



COUNCIL MINUTES

March 12, 2020

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 12, 2020 at 7:30 a.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Francisco Heredia
Jeremy Whittaker*

COUNCIL ABSENT

Jennifer Duff
David Luna
Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Councilmember Whittaker participated in the meeting through the use of telephonic equipment.)

Mayor Giles excused Councilmembers Duff, Luna and Thompson from the entire meeting.

1. Review and discuss items on the agenda for the March 16, 2020 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

City Manager Christopher Brady commented with regard to Item 7-a, **(Repealing Mesa City Code Title 3, Chapter 3 (“Utility Departments”) and replacing it with a new Title 3, Chapter 3 titled “Water Resources, Energy Resources, and Environmental Management & Sustainability Departments.”** The new language includes the creation of a **Utility Assistance Program, the permitted uses for the utility system revenues, and the permitted transfer of Utility Funds, primarily for Public Safety. (Citywide)**), on the Regular Council meeting agenda, that there has been discussion whether the calculation for the transfer, as defined for gross revenues, would include the energy pass-along cost as a basis for calculating the percentage. He advised it is not the intention to include the Purchased Natural Gas Cost Adjustment Factor (PNGCAF) or the Electric Energy Cost Adjustment Factor (EECAF) in the gross revenue calculation. He recommended that Council move ahead with the proposed action to allow time to provide notice and to work with the non-profit agencies and, in the meantime, staff will work with the City Attorney’s Office on a definition that excludes revenues related to PNGCAF and EECAF to clarify any confusion.

In response to a question posed by Mayor Giles, Mr. Brady advised since the ordinance will not go into effect until July, there is time to add the definition of gross revenues.

City Attorney Jim Smith added the ordinance will be effective in July and will be applied in the next fiscal year.

In response to a question from Vice Mayor Freeman, Mr. Brady agreed the forthcoming definition of gross revenue will be an amendment to the ordinance.

Mayor Giles recapped by stating the ordinance is written to cap gross revenue, which is not defined; and if the pass-along wholesale prices of electricity and water revenues were included, the numbers would be inflated. He described the intention has been to exclude from the calculation the cost of the underlying commodity.

Mr. Brady explained the number used to apply the 25% and 5% was not intended to include the PNGCAF or EECAF, which is consistent with past practices.

In response to a question from Councilmember Whittaker regarding the timeframe for defining the amendment, Mr. Brady replied possibly around the April to May time period but definitely before July.

In response to a question from Councilmember Whittaker regarding Item 4-h, **(Mesa City Center - Third Guaranteed Maximum Price (GMP No. 3) - ASU @ Mesa City Center (District 4))**, on the Regular Council meeting agenda, Management & Budget Director Candace Cannistraro advised she would provide Councilmember Whittaker with an updated copy of the economic investment funds cash flow analysis.

Mr. Brady remarked the total guaranteed maximum price for the building is \$65,798,000. He explained the City committed \$63.5 million and Arizona State University (ASU) has committed \$10 million.

Mr. Brady highlighted Item 6-a, **(ZON19-00806 (District 5) Within the 5600 to 6000 blocks of East Thomas Road (north side) and within the 3600 to 4000 blocks of North Recker Road (west side). Located north of Thomas Road and west of Recker Road (109.8± acres). Rezone from PS to RS-6-PAD and RS-7-PAD. This request will allow for the development of a single-residence subdivision. Desert Vista 100, LLC, applicant; City of Mesa, owner.)**, on the Regular Council meeting agenda, and explained a development agreement will accompany the item at the April 6, 2020 meeting.

In response to a question posed by Mayor Giles, Mr. Brady stated staff is prepared to share the agreed-upon trail park plans included as part of the Thomas Road and Recker Road site and have committed \$5 million for distributed regional park improvements to be used at Gene Autry Park or Red Mountain Park.

In response to a question from Councilmember Whittaker regarding whether the land is being rezoned to a higher density, Planning Director Nana Appiah explained there was a range and the rezoning falls within the expected range.

Mr Brady added the rezoning mirrors the Red Mountain site and is consistent with surrounding neighborhoods.

2. Current events summary including meetings and conferences attended.

Mayor Giles – Volunteer Appreciation Breakfasts
- Arizona Museum of Natural History
- Mesa Arts Center

Vice Mayor Freeman – National League of Cities Conference

Mayor Giles advised that Mesa is receiving coronavirus updates on the national and state level. He explained the Governor declared a statewide emergency in order to be proactive and to ensure that Arizona is eligible for federal funding for testing. He remarked the City of Mesa is working closely with national, state and local health officials and that the Fire and Medical Departments are prepared. He announced Mesa is aware of, concerned with and prepared for the inevitable consequences of the coronavirus situation.

3. Scheduling of meetings.

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

Monday, March 16, 2020, 5:00 p.m. – Study Session

Monday, March 16, 2020, 5:45 p.m. – Regular Council Meeting

4. Adjournment.

Without objection, the Study Session adjourned at 7:53 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 12th day of March 2020. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK