

## COUNCIL MINUTES

April 22, 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 April 22, 2021 at 7:30 a.m.

### COUNCIL PRESENT

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

### COUNCIL ABSENT

Kevin Thompson

### OFFICERS PRESENT

Christopher Brady  
Dee Ann Mickelsen  
Jim Smith

1-a. Hear a presentation, discuss, and provide direction on updates to the City Code related to the following specialty licenses and related fees:

1. Mobile Food Truck License (New)
2. Peddler License (Updates)
3. Special Event License (Updates)
4. Business License (New)

Business License and Revenue Collections Administrator Tim Meyer displayed a PowerPoint presentation related to license updates. **(See Attachment 1)** He provided a timeline of the process of updating various types of licenses. (See Page 2 of Attachment 1)

Mr. Meyer commented that staff has spent a lot of time reviewing the code and working with the public and believes that separating the mobile food truck code from the peddler code will help food trucks get through the process much faster and at less expense. He mentioned one pain point in the current code is the requirement for all food truck employees to go through a background check, which can take six to eight weeks. He stated staff is recommending removing that requirement from the code and a background check will only be required by the owner/operator of the truck. He highlighted the goals of the new code and the minimum standards for operators and added the \$100 license fee per year would remain the same as the current peddler code. (See Pages 3 through 5 of Attachment 1)

Mayor Giles expressed concern related to Mesa's process for food trucks is more difficult than surrounding cities and inquired if this new code would provide more uniformity with the requirements throughout the Valley.

Assistant City Attorney II Sarah Staudinger explained that the new code may not be uniform, but it will be easy to understand, less cumbersome, and comparable to surrounding cities. She added that each city has slightly different variations in their code, depending on the types of food trucks and events they have.

Ms. Staudinger further clarified that the State establishes what cities can or cannot do when they regulate food trucks and what the cities choose to do within those parameters is up to them. She highlighted some consistencies across cities such as annual fire inspections, trash and litter, noise, lighting, and pedestrian safety. She stated cities differ in which zoning districts allow food trucks and explained an update in the new code will clarify that food trucks may operate in residential areas if they meet certain exceptions.

Mayor Giles stated that his view of the requirements is that they do not seem overly burdensome and thinks the pushback may have been the background check requirement for all employees on a truck.

City Manager Christopher Brady said that separating the mobile food truck code from the peddler's code allows distinction. He pointed out that some residents have voiced concern with the location of food trucks infringing upon residential homes and parking lots of other commercial entities. He noted the goal of the new code is to balance the interest of all parties to allow food trucks the opportunity to be successful.

In response to a question from Mayor Giles specific to food trucks parking in front of other brick-and-mortar restaurants, Ms. Staudinger stated that food trucks would be permitted to park in the right-of-way in a legal parking space that does not impede traffic flow. She advised the City could set time-limit requirements, if interested, and reported that other cities limit parking in an area for a maximum of six hours within a 24-hour period. She suggested an additional requirement of not operating within 1000 feet of the first place the truck set up, which prohibits them from moving one spot over to continue operating.

In response to a question from Mayor Giles, Ms. Staudinger clarified that food trucks could park in any public right-of-way; however, if they park on private property, then they must be granted permission from the property owner.

Mr. Brady commented that, theoretically, a food truck could pull up right in front of any of the restaurants in downtown and park in the parking spaces along the road.

City Attorney Jim Smith advised that state statute limits the city's ability to prohibit trucks from parking within legal parking spaces within the right-of-way and that is why Ms. Staudinger provided some options to regulate time periods.

In response to a question from Vice Mayor Duff related to private property and zoning codes, Ms. Staudinger affirmed that the new code would include a general statement that a mobile food truck would need the permission of the property owner, as well as comply with the zoning ordinance.

Mr. Brady stated there is no specific language about mobile food trucks in the zoning code currently so staff will research further and come back to Council to determine which zoning categories would allow for food trucks.

In response to a question from Councilmember Heredia, Ms. Staudinger reported that food trailers would be regulated under the peddler code. She described a food truck is meant to encompass one vehicle that has the food preparation, and everything contained within.

In response to a question from Councilmember Freeman, Mr. Meyer stated the fire safety inspections would be administered once per year by any fire department and considered valid in any city.

Ms. Staudinger commented that the annual fire safety inspection is regulated by state statute.

Mr. Meyer highlighted the main goals of a peddler license are health, safety and welfare, as well as providing the definition of a peddler. (See Page 7 of Attachment 1)

Mr. Meyer explained the requirement for background checks is changing; only the people going door-to-door will be required to go through a full background check with fingerprints. He said a background check will no longer be required for the people who set up on a corner or someplace where customers approach them because they are not a high risk. He informed Council the change will cut the process time down six to eight weeks.

Councilmember Luna inquired if a paletero, a street seller of popsicles, would be required to have a peddler's license. Mr. Meyer said yes, anyone who is going to sell something will need a peddler's license, but only those going door-to-door will require the fingerprinting process.

In response to a question from Councilmember Luna, Mr. Meyer reported the new codes would be posted on the website and staff would provide outreach and education to the vendors prior to any enforcement. He added that if staff runs into people who are not licensed, the goal will be to explain the process and help them get licensed.

Discussion ensued regarding the food vendor variations such as mobile versus stationary, land use and set up locations, and considerations for how each are defined in the code to avoid any challenges or inconsistencies.

Ms. Staudinger said it was important to mention that staff is trying to make both codes consistent with fees, application process, and timelines to minimize any burden to the different vendors.

In response to a question from Mr. Brady, Ms. Staudinger listed a few differences between a mobile food truck vendor and a peddler, which is the fire requirement, insurance requirements, and the parking regulations are slightly different. She added the peddler license has fewer regulations.

Mayor Giles said he does not want to add more regulations to the peddler license and make it overly burdensome, but he believes that any food vendor should be required to have a health inspection and a fire extinguisher for obvious reasons.

In response to questions from Councilmember Heredia, Mr. Meyer said enforcement is handled by his staff doing checks and educating vendors, and they rely on Code Enforcement and the Police Department for assistance with any repeat offenders and violators. He reported that all peddlers are required to carry their license with them, whether going door-to-door or standing on a corner.

Mr. Brady commented that limitations have been made to the peddler's license for going door-to-door and some do not require a license, such as Girl Scouts selling cookies and non-profit organizations.

In response to a question from Mayor Giles, Ms. Staudinger confirmed that a person selling homegrown produce at a farmer's market is a peddler who does not require a license. She clarified that a vendor at a farmer's market would fall under the category of a special event license.

Mr. Meyer provided the basis for a special event license, which is the requirement for a temporary exemption from the zoning code. He explained the approval time depends on the complexity of the event and how many departments are required to sign off on the event. Staff simplified the application process by forming one basic application with attachments for specific variations that may or may not apply to each. He added the event fee is \$100/day with a maximum of four contiguous days for \$300. (See Page 10 of Attachment 1)

Mr. Meyers discussed the proposed changes to the special event license code. He reported that complaints are often received because the City does not offer a small-event license so that option will be added to the code with a much easier process and a reduced fee of \$50. He noted the addition of an expedited application review fee established to cover costs incurred with that process, and said staff is working to establish one license for multiple identical events. (See Pages 11 and 12 of Attachment 1)

Councilmember Luna asked about Food Truck Fridays at Las Sendas and why they are required to relocate each time. Mr. Meyer said that number is controlled by Zoning and any exception to the zoning code requires a special event license. He added it may be an item to be discussed with the other zoning changes mentioned earlier.

Mr. Meyer explained the process for Special Use Permits that allow more exemptions and more events. He mentioned Mesa Community College and the Fiesta Mall area has this permit and has seen 16 events approved.

In response to an inquiry from Vice Mayor Duff related to providing the zoning codes to all license applicants, Mr. Meyer said they are provided the code related to the special event license and can start referencing the zoning code moving forward.

Mr. Meyer reported staff plans to return to Council on May 3, 2021 to introduce the ordinance.

Mayor Giles requested that staff return to Council with information to help clarify the ambiguity between a food trailer versus a food truck and if there is a reason to regulate them differently.

Vice Mayor Duff requested a zoning code review, as well to have a more overarching decision made on the licensing.

Mr. Brady agreed that the zoning code needs to be reviewed in relation to where food trucks are allowed but declared that process would take months. He explained after discussing zoning code changes with Council, it must go through the Planning and Zoning Board process before coming back to Council. He emphasized the need to move forward with separating the food truck and peddler's licenses to make the process easier for the applicants and relieve the burden of fingerprinting and background checks. He pointed out that modifications can be made along the

way and staff will try to distinguish between trailers and mobile food trucks and the areas they may be used.

Mr. Meyer continued his presentation with a discussion on business licenses. **(See Attachment 2)** He provided a list of cities that currently require a business license and three that do not, including Mesa, and reviewed the benefits of the license. He reported on the current Transaction Privilege Tax (TPT) licenses in Mesa and the non-taxable service businesses and estimated there would be 15,000 to 20,000 new business licenses in the city. He provided a detailed list of the types of businesses that would and would not need a business license. (See Pages 2 through 7 of Attachment 2)

Mr. Meyer reviewed the costs to implement the system and said, if approved, staff recommends two new full-time employees (FTE) for a one-year cost of \$141,096. He said that is a replacement of the two FTEs lost when the TPT license transitioned to the State. He estimated the cost to enhance the licensing system was \$20,000 and said staff proposes an application fee of \$10 and annual renewal fee of \$25.

Mr. Meyer highlighted the application and renewal fees of other municipalities. He reported that late fees and monetary penalties would apply for noncompliance; however, would not be classified as criminal activity. He noted the tasks moving forward and requested Council approval to proceed. (See Pages 10 and 11 of Attachment 2)

In response to questions from Councilmember Spilsbury, Mr. Meyer pointed out that this would be for all businesses, but the current tax code restricts staff from using their current data for this purpose. He added the business license program would provide a registry of businesses in the City of Mesa.

In response to a question from Vice Mayor Duff related to the information required on the application, Mr. Meyer said the goal is a one-page form. He said staff will work with Economic Development and the Chamber of Commerce to learn what information is helpful to others.

Mr. Brady commented the goal is to keep the burden of the application low but allow opportunities to follow up with surveys and solicit information from business in the future to learn ways to better serve them.

Vice Mayor Duff said most businesses in Mesa are small businesses and those are the ones the Economic Development team tries to reach and support. She commented having this new program offers the opportunity to reach those businesses and that was the challenge when the City had CARES funding available for businesses.

In response to a question from Councilmember Heredia related to the method of payment, Mr. Meyer affirmed that businesses would pay the fee through the Accela system known as DIMES.

Councilmember Heredia stated he leases space in Mesa as a small business and asked if DIMES could be more user-friendly. He said his experience with the system in trying to pay his fire inspection fee was lengthy and complicated and he would want users to have a better experience.

Mr. Brady said staff could work with the vendor to make the DIMES system more intuitive and noted the benefit of having fees paid in the same system as permits will make it easier to update.

Councilmember Luna encouraged staff to work with the East Valley Spanish Chamber of Commerce to reach the Latino-owned businesses and ensure the information is offered in Spanish. He complimented Assistant Economic Development Director Jaye O'Donnell for doing a fantastic job during the pandemic and reaching out to many of our small businesses.

Mayor Giles stated a business may sometimes miss the first notice that their license expired and then owe more in penalties than the initial application. He expressed the opinion that the penalties for failing to renew need to be low enough that the fee is not viewed as a revenue boost. He requested information on the penalties prior to Council approval and proposed collecting enough data on applications to better serve and categorize businesses. He also suggested attaching a "why" to this application, so businesses understand why they are paying a license fee and how their business benefits.

Mayor Giles thanked staff for the presentation.

#### 1-b. Energy Resources Budget

Energy Resources Department Director Frank McRae introduced Senior Fiscal Analyst John Petrof and Energy Resources Program Manager Tony Cadorin, who displayed a PowerPoint presentation. (**Attachment 3**)

Mr. McRae reported his department's personnel-related costs are approximately 75% of the total budget. He noted the other primary category is related to other professional services such as certifications and tree trimming contracts.

Mr. McRae explained the benefit of membership in the American Public Power Association (APPA) and American Public Gas Association (APGA), which provides the opportunity to submit data and information after staff analysis and allows staff to compare with peers in the publicly owned energy utility industry. He highlighted some of the awards and recognitions and acknowledged the support provided from other departments. (See Page 2 of Attachment 3)

Mr. Cadorin emphasized the fact that Mesa does not receive power from Salt River Project (SRP) but rather purchases power on the wholesale energy market. He illustrated 20% of power comes from renewable resources, the majority of which comes from dams along the Colorado River and a small portion from customer solar panels. He said the remainder of the portfolio is from long-term contracts, one to five years, with energy wholesalers; and what they do not provide, the Western Area Power Administration purchases on our behalf. (See Page 3 of Attachment 3)

Mr. Petrof presented a budget request for two gas crews, which equals six full-time positions, to assist with service installations, mostly in the Magma gas service area. He anticipated a net annual savings of \$989,000 per year by utilizing City crews instead of hiring contractors, and also reduces overtime. (See Page 4 of Attachment 3)

Mr. Cadorin highlighted a chart displaying growth in customer accounts. He reported prior to the recession in 2007/08, Mesa had close to 17,000 electric customers, adding that number dipped to just over 14,000 customers with a recent return to 17,470 customers. He said the sales peaked at nearly 374 million kilowatt hours of sales prior to the recession, then fell to 313 million and has been slow to return. He commented customers are more efficient and are using less energy. He reported a steady growth is projected to continue with the development in downtown. (See Page 5 of Attachment 3)

In response to a question from Mayor Giles, Mr. Cadorin clarified new customers have more efficient building codes and there has been a loss of some higher use commercial customers.

In response to a question from Councilmember Heredia related to consumption percentage of residential versus businesses, Mr. Cadorin said commercial sales account for half of the kilowatt hours sold and that split is about equal between residential and commercial customers.

Mr. McRae commented that over time, appliance efficiency standards have greatly increased, and he anticipates the consumption per customer to either remain flat or decrease.

Mr. Cadorin reviewed a chart of the natural gas side and its continued growth in the Magma area. He said the gap is maintained between the number of subdivisions and lots on contract versus the number of service lines and meters. He mentioned the number of homes under contract shows the ability to grow Magma significantly and there is plenty of vacant land. He highlighted the growth in sales is due to weather and forecasted that the growth will continue as Magma continues to grow over the next five years. (See Page 6 of Attachment 3)

In response to a comment from Mayor Giles, Mr. McRae confirmed that Magma is the natural gas area outside of Mesa's city limits and is on a separate piping system.

In response to a question from Councilmember Heredia, Mr. Cadorin clarified the boundaries of Magma reach Florence town limits at the southeast corner and the southwest corner is Hunt Highway and a mile south of Arizona Farms Road to a development called Magic Ranch.

In response to a question from Councilmember Freeman, Mr. Cadorin confirmed that Magma does include Johnson Ranch.

Mr. McRae announced the three cornerstones of Energy Resources are Safety, Reliability, and Efficiency and correlate well with the City Council strategic priorities. He focused on community safety and listed metrics that show different measures of the safety of the City's system and the safety of its employees. He commented a safe and reliable energy system contributes to a safe community and a reliable electric utility ensures the streetlights and traffic signals remain operational. (See Page 7 of Attachment 3)

Mr. McRae highlighted the near-term challenges. He said part of the conversion to smart meters allows the ability to implement a software called Outage Management System (OMS). He explained OMS will enhance the ability to identify the cause of an outage and the best remedy. He added an important benefit to the system is the semiautomatic collection of data that may be consolidated, and OMS can be used as a tool to communicate with the stakeholders more effectively and consistently. He elaborated sensors in the field will help identify outages so field personnel can be dispatched to investigate the outage prior to customers calling in, and staff will have better estimates of the time needed to restore service. (See Page 8 of Attachment 3)

In response to a question from Councilmember Duff, Mr. McRae stated the OMS would begin without the benefit of the smart meters on the electric side and he hopes to have a go-live date for OMS before the summer season of next year.

Office of Management and Budget Director Candace Cannistraro announced that staff is currently in negotiations with a smart meter vendor and hopes to bring a contract to Council after the

summer break. She said it will be a one-year phase implementation in four different areas in the city, two in the east and two in the west, followed by a three-year citywide deployment. She noted that is a total of four years to cover every customer in the city, including the Magma area.

Mr. Brady mentioned accelerating the program in some of the low-income areas, especially the areas that received a tremendous amount of utility assistance over the last year, may be funded through the Rescue dollars. He stated an informed customer is a smarter customer and when customers can see their consumption regularly, they can find ways to manage their usage.

In response to a comment from Councilmember Luna related to meter readers, Ms. Cannistraro said those issues have been addressed as part of this project. She said after the four-year project, the City will not need meter readers but will still need those employees in a different role. She explained the ability to access a portal to view customer consumption of all utilities on an hourly basis, which allows customers to learn about any irrigation leaks right away versus receiving a large bill at the end of the month.

In response to a question from Councilmember Heredia regarding a pilot program for smart meters, Ms. Cannistraro said the City did not test the program, but smart metering has been tested by others and is working throughout the country. She stated the vendor and the technology are experienced, the project is more of a software implementation, and Phase 1 will ensure that all the data works on both ends. She advised the concern was not with the meters collecting the data but guaranteeing it can integrate with the systems in the city today, including the computer system used for billing.

Ms. Cannistraro added except for electric, compatible meters have been installed for natural gas and water so only the data component will need to be added.

In response to a question from Councilmember Heredia, Mr. McRae said OMS used SRP as a benchmark and that is what staff is trying to replicate and the service to customers is top priority. He noted the system is being built to be able to communicate effectively with customers, such as text messages and an update on the portal about outages.

In response to a question from Vice Mayor Duff asking about a staff presentation of the program from the customer side, Ms. Cannistraro illustrated there are two communication teams that have been working on this project over the last two and a half years. She specified one team manages the internal communication and the other team manages the communication with residents. She noted it is a citywide deployment and some information will be direct and distinct, such as where the portal is and how to use it, while other information will roll out as the project continues.

Mr. Cadarin continued discussing the challenges such as the California and Texas market impacts and renewable energy and sustainability. He emphasized this is a time of change in the energy industry and many power plants have been retired and replaced by renewables. He added the results of that change are being seen and staff is diligently working to establish solutions to insulate customers from those price shocks, and working to keep the reliability, safety, and economics supply portfolio. He highlighted a few projects staff is working on as follows:

- Two projects with large-scale solar developers to diversify the power supply portfolio.
- The micro-grade concept, which is self-healing smaller portion of the City's grid that can be self-powered in the event of an emergency. Staff proposes to leverage the national gas infrastructure to do so.



- Solar with storage program so customers can help support the power supply.
- Shade tree program which provides shade on customer homes in the summer, reducing their energy demand.
- Renewable energy options offered to customers, such as the Renewable Energy Service Rider program established last year.
- Enhanced communication with customers, such as the Smart Meters project to help engage customers on understanding their energy use.

In response to a question from Councilmember Freeman related to offering battery storage to customers, Mr. Cadorin said two applicants to the solar metering program are proposing batteries and the City is considering them for a pilot program.

Mr. McRae said currently there is a cap on the maximum kilowatts a customer can add in solar due to the financial implications it can have on other customers. He advised there are many tools in place that will allow the City to be more efficient and maximize the value of those types of resources that customers will help to build.

In response to a comment from Councilmember Freeman related to the cost of the battery, Mr. McRae advised the efficiency of the battery is the biggest factor to consider. He illustrated the importance of the time in which the stored energy is used and explained that solar produces its peak power at noon that is most needed between 4:00 p.m. and 6:00 p.m.

Mayor Giles commented on the need for increased capacity for electric service downtown to serve new restaurants or high electric consuming operations and inquired about the need to pass bonds.

Mr. McRae announced a project called the Downtown Utility Enhancement Plan. He explained the challenges of an area like Main Street include the inability to anticipate and forecast with any accuracy what type of business will come in and what electric energy requirements will be needed. He said an interdisciplinary team within the city is looking at that and a consultant will be hired that has experience in downtown areas. He reported staff is looking at ways to add the infrastructure as a “build it and they will come” approach, such as adding empty conduit so when customers come, the cable and wire can go in and connect to the equipment needed to serve them. He added there are currently no bond authorizations but a financing tool like Obligations will be a valuable way to meet those financial requirements in the future. He emphasized the importance of doing it in a way that keeps costs down and rates affordable.

Mayor Giles thanked staff for the presentation.

#### 1-c. Community Services budget.

Community Services Director Ruth Giese introduced Community Services Deputy Director Mary Brandon and Housing and Community Development Director Michelle Albanese and provided an overview of the FY 21/22 Community Services Department budget. **(See Attachment 4)**

Ms. Giese highlighted the Community Services total budget of \$28 million. She explained \$3.6 million supports General Fund, including Animal Control, Community Engagement, and the administrative work of the Housing and Community Development programs. She stated \$27 million is from federal funding and each year there is a substantial carryover as the federal fiscal year differs from the city fiscal year. She added in 2021 there was an increase in the budget and a carryover in the amount of \$11.9 million. (See Page 3 of Attachment 4)

Deputy City Manager Natalie Lewis provided an update on the cross departmental strategy related to homelessness. She stated the homelessness effort stretches across many departments and the budget this year includes additional resources that are specific to the homeless program to either reinforce what staff is already doing or supplementing and expanding programs that are needed to take advantage of the federal dollars. (See Page 4 of Attachment 4)

Ms. Lewis commented police security for the Off the Streets program hotel will be funded this year. She added this has been a great program and a good partnership because at any given time additional resources can be dispatched.

Ms. Lewis reported three new navigators for the Courts will be funded and will be specific to the Community Court. She stated the Court and Prosecutor offices are working together to provide an incentive for people who are experiencing homelessness or are in low to very moderate housing and provide them with incentives to try to recover. She stated the navigators provide assistance to get the services they need, assist in the recovery process, and report back to the Court on the progress.

Ms. Lewis pointed out the Housing and Community Services department will be adding a couple of positions, including a Human Services Coordinator to work on homeless projects; and a new Housing Specialist to assist with overall coordination of the inter-departmental team, connecting with non-profits, and managing contracts. She explained these additions will allow Detective Aaron Raine to focus on the community safety side and on the Off the Streets program and will enable City Manager staff to focus on policy.

Ms. Lewis remarked four new park rangers will also be added to help focus on homeless needs in parks with high homeless activity. She added these positions will also assist with urban camping and connect with the Police Department for resources, needs, and training.

In response to a question from Councilmember Heredia, Ms. Albanese explained there will be three new navigators. She stated three will be dedicated to the Community Court, three to the downtown area and working with the Tenant Based Rental Assistance Program, and one for Mesa Public Schools.

In response to a question from Mayor Giles related to the number of navigators we currently have and how many are being added, Ms. Lewis stated the City currently has four navigators and will have a total of seven in the future, with the possibility of eight with the library navigator that will soon be brought back when the library reopens.

In response to a question from Councilmember Luna, Ms. Lewis reported Mesa United Way has connected with some churches in and around East Mesa and are creating something like an I-HELP type of service. She added staff has asked non-profits for proposals as we move forward with federal funding.

Ms. Giese highlighted three budget enhancements and noted the Housing Specialist will be funded by the federal funding program and will work closely with the Human Services Coordinator to ensure staff has the necessary information and resources to support the Human Services area. She described the Human Services Coordinator position which will work inter-departmentally to address homelessness and serve as a resource to City departments, work with Operation Off the

Streets, work on regional homeless initiatives, strengthen the ABC utility donation program, and serve as a resource for all Human Services activities. (See Pages 5 and 6 of Attachment 4)

Ms. Giese provided an overview of the initiatives to engage Mesa residents. (See Page 7 of Attachment 4)

Ms. Giese explained Animal Control is part of the Community Engagement Division. She stated staff is proposing a new three-year contract with the Arizona Humane Society for animal-related services. She highlighted metrics for the previous year and volunteer service programs. (See Pages 8 and 9 of Attachment 4)

In response to a question from Councilmember Heredia related to spay/neuter services, Ms. Giese responded that spay/neuter programs are not provided by the City; however, staff works closely with County and non-profits to provide information.

Ms. Giese provided results for the Emergency Rental and Utility Assistance program over the last year. (See Page 11 of Attachment 4)

Mayor Giles thanked staff for the presentation.

1-d. Parks, Recreation and Community Facilities budget.

Continued to April 29, 2021 Study Session.

1-e. Development Services budget.

Continued to April 29, 2021 Study Session.

1-f. Appointments to the Mesa Education and Workforce Development Roundtable and the Independent Commission on Compensation for Elected Officials.

It was moved by Councilmember Luna, seconded by Councilmember Freeman, that the Council concur with the Mayor's recommendations and the appointments be confirmed. **(See Attachment 5)**

Upon tabulation of votes, it showed:

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

NAYS – None

ABSENT – Thompson

Mayor Giles declared the motion carried unanimously by those present.

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

3-a. Human Relations Advisory Board meetings held on December 2, 2020 and January 27, 2021.

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

Upon tabulation of votes, it showed:

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

NAYS – None

ABSENT – Thompson

Mayor Giles declared the motion carried unanimously by those present.

3. Current events summary including meetings and conferences attended.

Mayor Giles –	State of the City Groundbreaking events
Vice Mayor Duff –	MPS – We Love our Bus Drivers Event Earth Day State of the City
Councilmember Heredia –	Adams Elementary – workout Carriage Lane Park – Earth Day
Councilmember Luna –	HILO Meeting – Information Technology Committee

4. Scheduling of meetings.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Thursday, April 29, 2021, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 10:03 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 22<sup>nd</sup> day of April 2021. I further certify that the meeting was duly called and held and that a quorum was present.

---

DEE ANN MICKELSEN, CITY CLERK



# Licenses Updates

**Tim Meyer, Business Licensing and Revenue  
Collections Administrator**

**Business Services Department**

**Date April 22, 2021**

# License Updates

- Updates started in 2020 but held due to COVID-19 pandemic
- March 15, 2021 - Presented to Audit, Finance and Enterprise Committee with direction to bring to Council for consideration
- Introduce on May 3, 2021
- Consideration May 17, 2021



# Mobile Food Vendor License



# New License Highlights

- Remove Mobile Food Vendors from Peddler Code
- Protect Public Health
- Driven from State Legislation
- Establishes minimum standards for operators
  - State Department of Health Services license
  - State Tax License
  - Annual Fire Safety Inspection
  - Trash and Litter, Noise, Lighting, Security
  - Pedestrian Safety



# New License Highlights

- Transfers background check from all employees to owner/operator
- Establishes parking guidelines and standards
  - City property and ROW, parking spaces
- Establishes Insurance Requirements
- Establishes penalties and appeals process for non-compliance
- Consistent licensing guidelines for Cities/Towns
- License fee same as they pay today as Peddler

# Peddler License

**UPDATE**



# Who Will Need a Peddler License?

## Main goal—Health, Safety and Welfare

- Anyone who is:
  - Going door to door selling a product/service or taking orders for a product/service
    - Requires fingerprinting and background check
  - Selling or taking orders for a product/service anywhere else other than door to door
    - No fingerprinting

# Who Will Not Need a Peddler License?

## Lower Risk Licensees

- Selling or taking orders on behalf of a non-profit (Incl. minors)
- Anyone participating in a licensed special event
- Anyone selling only products grown by the seller or being sold on behalf of the producer

## AND

- Anyone selling only handmade products at a craft fair
- Licensed Mobile Food Vendors
- Any person already exempted by law

# Special Event License

**UPDATE**





# Current Special Event Process/Fee

- Applies to any event that requires a temporary exemption from the zoning code
- Generally, take 14-60 days to get approved, depending on the size and complexity, the number of departments involved, and the concessions each side has to negotiate
- One basic application that has attachments for specific variations
- Current fee for any size event \$100 a day, max 4 days, max \$300 per event

# Proposed Changes to the Code

- Establish license for small-scale events (Police, Fire and Transportation review not required)
  - \$50 for small-scale event (max 4 days)
- Establish expedited application review and new fee
  - Application is submitted less than 14 days prior to the event date for a small event, 30 days prior if a large event, and 60 days prior if major street closure(s) are involved.
  - 50% additional fee if submitted after the minimum days above
- One license for multiple identical events

# Proposed Changes to the Code

- Require a complete vendor list be submitted prior to the license being issued and an updated list after the event concludes
- Expand reasons to deny or revoke a license
  - Previous event history/issues



research.n





mesa•az

# Business License

**Tim Meyer**

**Business Licensing and Revenue Collections Administrator**

**Business Services Department**

**Date April 22, 2021**

# Other Municipalities

2

## 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

3

- 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

# Business License for Mesa



- Current TPT Licenses ≈10,000
  - Taxable businesses
- Non-Taxable Service Businesses 5,000-10,000
- New Business Licenses 15,000-20,000



# Who Would Need a Business License

- Taxable businesses
- Service businesses
- Home-based businesses

# Who Would Not Need a Business License

6

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



# Who Would Not Need a Business License

7

Specifically Called out in State Statute:

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



## Costs to Implement

- Recommending 2 new FTE if a Business License is approved (year 1 cost \$141,096)
  - Approximate number of Business Licenses as we had TPT licenses when it transitioned to the State
  - Help with business outreach
- Build a business license record type in the licensing system (~\$20,000)

# Staff Proposal

- Implement an annual Business License
- Application Fee of \$10
- Annual Renewal Fee of \$25



# Other Municipalities' Fee

10

City	Application Fee	Renewal Fee
Chandler	\$45	\$45
Gilbert	\$35	\$35
Glendale	\$25	\$25
Queen Creek	\$60	\$40
Scottsdale	\$62	\$50

- Range of fees charged by other cities
  - Initial License: \$25-\$62 (App + License Fee)
  - Annual Renewal Fees: \$15-\$50

# Other Municipalities' Fee

11

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

- Range of fees charged by other cities
  - Initial License: \$25-\$62 (App + License Fee)
  - Annual Renewal Fees: \$15-\$50



# Failure to Acquire/Renew a License

- Late Fee and Monetary Penalties for Noncompliance
- No Criminal Penalty

# Tasks Ahead

- Finalize Code/Ordinance
- Post 60-Day Fee Public Notice
- Council Meetings Intro/Consideration (Fall)
- Build business license in Accela
- Hire Staff
- Outreach



# Direction Requested

- Move forward with Business License and related fees?

research.n







# FY 21/22 BUDGET REVIEW

- Energy Resources Department
- ....proudly providing
- safe
- reliable &
- efficient
- natural gas & electric utility services
- Since 1917!

# MESA ENERGY UTILITY INFORMATION

Gas and Electric Utilities purchased in 1917

124 employees

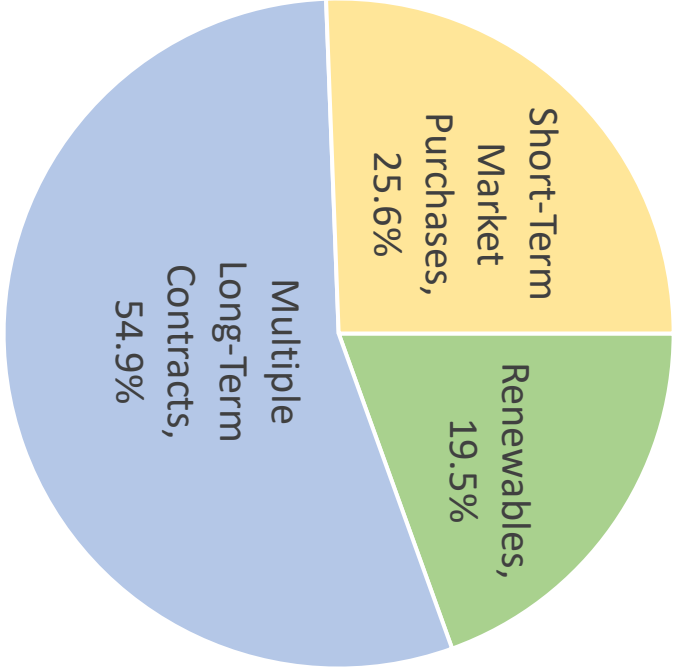
Electric

- 17,000 customers
- 14 miles 69kV transmission lines
- Four 12 kV substations
- 194 miles of overhead distribution lines (43%)
- 259 miles of underground distribution lines (57%)
- 1<sup>st</sup> Place 2020 APPA Safety Award of Excellence
- APPA Reliable Public Power Provider, Platinum Member 2020-2023

Gas

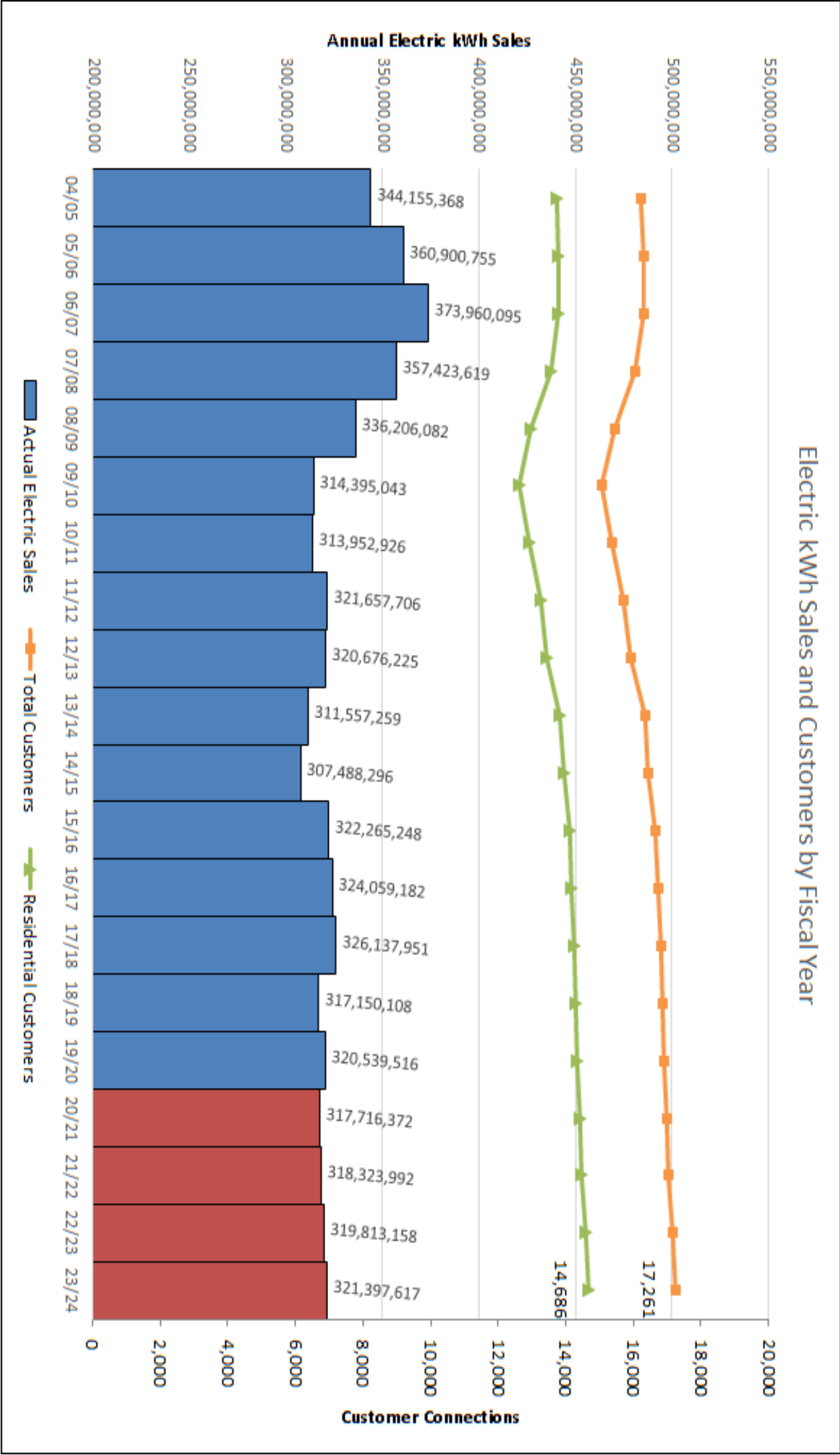
- 69,200 customers
- Five gate stations
- 79 pressure regulator stations
- 153.2 miles of High Pressure main
- 1,249.8 miles of Intermediate Pressure main
- APGA SOAR Silver Award 2019-2022

CURRENT  
ELECTRIC SUPPLY  
PORTFOLIO

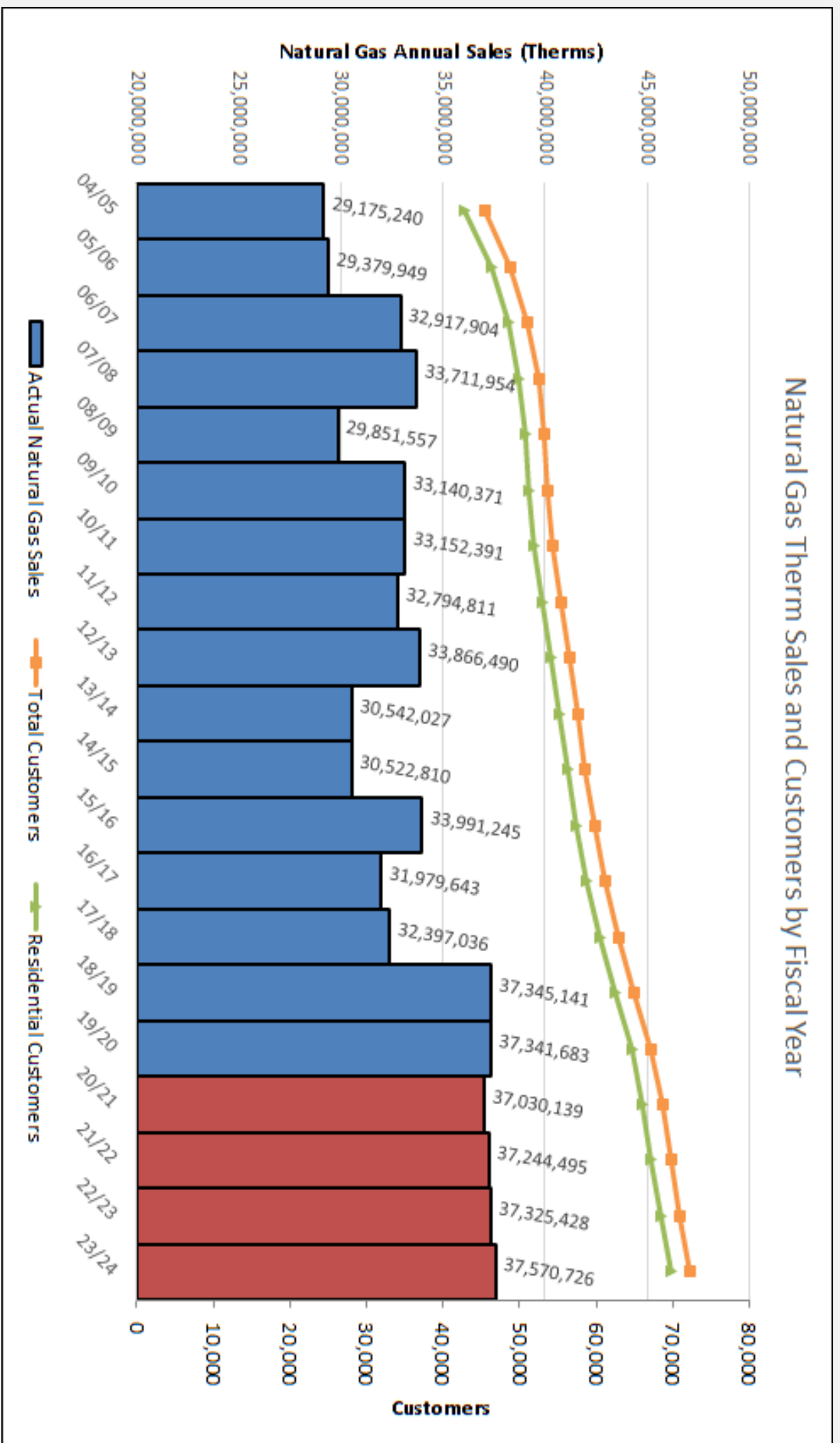


## ENHANCEMENT – TWO (2) GAS CREWS

- Ongoing Annual Cost: \$501,648
  - Two (2) Crews of 3 (6 FTE total)
- One-time Fleet/Equipment Cost: \$1,474,000
- Benefits
  - Cost savings compared to outsourcing to contractor: \$983,196
  - Overtime reductions: \$507,711
  - Performance measure improvement
    - Average cost to install residential gas service line
    - Timely completion of corrective maintenance projects per pipeline safety regulatory requirements







# HIGHLIGHTS

## Community Safety

- Response times
  - 96.4% of all Gas calls responded to in 30 minutes or less (Mesa)
  - Electric average response time – 16 minutes
- SAIDI (Reliability - Electric Outage Duration)
  - 1.69 minutes of interruption per customer through February (Target 10.238)
- Lost time accidents
  - Electric – 976 days without a lost time accident
  - Gas – 1,178 days without a lost time accident

## Support Growth in Development

- Customer Attraction/Retention/Economic Development Electric and Gas Service

## Support Small Business Assistance

- Downtown Small Business Attraction Electric Service

## Customer Programs

- Summer Electric Assistance (SEA Program)
- Renewable Energy Service Rider



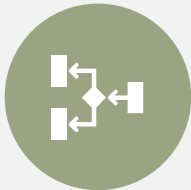
# NEAR TERM CHALLENGES



OMS, Smart Meters  
& Smart Energy



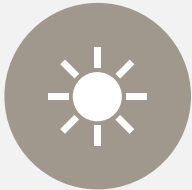
Connecting &  
Communicating  
with our customers



Meeting our  
customers' energy  
wants & needs



California and Texas  
Market Instability  
Impacts



Renewable Energy  
& Sustainability

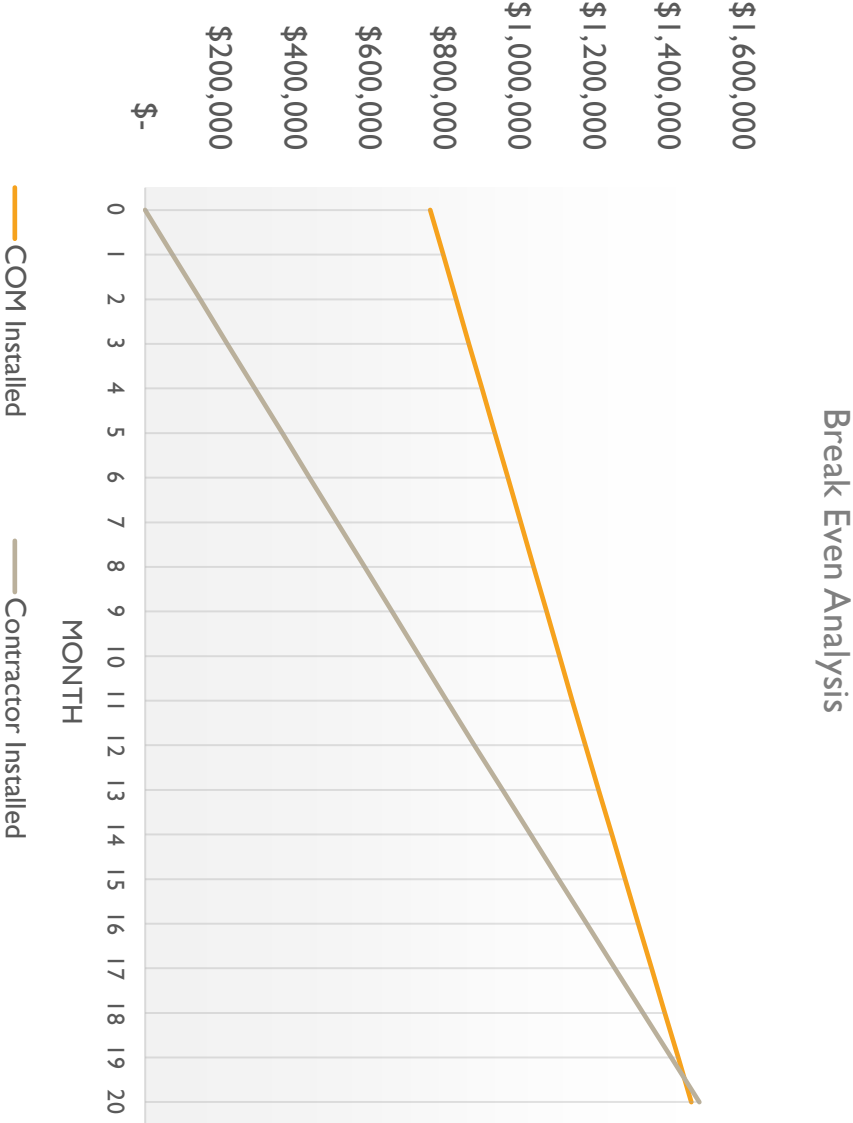




# QUESTIONS?

# ENHANCEMENT – TWO (2) GAS CREWS

<b>Gas Crews</b>	
One-Time Fleet/Equipment	\$ 1,474,000
<b>Ongoing Costs</b>	
Capital Projects (91%)	\$ 455,820
Operations & Maintenance (9%)	\$ <u>45,828</u>
<b>Total Ongoing Costs</b>	\$ 501,648
<b>Ongoing Benefits</b>	
Contractor Savings	\$ (983,196)
Overtime Savings	\$ <u>(507,711)</u>
<b>Total Ongoing Benefits</b>	\$ (1,490,907)
<b>Net Ongoing Cost/(Benefits)</b>	\$ (989,259)



research.n



# Community Services Department FY 21/22 Budget Presentation

---

RUTH GIESE, DEPARTMENT DIRECTOR

APRIL 22, 2021



mesa•az



# COMMUNITY SERVICES MISSION

*Support City Council Strategic Priorities to  
develop and implement community-based  
strategies to provide our diverse resident programs  
that enhance their quality of life.*

# Budget Summary

Core Business Processes	FY 19/20 Year End Actuals	FY 20/21 Revised Budget	FY 20/21 Year End Estimate	FY 21/22 Proposed Budget
Expenditures				
Animal Control	\$634,862	\$734,911	\$713,384	\$770,542
Community Engagement	\$691,018	\$770,907	\$489,710	\$708,589
Housing and Community Development	\$20,752,386	\$44,442,368	\$42,908,365	\$26,855,571
Total	\$22,078,266	\$45,948,187	\$44,111,459	\$28,334,702

Notes:

- FY 20/21 includes \$6.2M in County CARES funding for the Eviction and Foreclosure Prevention Program
- FY 20/21 includes \$11.9M in funds carried over from FY 19/20 due to the timing of federal grants

# City of Mesa Homelessness Strategy

## FY 21/22 Proposed Budget

## Strategy and Policy

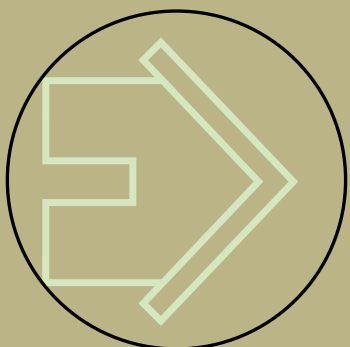


### *New Collaborative Positions:*

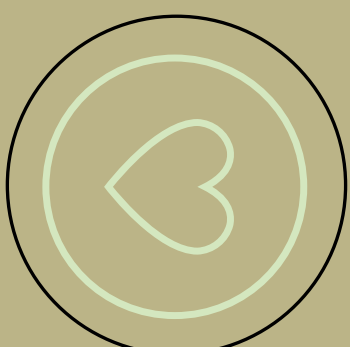
-  Police Security OT
-  3 Court Navigators
-  4 Park Rangers
-  1 Human Services Coordinator
-  1 Housing Specialist

# Housing Specialist

Addressing  
Homelessness



TBRA Rental  
Program



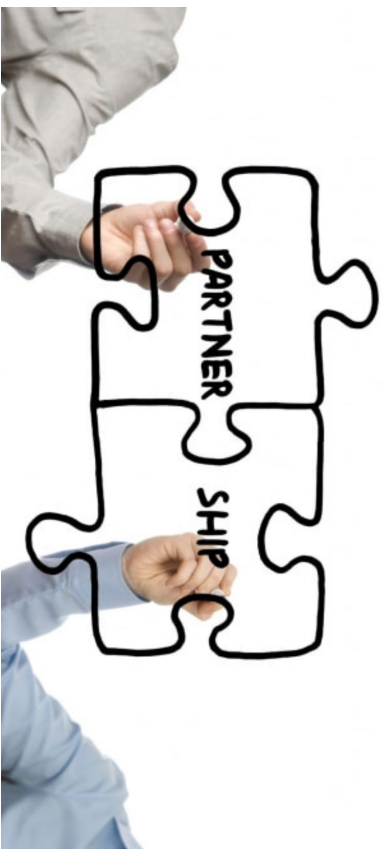
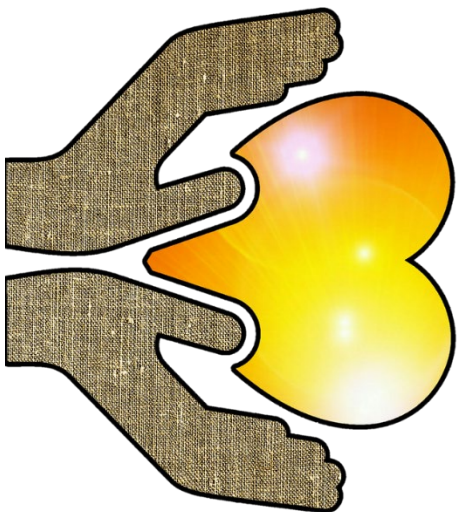
Housing  
Vouchers



Homelessness to Housing

**\$74,868 – Federal Fund**





# Human Services Coordinator

ADDRESSING  
HOMELESSNESS

**\$87,240 – General Fund**

7 Virtual  
Neighborhood  
Classes 199  
participants

Nextdoor  
Weekly Trivia  
7,900  
participants

6 New Little  
Libraries

Supporting  
COVID testing  
and vaccine  
events in  
collaboration  
with MFMD

# Engaging Mesa Residents



**LITTLE LIBRARY  
RAFFLE**

One of these libraries could be yours!  
MesaGoV/LittleLibraries



# Animal Control Arizona Humane Society Contract

---

**Community Safety and Strong Neighborhoods**

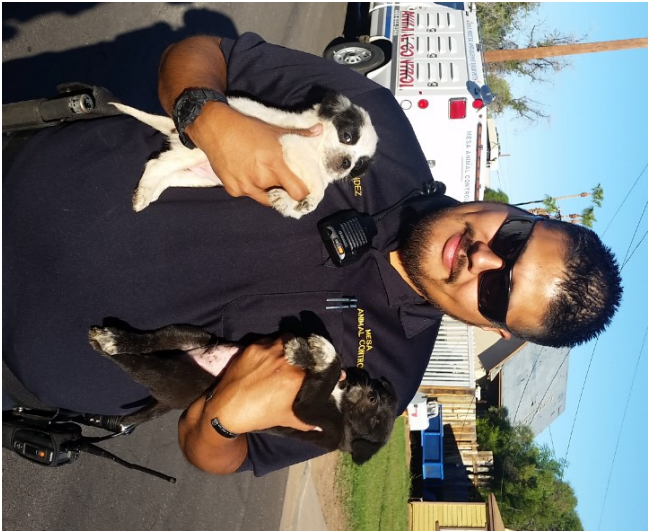
553 Animals Seized  
since 2018



\$8,250 Cost  
Adjustment  
*Year 1 of 3-Year  
Contract*

# Measuring Success

## Animal Control



22,247  
Calls for Service  
since July 1

10  
Animal Cruelty  
Trainings for Police  
Academy

## Volunteer Services



  
ADOPT A  
GRANDPARENT

9,394  
Volunteer Hours  
\$343,200  
Value of Volunteer Hours

# Mesa Residents Served

through CDBG, ESG, HOME, Human Services

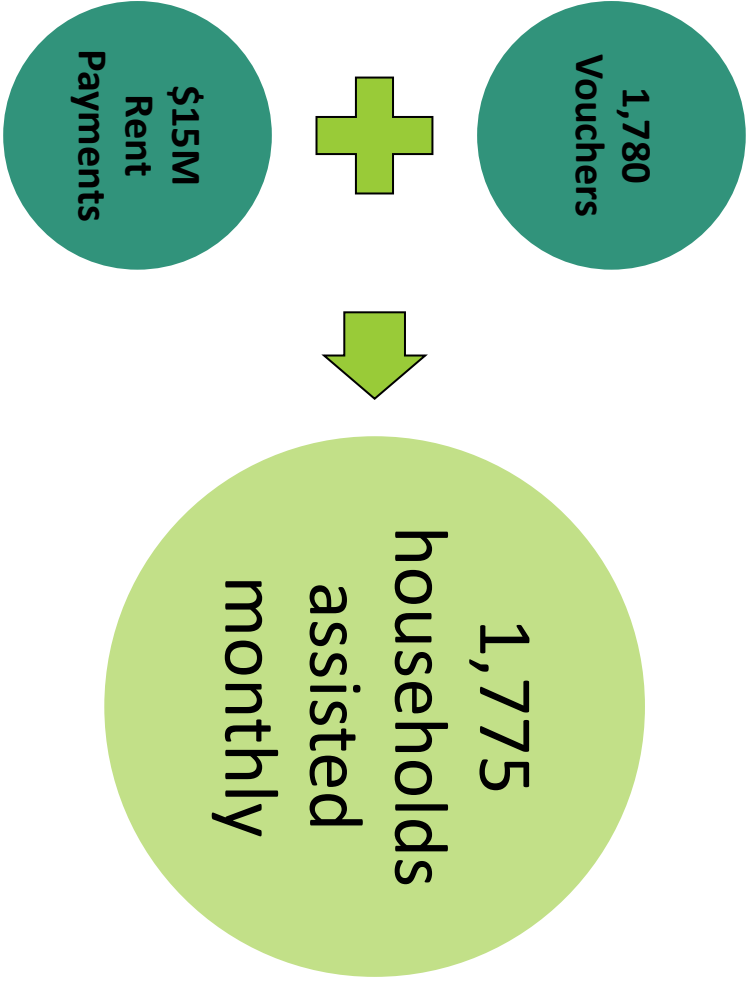




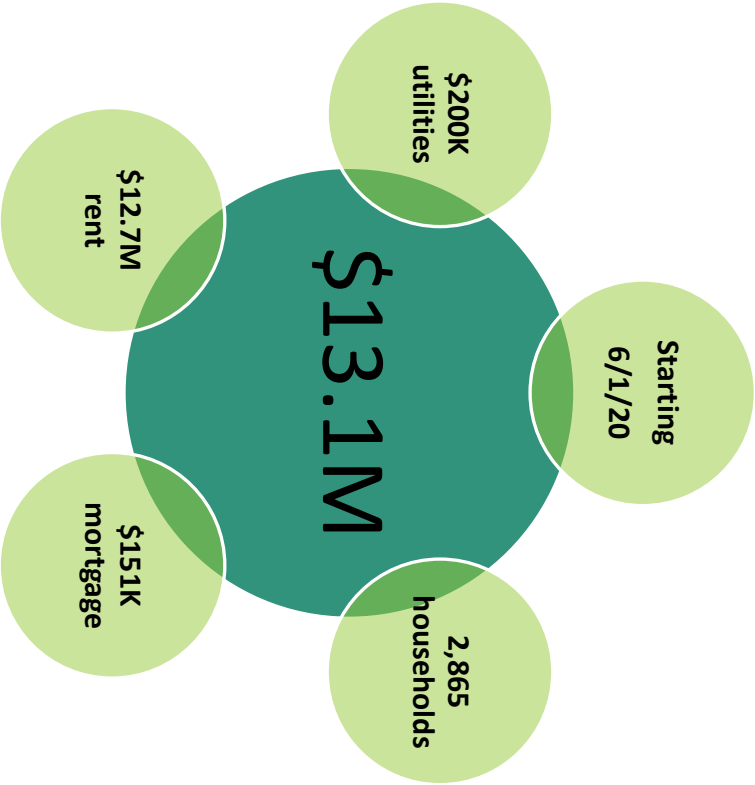


# Housing Stability

## Housing Voucher Programs



## Emergency Rental/Mortgage/Utility Assistance Program



# Questions?

---

# Enhancements – FY 21/22

Enhancements		Council Initiatives
\$8,250 Cost Adjustment <i>Year 1 of 3-Year Contract</i>	Animal Control Arizona Humane Society Contract	Quality of Life Community/Neighborhoods
\$74,868 Adjustment Request <i>100% Federal Fund</i>	Housing Services Housing Specialist	Reducing Homelessness Pandemic Rebound/Response
\$87,240 Adjustment Request <i>100% General Fund</i>	Community Development Human Services Coordinator	Reducing Homelessness Pandemic Rebound/Response

research.n



April 22, 2021

TO: CITY COUNCILMEMBERS

FROM: MAYOR JOHN GILES

SUBJECT: Appointments to Education and Workforce Development Roundtable and reappointments to the Independent Commission on Compensation for Elected Officials

The following are my recommendations.

**Education and Workforce Development Roundtable** – Seventeen-member roundtable including new appointments.

*Standing Positions (ongoing; term remains with position):*

Dr. Lori Berquam. Dr. Berquam is interim president of Mesa Community College. As an American Council on Education Fellow at University of Arizona she worked on the Hispanic Serving Institution designation and Arizona Online efforts. She earned a bachelor's degree from Truman State University in mathematics and psychology, master's degree from University of Wisconsin-La Crosse in student affairs administration and doctorate from Colorado State University in educational leadership.

Dr. Perry Berry. Dr. Berry played minor league baseball for the Houston Astros before beginning his career in education and coaching at Teurlings High School in Lafayette, LA. He is now Superintendent of Queen Creek Unified School District. He earned a bachelor's degree from the University of Louisiana at Lafayette in education, master's degree from Adams State College in educational leadership and administration and doctorate from Grand Canyon University in organizational leadership.

Kevin Broeckling. Mr. Broeckling has been with Benedictine University for more than 10 years and is Chief Executive Office of their Mesa campus. He earned a bachelor's degree from Quincy University in history and master's degree from University of Illinois Springfield in history. He is a member of the National Association of Branch Campus Administrators and is currently pursuing a doctorate in educational leadership from Northern Arizona University.

Dr. Dawn Foley. Dr. Foley began her career at Kyrene Monte Vista Elementary School in Phoenix and is now the incoming Superintendent of Higley Unified School District. She served as a member of the Mesa Early Learning Task Force. Dr. Foley earned a



bachelor's degree from Arizona State University in elementary education and teaching with an early childhood emphasis and both a master's degree and doctorate from Arizona State University in curriculum and instruction.

Dr. Andi Furlis. Dr. Furlis spent 19 years in the Scottsdale Unified School District and is now Superintendent of Mesa Public Schools. She helped implement Mesa K-Ready and preschool programs at MPS. She earned a bachelor's degree in elementary education with a focus on English as a Second Language from Arizona State University, master's degree from Northern Arizona University and doctorate in educational leadership and policy studies from Arizona State University.

Sally Harrison. Ms. Harrison is President and CEO of the Mesa Chamber of Commerce and has been with the organization for more than 12 years. Prior to the Mesa Chamber of Commerce, Ms. Harrison was the director of marketing for physical therapy practices. She graduated from the Institute for Organizational Management at University of Arizona and several local programs including Mesa Police Citizens Academy, Mesa Fire & Medical Citizens Academy, Sky Harbor Aviation academy and Mesa Leadership.

Dr. Shane McCord. Dr. McCord, a Mesa High School graduate, began his career in education student teaching at Gilbert Public Schools. He served as an Assistant Superintendent at Mesa Public Schools before becoming Superintendent of Gilbert Public Schools. He earned a bachelor's degree in education from Arizona State University, master's degree in educational leadership and administration and doctorate in educational leadership from Northern Arizona University.

John Schmitt. Mr. Schmitt is Assistant Vice President of Educational Outreach & Student Services at Arizona State University's Polytechnic Campus. He is a member of the Workforce Arizona Council and participated in several Chambers of Commerce including Mesa, Chandler, Gilbert, Queen Creek and the East Valley Hispanic Chamber of Commerce. Mr. Schmitt earned a bachelor's degree and juris doctorate from the University of Arizona.

Dr. Chad Wilson. Dr. Wilson has 25 years' experience working in Arizona's public schools as a teacher and administrator. He is Superintendent of East Valley Institute of Technology (EVIT) the state's largest Career Technical Education District. He earned a bachelor's degree in history from University of Arizona, master's degree in educational leadership from Northern Arizona University and doctorate in educational leadership from University of Arizona.

*Education & Business Community Appointees (staggered terms noted for each):*

Toni Morales Broberg. Ms. Broberg is President of Arizona & New Mexico External & Legislative Affairs for AT&T. She focuses on supporting infrastructure investment and community engagement and has extensive experience in the White House, federal

agencies and local governments. Ms. Broberg earned a bachelor's degree in political science and master's degree in liberal studies from Arizona State University. Her initial term ends June 30, 2022 and she is eligible for two additional three-year terms.

David DiDomenico. Mr. DiDomenico has been a teacher in Arizona for more than 30 years and is currently teaching and coaching wrestling at Mesa High School. He also teaches at Ohio University and Benedictine University at Mesa. Mr. DiDomenico earned a bachelor's degree from University of Arizona in cultural geography and exercise physiology; master's degree from Madison University in educational theory and master's degree from Ohio University in recreation and sports sciences/sports management. His initial term ends June 30, 2024 and he is eligible for one additional three-year term.

Councilmember Francisco Heredia. Councilmember Heredia began his second term representing District 3 in January 2021. He has experience working for the Maricopa County Recorder's Office and the United States Census Bureau. He is a member of the Hispanic Elected Officials Organization and the National Association of Latino Elected and Appointed Officials. Councilmember Heredia earned a bachelor's degree in political science and master's degree in public administration from Arizona State University. His initial term ends June 30, 2024 and he is eligible for one additional three-year term.

Katie Lohec. Ms. Lohec is a Government and Community Affairs Manager with Apple, Inc. She is responsible for managing Apple's local government and community relationships in regions where the company has data centers. Apple seeks to participate in local programs and initiatives that support education, career pathways and broader community needs. Her initial term ends June 30, 2022 and she is eligible for two additional three-year terms.

Rich Nickel. Mr. Nickel is President and CEO of College Success Arizona, a non-profit focused on assisting all Arizona residents in gaining post-secondary credentials. Recently, Expect More Arizona, Achieve60AZ and College Success Arizona have combined their efforts and Mr. Nickel was chosen to lead the enhanced organization. He is an advocate for increased attainment for high-need, first-generation and minority students. Mr. Nickel earned a bachelor's degree from University of Kentucky in telecommunications. His initial term ends June 30, 2023 and he is eligible for two additional three-year terms.

Dr. Joe O'Reilly. Dr. O'Reilly is a member of the Mesa Public Schools Governing Board and Director of the ASU Helios Decision Center for Education Excellence. The center is designed to improve student outcomes by bringing together education stakeholders, data and ASU resources. Dr. O'Reilly earned a bachelor's degree in psychology from Stonehill College in Massachusetts and both a master's degree and doctorate in psychology from the University of Arizona. His initial term ends June 30, 2023 and he is eligible for two additional three-year terms.

Councilmember Julie Spilsbury. Councilmember Spilsbury began her first term representing District 2 in January 2021. A product of Mesa Public Schools, Spilsbury has been active for more than 17 years in local schools, earning an award from MPS for her volunteer work. Both of her parents were teachers, instilling in her a drive to support those who lead our children. She attended Brigham Young University. Her initial term ends June 30, 2024 and she is eligible for one additional three-year term.

Vince Yanez. Mr. Yanez is Senior Vice President of Arizona Community Engagement at Helios Education Foundation. Helios is dedicated to improving education outcomes for students. He also has more than 15 years of experience at the Arizona State Board of Education, including almost ten years as Executive Director. Mr. Yanez earned a bachelor's degree from the University of Notre Dame in government and Spanish and a master's degree from Arizona State University in social work. His initial term ends June 30, 2023 and he is eligible for two additional three-year terms.

**Independent Commission on Compensation for Elected Officials** – Five-member board including new appointments.

*Reappointments:*

Rich Adams. Mr. Adams is President and CEO at Southwest Business Credit Services and has more than 40 years of experience in the industry. He is a Certified Association Executive and graduate of Mesa Leadership and Valley Leadership. Mr. Adams has served the Mesa community on several city, non-profit and regional boards including Mesa United Way, Visit Mesa, Greater Phoenix Economic Council, City of Mesa Planning & Zoning Board and City of Mesa Economic Development Advisory Board. His term expires June 30, 2023.

Jo Wilson. Ms. Wilson was Senior Administrator at Benedictine University at Mesa before her retirement. She worked at Mesa Community College for more than 40 years in many capacities including interim provost at their downtown and Red Mountain campuses. She was honored as the 2009 Mesa Community College Woman of Distinction and 2010 Mesa Woman of the Year. She has consistently served the Mesa community through her participation on a wide variety of local boards and committees. Her term expires June 30, 2023.