



COUNCIL MINUTES

May 21, 2018

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on May 21, 2018 at 6:00 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Agnes Goodwine
Jim Smith

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

Mayor's Welcome.

Invocation by Lead Pastor David Caudle with First Church of the Nazarene.

Pledge of Allegiance was led by Mayor Giles.

Awards, Recognitions and Announcements.

Vice Mayor Luna recognized the Falcon Squadron of the Civil Air Patrol at Falcon Field for being pronounced the Arizona Wing's – Squadron of the Year for 2017.

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.

Mayor Giles stated items 6-b and 8-a will be removed from the consent agenda.

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

Carried unanimously.

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

Minutes from the April 5, 16, 19, 26 and May 7, 2018 Council meetings.

3. Take action on the following liquor license applications:

*3-a. Sertoma Club of Mesa

This is a one-day event to be held on Wednesday, July 4, 2018 from 4:00 P.M. to 12:00 A.M at the Mesa Convention Center located 263 North Center Street. **(District 4)**

*3-b. Safeway #958

A grocery store is requesting a new Series 9 Liquor Store license for Safeway Inc., 325 South Power Road - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State and transferred to the new owner. **(District 5)**

*3-c. Safeway #980

A grocery store is requesting a new Series 9S Liquor Store license with sampling privileges for Safeway Inc., 1951 West Baseline Road - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State and transferred to the new owner. **(District 3)**

*3-d. Safeway #1002

A grocery store is requesting a new Series 9 Liquor Store license for Safeway Inc., 9243 East Baseline Road - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State and transferred to the new owner. **(District 6)**

*3-e. Safeway #1948

A grocery store is requesting a new Series 9 Liquor Store license for Safeway Inc., 441 North Val Vista Drive - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State and transferred to the new owner. **(District 2)**

*3-f. Safeway #1948

A grocery store is requesting a new Series 9 Liquor Store license for Safeway Inc., 441 North Val Vista Drive - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State to inactive status, where it will remain until it is transferred to a different location. **(District 2)**

*3-g. Safeway #3989

A grocery store is requesting a new Series 9S Liquor Store license with sampling privileges for Safeway Inc., 2727 North Power Road - Nicholas Carl Guttilla, agent. This is a person transfer. The existing license held by Albertson's LLC will be modified by the State and transferred to the new owner. **(District 5)**

*3-h. Beast of Bourbon

A restaurant that serves lunch and dinner is requesting a new Series 12 Restaurant license for The Diamondback Group LLC, 2235 South Power Road, Suite 127 - Amy S. Nations, agent. The existing license held by Macfrank Foods LLC will revert to the State. **(District 6)**

*3-i. Chipotle Mexican Grill #3287

A restaurant that serves lunch and dinner is requesting a new Series 12 Restaurant license for Chipotle Mexican Grill Inc., 1229 East McKellips Road Suite 102 - H.J. Lewkowitz, agent. There is no existing license at this location. **(District 1)**

*3-j. Raging Bull

A restaurant that serves lunch and dinner is requesting a new Series 12 Restaurant license for Raging Bull-Power Road LLC, 155 South Power Road - Amy S. Nations, agent. The existing license held by AZ Power LLC will revert to the State. **(District 5)**

4. Take action on the following contracts:

*4-a. Purchase to Reconfigure Planning and Permit Services Workspaces for the Development Services Department **(Citywide)**

This purchase is for the complete reconfiguration of the Planning and Permit Services workspaces in the Municipal Building, first floor. It will include 40 new cubicles/workstations, 4 customer kiosks, and 4 collaborative workspaces. Additionally, the reconfiguration will enhance customer experiences by providing kiosks and collaboration bars to meet at with staff. The reconfiguration also upgrades to ergonomically correct workstations, better suited for technology and will be adding 7 workstations for future use.

The Development Services Department and Purchasing recommend authorizing the purchase using the City of Mesa cooperative contract with WIST Office Products at \$176,687.12, plus contingency, at \$39,312.88, for the total project amount of \$216,000.

