



# COUNCIL MINUTES

June 5, 2023

The City Council of the City of Mesa met in a Special Council Meeting in the Council Chambers, 57 East 1st Street, on June 5, 2023, at 6:14 p.m.

## COUNCIL PRESENT

John Giles  
Francisco Heredia  
Jennifer Duff  
Mark Freeman  
Alicia Goforth  
Julie Spilsbury

## COUNCIL ABSENT

Scott Somers

## OFFICERS PRESENT

Christopher Brady  
Holly Moseley  
Jim Smith

Mayor Giles conducted a roll call.

Mayor Giles excused Councilmember Somers from the entire meeting.

1. Conduct a public hearing on the proposed Fiscal Year 2023-24 Budget and the proposed Fiscal Year 2023-24 Secondary Property Tax Levy, and take action on the Fiscal Year 2023-24 Budget.

1-a. A public hearing on the proposed Fiscal Year 2023-24 Budget, and the proposed Fiscal Year 2023-24 Secondary Property Tax Levy.

Mayor Giles announced that this was the time and place to conduct a public hearing on the proposed Fiscal Year 2023-24 Budget, and the proposed Fiscal Year 2023-24 Secondary Property Tax Levy.

The following citizens submitted a comment card in opposition to Item 1-a:

- Kimberly Crowther Miller, a Mesa resident
- Jerri Dingleline, a Mesa resident
- Brian Eckley, a Mesa resident
- Deborah Kirkland, a Mesa resident
- Keith Lovell, a Mesa resident
- Gary Rowley, a Mesa Resident
- Carol Winstanley, a Mesa resident
- Charmagne Wood, a Mesa resident
- Patrick Wood, a Mesa resident

The following citizens submitted comment cards to speak in opposition of Item 1-a:

- Carey Davis, a Mesa resident
- Dennis Liles, a Mesa resident
- Charmon Puhlmann, a Mesa resident
- Will Stasi, a Mesa resident
- David Winstanley, a Mesa resident

The speakers offered a series of comments in opposition including, but not limited to, the following:

- The City of Mesa (COM) has a large surplus and the money should be returned to the citizens
- The COM overspends and should consider internally financing projects to save money
- The COM has the highest debt level compared to neighboring cities and towns
- The COM should not transfer from the utility fund
- The COM should consider a primary property tax
- The COM is fiscally irresponsible and should spend within its budget
- The COM budget continues to rise

City Manager Christopher Brady stated that the total budget is \$2.6 billion. He explained the COM has the General Fund supported by sales tax and encompasses police, fire, libraries, and parks; and the Utility Fund is based on user fees such as water, wastewater, gas, and electric. He added the secondary property tax is used to pay off the principal and interest of the issued debt. He commented due to the rise in construction and the property values increasing, the COM will be recommending a 6% reduction in tax rate. He mentioned policies are established to keep the reserves between 10% to 15% on the General Fund and the COM continues to spend the reserve on one-time expenditures.

Mr. Brady continued by saying many of the projects have doubled in costs due to inflation. He remarked that the COM reserves have been utilized to pay for cost overruns and supply chain issues. He said the COM does not overspend and has one of the highest ratings of most cities. He discussed the established formula that replaces the primary property tax with a utility transfer.

Mayor Giles stated in 1945 the primary property tax was repealed at the same time the COM purchased utilities and began using a different scheme, which makes Mesa unique. He commented utility rates will be discussed in the fall.

Mr. Brady gave examples of reserve funding that has been allocated for purchases, such as fire trucks, that will not come to fruition for several years due to backlogs in manufacturing. He mentioned that a large portion of the utility transfer goes toward Public Safety for additional police and fire personnel.

Councilmember Freeman expressed his appreciation for citizens coming to speak about the budget. He stated he is a member of the Audit and Finance Committee that reviews the COM finances every few months and the annual comprehensive report. He verified the COM spends within the budget using three funding sources: sales tax, utility, and shared revenue. He remarked the COM does not have a primary property tax or food tax. He noted the importance of having Public Safety and the increased costs of providing services.

Councilmember Duff stated the COM is considered conservatively run and was rated among the best run U.S. cities. She mentioned the transparency and checks and balances that are performed in the budget process and provided data regarding expenditure carryover.

Mayor Giles thanked the citizens for their engagement. He noted Mesa is considered one of the safest communities in the U.S. due to the commitment to Public Safety which comes with a cost. He mentioned the necessity to have a facility to house the homeless to be able to enforce the urban camping laws.

1-b. A resolution approving the budget for the Fiscal Year ending June 30, 2024. – Resolution No. 12048

It was moved by Councilmember Freeman, seconded by Councilmember Heredia, that Resolution No. 12048 be adopted.

Upon tabulation of votes, it showed:

AYES –Giles-Heredia-Duff-Freeman-Goforth-Spilsbury  
NAYS – None  
ABSENT – Somers

Mayor Giles declared the motion carried unanimously of those present and Resolution No. 12048 adopted.

2. Adjournment.

Without objection, the Special Session adjourned at 6:50 p.m.

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JOHN GILES, MAYOR

ATTEST:

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HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Session of the City Council of Mesa, Arizona, held on the 5<sup>th</sup> day of June 2023. I further certify that the meeting was duly called and held and that a quorum was present.

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HOLLY MOSELEY, CITY CLERK