



COUNCIL MINUTES

November 4, 2019

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on November 4, 2019 at 5:45 p.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Jennifer Duff
Francisco Heredia
David Luna
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
John Pombier
Jim Smith

Mayor's Welcome.

Mayor Giles asked everyone to stand and observe a moment of silence.

Pledge of Allegiance was led by Councilmember Luna.

Awards, Recognitions and Announcements.

Mayor Giles proclaimed January 2020 as Stand Up, Speak Up and Save a Life month. He stated this program is designed to create awareness and empower youth to report concerns of suicide in person or online. He expressed appreciation to the Mayor's Youth Committee for participating in a safe talk suicide awareness training session provided by the Suicide Prevention Resource Center and spreading the word at their schools. He added multiple City departments have also completed mental health first aid training with the help of the Police Department.

Sarah Roof who serves on the planning team for the annual Youth Mental Health Conference stated that she is honored to have the City of Mesa supporting the program as well as the Mayor's Youth Committee.

1. Take action on all consent agenda items.

All items listed with an asterisk (*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, that the consent agenda items be approved.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker
NAYS – None

Carried unanimously.

*2. Approval of minutes of previous meetings as written.

Minutes from the October 7 and 21, 2019 Study Sessions and October 21, 2019 Regular Council meeting.

3. Take action on the following liquor license applications:

*3-a. Commemorative Air Force

This is a one-day event to be held on Saturday, March 14, 2020 from 5:00 P.M. to 11:00 P.M. at the Arizona Commemorative Air Force Museum, 2017 North Greenfield Road. **(District 5)**

*3-b. Downtown Mesa Association

This is a one-day event to be held on Saturday, November 23, 2019 from 1:00 P.M. to 7:00 P.M. at the Mesa Amphitheatre, 263 North Center Street. **(District 4)**

*3-c. Wings of Flight Foundation Inc.

This is a one-day event to be held on Saturday, December 7, 2019 from 6:00 P.M. to 12:30 A.M. and on Sunday, December 8, 2019 at Falcon Field Airport, 4863 East Falcon Drive. **(District 5)**

*3-d. Goldwater Brewing Co.

A brewery with a taproom is requesting a new Series 7 Beer and Wine Bar License for Goldwater Brewing Company @Longbow LLC, 5942 East Longbow Parkway, Suite 105 - Camila Alarcon, agent. There is no existing license at this location. **(District 5)**

*3-e. Party Pops

A spirituous liquor manufacturer is requesting a new Series 1 In-State Producer License for Party Pops LLC, 127 West Juanita Avenue, Suite 212 - Laurie Ann Winter, agent. There is no existing license at this location. **(District 3)**

*3-f. Circle K Store #9538

A convenience store is requesting a new Series 10 Beer and Wine Store License for Circle K Stores Inc., 9230 East University Drive - Kim Kenneth Kwiatkowski, agent. There is no existing license at this location. **(District 5)**

*3-g. Faby's Market

A convenience store is requesting a new Series 10 Beer and Wine Store License for Fabiola's Fabulous LLC, 726 East Broadway Road - Richard Lee Davenport, agent. The existing license held by Marisol Nutrition LLC will revert to the State. **(District 4)**

*3-h. Red White & Brew

A restaurant that serves lunch and dinner is requesting a new Series 12 Restaurant License for POV Foods RWB LLC, 6740 East McDowell Road, Suite 102 - Rexford Jason Moffett, agent. The existing license held by Red White & Brew Bistros Inc. will revert to the State. **(District 5)**

*3-i. Downtown 12 West

A bar serving lunch and dinner is requesting a new Series 6 Bar License for Downtown 12 West LLC, 12 West Main Street - Jeffrey Craig Miller, agent. There is no existing license at this location. **(District 4)**

4. Take action on the following contracts:

*4-a. One-Year Renewal of Excess Workers' Compensation Insurance and Workers' Compensation Self-Insurance Surety Bond. **(Citywide)**

As a self-insured entity, state statute requires the City to obtain excess workers' compensation insurance and to provide a security deposit based on the total unpaid losses of open compensable workers' compensation claims, which is accomplished through securing a surety bond.