*4-b. Three-Year Term Contract for Painting Services for the Parks, Recreation and Community Facilities Department **(Citywide)**

This contract will establish a non-exclusive, pre-qualified painting contractors list to perform painting services for various City facilities/projects on an as-needed basis. It will provide qualified painting vendors with journeyman painters and painter's helpers, the tools, and transportation to perform painting and necessary surface preparation for various City projects as directed by the City. When the need for painting services arises, the qualified vendors competitively quote the work.

An evaluation committee recommends awarding the contract to the five highest-scored proposals from Ghaster Painting & Coatings, Inc.; Skyline Builders & Restoration, Inc.; East Valley Disaster Services, Inc.; A & H Painting Inc.; and First Choice Restoration Inc.; at \$360,000 annually, based on estimated usage.

- *4-c. One-Year Renewal to the Term Contract for Motorola Radio Parts Accessories and Services as requested by the Information Technology Department **(Citywide)**

Motorola two-way portable and mobile radios are a standard at the City of Mesa. Motorola has provided all existing cooperative contracts available for parts and service. Depending on parts and services needed, Motorola will provide the best pricing/discount based on available cooperative contracts.

The Information Technology Department and Purchasing recommend authorizing the renewal using two cooperative contracts: State of Arizona; and Maricopa County; with Motorola Solutions, Inc., at \$200,000, based on estimated requirements.

- *4-d. Purchase of Two Replacement Applied Biosystem Genetic Analyzers for the Police Department (Sole Source) **(Citywide)**

The Forensic Services Division processes over 1,200 DNA items per year and has requested the purchase of two Genetic Analyzers to replace two older units. The new instruments will allow analysts to process samples faster than the existing 4-capillary systems. Purchasing this same model of instrument will not involve additional training and it will interface with the Laboratory Information Management System currently used.

The Police Department and Purchasing recommend awarding the contract to the sole source vendor, Life Technologies Corporation, at \$229,367.46. This purchase is funded, \$214,997.38 by the National Institute of Justice, 2016 and 2017, DNA Capacity Enhancement and Backlog Reduction Grant; and \$14,370.08 by Forensic Services Crime Lab Assessment Funds.

- *4-e. Purchase of One Replacement Heavy-Duty Rear-Loading Refuse Truck for the Environmental Management and Sustainability Department **(Citywide)**

This refuse truck will be used for Solid Waste's refuse collection application. The refuse truck that is being replaced has met established replacement criteria and will be either traded, auctioned, sold, or deployed for special uses as part of the ongoing vehicle replacement program.

The Fleet Services, and Environmental Management and Sustainability Departments, and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, Freightliner of Arizona, LLC, at \$355,732.92. This purchase is funded by the Capital Enterprise Fund.

- *4-f. Purchase of Two Replacement CNG Powered Heavy-Duty Front-Loading Refuse Trucks for the Environmental Management and Sustainability Department **(Citywide)**

This purchase will provide two CNG powered front-end loader refuse trucks for trash collection of the City of Mesa's commercial accounts. The two refuse trucks that are being replaced have met established replacement criteria and will be either traded, auctioned, sold, or deployed for special uses as part of the ongoing vehicle replacement program.

The Fleet Services, and Environmental Management and Sustainability Departments, and Purchasing recommend awarding the contract to the lowest, responsive and

responsible bidder, Rush Truck Centers of Arizona, dba Rush Truck Center Phoenix at \$737,992.72. This purchase is funded by the Capital Enterprise Fund.

- *4-g. Three-Year Term Contract for Pipe Parts for the Materials and Supply Warehouse (for Citywide Use) **(Citywide)**

This contract will provide various pipe parts including ells, elbows, nipples, caps, couplings, tees and bushings.

The Business Services Department and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidders: Dana Kepner Company; Winsupply Inc., dba Thomas Pipe & Supply; and Four Peaks Fasteners Inc., dba FPF Industries; at \$61,500 annually, based estimated usage.

