

Meeting Minutes

City Council Special Meeting

October 11, 2021 | 4:00 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 4:00 p.m.

Roll Call

Council Attendance

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

Appointee Attendance

Josh Wright, City Manager
Dawn Lang, Deputy City Manager/CFO
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Matt Burdick, Communications and Public Affairs Director
Matt Dunbar, Budget Manager
Steven Turner, Assistant to the City Manager
Micah Miranda, Economic Development Director
Ryan Peters, Governmental Relations and Policy Manager
Cori Harris, Mayor and Council Communications Manager

Discussion

1. Fiscal Year 2022-23 Budget Kickoff

MAYOR HARTKE said this is the earliest they have held the budget kickoff to provide better input. Mayor Hartke said there are years of solid fiscal policy and vision to allow us to provide high quality services at a lower cost. Mayor Hartke said this would be a high-level look to tie the budget to the strategic framework. Mayor Hartke called for a staff presentation.

JOSHUA WRIGHT, City Manager, thanked Council for discussing the budget earlier this year. A goal this year is to try to get Council input before decision packages are due so staff can match the requests to Council's priorities.

MAYOR HARTKE said he would pause throughout the presentation to see if Council was on the same page to provide staff direction.

1. Current Year Budget Actions

DAWN LANG, Deputy City Manager/Chief Financial Officer, presented the following presentation.

- FY 2021-22 Budget Actions
 - Reduced property tax rate from \$1.1201 to \$1.1126 per \$100 of assessed value
 - Water/Wastewater/Reclaimed and Solid Waste Rate Changes/ Cost of Service study underway
 - Budget added grant contingency to allow flexibility in spending of Federal or other grants
 - Increased CIP funding to maintain aging infrastructure, as well as finishing planned parks and arterial streets
 - Continued to address pension debt through additional one-time funding towards pay-down of PSPRS liability

VICE MAYOR STEWART asked what the assessed value increase was for the City.

MS. LANG said 6.8%.

VICE MAYOR STEWART asked if the taxpayer had a 0.5% increase.

MS. LANG said the primary tax rate went down as a percentage reduction but with the primary and secondary together that would be correct.

VICE MAYOR STEWART asked if they realized a 6.8% increase just from the valuation from the County Assessor's Office.

MS. LANG said yes, but over half of that was from new property.

2. Process Review and Theme

MS. LANG continued the presentation.

- Where We Are in the Budget Process
 - Kickoff allows for Council direction on Strategic Goals/Focus Areas action items, policies and guidelines before budget process begins
 - Decision Package and CIP recommendations submitted by departments
 - Financial forecast, funding decisions brought to Council during workshops 1 and 2
 - Proposed budget brought to Council for discussion at all-day briefing

- FY 2022-23 Budget Theme
 - Staying Connected
 - Our Brand
 - A safe, diverse, equitable, and inclusive community that connects people chooses innovation and inspires excellence

3. Strategic Framework (Goals/Focus Areas)

MR. WRIGHT continued the presentation.

- Strategic Framework Guides Our Decision Making
 - Strategic Policy Goals
 - Being the Most Connected City
 - Being a Leader in Trust and Transparency
 - Maintaining Fiscal Sustainability
 - Attracting a Range of Private Sector Businesses
 - Fostering a Contemporary Culture that Embraces Unity
 - Being Safe and Beautiful
 - Focus Areas
 - Economic Vitality
 - Innovation and Technology
 - Mobility
 - Neighborhoods
 - Quality of Life

4. Action Items to Achieve Strategic Framework

- Action Items to Achieve the Strategic Framework Goals
 - Economic Vitality, 2021 -2023 Priorities
 - Preserve employment corridors, develop the Airpark, repurpose vacant retail, attract visitors to Chandler, be strategic about infill and redevelopment, and partner with higher education
 - Complete employment corridor area plan updates currently in progress
 - Issue requests for proposals (RFP s) for Airport development per Master Plan
 - Update infill and redevelopment policies and codes
 - Review field allocation policies and formalize partnerships with youth/amateur sports events
 - Activate underutilized park and field locations for programming
 - Transition University of Arizona Chandler campus to updated space
 - Review ACIC partnership with Arizona State University and needs of startup community

VICE MAYOR STEWART asked if the overall report that Council received about parks was already in the works.

MR. WRIGHT said yes, those are in the capital plan and the biggest feedback from the study was to continue to complete those. Mr. Wright said they also need to use what we have and maximize the space that we have.

COUNCILMEMBER ORLANDO said he could tie some of these back to higher education and asked about attracting visitors and retail and how that fits in.

MR. WRIGHT said youth and amateur sports events and tournaments are ways to bring visitors, and staff has formalized partnerships to ensure they are held here. Mr. Wright said there could be other events and tourism initiatives as well. Mr. Wright said infill and redevelopment is one of the best things they could do, and some policies are due for an update to address the aging retail properties to be converted to a different use.

COUNCILMEMBER ORLANDO said it is one thing to do policy updates but asked what resources the City had to address this.

MR. WRIGHT said a challenge is always that the City does not own the properties. In the past, Council's policy was to buy up a lot of the properties in the downtown area to stimulate redevelopment activity. If the City does not do that then the option is to work with a private developer to see what they want to do with their property. It would be beneficial to have policy direction from Council regarding buying strategic properties.

COUNCILMEMBER ORLANDO said he is relying on staff to give Council ideas on how to put those partnerships together.

MR. WRIGHT said staff would come back to Council regarding some ideas and resources that may be necessary.

MAYOR HARTKE said he understood the economic vitality aspect of parks and programming but thought that may have been a better fit for quality of life and asked what the rationale was to be put in economic vitality.

MR. WRIGHT said staff thought there was a lot to do with tourism but there is quite a bit of overlap in these items.

COUNCILMEMBER HARRIS said they should look at community engagement in terms of diversity, equity, and inclusion. Councilmember Harris said they should continue to leverage events and bring people together. Councilmember Harris said they need to look at economic development and ensure they make stronger partnerships and there is a budget to promote what is happening and focus, not just on technology, but overall entrepreneurship.

MAYOR HARTKE asked how they leverage better partnerships like they did with Intel and SRP. These are the types of partnerships that Mayor Hartke hopes to see in the future.

COUNCILMEMBER ORLANDO suggested that under infill and redevelopment to put programming and partnership ideas.

MAYOR HARTKE said yes, they need to further broker the relationships as part of their workforce development. Mayor Hartke asked if there was anything else Council would like to add.

COUNCILMEMBER ELLIS said she wanted to add that they broaden the education partnerships with other colleges that would like to come to Chandler. The City needs to keep those residents here instead of having them go somewhere else for other schools.

VICE MAYOR STEWART thought this was a good comprehensive overview of where we are and where we are going. Vice Mayor Stewart said he would like to do a deep dive with economic development department on what they see coming in the future and be selective in what businesses they bring.

MAYOR HARTKE said it would be worth looking to see what the future holds.

COUNCILMEMBER HARRIS said he wanted to make sure the economic development had the resources they need to make that happen especially for marketing.

MAYOR HARTKE said the City works closely with GPEC and they were ranked high nationally.

COUNCILMEMBER ROE said the infill covered the next steps for downtown.

MR. WRIGHT continued the presentation.

- Action Items to Achieve the Strategic Framework Goals
 - Innovation and Technology, 2021-2023 Priorities
 - Smart and sustainable solution, ideas that promote efficiency and connectivity, leverage partnerships, and outside funding, make Chandler a global technology destination, and invest in technology infrastructure.
 - Increase the City's electrical vehicle fleet and number of charging stations
 - Recommend development policies that support a more sustainable community
 - Identify manual processes for conversion to digital (internal and external)
 - Invest in tools that promote a mobile workforce
 - Update brand standards and communication technologies to promote a connected City
 - Initiate first phase of upgrades to City's fiber infrastructure

MAYOR HARTKE said Vice Mayor Stewart has been instrumental in pushing the charging stations.

