



Council Report

Date: February 24, 2020
To: City Council
Through: Chris Brady, City Manager
From: Mike Kennington, Deputy City Manager/Chief Financial Officer
Subject: Updates to the City Code Title 3, Chapter 3 (Citywide)

Purpose and Recommendation

The purpose of this City Council report is to recommend Council approve repealing and replacing the “Utilities Department” section of the Mesa City Code (Mesa City Code Title 3, Chapter 3) with a new section titled “Water Resources, Energy Resources and Environmental Management & Sustainability Departments.”

Background

The proposed ordinance formalizes the existing City commitment to having utility assistance programs as the City has several long-standing utility assistance programs. The ordinance describes some of the existing and anticipated future programs, but it does not, and is not intended to, list all the assistance programs the City offers. The ordinance is a formal affirmation of the City’s commitment to provide assistance to Mesa residents for these important City services.

Additionally, the ordinance creates a new utility fund and limits the funds to such uses as: operation and maintenance expenses, payments for the use of public property, payments of principal and interest on debt issuances, and promotion of conservation. Further, the ordinance formalizes the long-standing general fund transfer of utility revenues for the primary purpose of providing public safety services in Mesa and provides new limits on the amount of the transfer. Finally, the ordinance includes several provisions related to bonds in order to ensure compliance with the City’s existing bond obligations and to allow the City to issue future bonds.

Discussion

Several important provisions of the ordinance were highlighted in a presentation made to City Council on January 30, 2020 at which City staff sought direction for moving forward with the ordinance, including:

- Public Assistance – Ordinance formalizes ability to offer various utility assistance programs

- Charge for use of public property – 3% of the gas and electric revenues and 5% of the water and wastewater revenues
- Public Safety and General Use Transfers – Ordinance would allow for the transfer of up to 25% of utility revenues for public safety purposes and up to an additional 5% for general use

Alternatives

An alternative to adopting the new Title 3, Chapter 3 of the Mesa City Code is to not adopt the changes and leave the City Code as it is today.