Staff recommends the purchase of an excess workers' compensation insurance policy from Safety National Casualty Corporation with a self-insured retention for \$1 million per accident/injury/illness policy limit, at \$311,609. Staff recommends the purchase of a workers' compensation self-insurance surety bond through Travelers Casualty and Surety Company of America for the rate of \$6.00 per every \$1,000 of unpaid losses.

*4-b. One-Year Renewal with a One-Year Renewal Option to the Term Contract for Automated Vehicle Location Equipment and Related Services for Various City Departments as requested by the Information Technology Department. **(Citywide)**

In 2017, the City began utilizing an Automated Vehicle Location (AVL) solution for managing City vehicles by tracking location, speed, idle time, and other data. The functionality of the AVL solution has allowed the City to pursue process improvements with both operational and cost efficiencies, as well as contribute to the safety of City employees.

The Information Technology Department and Purchasing recommend authorizing the renewal with Marshall and Associates, dba MarshallGIS, at \$218,884 annually, based on estimated usage.

*4-c. One-Year Renewal with a One-Year Renewal Option to the Term Contract for Repair and Refurbishment Services of Metal Bins and Roll-Off Containers for the Environmental Management and Sustainability Department. **(Citywide)**

This contract provides repair and refurbishment services of the metal bins and roll-off containers used to service the City's commercial and residential solid waste customers.

The Environmental Management and Sustainability Department and Purchasing recommend authorizing the renewal with Wastebuilt, LLC; and Colby Welding & Radiator Inc.; at \$150,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-d. Three-Year Term Contract with Two Years of Renewal Options for Herbicide Application and Vegetation Removal Services for the Transportation Department. **(Citywide)**

Transportation's Right of Way and Storm Drain Maintenance work groups have a need for on-call and/or scheduled general landscape maintenance services to protect City property and to ensure public safety. Services include pre and post herbicide applications and vegetation removal on unimproved right of ways, drainage easements, retention basins, and various associated areas throughout the City.

The Transportation Department and Purchasing recommend awarding the contract to the lowest, responsive, and responsible bidder, URW, LLC, dba United Right of Way at \$360,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index. This purchase is funded by the Local Streets Fund.

- *4-e. Purchase of Two Trailers (Replacement and Addition) for the Transportation Department (as requested by the Fleet Services Department). **(Citywide)**

One trailer will be used to transport backhoes, skip loaders, and other equipment. It will replace a trailer that has met established criteria and will be either traded, auctioned, sold, or deployed to special uses. The second trailer will be used to transport the loader for Transportation's new debris pick-up program.

The Transportation and Fleet Services Departments and Purchasing recommend authorizing the purchase using the National Joint Powers Alliance (NJPA) cooperative contract with Empire Truck and Trailer (a Mesa business), at \$81,382.09. This purchase is funded by the Local Streets.

- *4-f. Three-Year Term Contract with Two Years of Renewal Options for General Motors OEM Auto and Light-Duty Truck Parts for the Fleet Services Department. **(Citywide)**

This contract will provide General Motors OEM parts to maintain the City's fleet of sedans, light duty trucks, and vans. Fleet Services maintains approximately 101 automobiles and 472 vans and light duty trucks.

The Fleet Services Department and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, Courtesy Chevrolet at \$450,000 annually, with an annual increase allowance of up to 5%, or the adjusted Producer Price Index.

- *4-g. One-Year Renewal with a One-Year Renewal Option to the Term Contract for Major Repair Services for Caterpillar Generators for the Water Resources, Energy Resources, and Parks, Recreation and Community Facilities Departments. **(Citywide)**

This contract provides required OEM scheduled maintenance, diagnostic, and repair services for Caterpillar emergency generators. Water Resources has been using this

contract since 2017. In October of 2019, Energy Resources and Parks, Recreation and Community Facilities were added as authorized departments to use this contract in order to maintain their Caterpillar emergency generators.

The Water Resources, Energy Resources, and Parks, Recreation and Community Facilities Departments and Purchasing recommend authorizing the renewal using the Omnia Partners (formerly National IPA), City of Tucson cooperative contract with Empire Southwest, dba Empire Power Solutions (a Mesa business), at \$270,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-h. Three-Year Term Contract with Two Years of Renewal Options for Automobile Dealers Eligibility List for Citywide Departments as requested by the Fleet Services and Mesa Fire and Medical Departments. **(Citywide)**

This contract will provide a non-exclusive, pre-approved list of auto dealers to provide the purchase, delivery, warranties and full-service warranty maintenance of new vehicles. This will change the City's current procurement process for vehicle purchases. The City will not issue solicitations throughout the year, instead staff will request competitive quotes from the pre-approved vendors, awarding to the lowest price, responsive quote. Staff believes the automotive dealer eligibility list will streamline and significantly expedite the City's vehicle purchase process.

An evaluation committee recommends awarding the contract to the qualified and responsive proposals from Courtesy Auto of Mesa, LLC, dba Courtesy Chrysler Dodge Jeep Ram of Superstition Springs (a Mesa business); Courtesy Chevrolet; Findlay Automotive, dba Findlay Auto; Larry H Miller Ford (a Mesa business); Midway Chevrolet Company, LLC, dba Midway Chevrolet; PFVT Motors, LLC, dba Peoria Ford; and San Tan Auto Partners, LLC, dba San Tan Ford; at \$3,700,000 annually, based on estimated usage, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *4-i. Extension and Dollar-Limit Increase to the Term Contract for Heavy-Duty Automotive Body Repair Services for the Fleet Services Department. **(Citywide)**

Extending this contract is necessary to allow time to rebid the contract or look for a cooperative contract to meet the City's needs going forward. Additionally, the City currently has a heavy-duty Parks dump truck and a Solid Waste refuse truck that require significant body repair services estimated at \$55,000.

The Fleet Services Department and Purchasing recommend extending the contract through April 6, 2020; and increasing the dollar-limit by \$150,000 with Rush Truck Center - Phoenix, Vanguard Truck Center, Freightliner of Arizona, and MAACO Collision Repair (a Mesa business); from \$100,000 to \$250,000 through the contract extension, based on estimated requirements.

- *4-j. Baseline Road Improvements (24th Street to Consolidated Canal) and Val Vista Drive Improvements (Baseline Road to U.S. 60) Project. **(Districts 2 and 3)**

On November 5, 2018, City Council awarded the roadway improvements project along Baseline Road (24th Street to Consolidated Canal) and Val Vista Drive (Baseline Road to U.S. 60) to Nesbitt Contracting Company, Inc. During construction, a review of the Val Vista Drive pavement showed signs of moderate to heavy deterioration that was not

identified during design. After evaluating the existing pavement, City staff recommends adding to the project scope-of-work the replacement of all the pavement, rather than just the surface, as was originally quoted.

Staff recommends authorizing an increase to the contract for Nesbitt Contracting Company, Inc., by \$400,000, from \$6,272,787.13 to a total of \$6,672,787.13 for the added scope-of-work. The original project is funded by the authorized 2008 Street bonds, 2013 Street bonds, and 2010 Gas bonds. The additional work is funded by Highway User Recovery Funds (HURF).

*4-k. Commercial Water Meter Assemblies Project - Phase 11B. **(Districts 1 and 3)**

This is an ongoing improvement project to replace older commercial meters that have met their service life. These meters are currently in underground vaults. These vaults no longer met OSHA Confined Space regulations. Since 2007 over 230 of 510 meters have been replaced throughout the City of Mesa.

