



City of Maricopa

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Meeting Minutes - Draft City Council Work Session

Mayor Nancy Smith
Vice-Mayor Vincent Manfredi
Councilmember Eric Goettl
Councilmember AnnaMarie Knorr
Councilmember Amber Liermann
Councilmember Bob Marsh
Councilmember Henry Wade

Thursday, April 23, 2026

4:00 PM

Council Chambers

1. Call to Order

The meeting was called to order at 4:02 p.m.

2. Roll Call

Present, 7 - Councilmember Knorr, Councilmember Goettl, Mayor Smith, Councilmember Liermann, Councilmember Marsh, Councilmember Wade, and Vice Mayor Manfredi

3. Agenda Items

3.1 [WS 26-03](#)

City Manager Benjamin Bitter will present the City Council with the City's preliminary draft fiscal year 2026-2027 operating budget as well as the Capital Improvement Plan budget.

City Manager Benjamin Bitter opened the presentation by expressing gratitude to the finance team for their considerable work in assembling the budget documents, noting that even the 500-page budget book represents a simplification of the detailed financial data the finance team manages daily.

Mr. Kozlowski began the presentation by encouraging Council to ask questions throughout the presentation and outlined the upcoming steps in the budget process: a tentative budget approval was scheduled for the May 19 City Council meeting, at which point no further expenditure or revenue changes could be made. He shared that the tentative budget forms would then be posted to the city website within two days. Next, Mr. Kozlowski shared that final budget adoption was set for the June 16 Council meeting, again preceded by a public meeting. Mr. Kozlowski also provided an overview of the budget's availability on the city website, noting that the site contains the draft budget document, department-level expenditure detail, an organizational chart with full headcount, the CIP project list, strategic priorities, and all new funding requests.

Mr. Kozlowski noted that FY 2025 actual general fund revenues were approximately \$102.08 million, with a projected decline to approximately \$97.18 million by the end of FY 2026, reflecting the revenue plateau that had been discussed at futures planning. For FY 2027, he shared that revenues were projected to recover to approximately \$105 million, excluding commuting corridors funds. He added that the city's revenue structure comprised of intergovernmental/state-shared revenues, local sales taxes, licenses and fees, and property taxes. He reported that intergovernmental revenues

had been essentially flat for three years, representing a significant fiscal challenge, while local sales tax growth was projected to be modest and organic. Next, Mr. Kozlowski added that licenses, fees, and permits revenue had declined from approximately \$18 million to a pace of approximately \$14–14.5 million, reflecting a slower construction environment. Lastly, he shared that property tax revenues were presented separately, with any increase attributable solely to new construction rather than assessed value growth on existing properties.

Mr. Kozlowski presented a multi-year trend showing general fund revenues plateauing since FY 2023 at approximately \$91 million after years of growth, while expenditures have continued to rise from \$46 million in FY 2021 to a proposed \$85.8 million in FY 2027. He clarified that the budgeted figure represents the maximum authorized amount, not a projection of actual spending, and referenced a visual showing that the city has historically spent between 77 and 89 percent of its approved budget.

Mr. Kozlowski presented a proposed reduction of the primary property tax rate from 3.4773 to 3.3279, which is a reduction of approximately 15 basis points, which would return approximately \$824,000 to residents. He added that the only projected increase in property tax revenue, from \$17.76 million to \$18.3 million, was attributed to new construction. Next, Mr. Kozlowski shared that corresponding reduction to the secondary property tax rate for the Copper Sky general obligation bonds was also proposed, from 0.59 to 0.55, representing an additional savings of approximately 4.5 basis points. Mr. Kozlowski highlighted that the combined primary and secondary rates have declined by more than 100 basis points since FY 2022 and encouraged Council to take pride in that record of tax reduction. He added that the city's general fund balance as a percentage of expenditures is currently projected at 39 percent, which, while 9 percent above the 30 percent policy minimum, is the lowest figure presented to Council in recent budget cycles. He attributed this in part to the city's investment in land holdings, which he said would eventually return value to the fund balance.

Mr. Kozlowski detailed the proposed budget of \$85.8 million, which is a 12.3 percent year-over-year increase. He added that the recurring personnel costs of \$53.74 million were proposed to increase to \$60.7 million, reflecting MOU-agreed union increases, a proposed 4 percent merit increase for non-MOU staff, a 1.2 percent adjustment to pay ranges based on the Phoenix-area annual inflation rate, approximately \$1.07 million in increased insurance and benefit costs, and \$4 million in new personnel requests.

Councilmember Knorr sought clarification on whether the merit and pay range increases were additive. Mr. Kozlowski confirmed that the 4 percent merit increase and the 1.2 percent pay range adjustment were separate components. Operating expenditures were proposed to increase from \$22.59 million to \$25.07 million. Mr. Kozlowski added that 47 percent of the total operating budget is dedicated to public safety encompassing the City Magistrate, Police Department, and Fire Department and that personnel costs represent approximately 71 percent of the total operating budget, a figure he described as leaner than comparable cities, where that figure can reach 80 to 90 percent.

Next, Mr. Kozlowski shared that new personnel requests were also detailed, with the majority directed toward public safety, including 12 firefighters and EMS specialists, 2 new police lieutenants, 6 new police officers, and a new dispatcher. Additional requests were noted in Public Works, particularly for fleet, a portion of which was described as supporting public safety operations. Mr. Kozlowski clarified that shared-service departments such as Information Technology and Public Works may

carry budget increases that serve other departments, not solely their own.

Councilmember Knorr inquired about the absence of new requests from the Office of Economic Opportunity, and City Manager Bitter confirmed that sufficient capacity had been maintained in that department to accommodate anticipated needs arising from the forthcoming economic development strategic plan.

Mr. Kozlowski then presented the hotel/bed tax policy, which he said is reviewed and approved as part of the annual budget process. He added that 91 percent of bed tax revenues are dedicated to tourism projects, which includes the Wild West Music Fest and 9 percent to arts grants. Next, Mr. Kozlowski shared that the proposed FY 2027 arts grants budget was \$22,500 and the tourism project budget was \$225,000.

Councilmember Knorr raised a concern about whether the policy language locked the city into funding specifically the Wild West Music Fest given the expiration of the current three-year contract. City Manager Bitter and Mr. Kozlowski both clarified that the policy could be amended by Council majority at any point during the fiscal year, and that absent a signed contract, the funds could be redirected. Councilmember Knorr confirmed she wished to preserve that flexibility.

Next, Mr. Kozlowski reported that the Capital Improvement Plan (CIP) had been discussed in depth at the February workshop and that this portion of the presentation would focus on updates since that time. He shared that the proposed FY 2026–2027 CIP budget totaled \$181.2 million, of which 55 percent was dedicated to streets infrastructure, 22 percent to city parks (\$22.5 million), 12 percent to community improvements, 9 percent to economic development, 5 percent to public safety, and 4 percent to new building construction. He identified the two primary new building construction projects as the continuation of fieldhouse funding and the remodel of the former police department building into a one-stop shop for economic development and development services.

Councilmember Wade asked whether these projects would generate employment opportunities, which Mr. Kozlowski confirmed that additional staffing would be required to operate the fieldhouse and that the parks and recreation team had developed a staffing plan.

Mayor Smith raised the community and commuting corridors as a priority, referencing her interest in projects including the Green Road Loop, East Road Loop, Sonoran Desert Parkway Phase 2, and State Route 238. City Manager Bitter confirmed that several of these projects appear in the streets and transportation infrastructure section of the CIP, and noted that some improvements to the industrial triangle area would be funded by private development partners rather than the city budget. Mayor Smith also highlighted CIP investments in sidewalk improvements near Palo Brea and the Maricopa-Casa Grande Highway as relevant to ongoing community discussions around pedestrian infrastructure and e-bikes.

Mr. Kozlowski provided an update on the commuting corridors fund, directing Council to the Building Better Roads website where revenues and expenditures are tracked publicly. He reported that the city's revenue bond transaction for the payment to Arizona Department of Transportation for the State Route 347 project was expected to close within days. He added that the favorable market outcome: by timing the bond issuance strategically, the city saved approximately 10 basis points and by applying an accelerated principal payment structure, approximately \$5 million in interest savings were secured for future road projects and due to a 6.5-times oversubscription of the \$30 million bond, the city negotiated an effective interest rate of approximately 3.25 percent—50 basis points below the prevailing federal funds

rate.

Next, Mr. Kozlowski shared a list of changes since the February workshop. He reported that the majority of changes were described as funding source revisions rather than project scope or timeline changes. He added that shifting portions of the State Route 238 project funding from the general fund to the commuting corridors fund and recognizing a cash-in-lieu payment from Moonlight Ridge; funding the Sonoran Desert Parkway Phase 2 from the commuting corridors fund; using an existing revenue bond to fund the former PD building remodel; recognizing a federal grant of \$867,000 for ambulance purchases; moving Bowlin Road and the John Wayne Parkway Phase 1 pedestrian access project from FY 2027 to FY 2028; moving the Rancho El Dorado chip seal from FY 2027 to FY 2028 as a fiscal management decision; delaying the design phase of future Fire Station 573 from FY 2027 to FY 2028 to align with concurrent truck delivery and staffing timelines and moving the parking lot pavement preservation project from the operating budget into the CIP. Mr. Kozlowski explained that the shift in funding sources was necessary to bring the general fund balance percentage from what had been near the 30 percent policy floor up to the current projected 39 percent.

Councilmember Goettl raised the question of the long-term sustainability of the primary property tax rate reductions given growing public safety expenditure needs. Mr. Kozlowski acknowledged the growing gap between public safety operating costs and primary property tax revenues, noting that the primary property tax covers less than 33 percent of total public safety costs and does not fully cover the fire department's operating budget alone. He indicated that a detailed discussion would be brought to futures planning the following year regarding comparable cities, appropriate rate levels, and the potential use of general obligation bonds. He cautioned against the pattern seen in other cities of maintaining a zero or very low primary property tax rate while accumulating general obligation bond debt with no resident statutory protections on the secondary tax rate. City Manager Bitter reinforced the point that property tax was originally established as stable funding for public safety, and that as the city continues to grow and open new fire stations.

Councilmember Liermann expressed enthusiasm for several budget items including the police firearms indoor shooting range, the 8 trail and sidewalk improvement projects, the performing arts center in the 10-year CIP plan, and the addition of pop-up kiosks for small business owners. She noted her hope to see a fire training facility included in the following year's budget.

Councilmember Marsh highlighted the importance of continued investment in the Bartlett Dam/water supply project and noted the inclusion of a senior center in the 10-year CIP plan.

Councilmember Knorr highlighted the arts grants increase, John Wayne Parkway signal upgrades, commuting corridors investments, funding for a citizen survey, the 12 new firefighters, 6 new police officers, and 2 new lieutenants as priorities she was particularly pleased to see addressed. She also raised a question about a decline in the transit budget. Mr. Kozlowski indicated he would follow up with specifics but stated that no operational reductions, such as route changes or headcount reductions had been made and that the transit study was ongoing.

Councilmember Wade raised the issue of public communication around the budget, asking whether the city had adequate processes for helping residents understand what the budget means to them directly. Mr. Kozlowski responded that simplicity is his guiding principle in presenting budget information and that the communications team has increasingly pursued proactive outreach including videos and published

materials. City Manager Bitter noted the recent full-page advertisement in Maricopa magazine explaining the budget process and acknowledged that the finance and communications teams are actively exploring additional channels for public engagement. He affirmed that the goal is to make budget information accessible and digestible without obscuring the substance.

Mayor Smith asked whether the communications department had the budget resources needed to sustain and expand its outreach efforts. Mr. Kozlowski confirmed that no communications requests had been denied during the budget process. Mayor Smith also confirmed with Mr. Kozlowski that partnership funds budgeted in prior years remain available for potential teen programming, arts, senior services, or other needs should Request for Proposals processes not yield suitable results.

4. Adjournment

This meeting was adjourned at 5:37 p.m.

Certification of Minutes

I hereby certify that the following minutes are a true and correct copy of the minutes of the work session of the City Council of Maricopa, Arizona, held on the 23rd day of April, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 5th day of May 2026.

Vanessa Bueras
City Clerk