



COUNCIL MINUTES

November 15, 2021

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on November 15, 2021, at 6:15 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

John Giles

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(Vice Mayor Duff excused Mayor Giles from the entire meeting.)

Vice Mayor's Welcome.

Vice Mayor Duff conducted a roll call.

Invocation by Mr. Rick McClellan with La Mesa Ministries.

Pledge of Allegiance was led by Vice Mayor Duff.

Awards, Recognitions and Announcements.

Vice Mayor Duff declared November 27, 2021, as Small Business Saturday and presented a proclamation to Samantha Jackson, Deputy Director at the Downtown Mesa Association. She said Small Business Saturday celebrates local businesses and the contributions those small businesses make to the local economy and the community.

Ms. Jackson reported the Downtown Mesa Association is working on a new Downtown brand. She stated what sets Mesa small businesses apart is the uniqueness of the local merchants. She continued by saying the story and heritage of Mesa's small businesses provides a sense of pride. She commented she is grateful for Council recognizing the critical contribution to the City of Mesa. She welcomed everyone to Merry Main Street on November 27, 2021, for Small Business Saturday.

Vice Mayor Duff stated the Phoenix Chapter of the Public Relations Society of America awarded Mesa with two Copper Anvil Awards which recognizes public relations professionals and teams for their exceptional performance and outstanding execution of tactics and campaigns. She introduced Communications Director Ana Pereira.

Ms. Pereira explained the City of Mesa Water Resources Department was awarded a Copper Anvil Award for best annual report for their 2020 water quality consumer confidence report and the second Copper Anvil Award was received for the Mesa CARES integrated communications campaign.

Vice Mayor Duff announced Tuesday, November 16, 2021, the 13th annual Turkey Tuesday event will take place at the Mesa Convention Center. She remarked the Engineering Department and the United Food Bank have organized the turkey drive for those in need. She introduced Dave Richins, CEO of United Food Bank.

Mr. Richins noted he appreciates all those who have pitched in to help with the event over the past 13 years. He encouraged the community to bring their turkey donations to the Mesa Convention Center from 7:00 a.m. to 1:00 p.m. He added the turkeys will be distributed on Monday, November 22, 2021, at the Mesa Convention Center to families in need.

Councilmember Freeman announced two Public Safety personnel passed away this past week. He mentioned Retired Fire Captain Trevor Madrid lost his battle with cancer. He said Council sends thoughts and prayers to the families.

1. Take action on all consent agenda items.

All items listed with an asterisk (*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that the consent agenda items be approved.

Upon tabulation of votes, it showed:

AYES – Duff-Freeman-Heredia-Luna-Spilsbury-Thompson
NAYS – None
ABSENT – Giles

Vice Mayor Duff declared the motion carried unanimously by those present.

*2. Approval of minutes of previous meetings as written.

Minutes from the October 28, 2021, Special Council meeting; the November 1, 2021, Study Session; and the November 1, 2021, Regular Council meeting.

3. Take action on the following liquor license applications:

*3-a. Ultimate Imaginations

This is a two-day event to be held on Friday, November 26, 2021, from 5:00 P.M. to 10:00 P.M. and Saturday, November 27, 2021, from 5:00 P.M. to 10:00 P.M., 1 North Macdonald. **(District 4)**

*3-b. Ultimate Imaginations

This is a two-day event to be held on Friday, December 17, 2021, from 5:00 P.M. to 10:00 P.M. and Saturday, December 18, 2021, from 5:00 P.M. to 10:00 P.M., 1 North Macdonald. **(District 4)**

*3-c. Commemorative Air Force

This is a one-day event to be held on Saturday, December 4, 2021, from 5:00 P.M. to 11:00 P.M., 2017 North Greenfield Road. **(District 5)**

*3-d. Wings of Flight Foundation

This is a one-day event to be held on Saturday, December 18, 2021, from 6:00 P.M. to 11:59 P.M., 4626 East Fighter Aces Drive. **(District 5)**

4. Take action on the following contracts:

*4-a. Purchase of One (1) Gas Chromatograph Mass Spectrometer (GC/MS) (Replacement for the Mesa Police Department. **(Citywide)**

This purchase will provide an Agilent GC/MS with Liquid Sampler for the Controlled Substances Unit. This instrument has the capacity for full range of testing related to any evidence submitted to the Forensic Lab that may contain a controlled substance or prescription drug.

The Police Department and Purchasing recommend awarding the contract to the sole source vendor KPrime Technologies, at \$128,000.

*4-b. Use of a Cooperative Contract with an 11-Month Term for the Stagehand Temporary Worker Services for the Arts and Culture Department. **(Citywide)**

Mesa Arts Center (MAC) requires IATSE stagehand services for its productions. The City vendor that had the labor contract with IATSE was sold. The new company does not wish to enter into an agreement with IATSE, requiring MAC to find another vendor. The contract amount requested is based on the same percentage markup as the current City contract that was recently competitively bid.

The Arts and Culture Department and Purchasing recommend authorizing the purchase using the Arizona State University cooperative contract with UTP Group, at \$1,000,000, based on estimated usage.

*4-c. Three-Year Term Contract with One-Year Renewal Options for Kronos Case Management and File Management Solution for Leave Administration for the Office of ERP Management (Competition Not Practical or Advantageous). **(Citywide)**

This software solution is intended to support the creation, management and tracking of leave cases (i.e. FMLA, Military) and needs to integrate with the City's existing Kronos timekeeping solution to properly track leave time. This is a Kronos product and will integrate with the City's existing Kronos products and will leverage current file integration between Advantage and Kronos to provide employee data.

The Office of ERP Management and Purchasing recommend awarding the contract to UKG (Kronos) Year 1 at \$90,000 and Years 2 and 3 at \$73,000 annually, based on estimated usage.

- *4-d. Purchase of a Key Management System (Replacement) for the Mesa Police Department (Single Response). **(Citywide)**

This contract will replace the current locking system for the Holding Facility inmate cell doors; restructure/re-key the Holding Facility. This work will provide emergency management preparedness and ensure the safety of Police personnel and arrested subjects.

An evaluation committee recommends awarding the contract to the sole, responsive, and responsible proposal from Southern Folger Contracting Inc., at \$78,000, based on estimated requirements

- *4-e. Purchase of Two Drone Detection Systems (Additions) for the Mesa Police Department. **(Citywide)**

The Police Department will use the drone detection systems to locate, track, and mitigate illegal activity and protect those at large gatherings to be used independently or in unison to cover large areas or an event with multiple high-risk locations separated by distance.

Through the Phoenix Urban Area Security Initiative (UASI) funding has been provided to several local agencies (Phoenix, Mesa, Scottsdale, Tempe, and MCSO) to purchase drone detection capabilities. These drone detection systems will be positioned in locations where a network can be set up throughout the Valley. The systems will be regional in nature, thus providing detection capabilities spread throughout the Phoenix area.

The Police Department and Purchasing recommend authorizing the purchase using the Maricopa County cooperative contract with A & H Security Enterprises, LLC, dba Aerial Armor, at \$80,000, based on estimated requirements. This purchase is grant funded by the Arizona Department of Homeland Security.

- *4-f. Three-Year Term Contract with Two Years of Renewal Options for Altec Equipment Service, Repairs and Parts for the Fleet Services Department (Sole Source). **(Citywide)**

The City currently has fourteen vehicles with Altec aerial lift equipment. This contract will provide parts, service and technical support administered by Altec.

The Fleet Services Department and Purchasing recommend awarding the contract to the sole source vendor, Altec Industries, Inc., at \$70,000 annually, based on estimated usage, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-g. Two-Year Renewal for Fire Protection Equipment Maintenance and Repair Services for the Parks, Recreation and Community Facilities Department. **(Citywide)**

This contract provides fire protection, detection, and suppression equipment maintenance and repair for nearly 100 City facilities. The Contractor maintains and

repairs the City's fire protection equipment to minimize potential safety risk to employees and citizens.