- *4-h. Three-Year Term Contract for Metal Products for the Water and Wastewater Treatment Plants as requested by the Water Resources Department (Single Response) **(Citywide)**

This contract will provide various metal products (angle iron, flat bar, sheets, tube, pipe, rebar, and expanded metal) for the maintenance shops at the Water and Wastewater plants. This contract is awarding to the single and qualified bidder and is also awarding to include the use of cooperative contract vendors. Quotes from these vendors will be compared at the time of purchase.

The Water Resources Department and Purchasing recommend awarding the contract to the single qualified, responsive and responsible bidder, Southwest Steel Sales, LLC; and authorizing the purchase using the City of Tempe and State of Arizona cooperative contracts with multiple vendors: American Metals; Southwest Steel Sales, LLC; and Border Construction Specialties; at \$80,000 annually, based on estimated usage.

- *4-i. One-Year Renewal to the Term Contract for Deep Well and Well Pump Maintenance and Repair Services for the Water Resources Department **(Citywide)**

This contract provides maintenance and repair services to include pulling/repairing deep well pumps, videoing wells, brushing and bailing well casings and other related services for the City's 31 wells. Although the wells are used primarily as a backup to the surface water treatment facilities, it is critical that all wells remain in a state of optimal performance to ensure a safe and adequate water supply for Mesa customers in the event flows are reduced from the surface water plants.

The Water Resources Department and Purchasing recommend authorizing the renewal with Weber Water Resources, LLC (Primary Award); and Southwest Waterworks Contractors Inc. (Secondary Award); at \$480,000, based on estimated usage.

- *4-j. Purchase of One Milling Machine and Engine Lathe for the New Signal Butte Water Treatment Plant as requested by the Water Resources Department **(Citywide)**

This purchase is for one Wells-Index milling machine and Standard Modern engine lathe per specifications. The specified equipment is in use at several other plants and staff has been fully trained on the specific models.

The Water Resources Department and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, McLaren Automation & Machine Tool LLC, dba Wells-Index, at \$32,124.

- *4-k. Re-Award of the Three-Year Term Contract for Liquid Oxygen and Various Gases for the New Signal Butte Water Treatment Plant as requested by the Water Resources Department **(Citywide)**

Staff is requesting that the award for Item 1 be rescinded from the original awardee, Matheson Tri-Gas, Inc., who communicated that an error was made in their bid and they would not be able to honor the price submitted. No changes are requested for Item 2, previously awarded to Reliant Gases, Ltd.

The Water Resources Department and Purchasing recommend re-awarding Item 1 on this contract to the second lowest, responsive and responsible bidder, Air Products and Chemicals, Inc., at \$106,318 annually, based on estimated usage.

5. Take action on the following resolutions:

- *5-a. Authorizing and supporting the submittal of a grant application by Bloom Development to the Tohono O'odham Nation in the amount of \$20,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11137
- *5-b. Authorizing and supporting the submittal of a grant application by Child Crisis Arizona to the Tohono O'odham Nation in the amount of \$15,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11138
- *5-c. Authorizing and supporting the submittal of a grant application by East Valley Adult Resources to the Tohono O'odham Nation in the amount of \$15,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11139
- *5-d. Authorizing and supporting the submittal of a grant application by Furnishing Dignity to the Tohono O'odham Nation in the amount of \$9,961.38 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11140
- *5-e. Authorizing and supporting the submittal of a grant application by Gene Lewis Boxing Club to the Tohono O'odham Nation in the amount of \$8,500 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11141
- *5-f. Authorizing and supporting the submittal of a grant application by NABI Foundation to the Tohono O'odham Nation in the amount of \$10,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11142

