



COUNCIL MINUTES

October 28, 2021

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 October 28, 2021, at 7:37 a.m.

COUNCIL PRESENT

John Giles
Jennifer Duff
Mark Freeman
Francisco Heredia
David Luna
Julie Spilsbury
Kevin Thompson

COUNCIL ABSENT

None

OFFICERS PRESENT

Dee Ann Mickelsen
John Pombier
Jim Smith

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the November 1, 2021, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: 7-a

In response to a question from Councilmember Thompson regarding Item 6-g, **(Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with the Town of Queen Creek to accept \$125,000 in funding in exchange for forensic laboratory services provided by the Police Department's Forensic Services Division)**, on the Regular Council Meeting agenda, Forensic Services Administrator Kim Meza explained the Town of Queen Creek is seeking a contract with Mesa to conduct forensic services with the exception of crime scene and ink print analysis. She clarified this is similar to what the City currently does with the Town of Gilbert and the City of Tempe. She reported the funds for these services will be utilized to hire a forensic scientist and to cover the costs of consumables, reagents, and equipment as needed to provide the services.

Business Licensing and Revenue Collections Administrator Tim Meyer introduced Assistant City Attorney Sarah Staudinger and displayed a PowerPoint presentation on Item 7-b, **(Amending Title 5 of the Mesa City Code (Business Regulations) by adding a new Chapter 5, entitled "Business License", requiring all persons conducting business in Mesa to obtain a business license.)**, on the Regular Council Meeting agenda. **(See Attachment 1)**

Mr. Meyer provided an overview of other jurisdictions that require a business license, the benefits of a business license, and who would and would not be required to obtain a business license. (See Pages 2 through 6 of Attachment 1)

In response to questions from Councilmembers, Mr. Meyer explained rental property owners, food producers, food trucks, and personal childcare providers would not need a business license and insurance agents are exempted by state law.

Ms. Staudinger clarified the ordinance states if a license is required under State law, the business would be required to obtain a license from the City.

Discussion ensued relative to the non-profit agency registry available from the Mesa Chamber of Commerce, and that non-profit agencies will not need a business license if they conduct business in the city on less than four occasions per year.

In response to a comment from Mayor Giles regarding the fact that a peddler's license requires fingerprinting, whereas the food truck license follows the model State ordinance where fingerprinting is not required, Ms. Staudinger stated the requirements are slightly different due to the fact that food trucks do not go door-to-door or into people's homes.

Mr. Meyer highlighted the proposed fees for business licenses and the penalties for failure to acquire or renew a business license. (See Pages 8 and 9 of Attachment 1)

In response to a question from Vice Mayor Duff regarding access to the State sales tax database, Mr. Meyer responded by saying that data is protected and controlled by the State, and local jurisdictions do not have access.

Business Services Director Ed Quedens explained the Economic Development department has hired a staff member to conduct outreach to the business community. He added this staff member will partner with Business Services to educate business owners on the new business license process and programs available from Economic Development.

In response to a question from Councilmember Heredia regarding a simple application process, Mr. Meyer said the application will be completed utilizing DIMES and the goal is to keep the application as short and simple as possible. He remarked if the process is approved, two additional staff members will be hired to assist business owners and respond to questions and concerns related to the application process. He added there will be kiosks available in the licensing office to assist business owners.

Discussion ensued relative to the languages the application will be available, providing a video tutorial to assist business owners, and the possibility of adding information in Mandarin or Vietnamese to assist Mesa's Asian business owners.

Mayor Giles commented that there also needs to be information on why a business license process is being implemented. He stated there will be some suspicion in the business community about why the City is asking for the data and this is a good opportunity to explain how the City is more engaged now in providing small business assistance and we cannot do that without knowing what businesses are out there.

Councilmember Thompson expressed concern with the City sharing business license information with entities such as Economic Development and the Chamber of Commerce since businesses

may not want information shared outside of the licensing department. He recalled a similar discussion several years ago and the option of not implementing a fee for the first year, which he supports.

In response to a question from Mayor Giles regarding access to business license information, Mr. Meyer replied not all of the data will be available to the public. He provided the example if someone wanted to know the number of dry cleaners in a certain area, that information would be available; however, if someone wanted to know the number of employees a certain business has, that data would not be released.

Discussion ensued relative to a public records request for the data, and what data would or would not be subject to disclosure.

Councilmember Spilsbury stated her impression is that very basic general information would be collected on the application. She commented based on the fact that the application is \$10.00 is proof of good intent to try and help the business community.

In response to a question from Mayor Giles regarding classifying business types on the application, Mr. Meyer explained the business type will be classified by a specific code to track the types of businesses in Mesa. He added email addresses will also be collected.

In response to a question from Councilmember Spilsbury, Mr. Meyer stated the cost of the business licenses will cover administrative costs for two new staff members at \$150,000.00 per year, plus maintenance on the program.

Councilmember Freeman commented the DIMES portal that will be used is not user-friendly and based on Council feedback regarding languages, a drop-down box for selecting a language would be very helpful. He added a video tutorial, website or link to assist businesses, and a FAQ sheet are also options that would be helpful.

In response to concerns expressed by Councilmember Thompson, City Attorney Jim Smith explained business information is already available from the Corporation Commission. He stated if a home-based business did not want to list their home address, they have the option of utilizing a post office box.

In response to questions from Councilmember Luna, Mr. Meyer commented staff conducted research of other Valley cities related to their business license process and none of the cities expressed major issues or concerns.

