

Meeting Minutes

City Council Study Session

May 24, 2021 | 6:00 p.m.
Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:00 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
Vice Mayor Mark Stewart
Councilmember OD Harris
Councilmember René Lopez
Councilmember Terry Roe
Councilmember Christine Ellis
Councilmember Matt Orlando

Appointee Attendance

Joshua Wright, Acting City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Scheduled Public Appearances

MAYOR HARTKE invited Councilmember Harris to join him for the recognitions.

1. Service Recognitions

Zelda Hernandez – 25 Years, Neighborhood Resources

2. Recognition – CIVIC Graduation

MAYOR HARTKE introduced the CIVIC program and hoped that the graduates were able to see the Chandler that Council and City staff see and have worked hard to make. Mayor Hartke encouraged them to continue to be engaged in the community. Mayor Hartke said civic engagement is more important than ever and thanked them for participating. Mayor Hartke thanked staff for their work on this program.

The CIVIC program participants accepted their certificate.

Consent Agenda and Discussion

Airport

1. Resolution No. 5482 authorizing a grant agreement with the Arizona Department of Transportation (ADOT) to accept a grant in an amount not to exceed \$996,750 for the installation of a wildlife exclusion fence at the Chandler Municipal Airport
Move City Council pass and adopt Resolution No. 5482 authorizing a grant agreement with the Arizona Department of Transportation (ADOT) to accept a grant in an amount not to exceed \$996,750 for the installation of a wildlife exclusion fence at the Chandler Municipal Airport; and authorizing the City Manager, or designee, to execute the grant agreement.

COUNCILMEMBER ELLIS called for a staff presentation.

STEVEN TURNER, Acting Airport Manager, introduced the item and said this project was identified through the Bond Subcommittee process and was originally planned for 2022 / 2023. Mr. Turner said this would provide better access and increased safety so that animals would not be able to get onto the runway. Mr. Turner said ADOT approached the City with a 77% grant which would leave about \$300,000 left for the City to pay. At the time the City said no, because the project was also a high priority for the FAA because of its importance for the safety of the airport. Mr. Turner said ADOT approached the City again with a 90% grant and due to some savings with other projects, staff was able to move this one up a year and get it completed.

COUNCILMEMBER ELLIS said this was a great project and thanked ADOT and staff to make this project happen in a fiscally responsible way.

COUNCILMEMBER ORLANDO asked if this would be a chain link fence or more decorative.

MR. TURNER said it is typically a chain-link fence with a metal sheet that goes down into the ground.

2. Resolution No. 5485 authorizing a grant agreement with the Federal Aviation Administration (FAA) to accept a grant in an amount not to exceed \$300,000 for reconstruction of drainage headwalls.
Move City Council pass and adopt Resolution No. 5485, authorizing a grant agreement with the Federal Aviation Administration (FAA) to accept a grant in an amount not to exceed \$300,000 for reconstruction of drainage headwalls on Runway 4L-22R at Chandler Municipal Airport; and authorizing the City Manager, or designee, to execute the grant agreement and all other documents necessary to effect the agreement.

COUNCILMEMBER ELLIS called for a staff presentation.

STEVEN TURNER, Acting Airport Manager, introduced the item and said this was identified through the Annual Runway Safety Action Team. Due to the significant increase in construction costs the goods came over what was originally budgeted. Mr. Turner said Chris Andres, Airport Planning Administrator, reached out to the FAA and found they had additional monies that could be awarded for 100% grant match instead of the City having to pay.

COUNCILMEMBER ELLIS thanked staff for their work and to find money elsewhere to get these projects funded.

3. Construction Contract No. AI2003.401 with Combs Construction Company, Inc., for Runway 4L-22R Headwall Reconstruction
Move City Council award Contract No. AI2003.401 to Combs Construction Company, Inc., for Runway 4L-22R Headwall Reconstruction, in an amount not to exceed \$230,541.

City Clerk

4. May 2021 City Council Meeting Minutes
Move City Council approve the Council meeting minutes of the Work Session, Special Meeting, and Study Session of May 10, 2021; the Micro Retreat of May 12, 2021; Work Session, Regular Meeting, Special Meeting - Budget Amendments, and Special Meeting of May 13, 2021; and Special Meeting of May 17, 2021.

City Manager

5. Agreement No. CM9-918-4069, Amendment No. 2, for Transportation Consulting Services
Move City Council approve Agreement No. CM9-918-4069, Amendment No. 2, with Jeff Martin Consulting, LLC, for transportation consulting services, in an amount not to exceed \$45,000, for the period of June 15, 2021, through June 14, 2022.

