

COUNCIL MINUTES

March 31, 2022

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 March 31, 2022, at 8:05 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
Agnes Goodwine
Jim Smith

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the April 4, 2022, regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

In response to an inquiry from Councilmember Luna regarding Agenda Items 8-a through 8-c, **(Conduct a public hearing on minor General Plan amendment ZON21-00878 and zoning case ZON21-00731.)**, on the Regular Council meeting, Development Services Director Nana Appiah displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Appiah reported after several meetings and working with the community, the applicant agreed to several modifications such as reducing the height of buildings to two stories, increasing the parking ratio, creating a shared parking agreement for overflow, constructing a perimeter wall along Recker Road, and including a condition of approval that requires drive-thru modifications to go through the public hearing process. (See Page 12 of Attachment 1)

Mr. Appiah reviewed the recommended changes made by the Design Review Board, which included making sure the multi-family unit design is compatible with the commercial and coordination with Falcon Field. He explained the Good Neighbor Policy addresses the concerns of residents regarding storage on balconies, particularly on the side facing Recker Road, as well as restrictions on the placement of antennas and other items that would be detrimental to the

aesthetics of the buildings. He recommended approval with all the recommended changes. (See Page 18 of Attachment 1)

In response to questions from Councilmember Luna related to the egress leaving the property on Recker Road and concern regarding the median, Transportation Department Director RJ Zeder advised that both Longbow and Recker Roads can handle the traffic generated by the apartments. He stated there are no concerns with access, site visibility, or any issues with the project.

In response to multiple questions from Councilmember Luna relating to aircraft noise for residential neighborhoods near airports and flight patterns, Airport Director Corinne Nystrom remarked the proposed development is not located in a direct approach pattern in or out of the airport; however, that does not prohibit a pilot from deviating from that approach pattern. She commented the topic has been discussed with the developer and residents. She added there may be an occasional helicopter flying over since helicopters do not necessarily follow the direct flight patterns.

In response to multiple questions from Councilmember Luna relating to the Good Neighbor Policy and whether construction will mitigate aircraft noise, Mr. Appiah stated the Good Neighbor Policy is a condition of approval that is part of the zoning or the general plan amendment request. He mentioned because the residential area is in an Air Operations Area (AOA), there is a condition of approval that requires attenuation measures when submitting a building permit. He added projects near airports are reviewed by the Federal Aviation Administration (FAA) and noise mitigation is required during construction.

Mayor Giles commented on how the project has evolved through the neighborhood's input which has resulted in an enhanced project. He thanked Councilmember Luna for his involvement in helping reach consensus on the project.

Mayor Giles thanked staff for the presentation.

2-a. Hear a presentation and discuss the fiscal year 2022/2023 summary of the proposed budget.

Office of Management and Budget Assistant Director Brian Ritschel introduced Budget Operations Coordinator Linda Jones, who displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Ritschel stated the City of Mesa (COM) is required to adopt a budget annually. He highlighted the five Financial Principles for the General Governmental Funds considered when reviewing the budget and working with departments. He commented the proposed budget for fiscal year (FY) 22/23 is focused on sustaining quality services and provided information on the impacts. (See Pages 2 through 5 of Attachment 2)

Mr. Ritschel provided information on salary increases, step pay increases, one-time gross pay for eligible employees, and market adjustments for salary enhancements for all City employees. He commented the City continues to strive to recruit and retain quality employees by offering competitive salaries. He provided a recap of major positions added this current FY for the Public Safety Department, including contract services with the Town of Queen Creek and City of Tempe, as well as other service positions. He mentioned the City added new positions to assist with the incoming workload due to agreements with utilities. (See Pages 6 and 7 of Attachment 2)

Mr. Ritschel discussed the new positions included in the Police Department's FY 22/23 budget. He provided an overview of the Domestic Violence Court, describing the benefits and the two new positions included in the proposed budget. (See Pages 8 and 9 of Attachment 2)

Mr. Ritschel referred to the Police and Fire recruitment academies and training positions that will help reduce vacancies that occurred due to retirements and turnovers. He commented the Police Department has budgeted for three academies for the coming FY and provided a brief overview of the Fire recruit academies. (See Page 10 of Attachment 2)

In response to a question posed by Vice Mayor Duff regarding mobile unit transports, City Manager Christopher Brady clarified that ongoing conversations are occurring with the civilian medical group. He mentioned the COM already hires emergency medical technicians (EMT) and paramedics who are civilians to do transports, and the City is working on ways to expand their role.

Mr. Ritschel provided an overview of the efforts taken to meet community needs and growth that has occurred in Mesa and noted two additional positions needed due to an increase in activity. (See Page 11 of Attachment 2)

Mr. Brady clarified that the special events are becoming an overwhelming task for staff, whether for Police, Transportation, or Parks, and the need to create a special event staff is essential. He noted policies are needed to establish expectations and limitations on special events. He mentioned the difficulties in obtaining police officers to work off duty due to the number of events occurring.

In response to a question from Vice Mayor Duff regarding simplifying the special events application process, Mr. Brady stated the policy for the application process is under review. He emphasized the management process needs to be clear for events that impact traffic and require police officers. Mr. Brady mentioned the Police Department assigns officers to special events, who determine the number of officers required and the type of coverage needed.

Mr. Ritschel mentioned based on the growth in the city, Transportation programs have increased. He provided an update on the FTE positions needed. (See Page 12 of Attachment 2)

In response to multiple questions from Councilmember Thompson regarding the street maintenance and preservation, Mr. Brady replied according to State law a certain percentage of work is required to be contracted, and the City handles a smaller portion in-house. He stated while the proposal is to double the budget for street overlays, the number of lay miles of asphalt will not double due to the increased price of asphalt.

Mr. Zeder clarified most of the Transportation budget goes to services, a third for staff, and two-thirds goes towards materials that are used by in-house staff. He commented the \$10 million increase to the street overlay budget is part of the capital program and will be performed by contractors. He noted more staff is needed for the day-to-day maintenance as the inventory ages.

Mr. Ritschel continued by saying the forecast includes a market correction/recession that is expected to occur in FY 23/24.

In response to a question from Councilmember Heredia, Mr. Zeder said staff is compiling a history of the number of miles that have been completed for overlay and will report back to the Council at the next meeting.

Mr. Zeder informed Councilmember Thompson in response to a previous question that if the economy declines, budget adjustments can be made if necessary because most of the requests are in the form of contracts.

Mr. Ritschel provided an update on investments in Transit that will add options and enhance the experience. (See Page 13 of Attachment 2)

Councilmember Thompson requested staff collaborate with the Mesa Police Department (PD) regarding the design and construction of bus stop shelters to prevent the homeless from occupying the shelters and turning the shelters into sleeping quarters.

In response to multiple questions from Vice Mayor Duff regarding bus stop shelters, Mr. Brady clarified the project is adding shades and shelter to existing bus stops. He mentioned Transit Services has identified the most utilized stops and will be prioritizing the shelters. He indicated the streetcar extension grant is for \$940,000, and the City's obligation is \$230,000.

Mr. Ritschel indicated \$10 million has been set aside for projects pertaining to the Climate Action Plan. He highlighted projects that promote the action plan initiative. (See Page 14 of Attachment 2)

In response to multiple questions from Vice Mayor Duff, Mr. Zeder explained the streetlights conversion to light-emitting diode (LED) is approximately halfway through the seven-year program. He reminded Council the decision was made to do the work in-house instead of hiring a contractor to save the City millions of dollars.

Mr. Brady clarified the streetlight conversions are funded separately through the Transportation Sale Tax and will not come from the \$10 million.

In response to a question from Councilmember Thompson regarding whether the dark spots in neighborhoods will be addressed, Mr. Brady stated the challenge is that some neighbors desire less light while others want more light.

Mr. Zeder continued by saying the hope in switching to LED is to eliminate dark areas. He commented if there were concerns, staff would follow up to determine if additional lights should be installed.

Councilmember Thompson suggested doing a comparison of the current lumens and measuring again after replacing with LED.

Mr. Ritschel provided an overview of the General Governmental Fund forecast. He emphasized that the ending reserve balance forecasted for FY 26/27 is consistent with the City's financial policies and principles approximately at 15%. (See Page 15 of Attachment 2)

In response to a question posed by Vice Mayor Duff regarding the future economic correction, Mr. Ritschel explained due to our knowledge that this would occur in 2021, \$10 million was set aside in the event the economic correction is deeper than expected to cover if the fund balance drops below 8 to 10 percent.

In response to a question from Councilmember Thompson, Mr. Brady stated in the event of the rental sales tax legislature passing, which would affect Mesa's General Fund by approximately \$17 million, adjustments would have to be made to the budget.

Mr. Ritschel provided an overview of the financial principles used for the utility fund. He identified the water and wastewater projects that will help meet the growth needs occurring within the COM. He mentioned Solid Waste trucks are being relocated from the West Mesa Service Center to the East Mesa Service Center to reduce drive time and overtime. (See Pages 16 and 17 of Attachment 2)

Mr. Ritschel provided a summary of the Utility Fund forecast for FY 22/23, which has an ending fund balance of more than 20%. He mentioned due to larger projects, as well as operations and maintenance increases from inflation in FY 26/27, the ending reserve balance is down to 7.4%. (See Page 18 of Attachment 2)

Mr. Brady stated in two or three years an assessment of the utility rates will be done and some adjustments may be necessary for FY 26/27 to increase reserve balance above 10 percent.

In response to a question posed by Vice Mayor Duff regarding the Solid Waste forecast, Mr. Ritschel indicated \$7 million for FY 21/22 was budgeted for the Flare to Fuel project.

Environmental Management and Sustainability Director Scott Bouchie advised when a large order of trucks is placed in one year, the budget can show negative for that year since the trucks cost half a million each. He noted that the Department monitors the budget closely to ensure trucks are replaced only when necessary.

