

**CITY OF MESA
HUMAN RELATIONS ADVISORY BOARD (HRAB)
March 27, 2013 MINUTES**

The Human Relations Advisory Board (HRAB) of the City of Mesa met on March 27th, 2013,
at 6:00 p.m. in the Lower Level, City Council Chambers, 57 E. First Street.

MEMBERS PRESENT

Rory Gilbert, Chair
Denise Heap- Vice Chair
Hong Chartrand
Lela Hinds-Peterson
Susan Lotz
Wayne Manske
Cliff Moon

MEMBERS ABSENT

Frank Johnson
Heather McAlister
Orchidia Peterson

STAFF PRESENT

Andrea Arenas
Ruth Giese

GUESTS

Charles Crismon
Hannah Crismon
Lesia Crismon Lumley
Jon Crismon
Alex Deshuk
John DeWitt
Kelly Gregan
Natalie Lewis
Allison Lumley
Ashley Lumley
Nellie Moller
Ed Quedens
Ryan Russell
Mickey Tait
Debbie Spinner

1. Chair's Call to Order.

Ms. Heap called the meeting to order at 6:03pm.

2. Items from Citizens Present.*

There were no citizens that requested to speak.

3. Approval of minutes from the January 23rd, 2013 board meeting.

A motion was made by Mr. Manske to approve the February 27th, 2013 minutes. Ms. Hinds-Peterson seconded the motion. The motion carried unanimously.

4. Approval of minutes from March 11th, 2013 New Board Member Orientation special meeting.

A motion was made by Ms. Heap to approve the March 11th, 2013 minutes. Ms. Lotz seconded the motion. The motion carried unanimously.

5. Mesa Police Department Report.

Mr. Villa, the Police Department representative, was regrettably unable to attend the board meeting therefore Ms. Moller presented on his behalf. Ms. Moller advised the board of three upcoming Police Department Advisory Board meetings. The Clergy Advisory Board will be meeting on April 1st, 2013 at 4pm, the Asian Community Advisory Board will be meeting on April 16th, 2013 at 5pm, and the Senior Advisory Board will be meeting on April 29th, 2013 at 9:30am. Ms. Moller provided the board members with brochures from the Clergy and Asian Advisory Boards.

6. Hear a presentation, discuss and consider update on the General Plan.

Mr. Wesley, the Planning Director for the City of Mesa, advised the board that the city has been tasked with updating the General Plan so it can be placed on the November 2014 voter ballad. Arizona State Statute

requires cities to update their General Plan every ten years with voter approval. The General Plan outlines the vision and guidelines for the community's growth and development over in a thirty year for cast. Mr. Wesley provided the board with several examples of how the City of Mesa has changed through population density, demographically, land use since the last General Plan. Mr. Wesley advised they have attended many community events to solicit public opinion during this process. The have received approximately 150 surveys providing feedback such as becoming more pedestrian friendly, maintaining existing neighborhoods, expanding transportation options and creating more parks and recreational space.

The General Plan is comprised of four sections: an introduction, plans for transforming the city, identifying supportive services and infrastructure, and administration. In accordance with public feedback, some of the highlights the City of Mesa will identify in the General Plan are to create and maintain great neighborhoods, grow and maintain a diverse economic base, provide more rich and cultural public spaces and amenities, and continue to bring infrastructure and administrative changes within the 21st Century. Mr. Wesley advised that another key element for the General Plan is updating the Land Use Map, which is the most used feature of the General Plan. Mr. Wesley provided a draft of the proposed Land Use Character Map.

Mr. Wesley asked if the board members if they had any questions or comment on the General Plan. In response, Ms. Chartrand commented that since she is in the health field, she is aware of the increasing obesity population. Ms. Chartrand questioned how this will be addressed in the General Plan. Mr. Wesley stated that the problem has been acknowledged and increasing walking paths and community gardens will help address that concern, but a specific plan has yet to be identified. Ms. Heap recognized Mr. Wesley and his staff for their work and their consideration for preserving neighborhoods. Mr. Manske questioned what the projected time frame for the continuation of the light rail. Mr. Wesley advised that the completion of the current light rail path to Mesa Dr. is scheduled to be completed at the end of 2015, further construction to Gilbert Rd. has an anticipated completion date by 2017 and further construction has not been determined. Mr. Wesley concluded by asking the board to help promote community input on the General Plan as they continue to work on it.

7. Hear presentation, discuss and consider how the Model Tax Code's section on residential rental tax impacts families supporting family members.

Mr. Crismon, a Mesa resident, stated that he speaks on a residential tax code issue as it pertains to his family; however he is aware of other families that are also being negatively affected by the same code. Mr. Crismon explained that property owners of more than three properties are being discriminated against by being additionally taxed and prefaced his by argument stating that if not changed the effects, "will force parents to put their children out of secure homes and onto welfare homes". Mr. Crismon further explained that regardless if receiving rental income, to which he does not, since he is the owner of multiple properties, in addition to the residence that he lives in, he is considered a landlord and is therefore vulnerable to additional taxation. Whether rent is collected or not, the city determines a fair market value price on rent in which the property owner is taxed.

Mr. Crimson further outlined the circumstances of his situation, where one of the properties is being used as his wife's place of business, and another is being occupied by his daughter and her family. Mr. Crismon does not charge his daughter rent, but has drafted a written use agreement that states his responsibilities as the property owner and his daughter's responsibilities as the resident. Mr. Crismon also noted in the joint occupancy agreement that his daughter is to pay \$500 each month which is to be applied to all occupancy expenses. Funds accumulation above the expenses and contingency savings (such as broken appliances or repairs) will be matched for a potential down payment on her own residence. Mr. Crismon stated that he also owns another residence which is being occupied by his son's ex-wife as a means to provide a home for his grandchildren, who resides there under the same drafted use agreement.

Mr. Crismon stated that he feels there is discrimination against him being identified as a landlord and susceptible to the same taxation as someone in business of being a landlord such as Michael Pollack who owns more than forty commercial properties in the valley. He also feels that there is discrimination against lower income families given that the city implies a fixed rate assessment of \$1 per square foot regardless if the property is in a low or high income neighborhood.

Ms. Spinner and Ms. Gregan with the City of Mesa Attorney's Office also made a presentation to further explain the legalities of the tax code. First, Ms. Spinner advised that if a tax payer feels they are being incorrectly taxed, then they can make a case to an independent hearing officer. If they feel that the ruling from the hearing officer is incorrect, then the citizen could challenge the decision with the Model City Tax Commission for another ruling. Second, Ms. Spinner advised that there are state bills being considered that may impact the practice of this taxing concern, Arizona House Bill 2324.

Ms. Gregan summarized that the Transaction Privilege Tax, also known as the sales code, is based upon the Model City Tax Code which is used by all of the cities in the State of Arizona since the 1980's after recommendation from a legislative commission. The City of Mesa adopted this code in 1987 and utilized the language and practices as done throughout the state. If a city would like to change this code, the city is required to go through an audit by the Department of Revenue, and then is presented to the Municipal Tax Code Commission which is made up of the Department of Revenue Deputy Director and nine mayors from different cities that utilize the same code.

Ms. Gregan educated that any rental tax is 1.75% of the gross income from any person who receive a benefit from leasing or renting real property for consideration to a tenant that is actual possession, therefore any monetary transaction can be classified as a benefit or payment and subject to tax. One exemption that applies is if the property owner has less than two residential rentals and no commercial property. If there is a relationship between the landlord and the renter, the taxation is applied at the fair market value of rent for that property rather than the rent or benefit being charged because there is usually a discount applied for the affiliate. If there is no affiliation, the law assumes that the fair market value of rent is being applied. Ms. Gregan supplied multiple examples to the board to further clarify the rental tax process.

Ms. Gilbert questioned if each city has their own tax collector. Ms. Gregan responded that cities that collect their own taxes do utilize their own collector, and the City of Mesa does have their own collector. Ms. Gilbert asked if the fair market value of \$1 square foot is the assessment of the city or the tax code. In response, Ms. Tait, the City of Mesa Audit and Tax Collection Administrator, advised that third party company Cushman and Wakefield publishes a document on city wide averages on rental value for the state. Ms. Tait stated that it is practice to use the average value, but a citizen can challenge the rate through her department. Ms. Hinds-Peterson asked if there are occasions when the rate has been lowered. Ms. Tait responded that it is common practice to lower the rate after an assessment proves the citizens case.

Ms. Hinds-Peterson asked if the Mr. Crismon has considered transferring a title of one of the properties, particularly the one used by his daughter, under a different name to avoid being taxed. Mr. Crismon stated that they have considered this option but do not feel that they can provide preferential treatment to one child over another. Mr. Crismon also commented that he is aware of at least twelve other families in similar situations. Ms. Gilbert asked the board members to think about the information presented to determine if they want to consider taking action in the future. An agenda item will be made for the April 11th, 2013 Ad Hoc Issues, Research and Action team for a vote.

8. Hear, discuss, and take action on items presented by the Ad Hoc Veterans Task Force (VTF).

Ms. Gilbert updated the board on the recent VTF meeting on March 2nd, 2013. She advised that four priorities were determined: preferential treatment in the hiring process for veterans applying with the City of Mesa, creating a connection with Mesa Public Schools for supporting children of active duty parents, creating a central campus of veterans' services, and compiling a list of services that are available to put on the city website. Ms. Gilbert explained that the long term structure of the task force will also need to be determined given the strong momentum. Ms. Gilbert advised that the next meeting is scheduled for April 13th, 2013.

9. Hear, discuss, and take action on items presented by the Ad Hoc Issues Research and Action Team (IRA).

Ms. Heap advised that Northpointe 1 HOA has retracted their request for HRAB's assistance addressing hate crimes in their neighborhood. Ms. Heap also advised that the committee will be continuing their research on non-discrimination and anti-hate crime ordinances. Ms. Heap questioned the board if they should continue this work, given a comment made that it was pursuant of an individual agenda. The board agreed that work should continue and clarification was made regarding the comment.

10. Hear and discuss conferences and/or meetings.

Ms. Heap stated that she attended a Mayor's Prayers Breakfast with Ms. Lotz hosted by the Town of Gilbert. Mr. Manske advised that he attended a conference on Girl Bullying and provided a short summary.

- Community Cinema Series –Island President, April 18th, 6pm, Mesa Arts Center

Mr. Manske commented on the quality of films being shown and asked the other members to support the series by attending and promoting the event.

11. Scheduling of meetings, future agenda items, and general information.

Ms. Gilbert thanked Ms. Lewis, Assistant to the City Manager for the City of Mesa, who was in the audience for her contribution and support on the Peace Pole project that was installed in February 2013 in front of the Mesa City Plaza.

- Phoenix Pride Parade will be held on April 6th, 2013 at 9:00am.

Ms. Heap provided logistical information on the parade from several planning meetings that she attended.

- Next meeting will be held on April 24th, 2013 at 6pm.

12. Adjournment

Meeting adjourned at 7:55pm.

Submitted By:



Ruth Giese,
Diversity Program Administrator