- *5-g. Authorizing and supporting the submittal of a grant application by Valley of the Sun YMCA to the Tohono O'odham Nation in the amount of \$20,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11143
- *5-h. Authorizing and supporting the submittal of a grant application by Bloom Development to the Ak-Chin Indian Community in the amount of \$20,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11144
- *5-i. Authorizing and supporting the submittal of a grant application by Furnishing Dignity to the Ak-Chin Indian Community in the amount of \$9,961.38 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11145
- *5-j. Authorizing and supporting the submittal of a grant application by Gene Lewis Boxing Club to the Ak-Chin Indian Community in the amount of \$55,000 and authorizing the City Manager to accept and administer subsequent awarded funds as a pass-through grant. **(Citywide)** - Resolution No. 11146
- *5-k. Approving and authorizing the City Manager to accept, expend and distribute grant funds from the U.S. Department of Housing and Urban Development, Continuum of Care Shelter Plus Care Grant, in the amount of \$88,232, for the purposes of providing rental assistance, supportive services, and related administrative services to disabled families experiencing homelessness. **(Citywide)** - Resolution No. 11147
- *5-l. Approving and authorizing the City Manager to enter into a Memorandum of Understanding with Lincoln Property Company Commercial, Inc. and Harvard Investments, Inc., for a phased office campus development of approximately 22.3 acres of City-owned property located near the northwest corner of West Rio Salado Parkway and North Dobson Road, adjacent to Riverview Park. **(District 1)** - Resolution No. 11148
- *5-m. Modifying fees and charges for the Arts and Culture Department **(Citywide)** - Resolution No. 11149
- *5-n. Modifying fees and charges for the Business Services Department. **(Citywide)** - Resolution No. 11150
- *5-o. Modifying fees and charges for the City Clerk's Office. **(Citywide)** - Resolution No. 11151
- *5-p. Modifying fees and charges for the Development Services Department. **(Citywide)** - Resolution No. 11152
- *5-q. Modifying fees and charges for the Engineering Department. **(Citywide)** - Resolution No. 11153
- *5-r. Modifying fees and charges for the Mesa Fire and Medical Department. **(Citywide)** - Resolution No. 11154
- *5-s. Modifying fees and charges for the Police Department - City Prosecutor. **(Citywide)** - Resolution No. 11155

6. Introduction of the following ordinances and setting June 4, 2018 as the date of the public hearing on these ordinances:

- *6-a. **ZON18-00056 (District 2)** The 4300 through 4400 blocks of East Florian Avenue (north side) (1.2± acres). Located north of Southern Avenue and west of Greenfield Road. Modification of an existing PAD; and Site Plan Review. This request will allow for the development of an office building. Michael A. Hall, Michael A. Hall Architect, LLC, applicant; Steven Frost, Red Mountain Gaming, LLC, owner.

Staff Recommendation: Approval with conditions

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

- *6-b. See: **Items not on the Consent Agenda.**

- *6-c. **ZON18-00169 (District 6)** The 8200 to 8400 blocks of East Baseline Road (north side). Located west of Hawes Road on the north side of Baseline Road (32.6± acres). Modification of an existing PAD. This request will allow for the reduction of interior garage dimensions. Drew Huseh, Woodside Homes, applicant; Baseline Mesa LLC, owner.

Staff Recommendation: Denial

P&Z Board Recommendation: Approval with conditions (Vote: 3-2)

- *6-d. Amending Title 11, Sections 11-19-1, 11-19-2, 11-19-3 and 11-19-5 of the Mesa Zoning Ordinance, to make minor updates to the Airfield Overlay District, including updating the purpose statement, replacing the airfield map, and revising definitions. **(Districts 5 and 6)**

Staff Recommendation: Approval

P&Z Board Recommendation: Approval (Vote: 5-0)

7. Take action on the following resolution and introduction of the following ordinance relating to land use regulations tables in the Airfield Overflight Area of the Mesa Zoning Ordinance and setting June 4, 2018 as the date of the public hearing on this ordinance:

- *7-a. A resolution declaring certain document filed with the City Clerk and entitled "Land Use Restrictions in the Airfield Overflight Areas: Amendments to the Land Use Regulations Tables at Section 2 in each of Chapters 4,5,6,7, and 10 of Title 11, the Mesa Zoning Ordinance" to be a public record and providing availability of the documents for public use and inspection. **(Citywide)** – Resolution No. 11156.

- *7-b. Ordinance amending the land use regulations tables in the Airfield Overflight Areas in Title 11, Mesa Zoning Ordinance, Section 2 of Chapters 4,5,6,7, and 10. **(Citywide)**

8. Take action on the following subdivision plats:

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

- *8-b. "Map of Dedication for South Channing" (**District 6**) The 1700-1900 blocks of South Channing. Located on the north side of Baseline Road west of the 202 Santan Freeway (2.70 ± acres). Baseline Mesa, LLC, developer; Jesse Boyd, EPS Group Inc., surveyor.

10. Conduct a public hearing and take action on the following resolution relating to a Minor General Plan amendment, and discuss, receive public comment, and take action on the following annexation and zoning ordinances relating to the property located at the 10600 through 11600 blocks of East Williams Field Road and the 6000 through 6400 blocks of South Signal Butte Road:

- 10-a. **ANX17-00253 (District 6)** Ordinance for the annexation of property located in the 10600 through 10800 blocks of East Williams Field Road (south side) and the 6000 through 6200 blocks of South Signal Butte Road (west side). Located south of Williams Field Road and west of Signal Butte Road (27.12± acres). Initiated by the applicant, Valerie Claussen, Pew and Lake, PLC, for the owner, Groh Revocable Trust. - **Continued to the June 18, 2018 Council meeting.**
- 10-b. **ZON18-00143 (District 6)** Ordinance for the 10600 through 10800 blocks of East Williams Field Road (south side) and the 6000 through 6200 blocks of South Signal Butte Road (west side). Located south of Williams Field Road and west of Signal Butte Road (27.12± acres). Rezone from Maricopa County RU-43 to City of Mesa AG. This request will establish City zoning on recently annexed property. Initiated by the applicant, Valerie Claussen, Pew and Lake, PLC, for the owner; Groh Revocable Trust, owner. - **Continued to the June 18, 2018 Council meeting.**

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 5-0)

- 10-c. Conduct a public hearing on the Minor General Plan Amendment ZON18-00142. (**District 6**). - **Continued to the June 18, 2018 Council meeting.**
- 10-d. **ZON18-00142 (District 6)** Resolution for the 10600 through 11600 blocks of East Williams Field Road (south side), and the 6000 through 6400 blocks of South Signal Butte Road (both sides). Located on the south side of Williams Field Road from approximately one-quarter mile west of Signal Butte Road to Meridian Road; and located on the east and west sides of Signal Butte Road, to approximately one-half mile south of Williams Field Road (251± acres). Minor General Plan amendment to change the Character Type from Employment to Neighborhood. This request will allow for the development of a master planned community. Valerie Claussen, Pew & Lake, PLC, applicant; Demuro Properties, Groh Revocable Trust, and Aspire Properties LLC, owners. - **Continued to the June 18, 2018 Council meeting.**

Staff Recommendation: Adopt

P&Z Board Recommendation: Adopt (Vote: 5-0)

- 10-e. **ZON17-00247 (District 6)** Ordinance for the 10600 through 11600 blocks of East Williams Field Road (south side) and the 6000 through 6400 blocks of South Signal Butte Road (both sides). Located on the south side of Williams Field Road from a quarter mile west of Signal Butte Road to Meridian Road; and located on the east and west sides of Signal Butte Road, to approximately one-half mile south of Williams Field

Road (251± acres). Rezone from AG and GI-CUP to a Planned Area Development (PAD) Overlay with underlying RM-2, RSL-2.5, RSL-4.5, RS-6, RS-7 and RS-9 for 236± acres and LC for 15± acres. This request will allow for the development of a master planned community. Valerie Claussen, Pew & Lake, PLC, applicant; Demuro Properties, Groh Revocable Trust, and Aspire Properties LLC, owners. - **Continued to the June 18, 2018 Council meeting.**

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 5-0)

Items not on the Consent Agenda

6. Introduction of the following ordinance and setting June 4, 2018 as the date of the public hearing on this ordinance:

- *6-b. **ZON18-00061 (District 6)** The 7600 block of East Baseline Road (south side) and the 2000 block of South Sossaman Road (east side). Located at the southeast corner of Sossaman Road and Baseline Road (1.1± acres). Rezoning from LC to LC-BIZ; and Site Plan Review. This request will allow for the development of a medical clinic. Alex Buettner, Orcutt Winslow, applicant; Goldfield Medical Clinics, LLC, Trust, owner.

Staff Recommendation: Approval with conditions

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

Beverly Selvage, a Mesa resident, expressed concern with the size of the lot and the number of accidents at the corner of East Baseline Road and South Sossaman Road. She hoped to view the plans to better understand the layout of the development.

Planning Director John Wesley advised the plans include driveway access from Baseline Road and Sossaman Road. He added the development has been through the review process, which included input from the Transportation and Engineering Departments. He advised neither departments have concerns regarding the proposed plan.

City Manager Christopher Brady advised staff will meet with Ms. Selvage to review the site plans and answer her questions.

Councilmember Thompson requested that Ms. Selvage meet with him so he can address her concerns.

It was moved by Councilmember Thompson, seconded by Vice Mayor Luna, that introducing the ordinance and setting June 4, 2018 as the date of the public hearing on the ordinance be approved.

Carried unanimously.

8. Take action on the following subdivision plats:

- *8-a. "Heritage Crossing" (**District 6**) The 8200 to 8400 blocks of East Baseline (north side) Located west of Hawes Road on the north side of Baseline Road. 197 RSL-2.5-PAD single residence lots (32.6 ± acres). Baseline Mesa, LLC, developer; A.L. Slater, EPS Group Inc., surveyor.

Beverly Selvage, a Mesa resident, stated she is concerned with the increased development in the neighborhood and is worried for the safety of children and senior citizens crossing the street in the area. She questioned where children would play and suggested building a park in the vacant lot at the corner of U.S. 60 and Loop 202.

Planning Director John Wesley advised that similar concerns were addressed during the review process and noted that the development does include an open space that will provide an internal area for park space.

City Manager Christopher Brady reported that there is a new park located at Hawes Road and Medina Avenue.

Councilmember Thompson concurred with Mr. Brady and noted that the park is well equipped and useful for all ages. He stated that a traffic signal at Farnsworth Drive and Baseline Road has been budgeted.

It was moved by Councilmember Thompson, seconded by Vice Mayor Luna, that the "Heritage Crossing" subdivision plat be approved.

Carried unanimously.

9. Conduct a public hearing and take action on the following resolution relating to the annual assessments for the Mesa Town Center Improvement District No. 228:

9-a. Conduct a public hearing.

Mayor Giles announced that this is the time and place for a public hearing regarding the annual assessments for the Mesa Town Center Improvement District No. 228

There being no citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

9-b. A resolution approving the 2018 District Assessments for Mesa Town Center Improvement District No. 228. The proposed final assessments do not include any rate increases. **(District 4)** – Resolution No. 11157

It was moved by Councilmember Thompson, seconded by Vice Mayor Luna, that Resolution No. 11157 be adopted.

Carried unanimously.

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

11-a. Conduct a public hearing on modifications to terms/rates/fees/charges of City-owned utilities: items 11-b through 11-f.

11-b. An ordinance modifying terms/rates/fees/charges for electric utility services. **(Districts 1 and 4)** – Ordinance No. 5438.

11-c. An ordinance modifying terms/rates/fees/charges for natural gas utility services. **(Citywide)** – Ordinance No. 5439.

11-d. An ordinance modifying terms/rates/fees/charges for water utility services. **(Citywide)** – Ordinance No. 5440.

11-e. An ordinance modifying terms/rates/fees/charges for wastewater utility services. **(Citywide)** – Ordinance No. 5441.

11-f. An ordinance modifying terms/rates/fees/charges for solid waste utility services. **(Citywide)** – Ordinance No. 5442.

Mayor Giles announced that this is the time and place for a public hearing regarding modifications to terms/rates/fees/charges of City-owned utilities: items 11-b through 11-f.

David Douthit, a Mesa resident, expressed concerns related to the utility rate increases. He stated the opinion that this is a backdoor funding mechanism to bring Arizona State University (ASU) into the community.

Jen Duff, a Mesa resident, believes that utility rate increases and an ASU campus should be discussed separately. She stated the utility rate increases were projected before an ASU discussion. She commented that the utility rate increase is to pay for the debt service on the 2014 bonds and ASU should not be associated with the utility rate increase.

Councilmember Thompson stated he has received several messages from residents concerned with the utility rates and the potential increases. He stated the opinion that Council is not in an agreement with the proposed utility rate increases and suggested that Council reevaluate the utility rates. He hoped all Councilmembers could come to an agreement and decide on a utility rate that is affordable for residents.

Councilmember Whittaker stated the ASU building would cost taxpayers 120 million dollars and reported that the cost per customer this year is as follows:

- Electric customer: \$466,860
- Gas customer: \$557,961
- Wastewater customer: \$1.1 million
- Water customer: \$3.8 million

Councilmember Whittaker added the debt obligation is approximately 25% of the City's general fund debt. He advised additional sales tax or utility rate increases could occur in the future in order to pay off the debt for the next 20 years. He commented that water is a basic right and should be affordable to residents. He added over the last 10 years the water rates have been compounded at 4.22% and will eventually become too expensive.

In response to a question posed by Councilmember Freeman, City Manager Christopher Brady pointed out that if there is no utility rate increase this year, the rate would need to be increased next year. He added the utility rate increase is to accommodate the anticipated increase in debt and staff tries to gradually increase the rate to meet the debt service obligations. He stated the anticipated utility rate increase for this year was 3.5%, however higher than expected revenue has allowed the rate to be reduced to 2%. He noted Council is only approving the rate for this year and every year the utility rate will be evaluated.

Councilmember Freeman remarked the building cost has not been identified and future discussions will be held to determine the cost. He added developments are important for the community in order to grow the utility base.

Gene Dufoe, a Mesa resident, commented that the utility rate increase is unfair, and he encourages Council to reconsider the proposed rate increase.

In response to a question posed by Councilmember Heredia, Mr. Brady reported five years ago the projected rate increase for this year was 5-6% to pay off the anticipated debt from building the water and wastewater treatment plants and replacing pipes throughout the City. He stated that last year when the rates were being evaluated it was determined the proposed rate would be 3.5%.

Vice Mayor Luna acknowledged the growth occurring in East Mesa and advised he supports the rate increases.

In response to a question posed by Councilmember Thompson, Mr. Brady explained the enterprise fund generates \$400 million in revenue, and because Mesa does not have a primary property tax, \$100 million is transferred from the enterprise fund to pay for public safety, as well as other enterprise related activities. He stated Council could decide to not increase the rate this year, however, the debt will still need to be paid off and as a result a higher increase could occur in the future. He added staff's goal is to keep the rate increases low to lessen impact on residents in any given year.

In response to a question posed by Councilmember Freeman, Budget Director Candace Cannistraro outlined the rate increase scenarios previously presented to Council and advised Council agreed upon scenario C, which is a 2% increase to water and a 2.5% increase to wastewater. She explained the forecasted rate for the remaining years is a 3.85% increase in water and 4.35% increase in wastewater. She added the forecasted rates are very conservative and does not include the additional growth and infrastructure projected.

Councilmember Whittaker commented that a way to reduce rates is to reduce expenditures and agreed that lowering the rates this year will only increase the rates even more the following years. He questioned the projected cost of the ASU building and advised the total cost to the taxpayer should be discussed and considered.

Councilmember Heredia emphasized the importance of considering the revenue that the City will receive as a result of ASU in the community.

Mayor Giles recapped the comments made by staff and acknowledged the proposed rate increase is reduced compared to what was forecasted five years ago. He commented that freezing rates this year would be detrimental for the coming years and would cause a higher increase in the future. He stated the economy is doing well and hopefully next year a minimal increase will be proposed.

It was moved by Vice Mayor Luna, seconded by Councilmember Freeman, that Ordinance Nos. 5438, 5439, 5440, 5441, and 5442 be adopted.

Upon tabulation of votes, it showed:

AYES – Giles-Luna-Freeman-Heredia

NAYS – Glover-Thompson-Whittaker

Mayor Giles declared the motion carried by majority vote and Ordinance Nos. 5438, 5439, 5440, 5441, and 5442 be adopted.

12. Conduct a public hearing and take action on the proposed Five-Year Capital Improvement Program for fiscal years ending 2019-2023:

12-a. Conduct a public hearing.

Mayor Giles announced that this is the time and place for a public hearing regarding the proposed Five-Year Capital Improvement Program for fiscal years ending 2019-2023.

There being no citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

12-b. A resolution approving a Five-Year Capital Improvement Program for fiscal years ending 2019-2023. **(Citywide)** - Resolution No. 11158

It was moved by Vice Mayor Luna, seconded by Councilmember Freeman, that Resolution No. 11158 be adopted.

Carried unanimously.

13. Take action on the tentative adoption of the following proposed FY 2018/19 budget:

13-a. Take action on the tentative adoption of the proposed FY 2018/19 budget.

Verl Farnsworth, a Mesa resident, stated he is not anti-education or anti-ASU, but does not support the ASU project. He stated the residents of Mesa have voted against the ASU building and to now spend funds on the ASU project would be a violation of the public's trust. He questioned the ASU plans and how much the City is paying to bring ASU into the community. He requested the ASU project be placed on the ballot and allow the voters to decide.

Tyler Montague, a Mesa resident, stated it is fair to question whether the voters specifically voted against the ASU project in the last election. He advised the Public Integrity Alliance paid for an extensive study to be completed by a professional survey company regarding the ASU plan. He reported 61% of respondents favored the ASU plan and 23% of the respondents were against the ASU plan. He commented, based on the study, it is not accurate to assume the voters do not want an ASU campus in the community.

Councilmember Whittaker stated he does not support the proposed budget. He stated it is not fair to the middle class to pay for a 4% compounding interest on the water bills. He advised the funds allocated to the ASU building should be instead utilized to pay the City's debt and pointed out the budget is not balanced as the net uses exceeds the net sources.

Mayor Giles emphasized the importance of taking advantage of investments that will bring economic growth to the downtown area in order to take pressure off of the taxpayers.

Councilmember Thompson stated he supports the budget but concurs with some of Councilmember Whittaker's comments. He suggested reevaluating how the budget is composed and the possibility of expanding the number of years forecasted.

It was moved by Councilmember Freeman, seconded by Vice Mayor Luna, that the proposed FY 2018/19 budget be adopted.

Upon tabulation of votes, it showed:

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

Mayor Giles declared the motion carried by majority vote and the proposed FY 2018/19 budget adopted.

14. Items from citizens present.

Steve Hetsler, a Mesa resident, stated that ASU is an expense and questioned why Council would pursue a non-essential project with potential conflicts. He advised Council has misled the public and there is a need for transparency.

Steve Cihomsky, a Mesa resident, thanked Mayor Giles for his attempts in reducing the odor being emitted from the Vulcan Asphalt Plant. He advised there is still a powerful aroma coming from the plant and expressed frustration with the lack of assistance from the County concerning this matter. He hoped the issue could be resolved soon.

Renee Garcia, a Mesa resident, expressed concern regarding the unhealthy fumes released from the Vulcan Asphalt Plant. She believes the resident's concerns are not being heard and Vulcan Asphalt Plant is steamrolling the community. She stated citizens residing near the plant do not have an escape from the noxious fumes and Vulcan Asphalt Plant needs to be a good neighbor and responsible business. She advised errors have been made by the City to allow for residential housing next to the plant and she hopes the City will assist residents in coming to an acceptable agreement with the Vulcan Asphalt Plant.

15. Adjournment.

Without objection, the Regular Council Meeting adjourned at 7:31 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 21st day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK