



COUNCIL MINUTES

October 10, 2019

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 October 10, 2019 at 7:31 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Jennifer Duff

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles excused Councilmember Duff from the entire meeting.

1-a. Hear a presentation and discuss an update on Mesa's 2020 Census Taskforce and the United States 2020 Census; take action on reducing the number of members appointed to the Taskforce by 5, from 24 to 19, and; appointing one new member to the Taskforce.

Economic Development Project Manager and 2020 Census Administrator Jeffrey Robbins introduced Management Analyst I Haylie Smith and Abby Atonal-Rodriguez, Mesa Community College Student and Phi Theta Kappa Chapter President and displayed a PowerPoint presentation. **(See Attachment 1)** He commented the presentation is to inform Council about the efforts taking place with the Census on a national, regional and local level.

Mr. Robbins stated on a national level the Census Bureau adopted the tagline "Shape your future," which has also been translated into Spanish. He noted the tagline will be on most of the marketing material at the regional and local levels in both English and Spanish. (See Page 3 of Attachment 1)

Mr. Robbins explained there were two main issues that have been followed closely, which were the citizenship question on the Census and funding for the Census effort on a national level. He noted there will not be a citizenship question on the 2020 Census and in August congress allocated \$600 billion in a two-year funding deal with \$2.5 billion being allocated for the Census. (See Page 4 of Attachment 1)

Mr. Robbins pointed out the Census released a draft form that residents will receive by mail. He mentioned for the first time ever the Census form will be translated into a digital form for online responses and by phone. He added the form only has ten questions and should take ten minutes to complete, depending on the number of dependents living in the home. (See Page 6 of Attachment 1)

Mr. Robbins reviewed a draft schedule showing that Mesa residents can start responding to the Census on March 12, 2020. He mentioned attempts will be made to contact residents at a given address up to five times through postcards and letters before an enumerator comes to the door to collect information. He commented the letters will come with a unique identification number linked to the location that is provided when the Census form is completed online or by phone. He pointed out if the code is lost, the resident can go online and enter their address when filling out the form digitally and that will be accepted. (See Pages 7 and 8 of Attachment 1)

Mr. Robbins explained another operation related to the Census called Group Quarters will be taking place but with a different timeline. He identified if you live in a dorm, assisted living facility, recreational vehicle (RV) park or prison managed by an organization, enumerators will ask the facility or institution for the number of residents living within that area instead of asking those residents to respond individually. (See Pages 9 and 10 of Attachment 1)

Mr. Robbins announced only English and Spanish mailers have been printed. He highlighted the mailers will have a paragraph written in 13 different languages stating the web address and a phone number to call to speak with a representative who speaks a specific language. (See Page 11 of Attachment 1)

Mr. Robbins mentioned the City is part of a regional campaign through Maricopa Association of Governments (MAG) which is a \$2 million campaign. He stated the City hired Riester, a nationally known firm, to run the media campaign by distributing information in various ways. (See Pages 12 and 13 of Attachment 1)

Mr. Robbins advised City staff has been directing Mesa residents to the 2020 Census regional campaign website for information. He added iCount 2020 is the regional campaign tagline for the Census. (See Pages 14 and 15 of Attachment 1)

Mr. Robbins explained the Mesa 2020 Census Taskforce has been meticulous and methodical on how they approach the Census and that members have been discussing ideas to ensure the City receives the biggest Return on Investment (ROI) as possible. (See Pages 16 through 19 of Attachment 1)

Mr. Robbins described data that was pulled from the 2010 Census to analyze where the lower response rate areas are located to spend extra time in those areas, as well as continuing to market throughout Mesa. He pointed out the strategies being used for better response rates are the ambassador program, local champions, leverage events, digital engagement, relevancy to locals, and the Census pledge. (See Pages 20 through 23 of Attachment 1)

Mr. Robbins explained for every Mesa resident that is counted in the Census, the estimated state and federal benefit is \$3,195.00 per person, per year.

Abby Atonal-Rodriguez, Mesa Community College Student and Phi Theta Kappa Chapter President is a member of the Census Ambassador Program. She mentioned the Honors in Action team has dedicated their work to the Census to help educate and impact the local community. She stated there is a social media ambassador team in the works at Mesa Community College (MCC) to also help spread the word.

Mr. Robbins reported there has been outreach to local communities such as business groups, schools, non-profits, and homeowner associations to gather more local champions to help spread the word and engage the community in the Census.

Mr. Robbins remarked there is a paper and digital copy of the Census pledge both in English and Spanish. He explained the pledge document is asking residents to give their name, e-mail address or phone number in order for the City to send Census promotional information. (See Pages 24 and 25 of Attachment 1)

Ms. Smith presented the second component to the pledge as Text-to-Pledge. She explained by texting "MesaPledge" in English or "ProMesa" in Spanish to 22828 residents will be sent an official link to access Census information that can be shared on social media. She mentioned the City will also be partnering with businesses to distribute marketing materials. She suggested using any City resources such as advertising on the utility mailer, City vehicles, and stand-up signs at registers. (See Page 26 of Attachment 1)

Mr. Robbins mentioned there is a tent set up at all events to provide information about the pledge. He pointed out there is also a Mesa Pledge wall that was created asking residents "What would you do with \$3,195?" to engage them in learning about the Census. (See Page 28 of Attachment 1)

Ms. Smith presented reasons why a partnership with the Mesa Public Library is a key component to a successful 2020 Census as the libraries are in close proximity to Mesa's target population, interact with a lot of Mesa residents, have computers and internet access, and the library staff are seen as trusted messengers to the public who come to them for information and trust what they have to say. She added this is the first year the Census can be completed online.

Ms. Smith stated the plan is to have Mesa Public Library distribute iCount 2020 marketing materials and to find the best way for residents to complete the Census at the library. She added that since library staff are trusted messengers, the City wants to make sure they are prepared to share the importance of the 2020 Census and to answer any questions. (See Pages 29 and 30 of Attachment 1)

Mr. Robbins listed three ways the Mesa City Council can help with the 2020 Census: (See Pages 31 through 33 of Attachment 1)

1. Talk about the Census at community meetings and events.
2. Emphasize to Mesa residents that \$3,195 is annually per person.
3. Encourage residents to take the Mesa Census Pledge.

Mr. Robbins stated that cards will be available to hand out with information about the Census and will have the Text-to-Pledge information on how to become a local champion.

Councilmember Luna mentioned there are four upcoming events and he would like to invite ambassadors out to provide information about the Census.

Councilmember Thompson commented he is unsure if Mesa residents understand the importance of the Census. He stated considering Mesa has grown by roughly 80,000 people since 2010 it is important for residents to take part in the upcoming Census.

In response to a question from Councilmember Luna, Mr. Robbins indicated there is a Mesa Public Schools (MPS) leadership member on the Taskforce and they are a very important piece in the process of working with the schools to get the word out about the Census. He stated MPS is coordinating different ways to spread the word and engage students.

In response to a question from Councilmember Thompson, Mr. Robbins explained the reason for reducing the number of Taskforce members is that members are busy and have not been able to attend, making it difficult to meet a quorum.

Councilmember Heredia commented although the number of members was reduced it was great to work with those individuals who suggested great resources and ideas on how and where to network for the Census.

Mr. Robbins advised the regional Census office in Phoenix is in need of thousands of individuals to fill full-time job openings through the end of 2020.

In response to a question from Vice Mayor Freeman, Mr. Robbins reiterated the colored tract maps are areas that need additional help in reaching residents. He stated those areas were broken down by low response rates and then by demographic information.

In response to a question from Mayor Giles regarding the Text-to-Pledge campaign, Mr. Robbins explained it was a tactical decision to only request brief information, so residents were discouraged. He stated the City will destroy the mailing list when the 2020 Census is completed, and the information will not be used for any other purpose.

Ms. Smith commented the Text-to-Pledge campaign and pledge card goal is to make it easy for residents to pledge.

In response to multiple questions from Mayor Giles, Mr. Robbins indicated residents do not like giving out personal information which is why limited information is being requested. He added that a last name is not required, and the goal is to make sure residents are addressed properly, stay informed of what is happening and provide accurate information. He stated the general rule when responding to the Census form is, "Where do you spend most of your time?" He advised living in Mesa for more than a short vacation can have an impact on services and resources used and the City asks all visitors to respond on Census day based on where they are located.

Councilmember Whittaker thanked Councilmember Heredia and Mr. Robbins for their leadership and staff for their participation in the 2020 Census.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, to modify the number of Taskforce members from twenty-four to nineteen and reappoint one new Taskforce member. **(Attachment 2)**

Upon tabulation of votes, it showed:

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

Mayor Giles declared the motion carried unanimously by those present.

