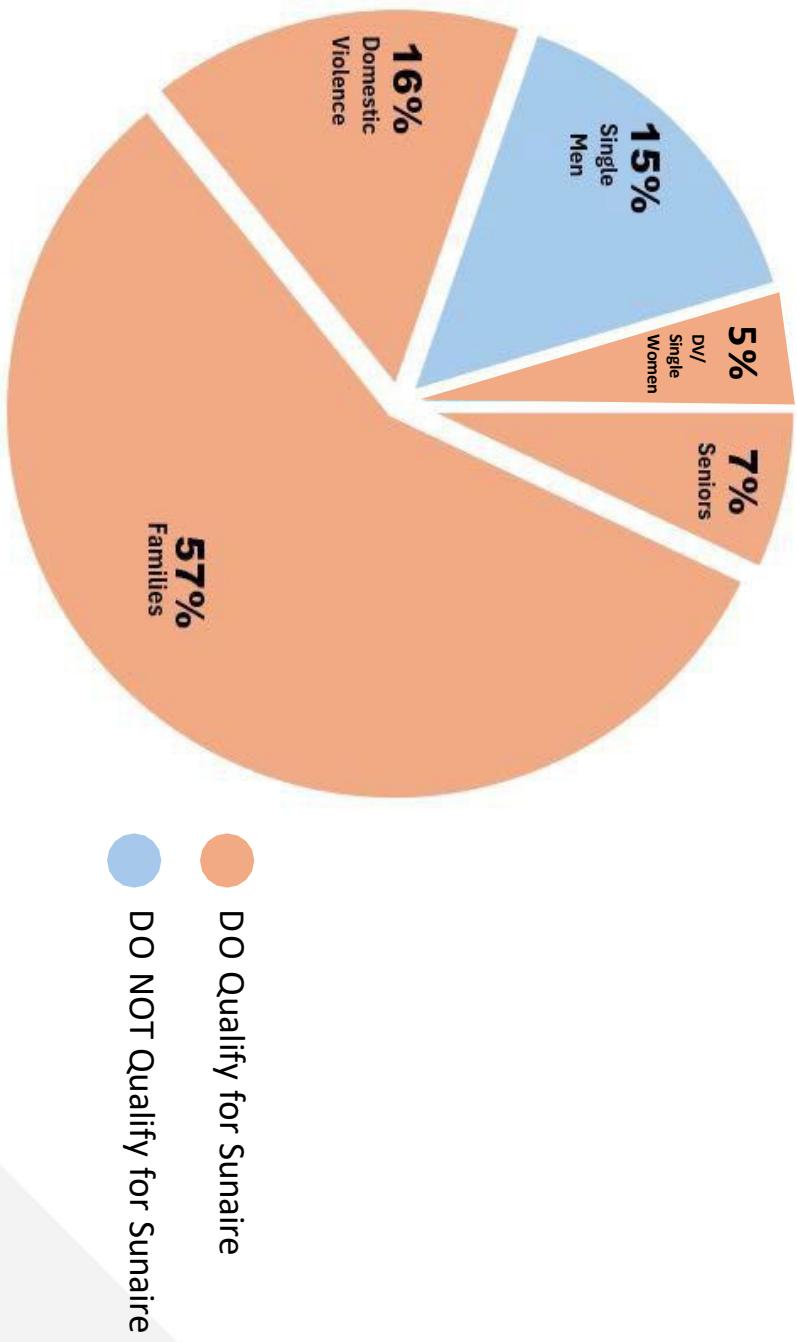
Off the Streets

- October/November 2025: Solicitation for program and property management.
- Maximize federal funding opportunities

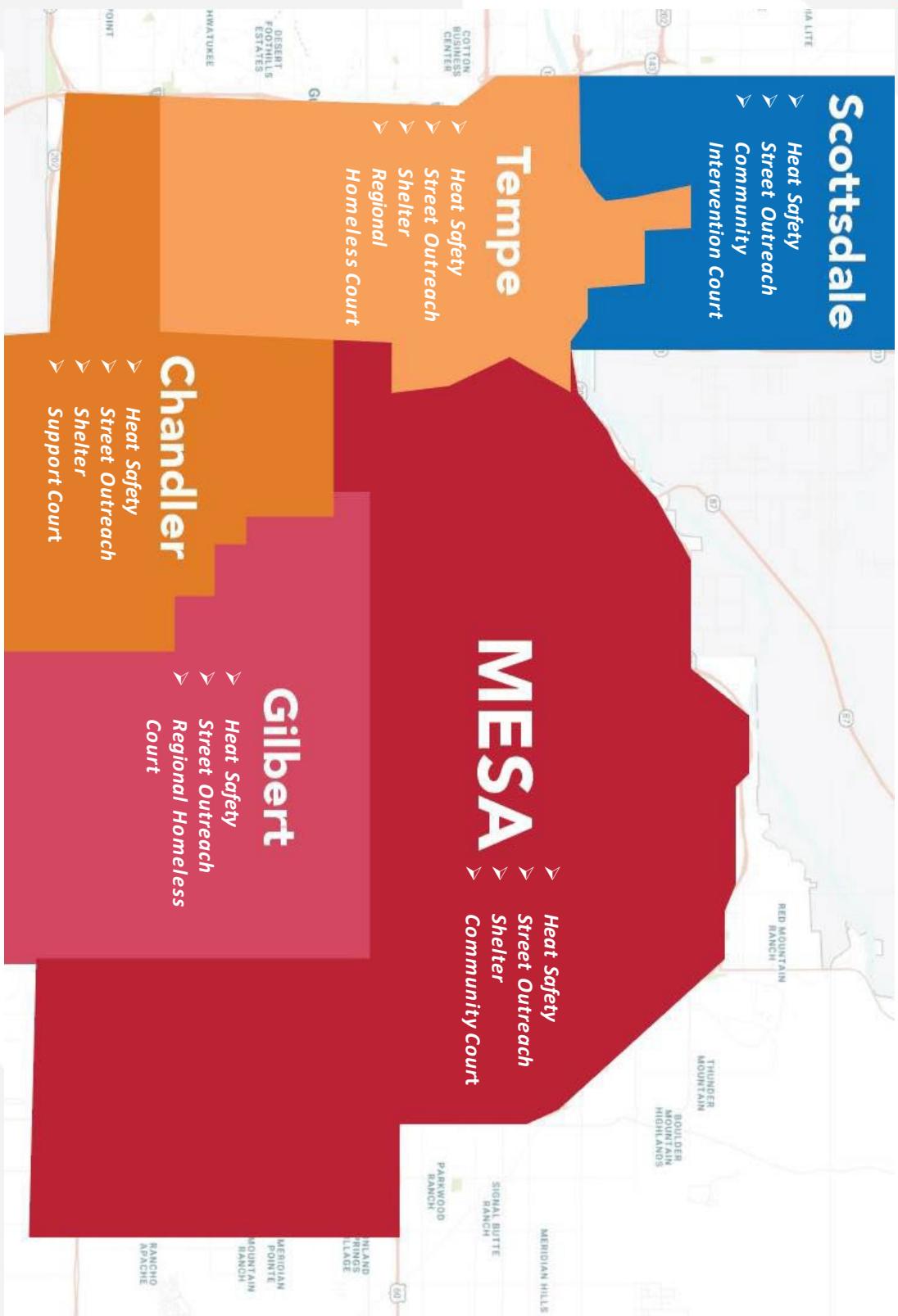


Off the Streets Program at Sunaire

2024 Off the Streets Program Participants



ional Efforts



Coordinated Collaboration



WARM HAND OFFS, COLLABORATION WITHIN REGION

INTERDEPARTMENTAL HOMELESS STRATEGY TEAM

MONTHLY OUTREACH COLLABORATIVE/TOGETHER IN SERVICE

SPECIAL PROJECTS: PAZ DE CRISTO BROADWAY CORRIDOR

ANNUAL POINT IN TIME COUNT

RESOURCE EVENTS

Healthy Giving Updates

- Healthy Giving (panhandling)
 - Signs
 - New sign locations
 - New ways to give
- [Healthy Giving - City of Mesa](#)
- Giving Tree collaboration with Mesa Libraries for Off the Streets Shelter



City of Mesa
Off the Streets Program

GIVING TREE



Gift(s) to Donate:

Cozy blanket
or
kids' blanket

Drop your donation off at the
Main or Red Mountain Library
by December 15, 2025.
Donations should be new,
unwrapped items.
Thank you!



to Help



Homeless Resource Card



Connection to Shelter



Replace lost IDs

Phoenix Rescue Mission Street Outreach Hotline
(602) 346-3361

Mesa Homeless Resource Line

(480) 644-HOPE (4673)

Scan For More
Resources



Housing Assistance



Mental Health Services



Transportation

Email us: hope@mesaaz.gov