The scope for this phase of the project includes rehabilitating 15 commercial water meter assemblies at 10 sites including replacing the underground meter assemblies with assemblies constructed above ground.

Staff recommends awarding the contract for this project to the lowest responsible bidder, Harrison\Downey Construction, for the GMP of \$628,660.87, and authorizing a change order allowance in the amount of \$62,866.09 (10%), for a total amount of \$691,526.96. This project is funded by 2014 authorized Water bonds.

*4-l. See: **Items not on the Consent Agenda**

*4-m. See: **Items not on the Consent Agenda**

*4-n. See: **Items not on the Consent Agenda**

*4-o. See: **Items not on the Consent Agenda**

*4-p. See: **Items not on the Consent Agenda**

5. Take action on the following resolutions:

*5-a. Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with the Arizona Department of Water Resources for the Regional Water - Use it Wisely™ media campaign. **(Citywide)** – Resolution No. 11414

*5-b. Approving and authorizing the City Manager to enter into the First Amendment to the Intergovernmental Agreement with the City of Tempe to reflect the change in advertising providers for the Regional Water - Use it Wisely™ media campaign. **(Citywide)** – Resolution No. 11415

*5-c. Approving and authorizing the City Manager to enter into a Subrecipient Agreement with the Arizona Department of Homeland Security to accept \$42,500 in grant funds for equipment, reoccurring subscriptions, and training for the Police Department's Terrorism Liaison Program. **(Citywide)** – Resolution No. 11416

- *5-d. Approving and authorizing the City Manager to enter into a Subrecipient Agreement with the Arizona Department of Homeland Security to accept \$180,000 in grant funds for equipment and training to support and sustain the Police Department's Rapid Response Task Force. **(Citywide)** – Resolution No. 11417
- *5-e. Approving and authorizing the City Manager to enter into a Subrecipient Agreement with the Arizona Department of Homeland Security to accept \$72,179 in grant funds for an Aviation Video Downlink system for the Police Department's Aviation Division. **(Citywide)** – Resolution No. 11418
- *5-f. Extinguishing a temporary retention easement located at the northeast corner of South Power Road and East Ray Road to allow for the development of a mixed-use retail and condominium project; requested by the City. A new drainage easement is being dedicated during the development process. **(District 6)** – Resolution No. 11419
- *5-g. Extinguishing a public utilities easement located at 2439 East Catalina Avenue for the purpose of gaining compliance with the City code regarding building a permanent structure over a Public utilities' easement; requested by the property owner. **(District 2)** – Resolution No. 11420
- *5-h. Approving the Electric Integrated Resource Plan (IRP) in conformance with federal regulations (10 CFR 905.11) that qualifies the City of Mesa to receive electric power generated at federally owned hydroelectric plants. The IRP is a systematic approach to identify and select resources to meet our customers' electric needs. The IRP will be submitted to the Western Area Power Administration upon Council approval. **(Districts 1 and 4)** – Resolution No. 11421
- *5-i. Approving the purchase of, and authorizing the City Manager to enter into contracts with terms of up to three years for two firm electric power supplies and associated energy of up to 10 Megawatts ("MW") each with final average pricing of not greater than \$90/MW hour (Peak Supply) and \$40/MW hour (Base Supply). **(Districts 1 and 4)** – Resolution No. 11422
- *5-j. See: **Items not on the Consent Agenda**
- *5-k. Approving and authorizing the City Manager to enter into a Third Amendment to the Amended and Restated Development Agreement with MHA III, LLC for the development of approximately 1.6± acres of property generally located at the southeast corner of 1st Avenue and Macdonald. The proposed Third Amendment extends the deadline to complete construction of the 72-unit market-rate multi-family project to December 2021. **(District 4)** – Resolution No. 11423

6. Discuss, receive public comment, and take action on the following ordinances:

- *6-a. **ZON19-00444 (District 5)** Within the 7100 through 7200 blocks of East University Drive and within the 100 through 400 blocks of North Sunvalley Boulevard. Located west of Sossaman Road, on the south side of University Drive (11± acres). Modification of an approved PAD and associated conditions of approval; and Site Plan Modification. This request will allow amendment to remove a condition of approval limiting the square footage allowed for medical offices. Dorothy Shupe, Sketch Architecture Company, applicant; Baywood Square Owners Association, Arbor 5800, LLC, Balance Capital, LLC, Bodo Park Holdings, LLC, Shepherd Enterprises, LLC, Blackstone Charitable

Trust, Pinion Properties, LLC, B&B Office Condo, LLC, Advanced Equity International, LLC, Kelley Shepherd Holding, LLC, Lodoc Investments, LLC, Branberger Investments, LLC, Bogle Building, LLC, JAI LAXMI, LLC, Faith Edward, LLC, G to G, LLC, owners. – Ordinance No. 5535

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 6-0)

- *6-b. **ZON18-00891 (District 3)** 535 West Baseline Road. Located west of Country Club Drive on the south side of Baseline Road (1.4± acres). Rezone from NC to LI. This request will allow for the development of an industrial use. Matthew Rettig, applicant; PDE Investments, LLC, owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Denial (Vote: 4-0)

For continuation to the November 18, 2019 City Council meeting.

7. Take action on the following subdivision plats:

- *7-a. “Map of Dedication for Legends of Mesa” (**District 5**) Located within the 8400 block of East Broadway Road (north side) and within the 200 to 400 blocks of South Hawes Road (east side). Located on the northeast corner of Broadway Road and Hawes Road (±8.69 acres). Route 60 and the 202, LLC, developer; James A. Brucci, Hunter Engineering, surveyor.
- *7-b. “Power Square - A Condominium Plat” (**District 6**) 2055 South Power Road. Located on the southeast corner of Power and Baseline Roads. 2 LC-PAD condominium units (10.13± acres). Infinity Mesa, LLC, developer; Phillip C. Williams, RB Williams & Associates, Inc., surveyor.

8. Adoption of the following Notice of Intention and setting January 27, 2020 as the date of the public hearing:

- 8-a. See: **Items not on the Consent Agenda**

9. Discuss, receive public comment, and take action on the following ordinances:

- *9-a. See: **Items not on the Consent Agenda**

- *9-b. **ZON19-00473 (District 6)** Within the 3100 block of South Eastridge (east side). Located south of Guadalupe Road and east of Hawes Road (4.2± acres). Rezone from RS-6 to RM-2 PAD; and Site Plan Review. This request will allow for the development of a multi-residence development. Sean Lake, Pew and Lake, P.L.C., applicant; James Render, owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Vote for approval failed (Vote: 2-3)

Items not on the Consent Agenda.

4-I. Mesa City Center - First Guaranteed Maximum Price (GMP No. 1) – City Infrastructure Improvements. **(District 4)**

GMP No. 1 includes improvements to the City's infrastructure necessary to support the ASU building, the Plaza, the Studios, as well as future development and improvements in the area. The infrastructure work includes water, sewer, electric, gas, and communications facilities, as well as vehicular and pedestrian access improvements, street repair, and street repaving.

Staff recommends awarding a contract for this project to the selected Construction Manager at Risk, DPR Construction, in the amount of \$4,896,762 (GMP) and authorizing a change order allowance in the amount of \$489,676 (10%), for a total amount of \$5,386,438. This project is funded by Utility Bonds, 2018 Public Safety Bonds, ITD operating budget, and 2013 Streets General Obligation Bonds.

Councilmember Whittaker explained the reason for pulling the item from consent is because the City's financial projections show the Enterprise Fund being depleted in four years.

Mayor Giles stated each year Council is provided a projection which shows the goal is to spend down the City's reserves, and because the projections are conservative the City has not succeeded in spending down the reserves in the way that had been anticipated. He does not share a concern about depleting the reserves and stated the intentions of the City is to spend the reserves down to eight to ten percent.

In response to a question from Vice Mayor Freeman, City Manager Christopher Brady stated Council is being asked to set the guaranteed maximum price for the off-site budget on three separate projects: the innovation studios, Arizona State University (ASU) at City Center, and the Plaza. He stated because the City will be under construction in the same area for all three projects the budgets were combined for the contractor and the dollars being used went into categories such as water, wastewater, and streets. He added a large amount of dollars went to communications fiber that would come from savings as well as a variety of utilities. He mentioned funding had already existed and will have no material impact. He continued by stating \$250,000 of improvements were already approved and included in the Public Safety Bonds.

In response to a question from Mayor Giles, Mr. Brady confirmed the project includes street repairs, street repaving, water, sewer, gas and electric. He explained a large portion of money would go to electric utilities to complete upgrades and safety reliability improvements. He stated there is no connection to the Enterprise Fund as they are all Capital projects.

In response to a question from Councilmember Whittaker, Mr. Brady clarified Council is voting on innovation studios, ASU at City Center and the Plaza as well as future developments in the area.

In response to a question from Councilmember Heredia, Mr. Brady provided an example of offsite improvements, such as adding a water or sewer line when fire stations are first built. He stated the offsite improvements were shared with Council and how these projects would be funded. He mentioned there was a budget for the building and the campus, and then a separate identification of offsite improvements. He stated taking care of the much-needed updates while the construction is being done will save money in the future rather than waiting the three years to tear up the newly renovated streets and walkways.

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, that Mesa City Center - First Guaranteed Maximum Price (GMP No. 1) – City Infrastructure Improvements be approved.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson
NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

4-m. Authorizing the Mayor to sign an amendment to the employment contract with the City Auditor.

Councilmember Whittaker clarified he is voting against charter position raises because over the last twenty years these positions have received, on average, salary increases of 60% while the ordinary Mesa residents have only seen a 36% salary increase.

Mr. Brady stated the percentage increase on salaries for each individual is consistent with what other employees have received.

It was moved by Councilmember Luna, seconded by Vice Mayor Freeman, to authorize the Mayor to sign an amendment to the employment contract with the City Auditor.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson
NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

4-n. Authorizing the Mayor to sign an amendment to the employment contract with the City Clerk.

Verl Farnsworth, a Mesa resident spoke on items 4-n, 4-o and 4-p regarding employment contracts with the City Clerk, City Attorney, and the City Manager. He stated City Council and employees are servants of the people. He complimented working with City Clerk Dee Ann Mickelsen as well as other City staff, and his interactions with them have always been a great experience. He commented his experience with the Attorney and Manager has not always been positive and his questions regarding the ASU building have not been answered. He requests that Council continue consideration of these increases.

In response to a question from Councilmember Whittaker in regard to extra vacation hours on the City Manager contract, Mr. Brady stated there will be two more hours added per month making it an extra twenty-two hours per year of vacation time.

Mayor Giles stated that pending no objection from the Council, agenda items 4-n through 4-p will be voted on in one motion.

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, to authorize the Mayor to sign an amendment to the employment contracts with the City Clerk, City Attorney, and City Manager.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson
NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

4-o. Authorizing the Mayor to sign an amendment to the employment contract with the City Attorney.

See: Item 4-n.

4-p. Authorizing the Mayor to sign an amendment to the employment contract with the City Manager.

See: Item 4-n.

5-j. Approving the purchase of, and authorizing the City Manager to enter into contracts with terms of up to twenty-five years for renewable electric power supplies and associated energy of up to 15 Megawatts (“MW”) with final average pricing structure subject to the final capacity but in no instance to exceed \$32/MWh without energy storage and \$42/MWh with energy storage. **(Districts 1 and 4)** – Resolution No. 11424

Councilmember Whittaker expressed concern with locking the City into a 20-year contract with a rate of solar when there are drastic price decreases in photovoltaic (PV) and solar technology.