In response to a question from Vice Mayor Duff, Mr. Bouchie confirmed that the fluctuation is due more to capital expenditures than operations.

Responding to a question from Mayor Giles regarding recycling, Mr. Bouchie remarked commodity prices are increasing as the demand for materials grows.

In response to a question by Councilmember Freeman, Mr. Bouchie explained that the contamination rate for recyclables has not been audited since the Republic Services facility burned down. He mentioned per the contract with United Fibers, the City pays a flat rate equivalent to the cost to landfill the materials. He commented staff are working hard to educate the public concerning recycling.

In response to a question posed by Vice Mayor Duff regarding the regional Material Recovery Facility (MRF), Mr. Bouchie reported staff have been working with engineering and a consultant on a feasibility study and once completed will come back to Council to give an update. He commented part of the feasibility study was the recommendation to move forward with splitting the fleet to create operational efficiencies due to all the growth that has taken place especially in East and Southeast Mesa. He added moving a portion of the operation to East Mesa will significantly reduce the amount of wasted time for the operators.

In response to a question posed by Councilmember Heredia regarding stabilization of electric utility costs, Mr. Brady mentioned the \$20 million set aside to help with rising electricity costs to reduce residents' impact from spikes are halfway through the program.

Mr. Ritschel outlined the significant dates for the proposed budget process. (See Page 19 of Attachment 2)

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss non-utility projects included in the Capital Improvement Program.

Office of Management and Budget Assistant Director Brian Ritschel introduced Budget Operations Coordinator Linda Jones, who displayed a PowerPoint presentation on the non-utility Capital Improvement Program (CIP) for FY 23/27. **(See Attachment 3)**

Mr. Ritschel pointed out that the adopted budget is for FY 22/23 and a forecast for the remaining four years. He provided a brief overview of the four funding sources used for Capital Improvement Projects. (See Page 3 of Attachment 3)

Mr. Ritschel stated that capital projects are a one-time expense; however, there are ongoing operations and maintenance costs to maintain the projects. He reviewed projects completed in FY 21/22. He noted that the FY 21/22 budget is \$130 million and the proposed budget for FY 22/23 is approximately \$148 million. (See Pages 4 through 6 of Attachment 3)

Mr. Ritschel provided an update on the 2018 and 2020 General Obligation Bonds. He reviewed the voter-authorized amounts for each bond and highlighted the projects covered under the bonds. (See Pages 7 through 10 of Attachment 3)

Mr. Ritschel highlighted the General Capital Funded projects as follows: (See Page 11 of Attachment 3)

- Property for the restaurant incubator
- Studios @ City Center
- Municipal City Plaza Council Chambers
- Real Time Crime Center
- Mesa Family Advocacy Center

Mr. Brady clarified each project is funded by either federal dollars or General Fund dollars and there is no associated debt.

Mr. Ritschel recapped potential 2022 General Obligation Bond projects, including Police Headquarters and Public Safety Training Facility renovations. (See Page 12 of Attachment 3)

Mr. Brady clarified the list of projects has been decided; however, the cost estimates need to be refined to determine the size of the bond. He said the focus is on the Public Safety Bond program for 2022. He mentioned the importance of the bond amount because of the impact on future secondary property taxes, as well as the limits on what can be spent on overall projects.

Mr. Ritschel outlined the next steps for the CIP. (See Page 13 of Attachment 3)

Mr. Brady shared the City is considering proposing a decrease in the tax levy for the median home in Mesa and will provide more detail in a future meeting.

Mayor Giles thanked staff for the presentation.

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

3-a. Museum & Cultural Advisory Board meeting held on January 27, 2022.

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-Thompson

NAYS – None

Carried Unanimously.

4. Current events summary including meetings and conferences attended.

Mayor Giles – Employee service award breakfast
ASU Polytechnic tour
Indian Classical Dance Festival – Mesa Arts Center
Alverno College ribbon cutting
Boeing family day
First United Methodist Church – interfaith service

Vice Mayor Duff – ATHENA Awards
Better Block Demonstration – Guerrero Park
Indian Classical Dance Festival – Mesa Arts Center

Councilmember Luna – Appearance on Telemundo
Native American Fatherhood & Families Association meeting

Councilmember Spilsbury – A+ School of Excellence Award – Pomeroy and Jefferson Elementary Schools

Councilmember Freeman – District 1 Block Party

Councilmember Luna announced that today is Cesar Chavez's birthday and commented on his representation to the Hispanic community. He mentioned on Saturday, April 2, there is an event, El Tour de Mesa at Red Mountain Park.

Councilmember Spilsbury reported that Vice Mayor Duff was the recipient of the Founder's Award for Women Leadership.

Councilmember Thompson mentioned the SR24 will be opening this week on Friday at Noon at least the Williams Field Road.

5. Scheduling of meetings.

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

Monday, April 4, 2022, 4:30 p.m. – Study Session

Monday, April 4, 2022, 5:45 p.m. – Regular Meeting

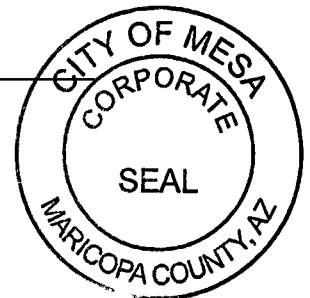
6. Adjournment.

Without objection, the Study Session adjourned at 9:30 a.m.

ATTEST:

Holly Moseley
HOLLY MOSELEY, CITY CLERK

John Giles
JOHN GILES, MAYOR



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 31ST day of March 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Holly Moseley
HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 3)

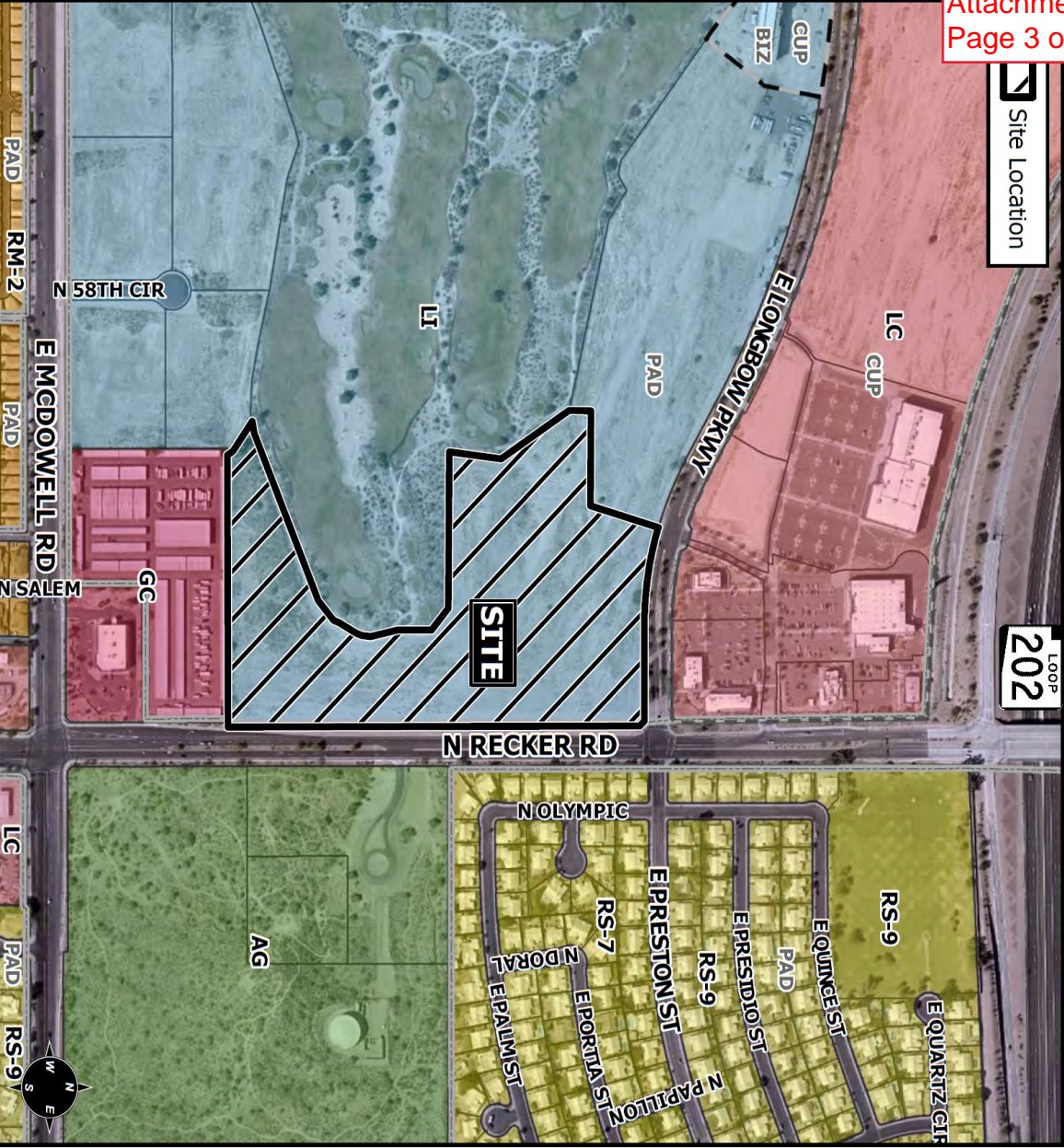


CITY COUNCIL

April 4, 2022



ZON21-00731
ZON21-00878



Request

- Minor General Plan Amendment from Employment to Mixed Use Activity District
- Modification of Longbow PAD
- Rezone from LI to LC
- Council Use Permit
- Site Plan Review