Cultural Development

6. Final Adoption of No. Ordinance No. 4971 Purchase Agreement for property located at 51 E. Boston Street
Move City Council approve Ordinance No. 4971, adopting the provisions of a Purchase Agreement between Specht Commercial Properties, LLC, and the City of Chandler for the sale of 51 E. Boston Street, and authorizing the City Manager to sign all related documents as approved by the City Attorney.
7. Resolution No. 5487, Authorizing the City Manager or Designee to Approve Applications for Special Events and Temporary or Permanent Extension of Premises for Alcohol Consumption
Move City Council pass and adopt Resolution No. 5487, authorizing the City Manager or designee to approve applications for special events and temporary or permanent extension of premises for alcohol consumption, resuming application fees with a maximum fee of \$100 per application, and resetting time limits for temporary sales and promotional events beginning June 1, 2021.

Development Services

8. Final Adoption of Ordinance 4966, ANX20-0005 Annexation and Initial City Zoning
Move City Council adopt Ordinance No. 4966 approving ANX20-0005 McKinley Glenn, approving the annexation of approximately 10 acres and Initial City Zoning - east of the southeast corner Chandler Heights and Cooper roads as recommended by Planning staff.

9. Final Adoption of Ordinance No. 4968, PLH20-0063 McKinley Glenn
Move City Council adopt Ordinance No. 4968 approving PLH20-0063 McKinley Glenn, Rezoning from Agricultural (AG-1) district to Planned Area Development (PAD) for single-family residential, located east of the southeast corner of Chandler Heights and Cooper roads, subject to the conditions as recommended by Planning and Zoning Commission.
10. Final Adoption of Ordinance No. 4969, PLH20-0065 Dobson/Pecos Development
Move City Council adopt Ordinance No. 4969 approving PLH20-0065, Rezoning from AG-1 to PAD for Mixed-Use, Office, Medical Uses, Commercial, Retail, and Age-Restricted Multi-family, located at the northwest corner of Dobson and Pecos roads, subject to the conditions as recommended by Planning and Zoning Commission.
11. Introduction and Tentative Adoption of Ordinance No. 4973, Adoption of Resolution No. 5480, PLH20-0019/PLH20-0008/PLT20-0009 Commonwealth Lofts
Area Plan
Move City Council approve Resolution No. 5480, PLH20-0019, amending the designated land use in the Downtown South Arizona Avenue Corridor Area Plan on a 3-acre parcel located approximately $\frac{1}{4}$ of a mile south and west of Chandler Boulevard and McQueen Road from Low Density Residential (0-6 dwelling units per acre, du/ac) to Townhome Medium Density Residential (12-14 du/ac), as recommended by Planning and Zoning Commission.
Rezoning
Move City Council introduce and tentatively adopt Ordinance No. 4973 approving PLH20-0008 Rezoning from AG-1 to PAD for townhomes on a 3-acre parcel located approximately $\frac{1}{4}$ of a mile south and west of Chandler Boulevard and McQueen Road subject to the conditions as recommended by Planning and Zoning Commission.
Preliminary Development Plan
Move City Council approve Preliminary Development Plan PLH20-0008 Commonwealth Lofts for townhomes on a 3-acre parcel located approximately $\frac{1}{4}$ of a mile south and west of Chandler Boulevard and McQueen Road subject to the conditions as recommended by Planning and Zoning Commission.
Preliminary Plat
Move City Council approve Preliminary Plat PLT20-0009 on a 3-acre parcel located approximately $\frac{1}{4}$ of a mile south and west of Chandler Boulevard and McQueen Road subject to the condition recommended by Planning and Zoning Commission.

VICE MAYOR STEWART asked why this was moved from low density to mid density.

KRISTINE GAY, Senior Planner, said the Downtown South Arizona Avenue Corridor Area Plan does recommend 0-6 dwelling units per acre. This project proposes an amendment to the Area Plan for 12-14 units per acre specifically for town homes. Ms. Gay said staff looked to the General Plan for further guidance which says to continue to redevelop Downtown with higher densities, mixed-use, and transit-oriented developments and promote the revitalization of vacant parcels. Ms. Gay said this site is located

at the fringe of Growth Area 1 Downtown Chandler. Staff did not want the density to be as high as Downtown but thought that mid density was appropriate. Ms. Gay said surrounding the property is existing multifamily zoned property where 18 units per acre is permitted or PAD for 17 units per acre. The 12-14 units per acre is still coming in under the 18 units per acre.

VICE MAYOR STEWART confirmed that staff worked with the neighborhood and that they were notified of this project.