Energy Resources Department Director Frank McRae introduced Energy Resources Program Manager Anthony Cadorin and explained 20% of the City’s energy portfolio is met with renewable hydroelectric resources. He added the contract would be six percent of the energy requirements. He stated the contract has been looked at as an immediate price impact on customers but also over the 20- and 25-years life of the contracts. He reported through surveys it was indicated that customers show concern about the prices of resources but want the City to acquire more renewable resources. He commented as long as contracts are negotiated and finalized it is a good time to develop the project and have the City contract for the power output.

In response to a question from Mayor Giles, Mr. McRae explained the City would not be contracting 100% of solar because it does not always produce power when most needed. He stated solar peaks mid-day and customer demand peaks between 4:00 p.m. to 7:00 p.m., meaning there will need to be other types of resources available for customers. He pointed out the 25-year contract would be fixed in price giving assurance if prices increase and a reliable supply of power for the contract term.

It was moved by Councilmember Luna, seconded by Vice Mayor Freeman, approving the purchase of, and authorizing the City Manager to enter into contracts with terms of up to twenty-five years for renewable electric power supplies and associated energy up to 15 Megawatts.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson
NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

8-a. Notice of Intention to adjust utility rates.

Councilmember Whittaker commented he will be voting against utility rate increases because projections show the City running out of funds in four years, and that currently the City has the highest water, wastewater and solid waste costs.

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, that the Notice of Intention to adjust utility rates be approved.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson

NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

*9-a. **ZON19-00440 (District 2)** 1728 South Greenfield Road. Located south of the US 60-Superstition Freeway and west of Greenfield Road (7.2± acres). Rezone from Light Industrial (LI) with a Council Use Permit (CUP) to Limited Commercial (LC) with a Council Use Permit for a pawn shop; and Site Plan Review. This request will allow a pawn shop within an existing group commercial center. RKAA Architects, applicant; HH-Greenfield Gateway LLC, owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: (Vote: 3-3)

Neil Feaser, Vice President of RKAA Architects proposed rezoning the existing shopping center from Light Industrial to Limited Commercial to allow for a pawn shop. He stated a pawn shop is a retail use and matched the existing retail uses adjacent to the property. He mentioned the pawn shop is family-owned and provided services for short-term loans that cannot be matched by traditional lenders. He added a pawn shop serves a community as a quality retail facility that is clean, well-organized and maintains the highest standards for its customers.

Christine Ramos, Branch Manager of Navy Federal Credit Union is a not for profit federally chartered credit union based on memberships of military, veteran and family members. She stated there are 24,000 members just in the Mesa community. She stated Navy Federal is opposed to bringing in a pawn shop and do not want members to be taken advantage of with the predatory lending rates. She added if the pawn shop location gets approved Navy Federal may rethink their long-term business strategy and shift business to a different area.

Councilmember Whittaker commented he has received feedback from residents in the area that the proposed rezoning does not match the character of the area.

Councilmember Duff mentioned receiving quite a few e-mails regarding the zoning case and stated another pawn shop is not needed in Mesa.

Mayor Giles stated changing the character of the property to commercial would not be in the best interest for Mesa.

It was moved by Vice Mayor Freeman, seconded by Councilmember Thompson, that rezoning from Light Industrial (LI) with a Council Use Permit (CUP) to Limited Commercial (LC) with a Council Use Permit for a pawn shop; and Site Plan Review be denied.
Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Thompson-Whittaker
NAYS – Luna

Mayor Giles declared the motion carried by majority vote.

10. Items from citizens present.

Verl Farnsworth, a Mesa resident commented he believed the cost of the ASU project would exceed \$120,000,000 instead of the projected \$63,500,000. He suggested Council provide Mesa residents the final costs for the ASU building, including all interest.

11. Adjournment.

Without objection, the Regular Council Meeting adjourned at 6:29 p.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 Regular Council Meeting of the City Council of Mesa, Arizona, held on the 4th day of November 2019. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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