

## COUNCIL MINUTES

May 6, 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 May 6, 2021 at 7:30 a.m.

### COUNCIL PRESENT

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

### COUNCIL ABSENT

None

### OFFICERS PRESENT

Christopher Brady  
Dee Ann Mickelsen  
Jim Smith

(\*Participated in the meeting through the use of video conference equipment.)

Mayor Giles conducted a roll call.

1-a. Hear a presentation, discuss, and provide direction on a summary wrap-up of the Fiscal Year 2021/2022 budget.

Office of Management and Budget Assistant Director Brian Ritschel introduced Budget Coordinator Samuel Shultz, who displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Ritschel highlighted the five Financial Principles for the General Governmental Fund and the Utility Fund, as well as the FY 21/22 Budget Emphasis. (See Pages 2 through 5 of Attachment 1)

Mr. Ritschel provided an overview of budget enhancements that were not part of previous budget presentations to Council. (See Pages 6 and 7 of Attachment 1)

In response to a question from Mayor Giles regarding the number of new police officers and firefighters being hired, City Manager Christopher Brady explained that the priority is to fill vacancies, then filling positions for fire stations as they open; and on the Police side, personnel are hired with the idea of accelerating that when the Public Safety Substation opens. He added multiple academies are in process throughout the year to keep up with attrition.

Office of Management and Budget Director Candace Cannistraro clarified the positions for Fire Station 221 were included in last year's budget, and positions related to Fire Station 222 will be in next year's budget.

In response to questions from Councilmember Freeman, Assistant City Manager John Pombier stated Station 201 has three apparatus, and an analysis revealed removing a Medical Response Unit (MRU) does not affect call times and will be returned to service when there is the ability to staff the unit.

Ms. Cannistraro explained MRUs are four person teams with a captain, engineer, and two firefighters and are on vehicles that are more mobile than an engine and can quickly respond to medical calls. She added these units respond to medical calls first and then fire calls.

Mr. Brady remarked in an effort to be more efficient in responding to calls, instead of sending pumper trucks or other large vehicles to medical calls, MRUs were set up to be able to handle acute calls and all levels of medical calls. He added they are available for fire calls; however, their priority is to keep fire engines in the station while MRUs respond to medical calls.

Mr. Ritschel provided an overview of efforts in meeting community needs and growth, and provided a recap on the homeless support plan. (See Pages 8 and 9 of Attachment 1)

Mr. Ritschel provided an update on investing in Transportation and Transit and indicated a traffic analyst will be shared with the Police Department. (See Page 10 of Attachment 1)

Mr. Ritschel provided information on finalizing and adopting the budget and reviewed the timeline for the budget process. (See Pages 11 through 13 of Attachment 1)

Mayor Giles thanked staff for the presentation.

1-b. Hear a presentation, discuss, and provide funding recommendations for FY 2019/2020 CARES funding related to COVID-19 for Emergency Solutions Grant Corona Virus (ESG-CV-2) funding.

Community Services Director Ruth Giese introduced Housing and Community Development Director Michelle Albanese, who displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Albanese highlighted the COVID Emergency Solutions Grant (ESG-CV-2) funding, provided an overview of the funding allocation recommendations, and explained Council priorities and programs that address homelessness were prioritized when developing the recommendations. She commented staff considered agencies in the CDBG program that were partially funded in 2020 and since those activities translate into eligibility for ESG they were able to supplement with additional funding. She stated staff also looked at agencies that applied in the Human Services funding category but were not funded due to the high demand. She added staff finally looked at programs and services that were funded through the first round of ESG COVID dollars and are recommending allocating additional funds to those programs and services. She stated an important consideration in the recommendations is to fund agencies that can administer the program while complying with federal requirements. (See Page 2 of Attachment 2)

Ms. Albanese highlighted ESG-CV eligible activities and stated this fund is specifically to address homeless needs and activities which include rapid rehousing, navigation services, and shelter operations. She remarked this money can only be used for COVID-related activities, so staff looked at Mesa residents that have been directly impacted by COVID, and what are the needs in the community in order to assist the most vulnerable. (See Page 3 of Attachment 2)

Ms. Albanese presented the following funding recommendations as reflected on the chart on Page 4 of Attachment 2:

- Blue - submitted applications through the first round of ESG-CV-1, staff is recommending level funding as these agencies have been successful in administering programs. Staff is recommending funding these agencies for shelter operations, as they originally requested funding for their shelter operations and expansion of beds.
- Yellow - agencies that applied in FY 21/22 and were awarded partial CDBG funds. These agencies were scored based on a percentage of additional funding. For example, A New Leaf requested \$200,000 for shelter services, were awarded \$100,000 through CDBG, so with additional funding, based on their score, an additional \$60,000 is recommended.
- Green – agencies that applied for human services dollars but were not funded. These activities all support homeless services, so funding is recommended in this category, based on score, as a percentage of the original request.

Ms. Albanese stated staff's recommendation is to award funding of \$3,765,622, which includes City of Mesa administration, with a small balance remaining to be used to supplement and support programs or fund another program through CDBG. (See Page 4 of Attachment 2)

In response to a series of questions from Vice Mayor Duff, Ms. Albanese explained Save the Family's focus is on prevention and serves families; that there are other funds available that serve individuals; that City staff collaborates with agencies to assist individuals and families based on income and need; and that the funds were allocated to the City in 2019, were distributed in different phases as guidance was received from HUD, and is available as soon as the recommendations are approved.

In response to a question from Mayor Giles, Ms. Giese responded by saying the Human Services Coordinator will oversee homeless activities including working with non-profit agencies and serve as a resource to the City Manager and Council offices.

It was moved by Vice Mayor Duff, seconded by Councilmember Spilsbury, that the funding recommendations be approved.

Upon tabulation of votes, it showed:

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

Carried unanimously.

1-c. Hear a presentation, discuss, and provide direction on federal CARES funding, programs, and priorities related to COVID-19 for Community Development Block Grant Corona Virus (CDBG-CV) funding.

Housing and Community Development Director Michelle Albanese displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Albanese provided a recap of CDBG-CV dollars and explained these funds must be used specifically for community residences that have been impacted by COVID. She stated these funds are different from the normal CDBG funds the City receives as these do not have a public service cap or limit. She added any activities that are 100% public service can also use regular CDBG funds. She remarked staff will conduct a competitive application process that will begin later this month and will look at eligible CDBG activities that are directly related to COVID. (See Page 2 of Attachment 3)

Ms. Albanese outlined the Proposed Priorities and commented education and workforce development is a General Fund category where COVID dollars could be used. She commented emergency and bridge housing fills the gap for housing such as domestic violence, homeless children that have aged out of the foster care system, and youth with children. (See Page 3 of Attachment 3)

It was moved by Councilmember Spilsbury, seconded by Councilmember Heredia that the funding recommendations be approved.

Upon tabulation of votes, it showed:

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

Carried unanimously.

Mayor Giles thanked staff for the presentations.

2. Hear an update from the City Manager regarding proposals for employee compensation increases.

This item was continued to a future Council meeting.

3. Current events summary including meetings and conferences attended.

Mayor Giles –	Arizona Mayor's Education Roundtable
Vice Mayor Duff –	Benedictine University Reception NLC – Sustainability and Quality of Life Committee Consulate of Mexico – Cinco de Mayo Celebration
Councilmember Spilsbury –	Traffic Management Center Tour
Councilmember Luna –	MCC Teacher Chair Award Meeting Arizona Department of Health Service - Vaccination
Councilmember Freeman –	NLC – Public Safety meeting

4. Scheduling of meetings.

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

Thursday, May 13, 2021, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 8:34 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 6<sup>th</sup> day of May 2021. I further certify that the meeting was duly called and held and that a quorum was present.

  
DEE ANN MICKELSEN, CITY CLERK

jg/dm  
(Attachments – 3)

# Budget Wrap-up Fiscal Year 2021/22

May 6, 2021  
City of Mesa

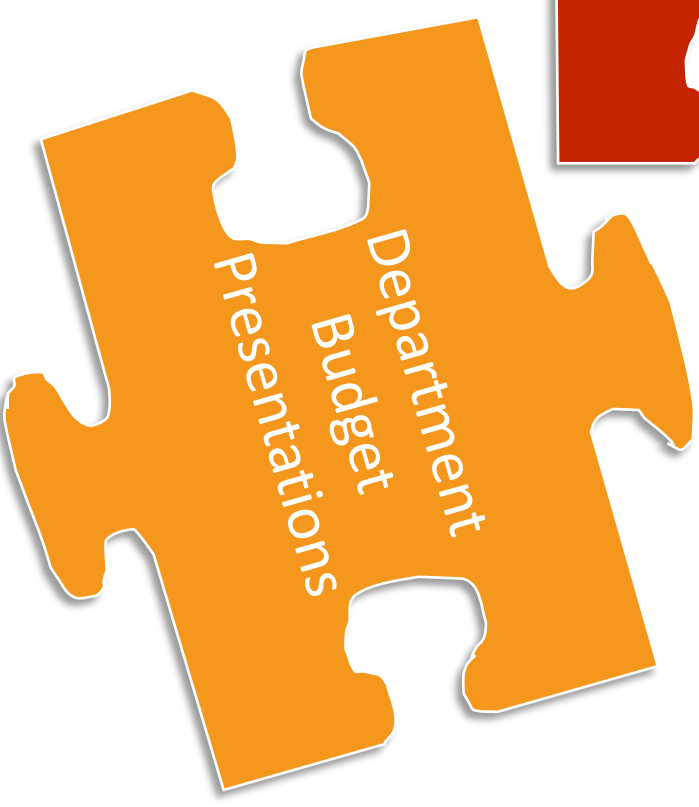
Presented by:

Brian A. Ritschel, Management and Budget  
Assistant Director

Samuel Schultz, Management and Budget  
Operations Coordinator



# Putting It All Together



# General Governmental Funds Financial Principles



Balance net sources and uses



10% – 15% reserve fund balance over the 5-  
year forecasted period



Sustainability of programs and services



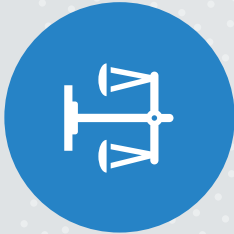
Keep wages and benefits competitive  
compared to other valley cities in order to  
retain and recruit quality staff



Investment in capital and lifecycle replacement  
projects

# Utility Fund Financial Principles

Resiliency In a Time of Uncertainty



BALANCE NET  
SOURCES AND USES



20% OR HIGHER  
RESERVE FUND  
BALANCE



RATE ADJUSTMENTS  
THAT ARE  
PREDICTABLE AND  
SMOOTHED  
THROUGHOUT THE  
FORECAST

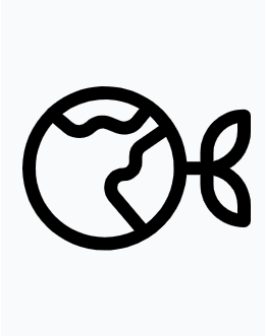


EQUITY BETWEEN  
RESIDENTIAL AND  
NON-RESIDENTIAL  
RATES

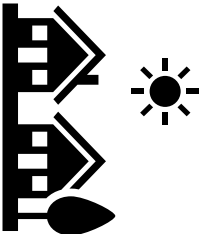


AFFORDABLE  
UTILITY SERVICES

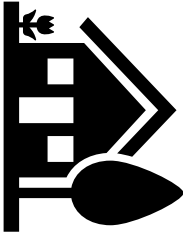
# FY 21/22 Budget Emphasis



Investing in  
Community Growth



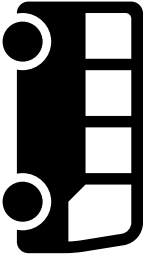
Community  
Safety



Meeting  
Community Needs  
and Growth



Investing in  
Transportation



Investing in Transit

Resiliency In a Time of Uncertainty

# Budget enhancements not presented

- Smart metering support (3) (Business Services)
- Assistant City Attorney (City Attorney's Office)
- Downtown Transformation Specialist (City Manager's Office)
- Marketing & Communications Specialist II (Economic Development)
- Outage Management System Coordinator (Energy Resources)
- West Mesa Service Center CNG Fuel Station Upgrade (Environmental Management & Sustainability)
- Foreman (Fleet Services)
- West Mesa Service Center Camera Upgrade (Fleet Services)
- Marketing Program Assistant (Falcon Field)
- Captain, Engineer, and 2 Firefighters (Fire & Medical)
- HR Information System Analyst (Human Resources)



# Community Safety

## Medical Response

Medic Units/Transport – Civilian (21 FTE)\*

## Support Services

Fire Fleet Service Worker Assistant (1 FTE)\*

Civilian paramedic (1 FTE)

Staffing Program Assistant (1 FTE)

Health Exams (\$30K)

## Sworn (4 FTE)

Captain, Engineer, 2 Firefighters

## Academies and Training

2 Fire Recruit Academies (\$1.9M)

24 Recruits to fill future vacancies

Annual training budget increase (\$300K)

toward quarterly training

Training & Safety Specialist (0.5 FTE)

## Additional Positions

Sworn positions (11 FTE)

Civilian positions (9 FTE)

Traffic Analyst (1 FTE)^

Records Unit (9 FTE)\*

## Continuous Recruitment and Training

3 Academies (\$3.8M, Jul/Jun/Apr)

110 recruits ≈ 77 graduates

Forensics training and software licenses (\$85K)

\*Implemented mid-year FY 2020/21

^Shared with Transportation Dept.

Resiliency In a Time of Uncertainty

# Meeting Community Needs and Growth

## Non-Utility Funds

Resiliency In a Time of Uncertainty

- **Support Homeless Services Coordination Plan**
  - Human Services Coordinator (1 FTE)
  - Community Engagement Coordinator (1 FTE)\*
  - Community Court Program Navigators (3 FTE)\*
  - Park Rangers (4 FTE)
  - Off-the-streets Program (\$600K)
    - Motel availability through December 2021
- **Support Growth in Development**
  - Plans Examiner (1 FTE)\*
  - Planner (1 FTE)\*
  - Building Inspector (1 FTE)
  - Economic Development Specialist (1 FTE)

*\*Implemented mid-year FY 2020/21*

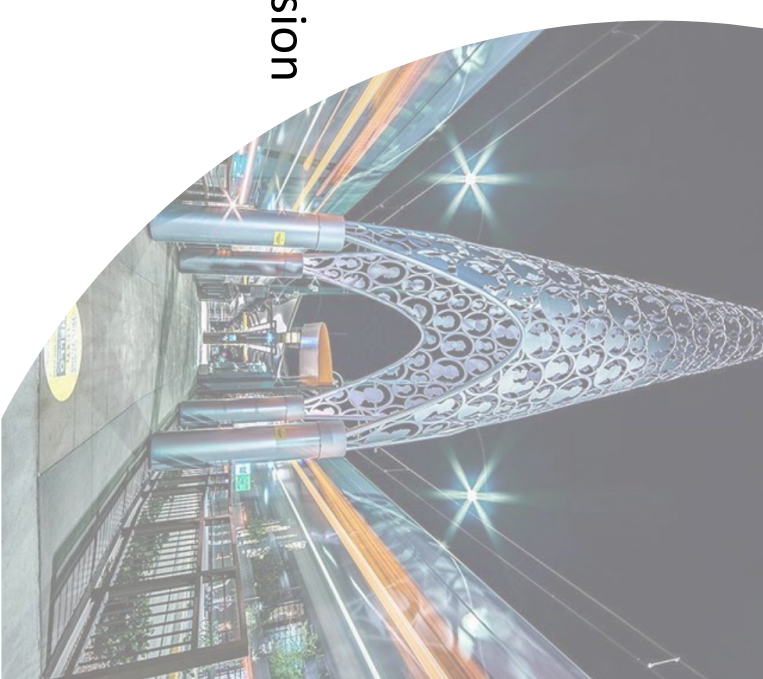
# Investing in Community Growth

## Non-Utility Funds

- **Support Education/Workforce Development**
  - Mesa K-Ready (\$68K)
  - Mesa Promise (\$100K)
- **Support Small Business Assistance Programs**
  - Mesa Business Builder (\$300K)
- **Support Community Re-engagement in the Arts**
  - Equipment and commodities in preparation for reopening facilities (\$250K)

# Investing in Transportation and Transit Non-Utility Funds

- **Transportation**
  - Master Plan
  - Continuation of LED light conversion
  - Traffic Analyst (1 FTE)<sup>^</sup>
- **Transit**
  - Expanded services along Mesa Drive, Stapley Drive, and Broadway Road
  - Bus Stop Shade Study
  - 10 Bus Stop Shelters (Design & Construction)



# Finalizing the Budget

State statute requires that all expenses occurring in a fiscal year be included in the annual legal appropriation (budget)

Expenses related to large projects and contracts that will not be completed by year-end will be added to the

FY 21/22 budget (carry-over)

Expenses and Revenues related to grants that are not fully expensed this year will also be added to the

FY 21/22 budget (carry-over)

# Adopting the Budget

The adopted budget sets the maximum expenditures the city can incur during the year

Contingency is included in the budget to allow capacity for unanticipated expenses or to allow for the spending of unanticipated revenues

# Budget Process Calendar



**May 17**

Adoption of Five-Year Capital Improvement Program  
Tentative Adoption of Annual Budget



**June 7**

Public Hearing on Annual Budget and  
Secondary Property Tax Levy  
Final Adoption of Annual Budget

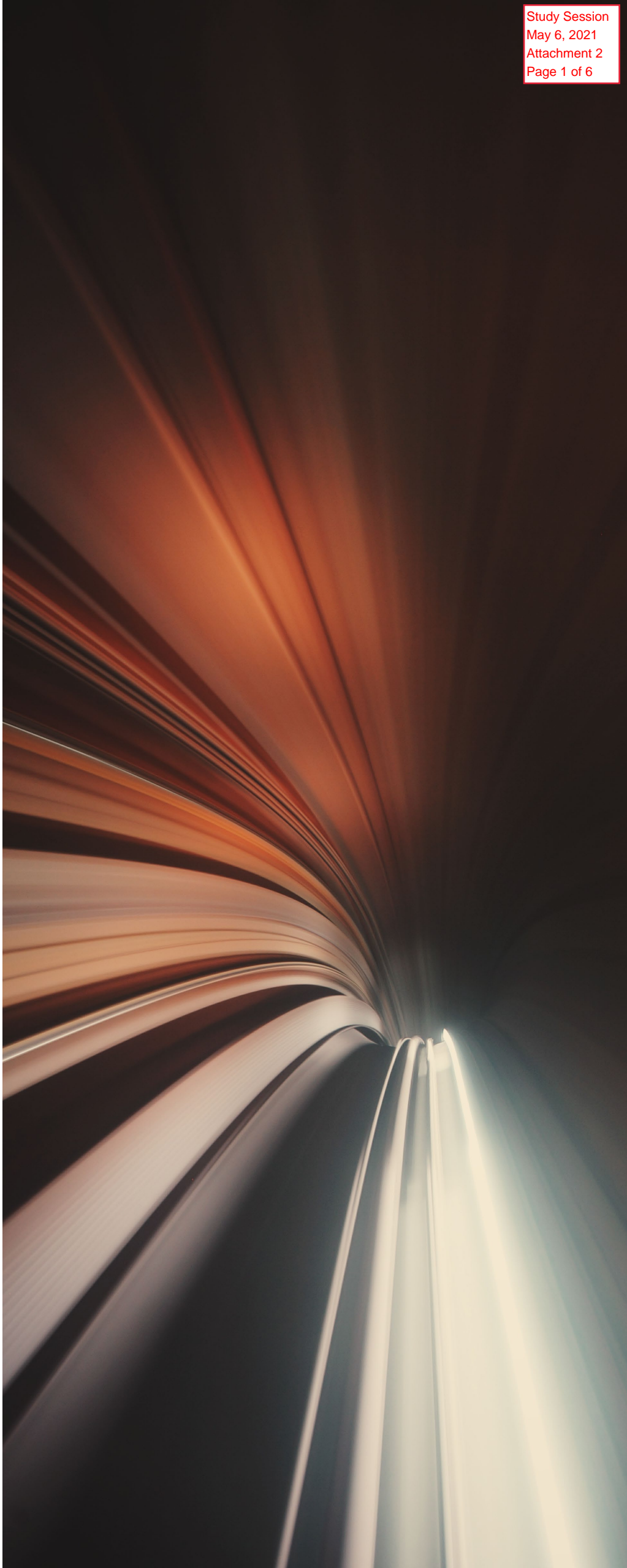


**June 21**

Adoption of Secondary Property Tax Levy

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# Emergency Solutions Grant-- Coronavirus

MAY 6, 2021 CITY COUNCIL STUDY SESSION

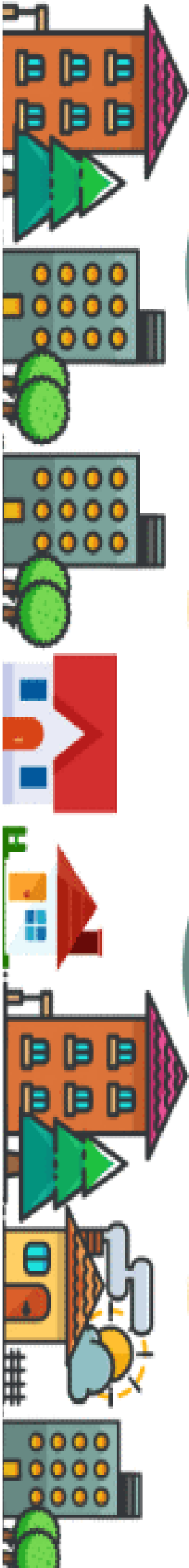
# Context for ESG-CV Recommendations (\$4m)

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- **Efficient process:** fund successful programs from initial allocations in 2020
- **Council priority:** support Operation Off the Streets
- **Added funding:** supplement previous (and eligible) CDBG proposals based on original score
- **Unfunded agency support:** support unfunded (and eligible) agencies who applied for human service funds in FY 2021/22
- **Transparency:** Honor previous competitions and agency scoring, consider priorities of Council, ensure eligibility and ability to use federal funding

# ESG-CV Eligible Activities

COVID-Related Impact, Urgency, Focus on Most Vulnerable



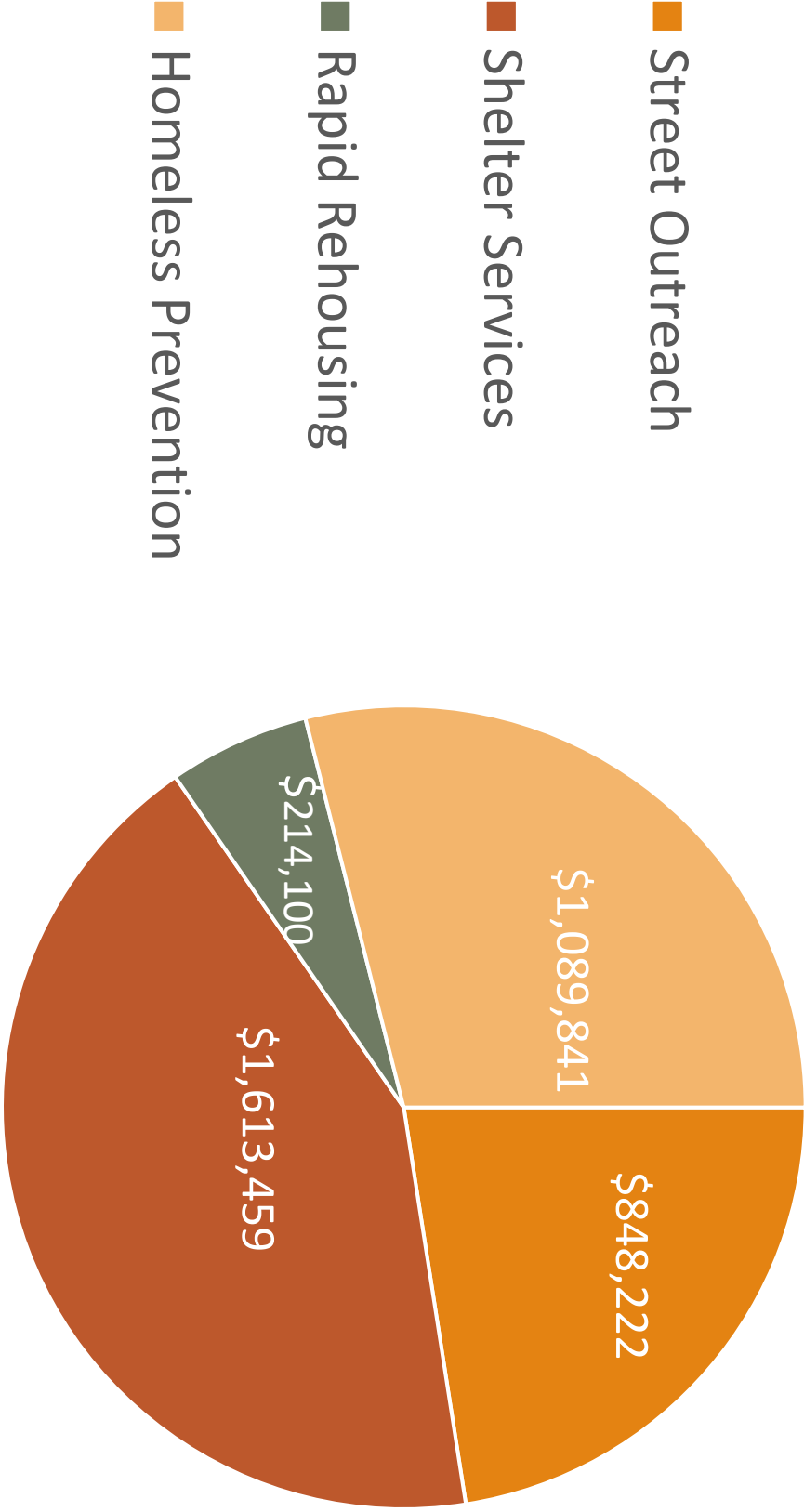
ESG-CV-2 Funding Allocations and Recommended Agency Awards

Agency	Program	ESG-CV-1	ESG-CV-2	Total Funded
		\$1,130,003	\$4,052,229	\$5,182,232
A New Leaf	Emergency Shelter Operations - EVMC	\$264,445	\$161,659	
Mesa United Way	Emergency Shelter - Hotel Bed Nights	\$100,000	\$100,000	
CBI	Outreach/Navigation	\$80,000	\$80,000	
Save the Family	Rapid Rehousing	\$214,100	\$214,100	
Save the Family	Homeless Prevention	\$358,485	\$358,485	
CBI	Operation off the Streets		\$683,168	
Off the Streets Hotel	Operation off the Streets		\$975,000	
Food Service*	Operation off the Streets		\$52,600	
A New Leaf	Emergency Shelter Services		\$60,000	
A New Leaf	Housing Support Services		\$27,200	
COPA	Homeless Navigation		\$69,612	
Child Crisis**	Homeless Children		\$62,000	
CBI	Homeless Navigation		\$15,442	
A New Leaf	Autumn House		\$67,500	
Child Crisis**	Emergency Shelter - Food Insecurity		\$43,000	
Lutheran Social Services - I- Help	Emergency Shelter/Services		\$64,500	
Mesa CAN	Homeless Prevention		\$143,550	
Save the Family	Emergency Shelter for Families		\$136,500	
Sojourner Center	Domestic Violence Emergency Shelter		\$46,083	
Total Agency Awards		\$1,017,030	\$3,360,399	\$4,377,429
COM Administration		\$112,973	\$405,223	\$518,196
Total		\$1,130,003	\$3,765,622	\$4,895,625

Color Key

	Agency received ESG-CV-1
	City Program
	Requested CDBG for FY 21/22
	Requested HS for FY 21/22

# Proposed Allocations



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# Community Development Block Grants -- Coronavirus

MAY 6, 2021 CITY COUNCIL STUDY SESSION

# CDBG-CV Overview

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- \$6m allocation
- No public service cap/limit
- Competitive application process; to begin later this month
  - Eligibility
  - COVID related
- Return to Council before summer break for approval of funding recommendations

# CDBG-CV Proposed Priorities

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- Education and Workforce Development
- Health services
- Emergency and bridge housing— path to recovery
- Food, basic services



# Questions?

May 6, 2021 City Council study session

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