Purpose

- Allow for a mixed-use development

Location

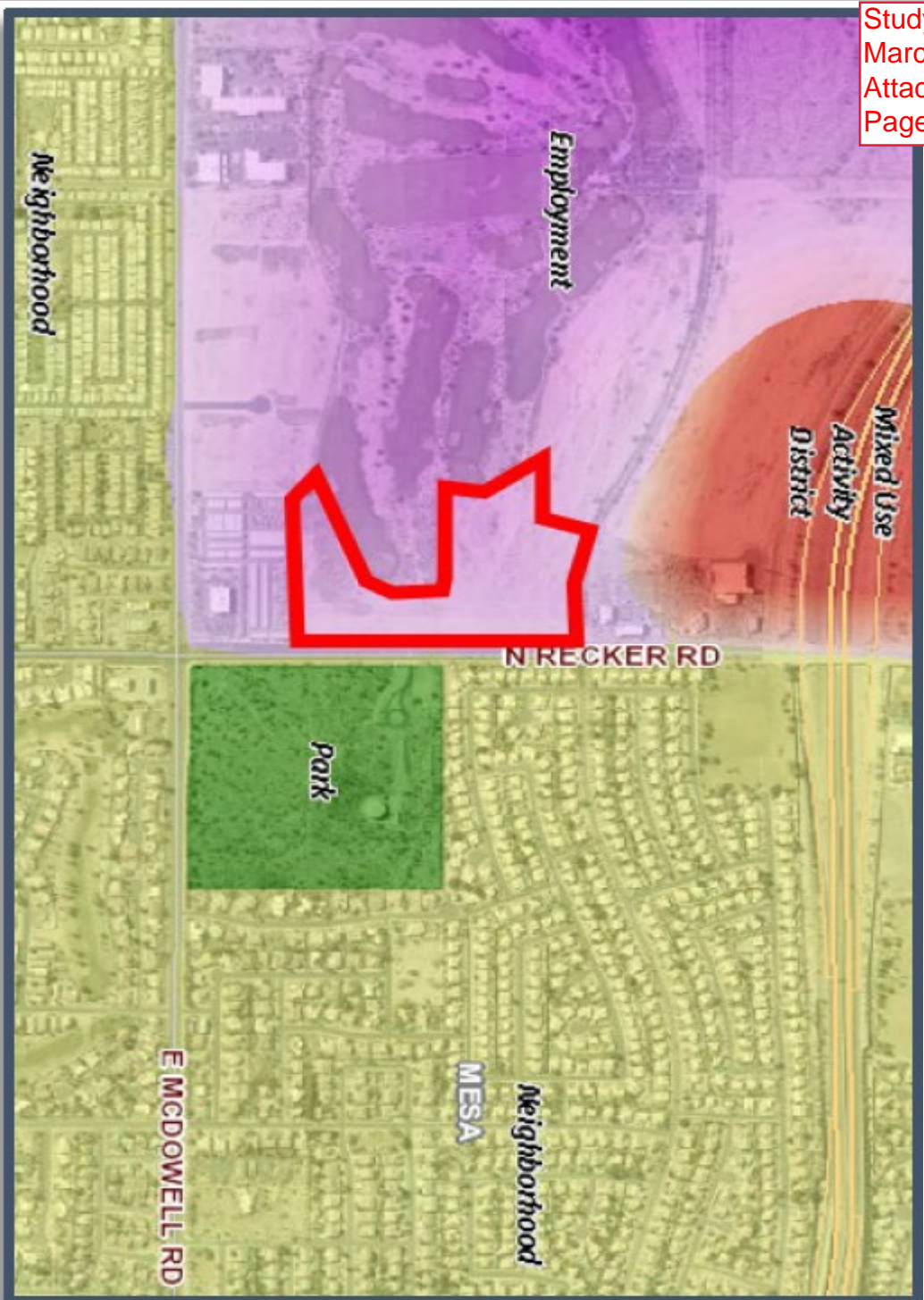
- South of 202 Freeway
- West of Recker Road
- South of Longbow Parkway
- North of McDowell Road



Site Photo

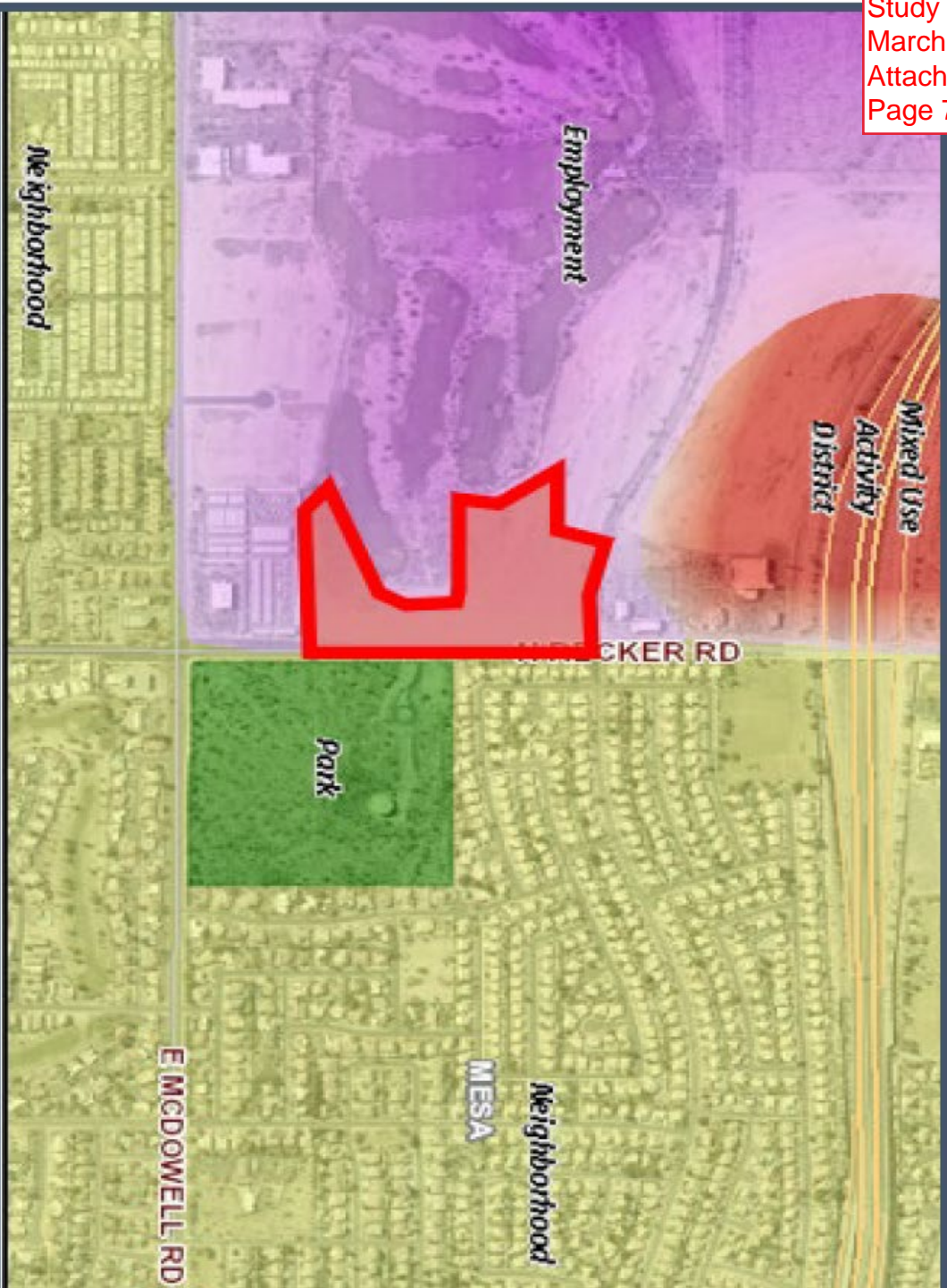


Looking west from Recker Road



General Plan

- Employment
- Minimal connection to surrounding area
- Wide range of employment in high-quality settings



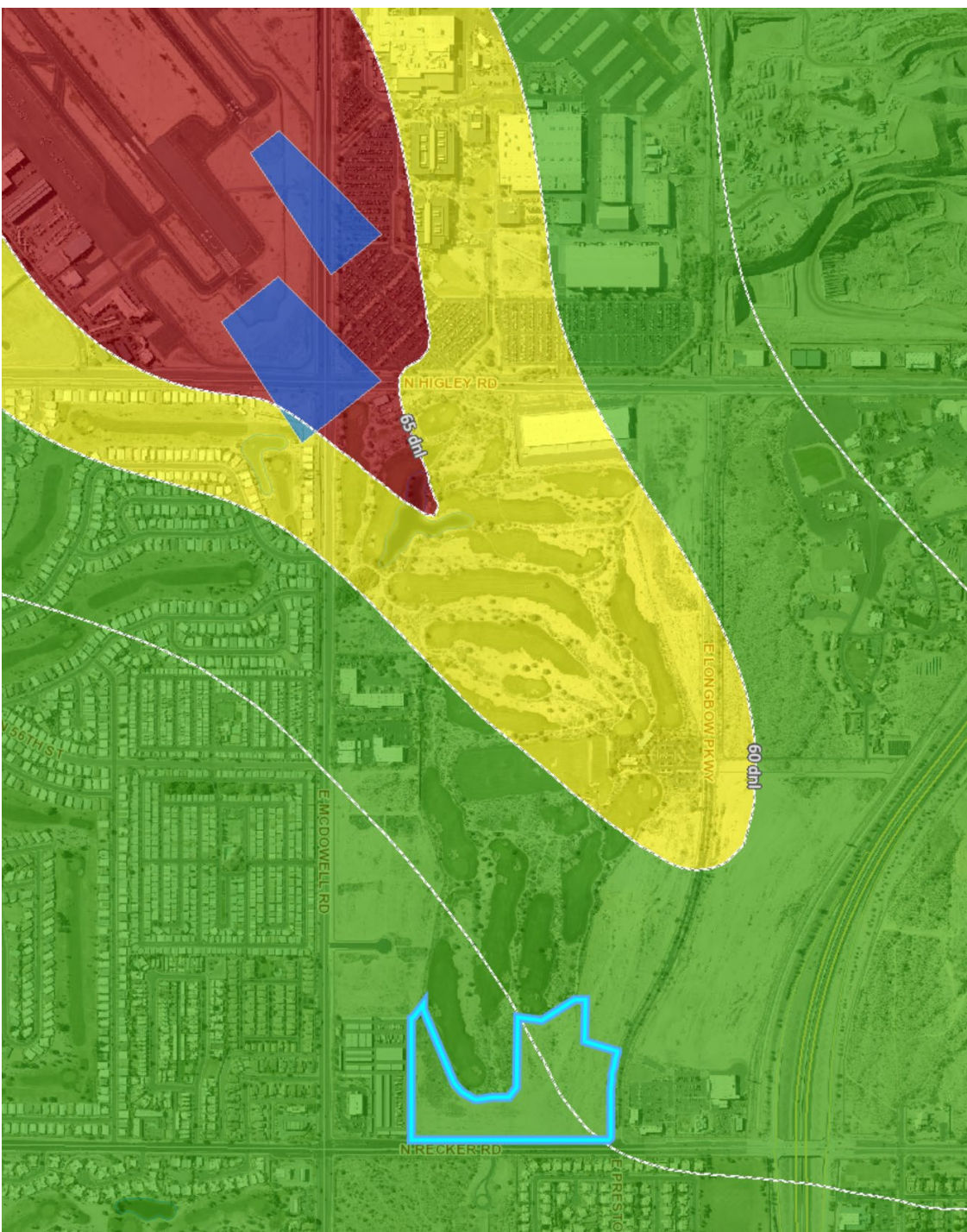
General Plan

Mixed Use Activity District

- Large-scale community and regional activity areas
- Strong & viable centers of commercial activity
- Often include uses such as office, entertainment, and residential

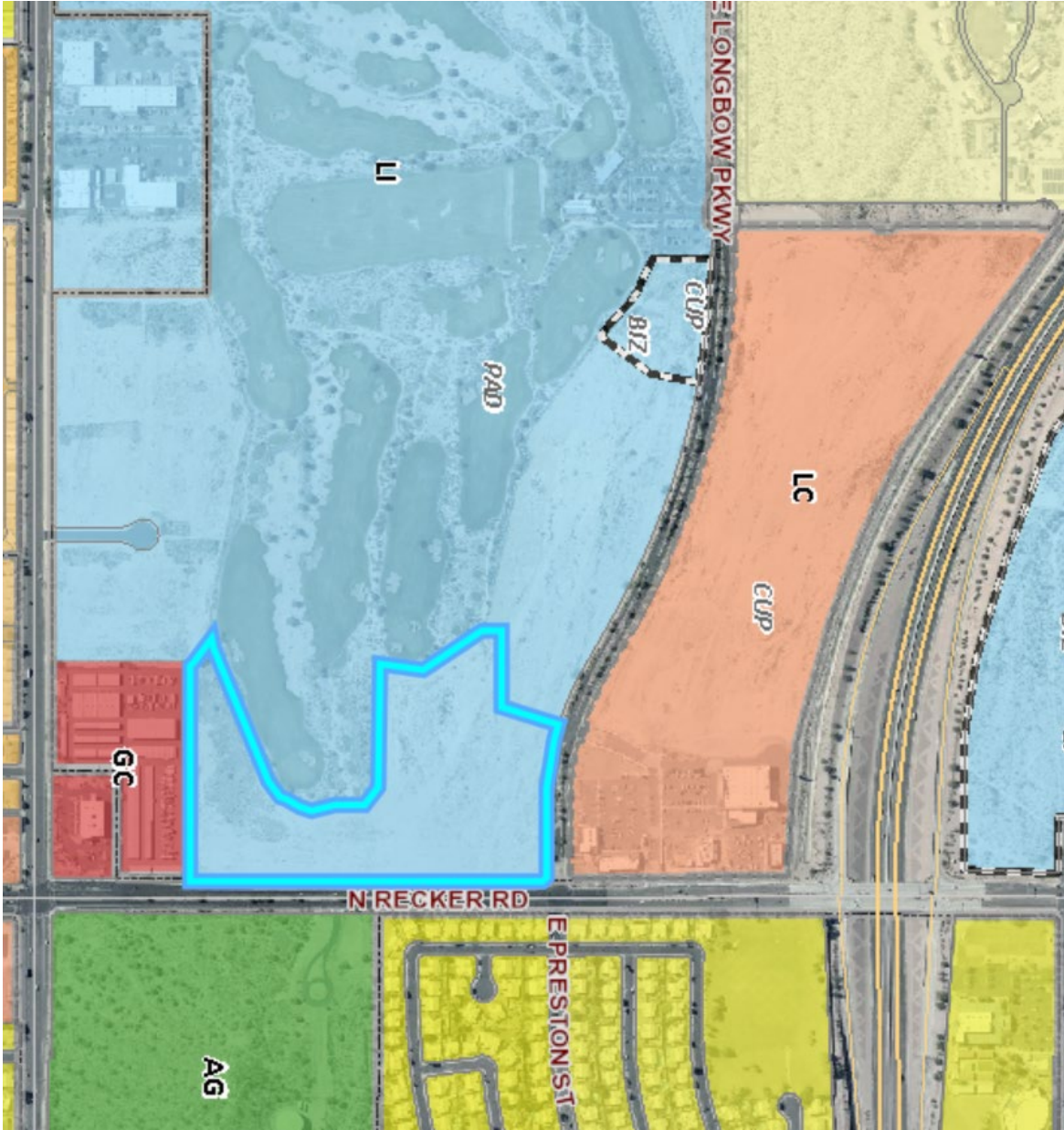
Airfield Overlay Area

- Within AOA 3
- No prohibition on uses
- Site is 1 mile from runway



Current Zoning

- Light Industrial with a Planned Area Development overlay (LI-PAD)
- Longbow Park PAD est. in 2002, mod. 2008
- Currently vacant



Proposed Zoning

- Modify Longbow Park PAD (Lot 4 only)
- Rezone to LC-PAD-CUP
 - Primary zoning district in the Mixed Use Activity Center
 - Provides areas for retail, entertainment and service-oriented business
 - Retail and restaurants permitted
 - Multiple Residence permitted with CUP



Site Plan (Original)

Commercial

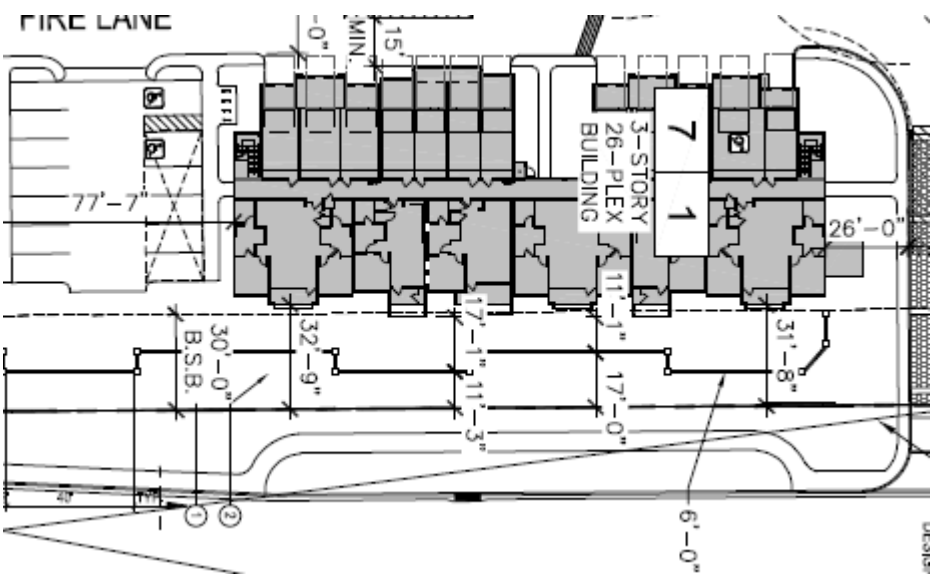
- 6.63± acres
- 6 commercial buildings
- Multiple Residence
 - 13.36± acres
 - 359 units
 - 2-3 stories



Site Plan (Proposed)

- Reduced building height for Buildings 5 & 6
- Perimeter wall along Recker Road
- Increased parking ratio
- Reduced to 339 units





PAD Request (Original)

Development Standard	Required LC	Proposed LC-PAD	Staff Recommendation
Maximum Building Height	30'	38'	As proposed
Building Separation <ul style="list-style-type: none">Up to 20 feet20-40 feet	25' 30'	20' 20'	As proposed
Outdoor Living Area	100 SF	44 SF	As proposed
Parking	2.1 space per unit	1.85 spaces per unit	As proposed

PAD Request (Proposed)

Development Standard	Required LC	Proposed LC-PAD	Staff Recommendation
Maximum Building Height	30'	38'	As proposed
Building Separation <ul style="list-style-type: none">Up to 20 feet20-40 feet	25' 30'	20' 20'	As proposed
Outdoor Living Area	100 SF	44 SF	As proposed
Parking	2.1 space per unit	1.95 spaces per unit	As proposed
Fence Height	3.5'	6'	As proposed

Planned Area Development Overlay



Enhanced entries

Shared access & pedestrian connections

Path along golf course

High-Quality amenities

Council Use Permit

Section 11-31-31

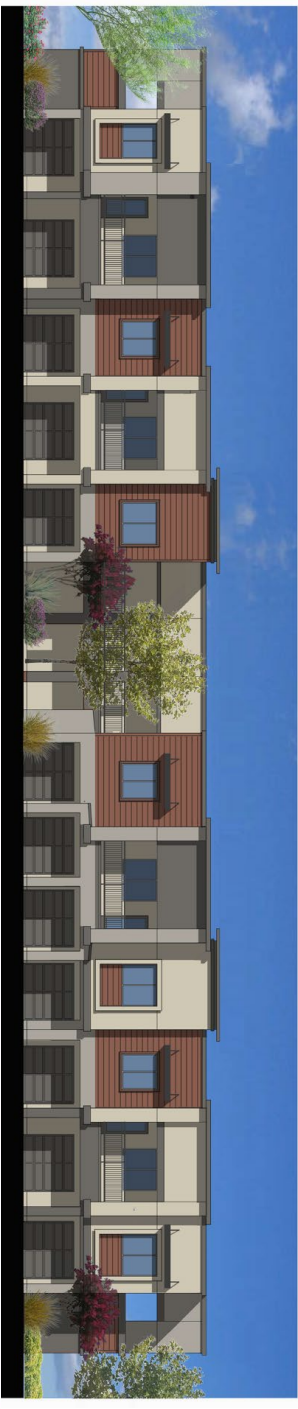
- Min. 60% of GFA of all buildings is commercial
- Min. 65% of ground floor of each building is commercial
- Any modifications require CUP
- **Proposed: 33% commercial on site**

Design Review

- Work session on October 12, 2021
- DRB recommended changes to residential that result in consistency with retail
- Staff worked with applicant to address comments



1 SOUTH ELEVATION
SCALE: 1" = 10'-0"

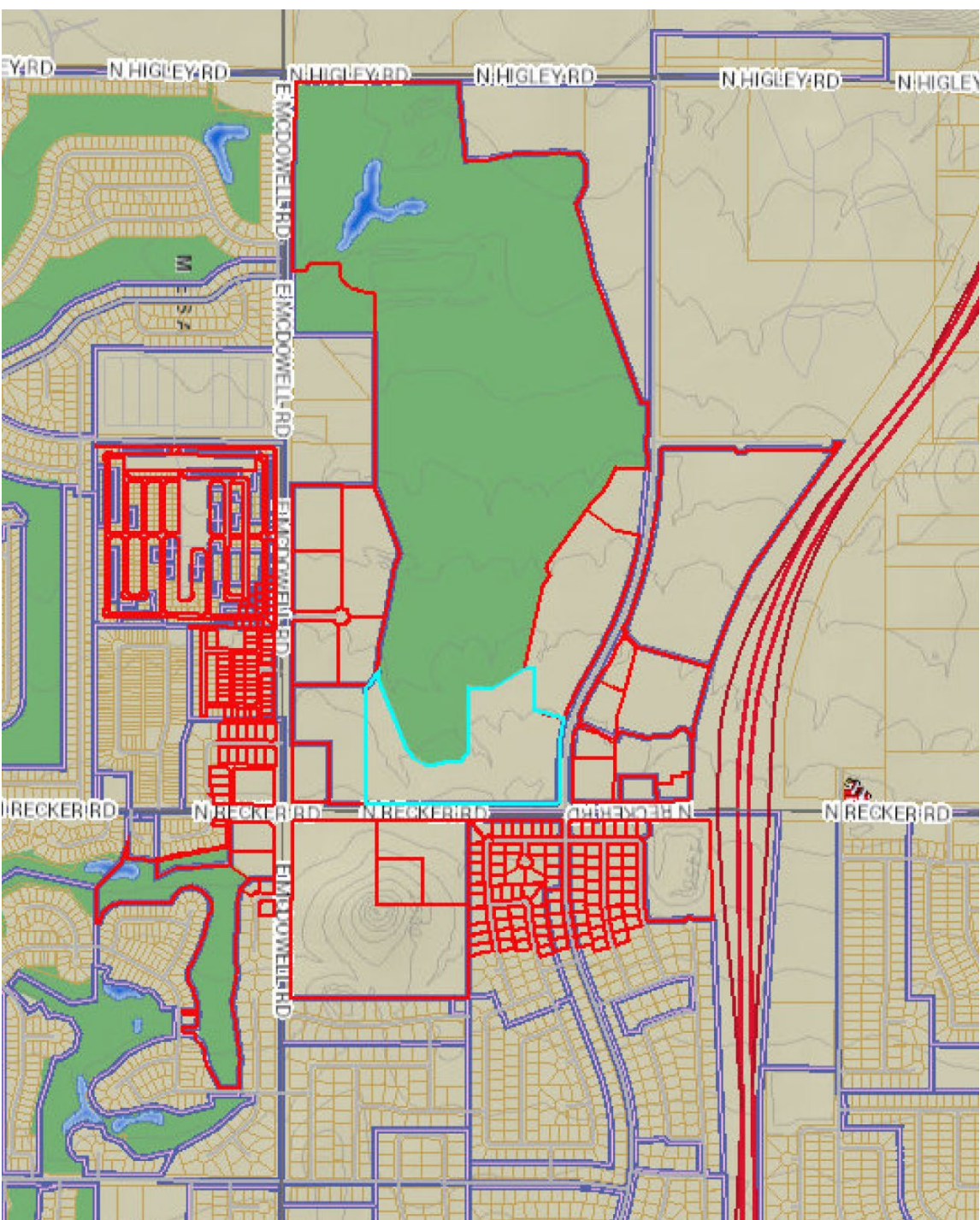


Conditions of Approval

- **Reduction to building height from 3 to 2-stories for Buildings 5 & 6 along Recker Road**
- **Record a shared parking agreement**
 - Between commercial & multiple residence
- **Good Neighbor Policy**
 - Prohibits antennas, satellite discs, and storage on balconies
- **Elevations & renderings conform to DRB recommendation**
- **Additional drive-thrus considered Major Site Plan Modification**
 - Review by Planning & Zoning Board and City Council

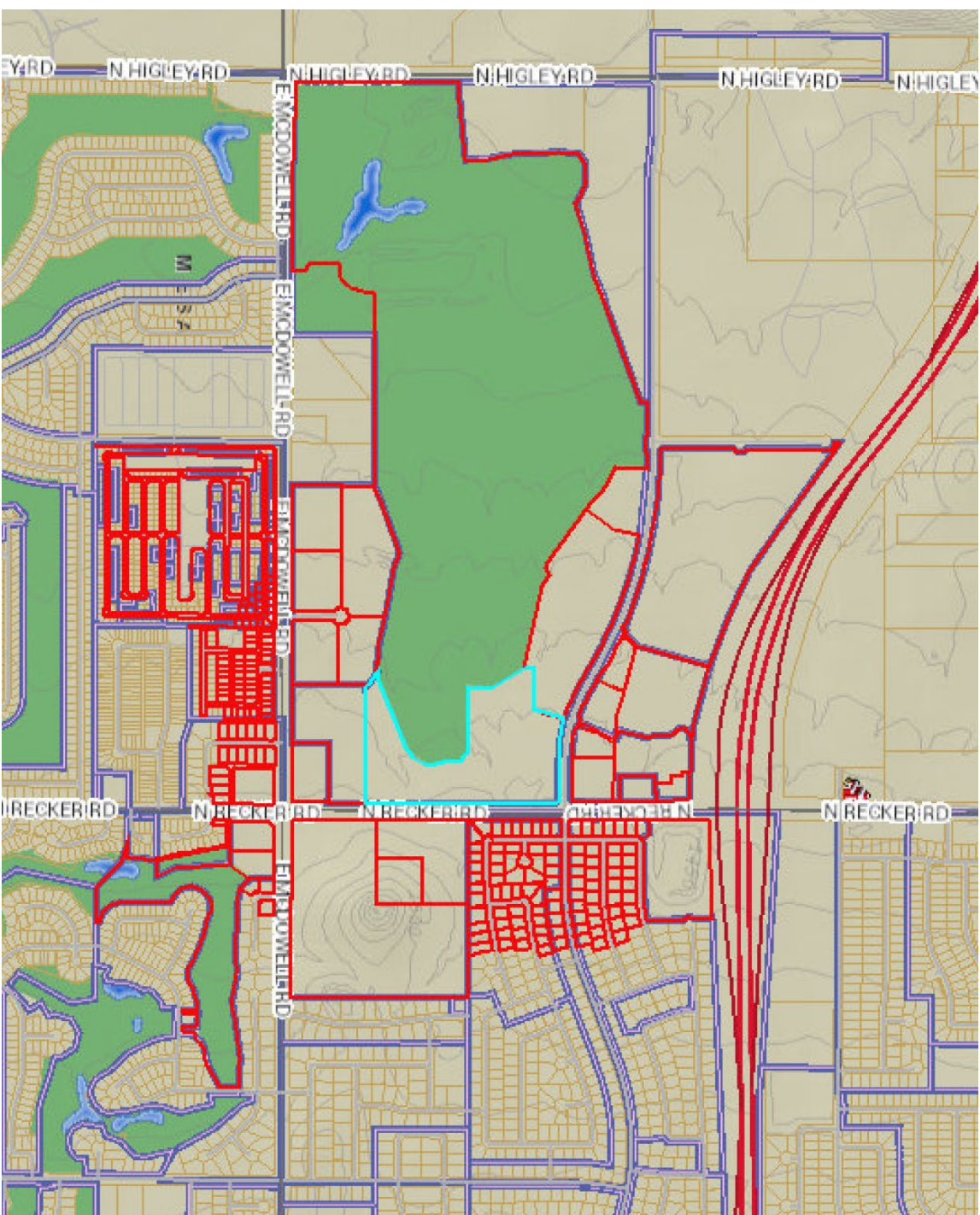
izen Participation

- Letter mailed to property owners within 1,000' and HOAs and registered neighborhoods within 1-mile
- 2 meetings held
- September 15, 2021
- November 10, 2021
- Applicant has received additional communication both in opposition & support