1-b. Hear a presentation on Citywide housing data, demographic data, and public input collected, relating to a draft Housing Master Plan, and discuss and provide direction on guiding principles to be addressed within the Master Plan.

Community Services Director Ruth Giese introduced Richard Merritt, President and co-founder of Elliott D. Pollack & Company, Planning Director Nana Appiah, Neighborhood Services Coordinator Andrea Alicoate, and displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Giese commented the Housing Master Plan coincides with the General Plan and is a blueprint for addressing housing needs for the City's anticipated growth over the next 20 years by using housing data, demographic data and public input. She stated staff will be seeking direction from Council on the guiding principles used as the basis for constructing goals and strategies addressed in the plan. (See Page 2 of Attachment 3)

Mr. Appiah explained the General Plan is the official policy on the physical development of the City and lays out the vision and strategies of achieving the plan. He detailed a specific element of the General Plan is updating the Housing Master Plan to include a range of housing options that responds to the needs of the community. (See Page 3 of Attachment 3)

Ms. Giese stated the goal during the Housing Master Plan process was to produce a comprehensive plan that was data-driven; integrates with other City plans, including Council priorities, regional and transit plans, and internal land-use and economic development plans; engages the public; and includes expert analysis and input. (See Page 4 of Attachment 3)

Ms. Giese identified the first phase was data collection and analysis to develop the historical context and foundation by looking at Mesa's demographic characteristics, historical housing trends, current housing conditions and how federal funds are being used to address housing needs. She detailed the second phase as community outreach asking for the community's vision. She continued by saying that the third phase will be to construct the goals and strategies of the plan from the data collected in the initial phases and the guiding principles established by Council. (See Page 5 of Attachment 3)

Ms. Giese described during Phase I the demographic analysis of Mesa's 500,000 residents showed the median income was \$49,177, which is 12% below the median income level for Maricopa County. She added homeowner rates have declined from 66% in 2000 to 58% in 2015, and that 33% of Mesa households are spending more than 30% of their income on housing and utilities. She stated 38% of Mesa's population is classified as low or moderate income and 17% are living in the poverty level. (See Page 6 of Attachment 3)

In response to a question from Councilmember Whittaker, Mr. Merritt responded the demographic analysis data comes from the American Community Survey which takes place every year by the U.S. Census Bureau and the latest data is from 2017.

Ms. Giese reported Mesa's housing inventory is 206,000 units, with 175,000 of those units occupied. She stated, based on population forecasts, there will be a demand for 30,000 new housing units by 2030. She explained there is a good balance of housing options, including executive housing, workforce housing, and affordable units. She advised the affordable housing contains the highest population of low to moderate income residents and that is also where most of the need will be in the future. She addressed the City's vacancy rent rate is at an all-time low of 5% and there has been an average increase of 10% in rent prices every year. (See Page 7 of Attachment 3)

Ms. Giese highlighted the current federal funding programs assisting the City with its growing housing needs are Housing Choice vouchers for those who need assistance, HOME Investment Partnership program where funds are used to build additional housing, Community Development Block Grant (CDBG), and the Emergency Solutions Grant (ESG) used for one-time emergencies. (See Page 8 of Attachment 3)

Ms. Giese discussed Phase II as the public engagement campaign which began in the fall of 2018. She listed ways the City engaged public input on the Master Plan included doing web-based surveys and marketing, a think tank, stakeholder meeting with staff working groups, and community conversations. (See Page 9 of Attachment 3)

Ms. Giese pointed out through the public input process the goal was to continue to uplift Mesa's older neighborhoods, offer different types of housing, ensure housing is tied to the community amenities and transit, and make sure housing complements any land use or other zoning efforts tied to the General Plan. (See Page 10 of Attachment 3)

Ms. Giese requested direction from Council on the Guiding Principles which are part of the Housing Plan to develop goals and strategies to ensure success. She reviewed the principles for Council consideration as expanding housing throughout Mesa for persons of all incomes and needs; ensure the current housing inventory is healthy, maintained and safe; prioritize federal funding housing strategies that include reducing homelessness and promoting homeownership; seek partnerships to leverage housing development; and ensure cohesiveness with the Mesa 2040 General Plan through strong internal partnerships. (See Page 11 of Attachment 3)

In response to a question from Councilmember Luna, Ms. Giese explained during Phase I a discussion took place regarding manufactured homes over 30 years old and looking at ways to utilize current federal programs and other home ownership programs to assist residents in updating their homes. She also agreed that working with programs like Chicanos Por La Causa is a helpful strategy to leverage additional programs Mesa has to offer in updating the housing stock.

In response to a question from Mayor Giles, Richard Merritt commented there may be case studies available regarding manufactured home communities in other locations that have reached their lifecycle which could be researched.

In response to a question from Vice Mayor Freeman, Ms. Giese explained a set amount of money is allocated to homeownership programs and additional funds are available in the General Fund which are prioritized every year through the Community Development Block Grant (CDBG) funding process. She stated if Council prioritizes more funding to homeownership and rehab, then dollars allocated to rehab would need to be realigned.

City Manager Christopher Brady explained the difficulty in using federal funds to assist with rehabilitation of manufactured homes is that most homeowners do not own the land where the manufactured home resides. He suggested inquiring into other programs to assist residents moving to another location with better housing to improve living conditions.

In response to a question from Councilmember Thompson regarding whether CDBG dollars could be used for community improvement, Mr. Brady stated there are challenges with the CDBG auditing process when the funds are spread to various areas which leads to higher liability and risk to the City by allocating smaller amounts to different agencies versus having a specific initiative to a larger program.

In response to a question from Councilmember Whittaker, City Attorney Jim Smith stated many years ago the ability to put an age requirement on a zoning district was possibly at the initial stage of development and currently that is done through Covenants, Conditions & Restrictions (CC&Rs). He commented he would need to verify whether aged zoning is still in state statute.

Mr. Smith added, in response to an earlier question from Councilmember Luna, continued partnerships with programs like Chicanos Por La Causa who have converted older units into apartments open the door for using federal money.

Ms. Giese stated one of the Guiding Principles is to continue to seek partnerships to leverage housing developments.

Councilmember Thompson emphasized the City must be strategic when implementing a housing plan to ensure residents living in poverty or low-income housing does not increase. He added gentrification in certain areas creates a mix of housing that is ideal for Mesa. He stated Mesa is on the lower end for housing costs in the East Valley and it is imperative to work with other cities around Mesa in developing their General Plan and Housing Plan to contain a variety of housing types.

In response to a question from Mayor Giles, Ms. Giese explained the General Plan sets the mix of housing and staff is working with Planning to promote housing that includes market rate apartments, executive housing, and affordable housing.

Mr. Merritt stated he doesn't know if there is a right mix and every city is different, but Mesa needs to look at what Mesa has and whether residents are provided with appropriate housing for all residents.

Ms. Alicoate informed Council that during the next phase staff will be creating maps to provide visual data on the current housing stock in order to initiate a strategy moving forward.

In response to a question from Mayor Giles, Mr. Brady clarified the intention is to create a balance of different types of housing throughout the City.

Mayor Giles explained there needs to be a balance between having diversity in additional housing and understanding the capacity and still maintaining a quality community.

Councilmember Thompson discussed the importance of focusing on diversity across the City to assist businesses in being sustainable in certain areas.

Mayor Giles offered support for reducing the amount of manufactured housing and researching ways to transition to more sustainable housing but remains openminded until more information is obtained.

In response to a question posed by Mayor Giles regarding whether Mesa is maximizing federal dollars, Ms. Giese responded the next step will be meeting with Council one-on-one in November to discuss the goals and strategies of the Housing Master Plan and at that time will outline ways to maximize the allocation of federal dollars to specific priorities. She stated staff will consolidate the information received into a draft Master Plan with the final Master Plan being presented to Council in January.

In response to a question posed by Councilmember Whittaker, Ms. Alicoate responded that Mr. Merritt's analysis included existing housing stock data and the information will be updated and presented to Council.

In response to a question from Councilmember Whittaker, Mr. Appiah stated when talking about housing affordability, a multifaceted approach must be taken when comparing projected income and job growth to housing needs. He explained upcoming discussions pertaining to the General Plan will focus on addressing issues of balancing housing needs in the City.

Mr. Brady added Mesa is one of the most affordable communities in the Valley and when looking at issues of housing affordability in Mesa, Council must also consider whether it fulfills a need and the long-term sustainability.

Councilmember Thompson concurred with Mr. Brady that lower-income housing stock invites lower median income residents to the City. He stated if Mesa wants to raise the median income, Mesa's housing costs need to be increased.

Councilmember Heredia pointed out these housing discussions are important when looking at future commercial and housing development requests coming to Council for approval and strategically planning housing, transit and employment opportunities to yield greater economic benefit.

Mayor Giles expressed the opinion that Council is in agreement with the proposed Guiding Principles set forth and directed staff to move forward.

1-c. Hear a presentation, discuss, and provide direction on proposed adjustments to non-residential utility water rates, and a new proposed utility assistance program.

Water Resources Director Jake West introduced Deputy Director of Enterprise Services Seth Weld and Management Assistant Erik Hansen who displayed a PowerPoint presentation. **(See Attachment 4)**

Mr. Hansen presented the proposed rate changes for non-residential customers, which makes up 10% of the customer base but consumes the majority of water usage. He explained this would include creating a landscape water rate/service class with an increased general usage charge, increasing the rate usage charges for large commercial customers and creating a senior, low-income discounted service charge. (See Page 2 of Attachment 4)

Mr. Hansen identified the creation of the landscape service class which will allow the City to explore moving the non-residential landscape rate closer to the residential landscape Tier 2 rate. He explained Tier 2 differentiates between necessary and discretionary use and will also allow effective implementation of strategies in the Drought Management Plan. (See Page 3 of Attachment 4)

Mr. Hansen explained the impact to the typical non-residential landscape customer which would be a monthly increase of less than 4.5%, which equates to a 6% increase in the usage charge and excess surcharge. He highlighted the impact to a typical general commercial customer which would be a 1.9% increase and the impact to a typical large commercial customer would be 6%. (See Pages 4 through 7 of Attachment 4)

In response to a question from Councilmember Thompson, Mr. Weld stated the impact to a larger company could be an additional \$1,000 a month.

Mr. Brady added adjustments have not been made on the non-residential side since these rates were created and that large users create a lot of demand. He stated notice will be given to inform customers of the rate increase.

Mr. West remarked there will not be a change in the service charge and the rates are based solely on usage. He explained in the last couple of years commercial customers have started using more water than residential customers and the goal is to balance out the rates.

In response to a question from Vice Mayor Freeman regarding how many customers are in each tier group, Mr. West stated he would provide the data.

Mayor Giles stated his support for the proposal to increase non-residential customers to help alleviate stress on the residential customers due to the fact that Mesa is dependent on utility revenue.

In response to a question from Councilmember Whittaker, Mr. Weld responded data is available comparing neighboring cities commercial customer usage with Mesa and he will provide that data to Council.

In response to a series of questions from Councilmember Whittaker, Mr. Brady stated in the future staff will be reviewing rates annually on all classes of users and bringing the data to Council. He added there is no agreement with the larger water users that rates cannot be increased. He explained the only change to residential rates is the senior, low-income discount. He advised action must be taken by Council at the November 4 meeting to give proper notice for the effective rate changes to begin in March. He remarked since Mesa has no property tax or food tax, other cities have significantly higher resources to fund local government.

Further discussion ensued regarding a comparison of commercial utilities across the Valley and in Arizona.

Mr. Brady added Mesa residents may be paying more in utility costs but are paying less in total local government than any other city.

Mayor Giles agreed with the direction staff proposed and thanked them for the presentation.

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

2-a. Human Relations Advisory Board meeting held on August 24, 2019.

2-b. Historic Preservation Board meeting held on September 3, 2019.

It was moved by Vice Mayor Freeman, seconded by Councilmember Thompson, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

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

Mayor Giles declared the motion carried unanimously by those present.

3. Current events summary including meetings and conferences attended.

Mayor Giles –	Domestic Violence Month Proclamation
Vice Mayor Freeman –	Fire Station 201 Pancake Breakfast Fire Prevention Week

4. Scheduling of meetings and general information.

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

Monday, October 21, 2019, 4:45 p.m. – Study Session

Monday, October 21, 2019, 5:45 p.m. – Regular

Saturday, October 12, 2019, 8:00 a.m. – Pioneer Park Celebration

5. Convene an Executive Session.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that the Council adjourn the Study Session at 9:30 a.m. and enter into an Executive Session.

Upon tabulation of votes, it showed:

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

Mayor Giles declared the motion carried unanimously by those present.

5-a. Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03A (3)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A(4))

1. Johnson v. City of Mesa, et al., Case No. CV-19-02827-JAT-JZB

6. Adjournment.

Without objection, the Study Session adjourned at 10:04 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 10th day of October 2019. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

jg/la
(Attachments – 4)