Mayor Giles stated this ordinance will return to Council in two weeks for a public hearing, which gives the public an opportunity to come forward and express concerns. He said a lot of the information Council is talking about is already in the public domain. He expressed the opinion that this is creating a source of data to assist the City and organizations like the Chamber of Commerce.

Councilmember Freeman expressed the opinion that this information is critical from a public safety standpoint as it allows a point of contact for police or fire.

Mr. Meyer provided a timeline for Council action and implementation of the business license process. (See Page 10 of Attachment 1)

Assistant City Manager John Pombier provided information on Item 7-a, **(Repealing and replacing Ordinance 5314 relating to compensation, vehicle, and communication allowance and City benefits for the Mayor and City Council, effective January 2023, and acknowledging receipt of the report and recommendations of the Independent Commission on Compensation for Elected Officials (ICCEO))**, on the Regular Council Meeting agenda. He explained the ICCEO was formed to look at the compensation of mayor and council. He commented the ICCEO is recommending a \$1200 increase for each councilmember and the mayor, with the goal of Council's salary at 60% of the mayor's salary. He commented this would be a 2.95% increase for Council and a 1.63% increase for the mayor, bringing Council's salary to 56% of the mayor's salary.

Mayor Giles thanked staff for the presentations.

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

2-a. Judicial Advisory Board meeting held on December 16, 2020.

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

Upon tabulation of votes, it showed:

AYES – Giles-Duff-Freeman-Heredia-Luna-Spilsbury-Thompson
NAYES – None

Carried unanimously.

3. Current events summary including meetings and conferences attended.

Mayor Giles –	21 st Apache Commemoration A New Leaf 50 th Anniversary celebration
Vice Mayor Duff –	Cemetery tour Mesa Chamber Green Flag Business Plan challenge Domestic Violence Awareness night at Pioneer Park Lowell Elementary “Walk to School” event
Councilmember Luna –	Día de los Muertos event Service day for City of Mesa 21 st Apache Commemoration Trick or Treat event at Red Mountain Branch Library
Councilmember Spilsbury –	Love Your City service day Ribbon cutting at Speak Easy Salon Suites A New Leaf 50 th anniversary celebration Día de los Muertos event
Councilmember Freeman –	Service Day for City of Mesa Cemetery tour Field of Dreams to benefit Special Olympics

Councilmember Heredia - Service Day for City of Mesa

4. Scheduling of meetings

Assistant City Manager John Pombier stated that the schedule of meetings is as follows:

Monday, November 1, 2021, 5:15 a.m. – Study Session

Monday, November 1, 2021, 5:45 a.m. – Regular Session

5. Adjournment.

Without objection, the Study Session adjourned at 8:39 a.m.



JOHN GILES, MAYOR



ATTEST:



DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 28th day of October 2021. I further certify that the meeting was duly called and held and that a quorum was present.



DEE ANN MICKELSEN, CITY CLERK

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(Attachment – 1)



Business License

Tim Meyer

Business Licensing and Revenue Collections Administrator

Business Services Department

Other Municipalities

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Business License Required

- Apache Junction
- Chandler
- Flagstaff
- Gilbert
- Glendale
- Goodyear
- Peoria
- Scottsdale
- Surprise
- Tucson
- Wickenburg

Business License Not Required

- Phoenix
- Tempe
- Mesa

Business License Benefits

- Health, Safety and Welfare
- Share information with entities such as Economic Development and the Chamber of Commerce
- Contact information for City programs
- Clustering of like businesses
- Help businesses do business in Mesa
- Identify service businesses located in Mesa
- Identify home-based businesses in Mesa
- Identify taxable businesses not currently reporting
- Letter of support from the Mesa Chamber

Who Would Need a Business License

- Businesses in Mesa
 - Goods and Materials businesses
 - Service businesses
 - Home-based businesses

Who Would Not Need a Business License

5

Specifically Called out in State Statute:

- Out of State Businesses
- Food Producer
- Residential Rental Properties and Property Owners (homes, condos, townhouse, apartments including short-term rentals)
- Insurance Agents

Who Would Not Need a Business License

- Business Not Located in Mesa
- Government Agencies
- Religious, veteran, civic service, non-profits
- Schools
- Educational Lessons or Tutoring
- Taxi, Livery Vehicle, Limousine Service
- Babysitting
- Mobile Food Vendors/Peddlers/Solicitors

Who Would Not Need a Business License

- Casual business activity
 - ...transaction of an isolated nature, such as the private sale of a personal automobile, handmade good, or garage sale item, on four (4) or fewer occurrences during a calendar year and the person neither represents themselves to be engaged in nor is engaged in business
- Sales Representative
- Special Event, Mobile Food Vendor, Peddler/Solicitor licensed elsewhere in the City Code

Proposed Fees

City	Application Fee	Annual Fee
Chandler	\$45	\$45
Gilbert	\$35	\$15
Glendale	\$25	\$25
Queen Creek	\$60	\$40
Scottsdale	\$62	\$50
Mesa - Proposed	\$10	\$25

Failure to Acquire/Renew a License

- Will be a civil violation subject to fees and financial penalties
- Penalties don't go into effect until 1 year after adoption of the ordinance
- No late fee or penalty is currently proposed in the Schedule of Fees and Charges. It would be brought forward to Council as a proposal in the future

Tasks Ahead

- ✓ Post 60-Day Fee Public Notice
- Building business license in licensing system
- Council-Introduction 11/1
- Hire Staff
- Council-Consideration 11/15
- Start Outreach (Business Services, Economic Development, and partner organizations)
- Begin Licensing Monday, 1/3/2022

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