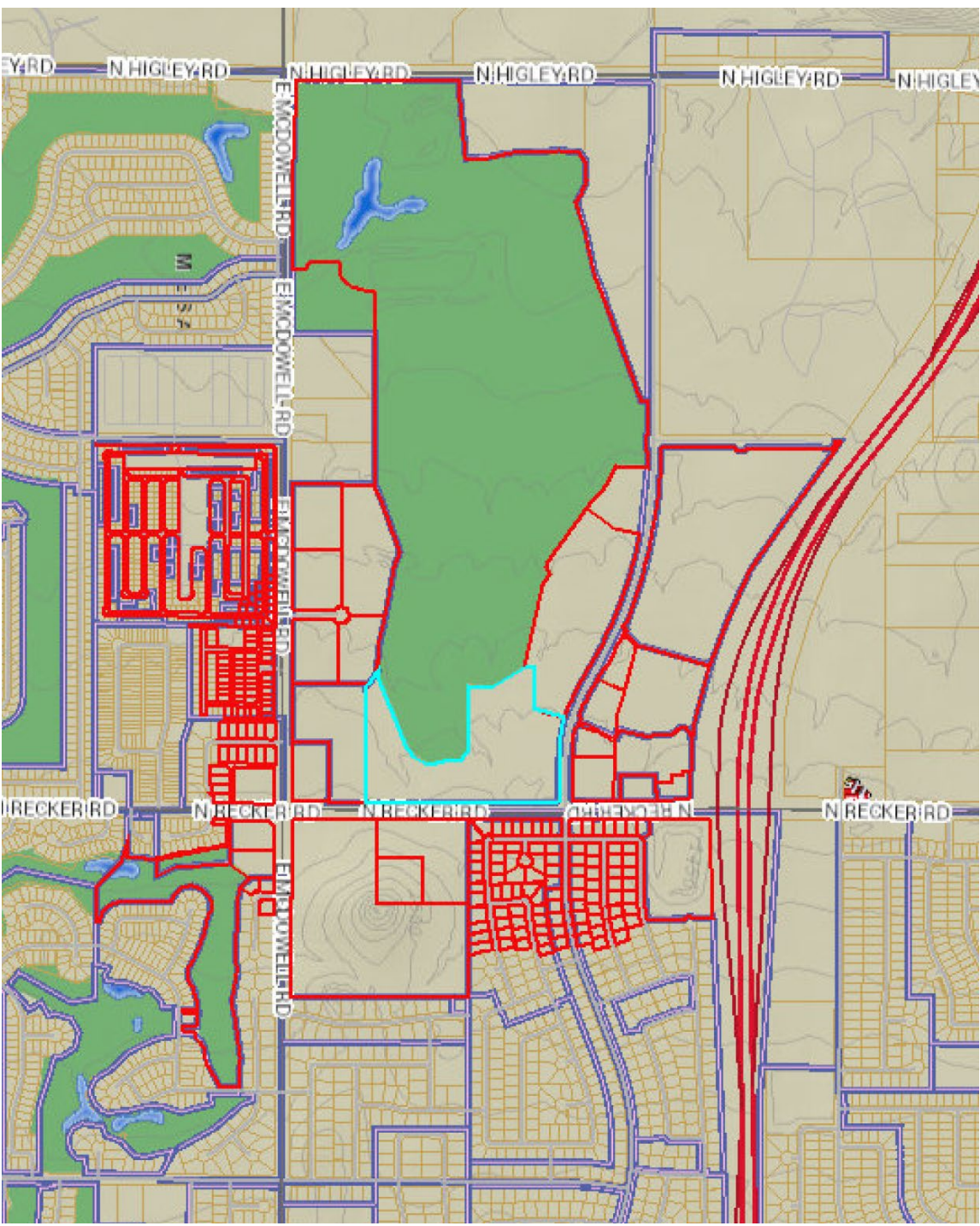
itizen Participation

- Staff received 12 emails in opposition
- Staff has received calls from several neighbors in opposition
- Concerns:
 - Density
 - Traffic
 - Parking
 - Compatibility



Citizen Participation

- City hired a third-party facilitator to meet with the neighbors and applicants to provide an unbiased assessment of the concerns
- The facilitator's report was included in the agenda packet



Findings

- ✓ Complies with the intent of 2040 Mesa General Plan
- ✓ Criteria in Chapter 22 for Planned Area Development
- ✓ Consistent with Longbow PAD
- ✓ Criteria in Chapter 70 for Council Use Permit
- ✓ Criteria in Chapter 69 for Site Plan Review

Staff Recommendation

ZON21-00878: Adoption

ZON21-00731: Approval
with Conditions

P&Z Recommendation

ZON21-00878: Adoption

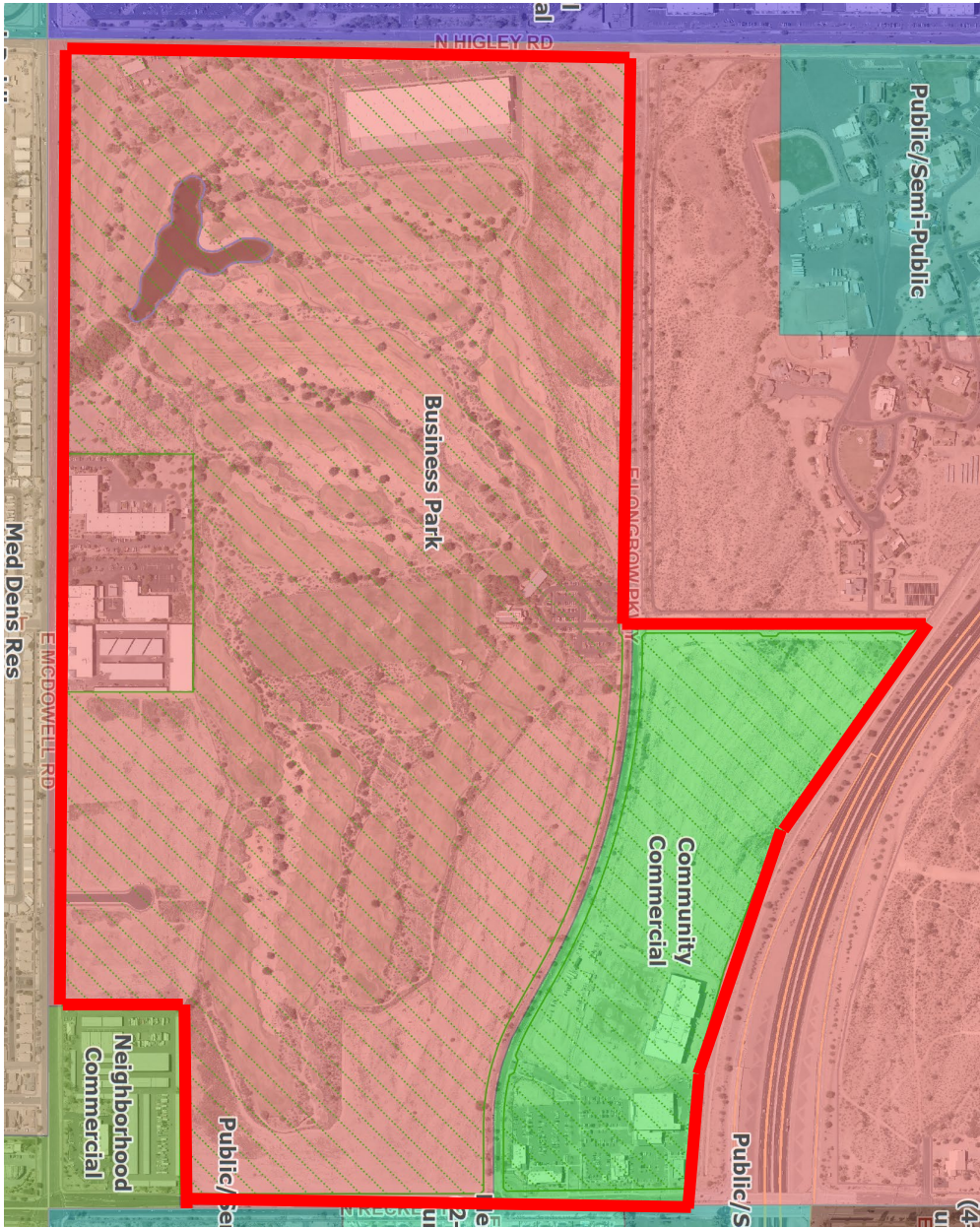
ZON21-00731: Approval
with Conditions



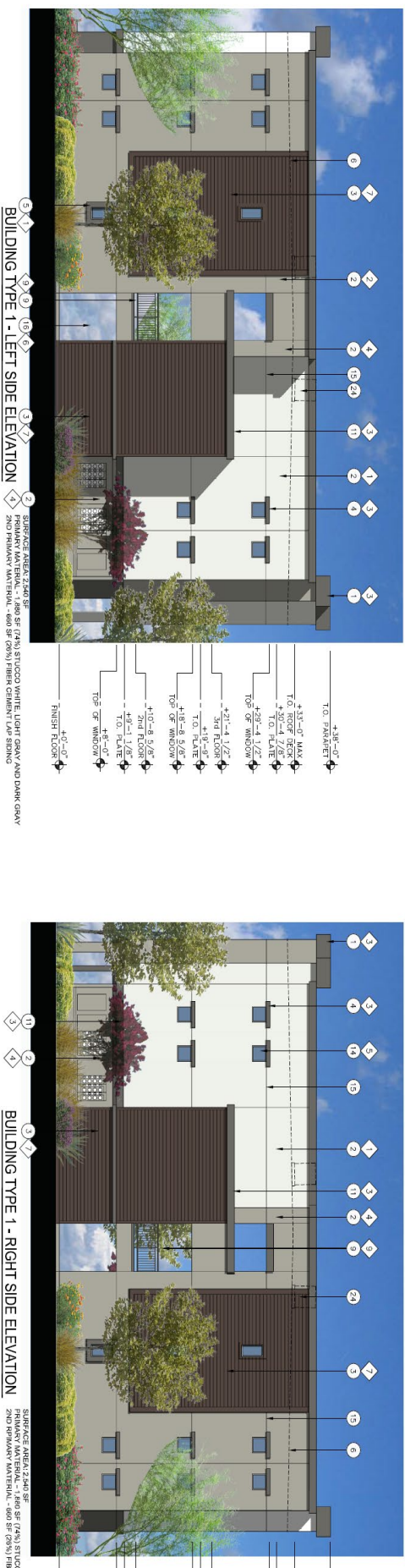
CITY COUNCIL

April 4, 2022

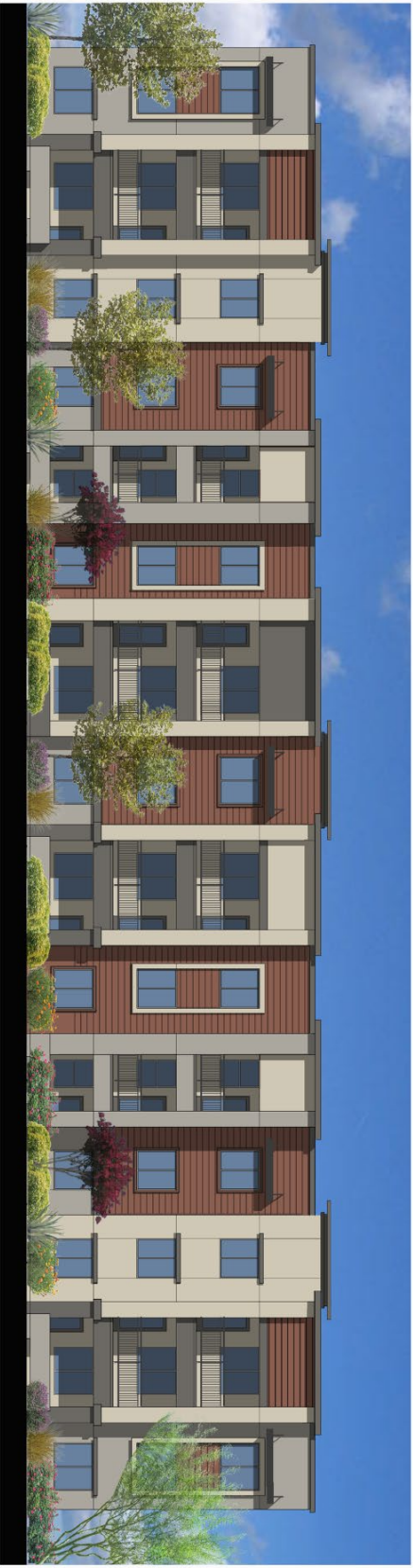
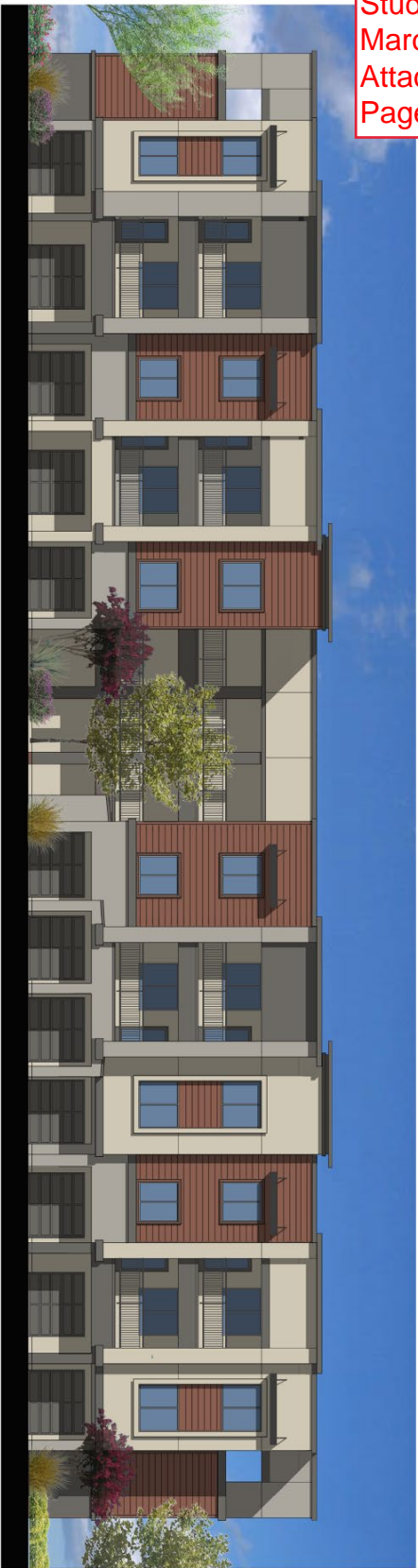
2025 General Plan



Elevations to DRB

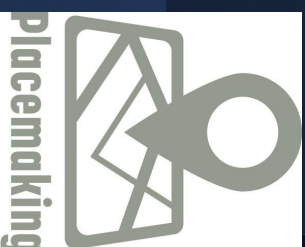


Proposed Elevations



PROPOSED BUDGET OVERVIEW FISCAL YEAR 2022/23

MARCH 31, 2022
CITY OF MESA



- Presented by:
- Brian A. Ritschel, Management and Budget Assistant Director
- Linda Jones, Management and Budget Operations Coordinator

An Annual Balance Budget

- Each year the City of Mesa is required to appropriate an annual expenditure budget and set a secondary property tax levy and associated rate
- The annual budget sets the maximum expenditure limit for the fiscal year
- A balanced budget means that the total resources available to the city must be sufficient to cover the budgeted expenses

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

Fiscal Year 2022/23 Proposed Budget

“Sustain Quality Services”



the FY 2022/23 Proposed
budget focuses on the City's
effort to *sustain quality
services* while addressing
the following impacts:

- Increase cost of labor
- Higher than normal inflation on commodities, services, and contracts
- Growth pressures
- Mesa Climate Action Plan



the current workforce environment, the City continues to strive to recruit and retain quality employees with the following:

- July 2021 – Up to 3% step pay increase for all eligible employees
- January 2022
 - ✓ \$2000 one-time gross pay for full-time employees
 - ✓ 5% market adjustment & salary increase for all City employees
- July 2022 – Up to 4% step pay increase for all eligible employees
- Create a centralized Commercial Motor Vehicle (CMV) safety unit responsible for citywide administration, education, and training of Department of Transportation CMV programs (3 FTE)
- Continue to evaluate a January 2023 one-time gross pay for full-time employees

**Recruitment
and Retention
of Quality
Employees**

Sustain Quality Services

Positions added during FY 2021/22

Sustain Quality Services

Public Safety

- Queen Creek 911 call taker and dispatch services (16 FTE)
- Tempe/Queen Creek Forensics Lab services (6 FTE)
- Real Time Crime Center (4 FTE)
- Technical Services Division Manager – Police Department (1 FTE)
- Police Officer – Homeless Liaison (1 FTE)
- Administrative Support Assistant – Transport Program (1 FTE)
- Medical Billers – Transport Program (3 FTE)

Other Services

- Assistant City Attorney (1 FTE)
- Park Ranger (1 FTE)
- Parks Service Worker – Convention Center/Amphitheatre (1 FTE)
- Planning Division Project Manager (1 FTE)



The following new positions are included the Police Department's FY 2022/23 budget:

- Sworn officers were added to increase staffing in the patrol unit – Public Safety Sales Tax (14 FTE)
- Civilian staff were added to increase staffing in the support areas of the Police Department – Public Safety Sales Tax (5 FTE)
- Records Division positions were added to improve the turnaround time in processing Police Department public records requests – General Fund (7 FTE)
- A psychologist position was added to provide mental health expertise to the mental wellness program for Police Department employees – General Fund (1 FTE)

**Mesa Police
Department
Personnel**

Sustain Quality Services

Domestic Violence Court

Sustain Quality Services

- Create a specialized court focused on domestic violence
 - Reduce recidivism
 - Provide for greater accountability
 - Evaluate and refer for other services as needed
- The follow positions are included in the proposed budget
 - Probation Monitoring Officer (1 FTE)
 - Program Assistant (1 FTE)



Public Safety – Academies & Training



Police Recruit Academies 110 ≈ 77 graduates (\$3.8M)

Ensure coverage of 11 new positions and future vacancies

Recruit training is scheduled to maintain all budgeted positions in a filled capacity

Fire Recruit Academy (\$2.3M)

- 40 Recruits to fill future vacancies
- 12 recruits for Station 222
- 28 recruits to fill vacancies



Sustain Quality Services

Meeting Community Needs and Growth



- The number of building permits and development activity has significantly increased over the past year. To support these increases, the following position are included in the FY 2022/23 proposed budget:
 - General Plan Update
 - Permit Tech II (1 FTE)
 - Plans Examiner Supervisor (1 FTE)

- The number of specials events has increased over the past several years. To support this increase, the following positions are included in the FY 2022/23 proposed budget:
 - Special events coordination staff (3.5 FTEs)

Sustain Quality Services

Investing in Transportation



Sustain Quality Services

- **Increase street maintenance and preservation program**
 - \$10M increase to street overlay budget
 - Equipment Operator (2 FTE)
 - Field Worker (2 FTE)
- **Increase alleyway and graffiti cleanup program**
 - Field Worker (2 FTE)
- **Increase various transportation operations programs**
 - Traffic Barricade Coordinator (2 FTE)
 - ITS Technician (1 FTE)
 - Contract Specialist – Landscaping (1 FTE)



Investing in Transit



- **Increase transit options and enhance experience**
 - Fiesta Buzz Neighborhood Circulator Pilot Program
 - Master Plan Development
 - 14 Bus Stop Shelters (Design & Construction)
 - Streetcar Extension Feasibility Study

Sustain Quality Services



➤ To promote City's climate action plan initiative

- Set aside \$10M for MCAP projects
- Created scoring criteria to prioritize projects
- Example projects:
 - ✓ Electrical vehicle charging stations and master plan
 - ✓ Solar energy
 - ✓ Streetlight conversions to LED



Sustain Quality Services

City of Mesa
General Governmental Funds

FY 2022/23 Proposed Budget

	Actuals FY 20/21	Budget FY 21/22	Projected FY 21/22	Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
Beginning Reserve Balance	\$126.5	\$177.9	\$203.1	\$162.4	\$170.3	\$176.7	\$144.5	\$123.7
Total Sources	\$532.3	\$503.4	\$560.6	\$575.5	\$562.0	\$553.9	\$564.2	\$581.9
Total Uses	\$445.6	\$504.0	\$601.4	\$567.5	\$555.6	\$586.1	\$584.9	\$609.5
Net Sources and Uses	\$86.6	(\$0.6)	(\$40.8)	\$7.9	\$6.4	(\$32.2)	(\$20.7)	(\$27.6)
Future Economic Correction	(\$10.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Reserve Balance	\$203.1	\$177.2	\$162.4	\$170.3	\$176.7	\$144.5	\$123.7	\$96.2
Ending Reserve Balance Percent*	33.8%	31.2%	28.6%	30.7%	30.2%	24.7%	20.3%	15.9%

*As a % of all Next Year's uses of funding

Note: Includes economic recession beginning FY 23/24

data as of March 2022
dollars in millions

Utility Fund Financial Principles



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

Meeting Community Needs and Growth

Utility Fund

Sustain Quality Services

- **To support several significant water and wastewater projects and maintain current service levels**
 - Signal Butte Water Treatment Plant Expansion
 - ✓ Treatment Process Specialist
 - Central Mesa Reuse Pipeline
 - ✓ Water/Wastewater Field Coordinators (2 FTE)
 - ✓ Water/Wastewater Utility Systems Crew Leader
 - ✓ Equipment Operator
 - ✓ Fieldworker
 - ✓ Backhoe
 - ✓ 10-yard dump truck
 - Northwest Water Reclamation Plant
 - ✓ Water Resources Operator
 - ✓ Water Resources Maintenance Specialist
- **To support the growth in solid waste accounts**
 - Beginning to relocate solid waste trucks from the West Mesa Service Center to the East Mesa Service Center

FY 2022/23 Proposed Budget

UTILITY FUND NET SOURCES AND USES	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	Actuals	Projected	Budget	Forecast	Forecast	Forecast	Forecast
WATER	\$19,416	(\$5,151)	(\$4,718)	(\$2,774)	(\$8,471)	(\$11,987)	(\$15,689)
WASTEWATER	(\$8,878)	(\$11,758)	(\$10,256)	(\$9,906)	(\$6,812)	(\$5,149)	(\$2,507)
SOLID WASTE	\$5,612	(\$7,339)	(\$358)	\$1,452	\$138	(\$1,153)	\$2,138
ELECTRIC	\$791	\$2,995	(\$1,743)	(\$2,246)	(\$1,513)	(\$1,936)	(\$1,762)
NATURAL GAS	(\$2,385)	(\$131)	(\$1,773)	(\$1,335)	\$53	\$514	\$977
DISTRICT COOLING	(\$68)	(\$715)	(\$130)	(\$1,515)	(\$293)	(\$169)	(\$138)
TOTAL NET SOURCES AND USES	\$14,488	(\$22,098)	(\$18,977)	(\$16,323)	(\$16,898)	(\$19,879)	(\$16,980)
Beginning Reserve Balance	\$136,773	\$151,261	\$129,163	\$110,186	\$93,863	\$76,964	\$57,086
Ending Reserve Balance	\$151,261	\$129,163	\$110,186	\$93,863	\$76,964	\$57,086	\$40,106
Ending Reserve Balance Percent*	33.4%	28.0%	23.3%	19.4%	15.2%	11.0%	7.4%


*As a % of Next Fiscal Year's Expenditures

data as of March 2022
Dollars in Thousands

Budget Process Calendar

 **April 4 – May 2** Departmental Presentations

 **May 5** Budget Wrap-up

 **May 16** Adoption of Five-Year Capital Improvement Program
Tentative Adoption of Annual Budget

 **June 6** Public Hearing on Annual Budget and Secondary Property Tax Levy
Final Adoption of Annual Budget

 **June 20** Adoption of Secondary Property Tax Levy

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Non-Utility Capital Improvement Program Budget FY 2023-2027



City Council
Study Session
3/31/2022

Brian A. Ritschel | Management & Budget Assistant Director

Agenda

- Discuss Five Year Capital Improvement Program (CIP)
- Review Current Bond Authorization
- Review Active Projects
- Potential General Obligation (GO) Bond Projects
- CIP Steps

CIP Funding Sources

Local Revenues

- City sales tax, state-shared revenues, and other revenue generated from City services

Regional Awards/Grants

- Regional, state, or federal funding which allows the City to leverage City funding sources

General Obligation (GO) Bonds

- Debt service paid primarily with secondary property tax and impact fees

Excise Tax Obligation

- Debt service repaid with revenues generated from various tax revenues collected by the City

Operations & Maintenance

- Reviewed throughout the CIP project lifecycle
- Budgeted to ensure City can meet the operational requirements of capital improvements

Examples:

- Staffing a new fire station or library
- Landscape maintenance at City parks

Current Year Completed Projects

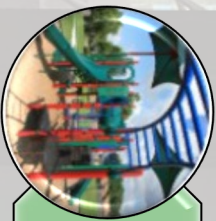
No. Project Name	
1	Fire Station 221
2	Main Library Children's Room
3	Mesa Public Safety Training Facility Driving Track
4	The Studios @ City Center (Phase 1)
5	McDowell Road Overpass Enhancements
6	Monterey Park Renovations

Non-Utility Capital Improvement Program

Funding Source	FY 21/22 Budget	FY21/22 YTD Actuals	FY 22/23 Proposed Budget	FY 2023- 2027 CIP
Local Revenues	\$60.7M	\$32.6M	\$44.9M	\$204.7M
General Obligation Bonds	56.7M	22.6M	81.7M	149.9M
Joint Ventures	6.7M	2.1M	19.1M	59.4M
Grants	5.9M	5.5M	2.7M	21.9M

*Does not include budget carryover

Status of 2018 & 2020 General Obligation Bond Authorization



Parks/Culture

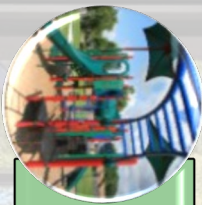


Public Safety



Transportation

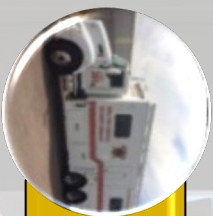
Recent Bond Authorization



Parks & Culture

2018 Bond
Authorization

\$111M



Public Safety

2018 Bond
Authorization

\$85M

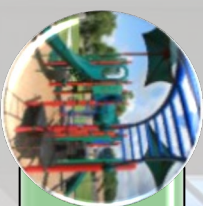


Transportation

2020 Bond
Authorization

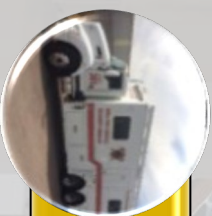
\$100M

2018 GO Bond Program Underway



Parks/Culture

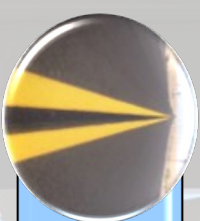
- The Plaza @ City Center
 - Solar/Parking Improvements (General Fund)
- Dobson Library Improvements
- Lehi Sports Park
- Monterey Park Expansion
- Historic Post Office
- Palo Verde Playground
- Red Mountain Park Expansion



Public Safety

- Fire Apparatus Replacement
- Northeast Public Safety Facility
- Police Evidence Facility

2020 Transportation Bond Program



Transportation

- Broadway Road Corridor
- Ellsworth & Williams Field Road Intersection
- Signal Butte Road Improvements
- Sossaman and Baseline
- Val Vista Dr : Pueblo to US60



General Capital Funded Projects

- ARPA funded property acquisition for the Restaurant Incubator
- Studios @ City Center (Phase 2)
- Municipal City Plaza Council Chambers
- Real Time Crime Center
- Mesa Family Advocacy Center (MFAC)

Potential 2022 GO Bond Projects



Fire & Medical

- Station 223
- Station 224
- Station 205 Demo & Rebuild
- Fire & Medical Headquarters



Police

- Police Headquarters



Public Safety

- Public Safety Training Facility

CIP Steps

- April 14th – Utility CIP Budget Review
- April 30th – Public Notice of Proposed 2023-2027 Capital Improvement Program
- May 16th – Public Hearing and Council consideration of 2023-2027 Capital Improvement Program
- June 20th – Secondary Property Tax Levy Adoption

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