MS. GAY said the typical neighborhood outreach process was followed and held neighborhood meetings. Ms. Gay said they did not receive many questions about density and no direct opposition statements about density. Ms. Gay said there were some comments about the design and the applicant did respond to those.

VICE MAYOR STEWART confirmed these would be for sale.

MS. GAY said yes.

COUNCILMEMBER ELLIS said her questions were answered prior to the meeting.

COUNCILMEMBER ROE asked to see the layout. Councilmember Roe asked where the parking would be for all of the units.

MS. GAY presented the diagram which showed the additional parking for guests or additional cars. There are 18 on site shared parking spaces and as the developer improves Commonwealth there would be an additional 14 unstriped parking spaces on the street. The site was designed for the front units to be walked up to, so it makes on street parking much more convenient. There are 32 combined additional parking spaces and each unit would have two spaces in the garages.

COUNCILMEMBER ROE asked if all those units face the direction of the street.

MS. GAY said the front row of the units walk up door does face the on street parking.

VICE MAYOR STEWART asked if there could be some electric vehicle charging stations and more information on where the kids would play.

12. Use Permit Extension, PLH21-0011 North Price Stables
Move City Council approve Use Permit Extension PLH21-0011 North Price Stables located on the east side of Price Road south of Elliot Road subject to the conditions recommended by Planning and Zoning Commission.

COUNCILMEMBER ELLIS called for a staff presentation.

HARLEY MEHLHORN, Planning Tech, presented the following presentation.

- PLH21-0011 North Price Stables Use Permit Extension
- Location
 - South of the Southeast corner of Elliot and Price Roads
- Request
 - Use Permit extension to continue to allow boarding of horses in residential zone (AG-1)
 - Code allows 9 by right
 - Requesting up to 22
 - Riding stables on parcel smaller than minimum per code
 - AG-1 Minimum 10 acres
 - Subject site 4 acres
- Background
 - In operation for over a decade
 - Four previous Use Permit Approvals
 - 2009 1 year
 - 2010 and 2013 3 year
 - 2016 5 year
 - Horses currently used for psychotherapy sessions
 - Equine assisted psychotherapy
 - Staff includes licensed health professionals and equine specialists
 - Those treated include but are not limited to:
 - Veterans
 - Those struggling with addiction
 - First responders
 - Those struggling with mental health problems
- Neighborhood Outreach
 - Neighborhood meeting held April 26, 2021
 - 4 residents attended, all expressed support
 - 5 additional residents expressed support to staff, 3 provided letters
 - Staff is unaware of any opposition
- Recommendation
 - In conformance with the General Plan
 - Compatible with surrounding land uses
 - Self-contained operations
 - Planning and Zoning Commission and Staff recommend approval with stipulations
 - No further time condition

COUNCILMEMBER ELLIS said this was a great resource for the community and they would be able to help even more people with the additional horses.

MAYOR HARTKE said when this came forward years ago there was more concern from the neighbors and now seeing there is no concern it seems the business has done well being a good neighbor and has gained the community support.

13. Use Permit, PLH21-0006 Infant Swimming Resource
Move City Council approve Use Permit, PLH21-0006 Infant Swimming Resource, located at 2720 E. Coconino Drive, within the Fonte Al Solé subdivision, west of the southwest corner of Gilbert and Ocotillo roads, subject to the conditions recommended by Planning and Zoning Commission.

Information Technology

14. Purchase of Backup and Recovery for Office 365
Move City Council approve the purchase of backup and recovery for Office 365, from vCore Technology Partners, utilizing Omnia Partners Contract No. R191902 in the amount of \$118,066, and authorize the City Manager or designee to sign a linking agreement with vCore Technology Partners.

Management Services

15. Resolution No. 5488 Ordering and Calling a Special Bond Election to be held in and for the City of Chandler, Arizona, on November 2, 2021, to Submit to the Qualified Electors thereof the Questions of Authorizing the Issuance and Sale of General Obligation Bonds of the City
Move to pass and adopt Resolution No. 5488 ordering and calling a special bond election to be held in and for the City of Chandler, Arizona, on November 2, 2021, and to submit to the qualified electors thereof the questions of authorizing the issuance and sale of general obligation bonds of the City.
16. Resolution No. 5476, Adopting the Fiscal Year (FY) 2021-22 Tentative Budget and 2022-2031 Tentative Capital Improvement Program (CIP) and giving notice of the dates and times for hearing taxpayers, for final adoption of the budget, and for setting the tax levies and tax rates.
Move that City Council pass and adopt Resolution No. 5476, adopting the FY 2021-22 Tentative Budget and 2022-2031 Tentative CIP and giving notice of the dates and times for hearing taxpayers, for final adoption of the budget, and for setting the tax levies and tax rates.

VICE MAYOR STEWART asked for a staff presentation.

MATT DUNBAR, Budget Manager, presented the following presentation.

- Resolution 5476 Tentative Budget Adoption
 - 2021-22 Proposed Budget
 - 2022-2031 Capital Improvement Program (CIP)
- FY 2021-22 Proposed Budget
 - Moving Forward Together
 - Total Budget \$1,058,074,338
 - Chandler maintains
 - Strong financial position
 - Flexibility to address grant funding opportunities
 - Dedication to great infrastructure
 - Strong reserves

- Opportunities for citizen input and Council deliberation:
 - Budget Survey
 - Budget Kickoff
 - Two Budget Workshops
 - Budget Input Time Social Media Event
 - All-day Budget Briefing
 - Tentative and Final Adoption
- \$127M increase or 13.6% from current FY
- Includes \$36M in ARPA Grant Funding which is 28% of the increase (9.7% increase w/o ARPA)
- Operating Budget Highlights
 - Slight reduction of City property tax rate and no change to Transaction Privilege Tax (TPT) rates
 - Anticipate Water, Wastewater, and Solid Waste rate changes pending results of Cost of Service Study
 - Budget maintains existing service levels while addressing policy goals from strategic framework
 - Adds funding for labor association commitments and general employee merit/market
 - Plans towards debt reduction: \$22M in one-time funding for paydown of Public Safety Personnel Retirement System (PSPRS) liability
 - Maintains strong reserves (includes 15% General Fund contingency reserve and \$10M budget stabilization reserve)
- Average Annual Residential Cost Comparison for Direct Services
 - The average annual cost of service across the valley is \$2,137
 - Cost includes Property tax, sales tax, water, wastewater, and solid waste services
 - Estimated Annual Cost
 - Gilbert \$1,741
 - Chandler \$1,798
 - Tempe \$2,181
 - Scottsdale \$2,191
 - Peoria \$2,196
 - Phoenix \$2,354
 - Mesa \$2,498
 - Glendale \$2,797
 - Tempe Cost of Service Study, July 2020
- Average Residential Cost Comparison for Water, Wastewater, and Solid Waste
 - (5/8" meter and 10,000 gallons single family residential rates for FY 2020-21)
 - Chandler \$66
 - Gilbert \$ 69
 - Tempe \$79
 - Peoria \$81
 - Scottsdale \$85
 - Phoenix \$96
 - Glendale \$98

- Mesa \$123
- Capital Improvement Program
 - 2022-2031 Capital Improvement Program (CIP) continues Council priorities
 - Minimizing increases to property taxes
 - Maintaining existing infrastructure
 - Finishing planned construction of parks and streets
 - Addressing public needs
- 2022-2031 CIP Highlights
 - Continued emphasis on maintaining aging streets, parks, airport, utilities, facilities, and technology infrastructure
 - Includes major Water/Wastewater maintenance
 - Adds technology and communications updates and enhancements
 - Adds new requested projects, such as:
 - Forensic Lab facility
 - All phases of Mesquite Groves Park
 - Fiber upgrades
 - Tumbleweed Expansion/Multi-Gen Facility
 - Airport improvements/Cooper Rd. extension
 - \$1.27B Total 10 year CIP
- Proposed FY 2021-22 CIP Appropriation (all funds)
 - Total CIP Appropriation \$369M
 - Contingency and Reserves \$0.25M
 - Capital Carryforward \$225.5M
 - New Funding \$113.3M
- Fiscal Considerations
 - Now and Moving Forward
 - Recovering off a pandemic year
 - Budget adds grant contingency to allow flexibility in spending of Federal or other grants
 - Potential State tax cut could affect operations
 - Intel's expansion impacts long-term (not included in revenue projections)
 - Impacts of Police position adds in upcoming year
 - FY 2021-22 provides time to discover unknowns and review options to fund long-term needs in a sustainable manner
- For your consideration Resolution 5476 Would approve the Tentative Budget including Council budget amendments

VICE MAYOR STEWART asked that with the 13% increase this year, if next year it would be anticipated to be flat or just slightly higher.

MR. DUNBAR said they would see some flattening, but each year comes with new needs and new projects. This year there is such a large increase, and they are coming off the COVID-19 year which had large reductions in the budget.

VICE MAYOR STEWART asked for more information about increases year over year. Vice Mayor Stewart said lumber costs have increased and inflation is here and if that has been factored into the budget.

MR. DUNBAR said a lot of that is not factored into the construction costs for the CIP but there are contingencies built in which may cover those increases depending on the market demands.

VICE MAYOR STEWART asked if Council should be prepared to see some requests for a bump in the project budgets.

MR. DUNBAR said yes, Council would have discretion over the contingency.

COUNCILMEMBER HARRIS asked if the all-day budget briefing was available for the public to watch.

MR. DUNBAR said all of the notes are available to the public through the City Clerk's Office.

COUNCILMEMBER HARRIS asked if the tentative budget is available online.

MR. DUNBAR said yes. The tentative adoption is tonight so they would be able to view that as well as this presentation. Mr. Dunbar said there would be another chance for public input at the final adoption in June.

COUNCILMEMBER HARRIS asked which day in June.

MR. DUNBAR said June 10.

COUNCILMEMBER HARRIS said he wanted to ensure the citizens are aware they can provide input.

COUNCILMEMBER LOPEZ asked for the website information.

MR. DUNBAR said chandleraz.gov/budget.

MAYOR HARTKE said the tentative adoption would be voted on at the Thursday meeting.

17. Agreement No. WH8-890-3914, Amendment No. 3, for Waterworks Supplies
Move City Council approve Agreement No. WH8-890-3914, Amendment No. 3, with Core and Main, LP, for Waterworks Supplies, in an amount not to exceed \$500,000, for the period of June 1, 2021, through May 31, 2022.
18. Purchase of Janitorial and Sanitation Supplies
Move City Council approve the purchase of janitorial and sanitation supplies, from Waxie Sanitary Supply, utilizing the City of Tucson Contract No. 202329-01, in an amount not to exceed \$350,000, for the period of June 1, 2021, through May 31, 2022, and authorize the City Manager or designee to sign a linking agreement with Waxie Sanitary Supply.

19. License Series 12, Restaurant Liquor License application for Mexico Magico Y Cantina, LLC, dba Mexico Magico Y Cantina.
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 148394, a Series 12, Restaurant Liquor License, for Romario A. Ventura, Agent, Mexico Magico Y Cantina, LLC, dba Mexico Magico Y Cantina, located at 474 W. Ray Road, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 203067.
20. Class B Bingo License for Hope for the Homeless, Inc
Move for recommendation to the Arizona Department of Revenue for approval of State's issuance of a Class B Bingo License, Donald A. O'Neill, Secretary/Treasurer, for Hope for the Homeless, Inc., located at Hob Nob Sports Grill, 7200 W. Chandler Boulevard.

Police Department

21. Sole Source Purchase of Taser Conducted Energy Weapons (CEW)
Move City Council approve the sole source purchase of Taser Conducted Energy Weapons (CEW), from Axon Enterprise, Inc., in the amount of \$106,746.70, for year five of the five-year payment plan.
22. Purchase of Dell Laptop Computers and Peripherals
Move City Council approve the purchase of Dell laptop computers and various peripherals, from Dell Marketing, L.P., utilizing State of Arizona Contract No. ADSP016-098163, in the amount of \$800,041, and authorize the City Manager or designee to sign a linking agreement with Dell Marketing, L.P.
23. Purchase of Ammunition from Dooley Enterprise, Inc.
Move City Council approve the purchase of ammunition from Dooley Enterprise, Inc., utilizing State of Arizona Contract No. CTR043672, in the amount of \$123,864.87, and authorize the City Manager or designee to sign a linking agreement with Dooley Enterprise, Inc.

Public Works and Utilities

24. Agreement No. PW1-285-4255, with Consolidated Electrical Distributors dba Arizona Electrical Supply and Border States Electric, for the Purchase of LED Luminaires and Photocontrols
Move City Council approve Agreement No. PW1-285-4255, with Consolidated Electrical Distributors dba Arizona Electrical Supply and Border States Electric, for the purchase of LED luminaires and photocontrols, in a combined amount not to exceed \$380,762, for a one-year period, June 1, 2021, through May 31, 2022, with the option of four additional one-year extensions.
25. Professional Services Agreement No. WW2106.201, with Brown and Caldwell, Inc., for the Sewer Lift Station Rehabilitation Design Services

Move City Council award Professional Services Agreement No. WW2106.201, to Brown and Caldwell, Inc., for the Sewer Lift Station Rehabilitation Design Services, in an amount not to exceed \$483,188.

Informational

26. Study Session & Regular Meeting Minutes of April 21, 2021, Planning and Zoning Commission

Adjourn

The meeting was adjourned at 6:35 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: June 10, 2021

Certification

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 Chandler, Arizona, held on the 24th day of May 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2021.

City Clerk