The Parks, Recreation and Community Facilities Department and Purchasing recommend authorizing the renewal with Metro Fire Equipment, Inc., at \$401,720 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-h. Three-Year Term Contract with Two Years of Renewal Options for Peterbilt Heavy Duty Vehicle/Equipment Parts and Body Repairs for the Fleet Services Department (Sole Source). **(Citywide)**

This contract will provide heavy-duty vehicle/equipment parts and body repairs primarily for the City's solid waste trucks; 90% of the solid waste truck fleet is Peterbilt. Fleet Services is required to use Rush Truck Center for unforeseen accident repairs for Peterbilt Trucks.

The Fleet Services Department and Purchasing recommend awarding the contract to the sole source vendor, Rush Truck Centers of Arizona, Inc., dba Rush Truck Center, at \$200,000 annually, based on estimated usage, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-i. Dollar-Limit Increase to the Term Contract for Moving Services for the Mesa Police Department). **(Citywide)**

As part of their facility rehabilitation project, the Police Department requires moving services to move the Mesa Advocacy Center staff to three locations by the end of this year. This increase is to accommodate this need.

The Police and Business Services Departments and Purchasing recommend increasing the dollar-limit with Modlogics, LLC by \$25,000, from \$25,000 to \$50,000 for Year 1 of the term contract, based on estimated requirements.

- *4-j. Purchase of Network Hardware (Replacement/Lifecycle Upgrade) for the Department of Innovation and Technology. **(Citywide)**

The network infrastructure that supports the City's Utilities remote/field systems has reached the end of its lifecycle and is due for replacement. This equipment will refresh network firewalls located at the Utilities Control Centers. The lifecycle upgrade of this network hardware will increase network resiliency and security between the Utilities sites.

The Department of Innovation and Technology (DoIT) and Purchasing recommend authorizing the purchase using the State of Arizona cooperative contract and the lowest quoted vendor, Enterprise Network Solutions, at \$145,123.65. This purchase is funded by DoIT Infrastructure Lifecycle Funds.

- *4-k. Three-Year Term Contract with Two Years of Renewal Options for Water, Wastewater Mixer Equipment Parts and Services for the Water Resources Department. **(Citywide)**

This contract will be used for the purchase of water and wastewater mixer equipment, parts, and related maintenance services. The City operates two water treatment plants

and three wastewater reclamation plants, and it is necessary to maintain these critical assets in good working condition. A failure of a mixer could result in a reduction in plant capacity.

An evaluation committee recommends awarding the contract to the qualified proposals from SPX Flow US, LLC; and SPX Flow, Inc., dba Philadelphia Mixing Solution; at \$150,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-l. Three-Year Term Contract with Two Years of Renewal Options for GEA Westfalia Centrifuge Equipment, Parts and Services for the Water Resources Department. **(Citywide)**

The centrifuges/separators are located at the Greenfield and Northwest Water Reclamation Plants. Centrifuges are large complex pieces of machinery that operate at high speeds and produce high gravitational forces used to thicken and dewater sludge. The parts and service to be performed would include centrifuge overhauls, bearing replacements, scroll re-tiling and parts replacement.

An evaluation committee recommends awarding the contract to the qualified proposal from GEA Mechanical Equipment US, Inc., at \$700,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-m. Three-Year Term Contract with Two Years of Renewal Options for Water, Wastewater, and Hazardous Waste Laboratory Services for the Water Resources Department. **(Citywide)**

The Water Resources Department utilizes various outside laboratories to test water and wastewater samples for compliance with federal, state, and local regulations. This contract will provide analytical testing of water, wastewater, solid wastes, and special projects for nutrients, biologicals, metals, non-metals, organics, and radio chemicals with qualified licensed environmental laboratories. Avondale, Peoria, Scottsdale, Tempe, Gilbert, Payson, and the Salt River Project Agricultural Improvement and Power District will also use this contract.

An evaluation committee recommends awarding the contract to the qualified proposals from Aquatic Consulting & Testing, Inc.; Eurofins Eaton Analytical, LLC; Legend Technical Services of Arizona, Inc.; and TestAmerica Laboratories, Inc., dba, Eurofins TestAmerica; at \$150,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-n. Greenfield Water Reclamation Plant (GWRP) Blower System Electrical Improvements - Pre-Construction Services and Construction Manager at Risk (CMAR). **(Citywide)**

The City of Mesa, Town of Gilbert, and Town of Queen Creek (the "Owners") seek to provide electrical improvements for redundancy in the Blower Building. The Blower Building provides air to the Aeration Basins which are essential to processing the plant influent. The electrical system providing power to the Blower Building needs to be replaced due to an aged startup system that is no longer supported and the lack of a redundant feed for the electrical system to properly operate in the case of an outage.

Staff recommends selecting Ludvik Electric as the CMAR for this project and awarding a pre-construction services contract in the amount of \$82,680. This project is funded by the Greenfield Water Reclamation Plant Joint Venture Fund, with contributions coming from its members based on usage. Funding will be split amongst the three partners, Mesa: \$43,167.23 (52.21%); Gilbert: \$29,351.40 (35.50%); and Queen Creek: \$10,161.37 (12.29%).

- *4-o. Library Improvements Project - Dobson Ranch Improvements – Construction Manager at Risk (CMAR), Guaranteed Maximum Price (GMP). **(District 3)**

This project will provide an expansion for a new ThinkSpot, Business Incubator, Maker Space, Studio, and storage for the new programs. Also included are exterior renovations to the existing façade and sidewalks adjacent to the building.

Staff recommends awarding a construction services contract to the Construction Manager at Risk, CHASSE Building Team, in the amount of \$1,524,450 (GMP), and authorizing a change order allowance in the amount of \$76,223 (5%), for a total amount of \$1,600,673. This project is funded by 2018 authorized Arts and Culture bonds.

- *4-p. One-Year Term Contract of Excess Workers' Compensation Insurance and Workers' Compensation Self-Insurance Surety Bond. **(Citywide)**

As a self-insured entity, state statute requires the City to obtain excess workers' compensation insurance and to provide a security deposit based on the total unpaid losses of open compensable workers' compensation claims, which is accomplished through securing a surety bond.

Staff recommends the purchase of an excess workers' compensation insurance policy from Safety National Casualty Corporation with a self-insured retention for \$1.25 million per accident/injury/illness policy premium (with exceptions), at \$475,000. Staff recommends the purchase of a workers' compensation self-insurance surety bond through Travelers Casualty and Surety Company of America for the rate of \$12.00 per every \$1,000 of unpaid losses.

5. Take action on the following resolutions:

- *5-a. Endorsing the creation of the Mesa Linda North Irrigation Water Delivery District that is generally bound by East 1st Avenue on the north, East 3rd Avenue on the south, South Hill on the west, and South Hall on the east. **(District 4)** – Resolution No. 11758

The formation of an irrigation water delivery district allows the District to make improvements and perform maintenance and operations of their irrigation system. Final designation of the District is determined by the Maricopa County Board of Supervisors.

- *5-b. Vacating a portion of public right-of-way located at 2415 North Old Gilbert Road to accommodate a six-lot residential development; requested by the property owner. **(District 1)** – Resolution No. 11759

- *5-c. Extinguishing a portion of a 20-foot public utilities easement located at 1119 South Stapley Drive to accommodate a new multi-family development; requested by the property owner. A new easement has been dedicated on the final plat for Southern and

Stapley Townhomes recorded in Book 1508, Page 6. **(District 4)** – Resolution No. 11760

- *5-d. Approving and authorizing the City Manager to enter into an Amendment to the Intergovernmental Agreement for Waste Collection and Transportation Mutual Aid to include the Salt River Pima-Maricopa Indian Community as a participating party. **(Citywide)** – Resolution No. 11761
- *5-e. Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with Maricopa County and the Town of Queen Creek, for the design of an Intersection Improvement Project at Sossaman Road and Germann Road. The total design cost of the project is estimated at \$1,300,000. The County has agreed to pay 1/3 of the design costs up to a total design cost of \$1,500,000. Mesa and Queen Creek will equally split any design costs in excess of the County's contribution. **(District 6)** – Resolution No. 11762
- *5-f. Approving the recommendations of the City of Mesa Redistricting Commission concerning the establishment of Council District Boundaries in accordance with the 2020 U.S. Decennial Census. **(Citywide)** – Resolution No. 11763

A yes vote for this item will approve the Council District Boundaries recommended by the City of Mesa Redistricting Commission. A no vote for this item will send the recommended Council District Boundaries back to the Redistricting Commission for reconsideration at the sole discretion of the Redistricting Commission; the second recommendation from the Redistricting Commission concerning the establishment of Council District Boundaries shall then be approved by the Mesa City Council and deemed final.

- *5-g. Setting the time and date for the public hearing on the continuation of the Mesa Town Center Improvement District No. 228 to be December 8, 2021, at 5:45 P.M. **(District 4)** – Resolution No. 11764

On October 7th, 1985, the City established the Mesa Town Center Improvement District to provide enhanced municipal services for the Town Center. Approval on December 8, 2021 would continue the Mesa Town Center Improvement District for an additional five years.

- *5-h. Approving and authorizing the City Manager to enter into an Agreement associated with conducting a feasibility study for modifying Bartlett Dam and sharing these costs among various participating entities and the Salt River Project Agricultural Improvement and Power District, with the City contributing \$400,000 over four years. – Resolution No. 11765

6. Introduction of the following ordinances and setting December 1, 2021, as the date of the public hearing on these ordinances:

- *6-a. ANX21-00728 **(District 6)** Annexing property located north of Pecos Road and west of Signal Butte Road (71.3± acres). Initiated by the applicant, Josh Tracy, Ryan Companies; for the owner, Tucker Properties, LTD.
- *6-b. ZON21-00730 **(District 6)** Within the 10300 to 10600 blocks of East Pecos Road (north side) and within the 6400 to 6800 blocks of South 222nd Street (west side). Located

west of Signal Butte Road on the north side of Pecos Road (71.3± acres). Rezone from Agriculture (AG) to Light Industrial (LI); Site Plan Review and Special Use Permits. This request will allow for industrial development. Josh Tracy, Ryan Companies, applicant; Tucker Properties, LTD., owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 7-0)

- *6-c. ZON20-00840 (**District 1**) Within the 1000 block of East McKellips Road (south side). Located west of Stapley Drive on the south side of McKellips Road (4.5± acres). Rezone from Single Residence 9 (RS-9) and Multiple Residence 4 (RM-4) to Multiple Residence 2 (RM-2) with a Planned Area Development Overlay (PAD); and Site Plan Review. This request will allow for a multiple residence development. Victoria Snively, United Realty MTA, applicant; Thomas Adhoot, owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 6-0)

7. Discuss, receive public comment, and take action on the following ordinances:

- *7-a. **See: Items not on the Consent Agenda.**

- *7-b. ZON20-00210 (**District 5**) Within the 6800 to 7000 blocks of East University Drive (south side). Located east of Power Road on the south side of University Drive (1.6± acres). Rezone from Limited Commercial (LC) to LC with a Bonus Intensity Zone Overlay (BIZ); and Site Plan Review. This request will allow for the development of a commercial center. John Reddell, Reddell Architects, applicant; ETR Enterprises LLC and United States Department of Interior Bureau of Land Management, owners. – Ordinance No. 5649

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 4-1)

8. Take action on the following resolutions declaring terms/rates/fees/charges to be public records and available to the public, and introducing the following ordinances to modify City-owned utility terms/rates/fees/charges and setting December 8, 2021, as the date of the public hearing on these ordinances:

- *8-a. A resolution declaring proposed terms/rates/fees/charges for electric utility services to be a public record. (**Districts 1 and 4**) – Resolution No. 11766
- *8-b. An ordinance modifying terms/rates/fees/charges for electric utility services. (**Districts 1 and 4**)
- *8-c. A resolution declaring proposed terms/rates/fees/charges for natural gas utility services to be a public record. (**Citywide**) – Resolution No. 11767
- *8-d. An ordinance modifying terms/rates/fees/charges for natural gas utility services. (**Citywide**)

- *8-e. A resolution declaring proposed terms/rates/fees/charges for water utility services to be a public record. **(Citywide)** – Resolution No. 11768
- *8-f. An ordinance modifying terms/rates/fees/charges for water utility services. **(Citywide)**
- *8-g. A resolution declaring proposed terms/rates/fees/charges for wastewater utility services to be a public record. **(Citywide)** – Resolution No. 11769
- *8-h. An ordinance modifying terms/rates/fees/charges for wastewater utility services. **(Citywide)**
- *8-i. A resolution declaring proposed terms/rates/fees/charges for solid waste utility services to be a public record. **(Citywide)** – Resolution No. 11770
- *8-j. An ordinance modifying terms/rates/fees/charges for solid waste utility services. **(Citywide)**

9. Take action on the following subdivision plats:

- *9-a. “The Grove at Lehi” **(District 1)** Within the 2600 to 2800 blocks of East Lehi Road (west side). Located north of McDowell Road and east of the 202 Red Mountain Freeway (41.8 ± acres). The Reserve 100, LLC, developer; Gabriel S. Rios, Wood Patel, surveyor.
- *9-b. “View 202” **(District 6)** Within the 4800 to 5000 blocks of South Ellsworth Road (west side). Located on the west side of Ellsworth Road and north of Ray Road. (73.6 ± acres). Sunbelt Land Holdings, L.P., developer; Jerry D. Heath Jr., Hunter Engineering, surveyor.
- *9-c. “Pasadena Park” **(District 4)** Within the 500 block of South Pasadena (east side). Located west of Mesa Drive and south of Broadway Road (1.67± acres). Desert Gold Land Holdings, LLC, developer; Duran Thompson, D&M Engineering, LLC, surveyor.

Items not on the Consent Agenda.

- 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). – Ordinance No. 5650

It was moved by Councilmember Freeman, seconded by Councilmember Luna, that Ordinance No. 5650 be adopted.

Upon tabulation of votes, it showed:

AYES – Duff-Freeman-Heredia-Luna-Spilsbury-Thompson
NAYS – None
ABSENT – Giles

Vice Mayor Duff declared the motion carried unanimously by those present and Ordinance No. 5650 adopted.

10. Conduct a public hearing on the following annexation case:

10-a. Public hearing prior to the release of the petition for signatures for the proposed annexation case ANX21-00799, located north of Warner Road Alignment and west of Sossaman Road (101± acres). This request has been initiated by the applicant, Sean Lake, Pew and Lake; for the owner, The Dale C Morrison Trust. **(District 6)**

Vice Mayor Duff announced that this was the time and place for a public hearing regarding annexation case ANX21-00799.

There being no citizens wishing to speak on this issue, the Vice Mayor declared the public hearing closed.

11. Take action on the following resolution relating to a development called Starpoint at Dobson Station:

11-a. A resolution approving and authorizing the City Manager to enter into a Development Agreement, a Government Property Lease Excise Tax (GPLET) Lease Agreement, and a Perpetual Easement Agreement for the development of 6.08± acres of privately-owned property located at 139 North Dobson Road, north of the northeast corner of West Main Street and North Dobson Road called Starpoint at Dobson Station. **(District 3)** – Resolution No. 11771

It was moved by Councilmember Spilsbury, seconded by Councilmember Freeman, that Resolution No. 11771 be adopted.

Upon tabulation of votes, it showed:

AYES – Duff-Freeman-Heredia-Luna-Spilsbury-Thompson

NAYS – None

ABSENT – Giles

Vice Mayor Duff declared the motion carried unanimously by those present and Resolution No. 11771 adopted.

12. Discuss, receive public comment, and take action on the following ordinance, and take action on the following resolution relating to business licenses:

12-a. An ordinance 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. **(Citywide)** – Ordinance No. 5651

Sally Harrison, President and CEO of the Mesa Chamber of Commerce spoke in support of the Mesa business license. She explained over the years businesses in Mesa have changed how they operate, and the license registry will help the City understand the changing needs of Mesa businesses over time. She commented that the information collected will prove beneficial for companies who conduct commerce in Mesa and gave the example of the pandemic and the difficulty reaching businesses without a registry. She said the Mesa Chamber of Commerce stands with the City and is ready to support the business license program.

Business License and Revenue Collection Administrator Tim Meyer displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Meyer remarked the City is proposing a business license to have a centralized database that will support and assist small businesses comply with local and state regulations, will give the opportunity to share information with the businesses, and provide contact information. (See Page 2 of Attachment 1)

Mr. Meyer stated a license will be required for taxable businesses, service business, and home-based businesses. (See Page 3 of Attachment 1)

Mr. Meyer described the businesses that will not be required to apply for the license per state statute. (See Pages 4 through 6 of Attachment 1)

Mr. Meyer outlined the information that will be collected when applying for the business license. He commented the database will take approximately one year to build, will be searchable; however, the City will limit the data available to the public. (See Pages 7 and 8 of Attachment 1)

Mr. Meyer indicated the City of Mesa is proposing a \$10 fee for the first year and \$25 annual fee renewal thereafter. He compared the fees of surrounding cities. (See Page 9 of Attachment 1)

Councilmember Spilsbury expressed her support for the business license. She informed the community the license is a way to connect them with resources and is intended to help and not to restrict or regulate businesses.

Councilmember Luna said he has always been an advocate for having a business license. He commented on the ability to be able to see what businesses are in the city so those with certain skillsets or products can collaborate and work together.

Councilmember Freeman acknowledged the business license information is similar to the information requested for a fire inspection. He inquired whether the information could be shared or transferred over to the business license system to streamline the process.

Mr. Brady commented while the information collected for fire inspections is similar, the systems cannot be integrated into one database. He pointed out most business registries are separate database systems.

In response to multiple questions from Councilmember Freeman, Mr. Meyer confirmed the money collected in fees will offset the costs of two personnel who will handle the licenses. He remarked currently the City code does not have an enforcement tool and will come back to Council in a year to begin a discussion on enforcement.

Mr. Brady elaborated that the approach is to create the value of the registry which will connect to the City, the Chamber, and provide information as opposed to a regulatory leverage.

In response to an additional question from Councilmember Freeman regarding whether a business that is exempt from the license requirements could still apply for federal funding that becomes available, Mr. Meyer answered the Mesa business license would have nothing to do with the ability to apply for any kind of funding.

Councilmember Heredia stressed the importance of making the application process simple in anticipation of thousands of small businesses applying for a license. He encouraged working on

a plan to bring in additional stakeholders for outreach to spread the message on the license program.

In response to a question posed by Vice Mayor Duff, Mr. Brady advised the assumption is that the businesses in the registry will receive information from the City regarding resources. He mentioned the Small Business Assistance Program as an additional resource for businesses.

Mr. Meyer explained the application will be out within the next month and will be effective January 3, 2022, if passed.

In response to an additional question from Vice Mayor Duff regarding what public information will be available on the businesses, Mr. Brady referred to Page 8, which outlines examples of information that will be available to the public.

Gwen Carey, a Mesa resident, submitted a comment card to be read asking Council to reject the business license for following reasons:

- The business license charge is for fee collection rather than data collection.
- First responders already have the pertinent information.
- Mesa CARES funding was well-publicized, and another program is not necessary.
- A database is not needed to find a specific business as Google already provides that service.
- The business license is an invasion of business owners' data and bank account information.
- Imposing more fees on small businesses when the pandemic is still an issue does not make sense.
- The fees will continue to increase over time.
- The City should not impose business licenses just because surrounding communities do.

Councilmember Freeman shared the information that Public Safety has available to them when called to a scene.

Vice Mayor Duff described her experience on a ride-along with the Fire Department and mentioned that the property owner and business owner may be different. She said being able to contact the business owner in an emergency is critical.

Councilmember Spilsbury commented she likes the idea of having a list of resources available with the links in one location and is more convenient than having to look up each one separately and could be hard to navigate for some residents.

It was moved by Councilmember Luna, seconded by Councilmember Spilsbury, that Ordinance No. 5651 be adopted.

Upon tabulation of votes, it showed:

AYES – Duff-Heredia-Luna-Spilsbury-Thompson
NAYS – Freeman
ABSENT – Giles

Vice Mayor Duff declared the motion carried by majority vote of those present and Ordinance No. 5651 adopted.

12-b. A resolution modifying fees and charges for the Business Services Department. **(Citywide)** – Resolution No. 11772

It was moved by Councilmember Luna, seconded by Councilmember Heredia, that Resolution No. 11772 be adopted.

Upon tabulation of votes, it showed:

AYES – Duff-Freeman-Heredia-Luna-Spilsbury-Thompson

NAYS – None

ABSENT – Giles

Vice Mayor Duff declared the motion carried unanimously by those present and Resolution No. 11772 adopted.

13. Items from citizens present.

Carey Davis, a Mesa resident, stated as former mayor for the City of San Bernardino he took part in a study conducted by the Public Health Advocacy Institute at Northeastern University School of Law in Boston. He indicated he was selected to participate in the study because he was serving as mayor on December 2, 2015, when two terrorists killed 14 people and wounded 22 others. He reported the purpose of the study was to develop the mass shooting protocol and playbook as a resource for mayors. He said he has been invited to attend a virtual event on November 18, 2021, at 2:00 p.m. hosted by William Peduto, mayor of Pittsburgh, to discuss the role of a mayor's office following a mass shooting. He extended the invitation to the City Manager, Mayor Giles, and Councilmembers to attend the event and receive a printed copy of the protocol and playbook.

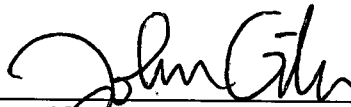
14. Adjournment.

Without objection, the Regular Council Meeting adjourned at 7:15 p.m.

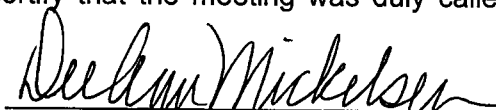
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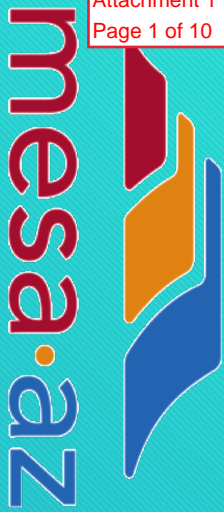

DEE ANN MICKELSEN, CITY CLERK




JOHN GILES, MAYOR

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 15th day of November 2021. I further certify that the meeting was duly called and held and that a quorum was present.


DEE ANN MICKELSEN, CITY CLERK



Business License

Tim Meyer

Business Licensing and Revenue Collections Administrator
Business Services Department

Why a Business License?

2

Centralized database to;

- Support and assist small businesses to comply with local and state regulations
- Help businesses do business in Mesa
 - Make businesses aware of job training opportunities and Federal \$\$\$
 - Inform businesses of new ordinances
- Share important information with small businesses in Mesa
- Provide contact information for City programs

Who Needs a Business License

- Businesses in Mesa
 - Taxable businesses
 - Service businesses
 - Home-based businesses

Who Does Not Need a Business License

4

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 Does 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 Does Not Need a Business License

6

- **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**

What Information Are We Collecting?

- Business name, address, phone number
- Mailing information
- Designated agent information
- Property ownership information
- Emergency contact information
- High level business information
- Ownership information
- Controlling person
- Applicants information

What Information Will We Supply?

8

After collecting data for 1 Year;

- Develop a searchable database
- City will limit the data that's available
- Examples of information City may provide
 - Business name
 - Business type
 - Number of employees
 - Expiration date of Business License

Proposed Fees

9

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

m.e.s.a.az