COUNCILMEMBER ROE said Prop 400, whenever that passes, could allocate a small amount of money to tech.

MAYOR HARTKE said he has been fighting for technology and flexibility to ensure jurisdictional equity and hoped more would be put aside. Chandler has been good at having shovel ready projects to capture some of those tech dollars.

COUNCILMEMBER LOPEZ said he would like to see digital and automation and said just digitizing a process may not necessarily save time where as automation does. Councilmember Lopez said it has come up before about advertising in the newspapers and wanted to work with the League and Legislature to make some changes to simplify our process.

MAYOR HARTKE said that would be good for a Councilmember this year as they get on the different subcommittees this year.

COUNCILMEMBER ORLANDO said staff presented a white paper a few weeks ago on solar power. SRP is looking for innovation ideas and thought they could work with the power companies to development some solar platforms to serve power to businesses. They have a mandate to get it done but if the City comes up with some projects to partner it would be a benefit to the community.

MAYOR HARTKE said there are companies that are doing that who work directly with the power companies.

COUNCILMEMBER ORLANDO said there has to be a way to come up with a financially sound plan to address solar.

COUNCILMEMBER ELLIS said when people get solar panels they still end up paying SRP or APS for electricity even though they are capturing it. Councilmember Ellis said perhaps there is a way to make this more appealing so people may want to use solar more.

VICE MAYOR STEWART said he would like staff to look at sustainable alternatives and find best practices in other cities. Vice Mayor Stewart said cybersecurity is a big issue as it relates to innovation and other cities are starting to use blockchain to protect valuable data. Vice Mayor Stewart said he would like to see some innovative ideas around that.

COUNCILMEMBER HARRIS said sustainability and environmentally friendly initiatives are important. Councilmember Harris wanted to streamline the website and make it easier to access the information. Councilmember Harris said as they continue to buildout the charging stations, he would like a place on the website to show where the charging stations are located. Councilmember Harris asked if there was a place to put information on restaurants in the area if people are looking on the tourism page even if it is just redirecting to another page. Councilmember Harris said he wanted the website to be useful for people to get the information they need.

MAYOR HARTKE said it is always a challenge to capture how much information should be on the website.

MR. WRIGHT said there is a tourism website as well.

COUNCILMEMBER ELLIS talked about having a partnership with the Chamber since they already have a lot of that information.

COUNCILMEMBER HARRIS said they need to provide resources if needed to the Chamber to get the outcomes they want.

MR. WRIGHT continued the presentation.

- Action Items to Achieve the Strategic Framework Goals
 - Mobility, 2021-2023 Priorities
 - Integrated options to access employment corridors, convenient connections to East Valley, high-tech transit options, safe and attractive roadways and traffic systems, connect neighborhoods and places with multimodal pathways, and leverage regional resources
 - Expand and/or renew pilot programs for micro transit and multimodal transportation.
 - Initiate bike/pedestrian studies for connecting employment, recreation, neighborhood and entertainment nodes.
 - Finalize Proposition 400 Extension efforts in cooperation with regional partners.
 - With employer input, determine appropriate transit solutions for employment corridors.
 - Initiate the first phase of the next round of LED streetlight replacement.
 - Complete design of new bike lane projects connecting points of interest and fixing system gaps.

MAYOR HARTKE asked if there were other innovative technology that was being done for overall transit to get us to be leaders in innovation transportation.

COUNCILMEMBER ORLANDO said there was a project years ago about right turn lanes and asked if they were looking at that again and using some infrastructure dollars to improve traffic flow.

MR. WRIGHT said there was a study done about 20 years ago that identified some intersections that had a high accident rate. Over the years the City was able to address all of those intersections but there are others now that need to be addressed.

COUNCILMEMBER ORLANDO asked if there was a plan.

MR. WRIGHT said it is part of the capital improvement program and would provide more information.

COUNCILMEMBER ORLANDO talked about Alma School Road and Willis Road with the turn lane issues.

COUNCILMEMBER HARRIS said he wanted to better mobilize residents in south Chandler. South Chandler is still without adequate transportation and although there is a partnership with Lyft,

Councilmember Harris asked if it was economically feasible or if it was better to put in infrastructure. Councilmember Harris said at night there is no transportation, and it is becoming a demand now.

MAYOR HARTKE said it is a challenge because in North Chandler it is easy to connect with the other cities but South Chandler, because they are the end of the line, it is extremely expensive to run a bus as opposed to Lyft.

COUNCILMEMBER HARRIS said they could continue the conversation with Gilbert and Queen Creek to see if there is something that makes sense and not increase taxes.

MAYOR HARTKE said all those cities are represented in the Regional Public Transportation Authority and with MAG, so they are working together to make something happen.

COUNCILMEMBER LOPEZ said there was a subcommittee report about paratransit and asked for that report to be sent to all Councilmembers.

VICE MAYOR STEWART said he was not open to having the light rail on our streets but was open to having it on the 101 or 202 to the Airport Area Corridor or Price Corridor. Anything other than that Vice Mayor Stewart was not open to.

MAYOR HARTKE said there is no plan at this point.

COUNCILMEMBER ROE asked if there was any talk of partial funding, if the City would match the funds.

MAYOR HARTKE said yes, mostly there have been matching dollars on a lot of the projects and staff has been good about having projects ready to be first in line to secure the dollars.

COUNCILMEMBER HARRIS said he wanted to continue to look at minimizing our cost for our aging infrastructure.

MR. WRIGHT continued the presentation.

- Action Items to Achieve the Strategic Framework Goals
 - Neighborhoods, 2021-2023 Priorities
 - Services aligned with needs in specific areas of the city, holistic approach to neighborhood improvement through internal and external partnerships, quality housing for diverse needs, and well-maintained/enhanced infrastructure.
 - Use Census 2020 results to identify diversity programs tailored to specific areas.
 - Integrate planning and programming efforts across City departments and partner agencies to impact disadvantaged neighborhoods.
 - Initiate the City's first Rental Assistance Demonstration (RAD) development agreement to reposition the Public Housing Authority.
 - Review development codes and other tools to facilitate diversity of housing choices.

- Identify unique themes and appropriate funding for new and revitalized infrastructure (e.g. major park updates).

COUNCILMEMBER HARRIS thanked staff on the partnership to build more sustainable housing with more senior living. Councilmember Harris said he wanted to continue to work on private partnership housing projects to address affordable housing. Councilmember Harris wanted to continue to look at how they continue to work with landlords on housing vouchers. Councilmember Harris said he was concerned with seniors on a fixed income and maintaining housing and this is a place people can live, work, and play.

COUNCILMEMBER ORLANDO agreed and would like to see diversified housing choices. Councilmembers Orlando said they have been looking at neighborhood sustainability. Staff has limited resources for cleanup, and it seems difficult to find resources for systemic cleanup of neighborhoods. Councilmember Orlando said they need to find a way to clean up the neighborhood and keep it sustainable and address the bad actors. Councilmember Orlando asked if there were any other resources available to tap into.

MAYOR HARTKE said they often find one-time dollars, but it is a bigger challenge to address the sustainability part of it.

COUNCILMEMBER LOPEZ said just cleaning up the neighborhood does not address the root cause and maybe they need a different approach. Councilmember Lopez said he did not see us involved in rent controlled or city subsidized housing.

COUNCILMEMBER ELLIS said they want to be able to have the seniors live wherever they want. Councilmember Ellis said the rental assistance demonstration they had before is something they could achieve and having these partnerships would continue to move things forward.

COUNCILMEMBER ORLANDO said he thought they were all in agreement with what Councilmember Lopez was talking about but there is a way to develop the code to try and get diversified housing.

VICE MAYOR STEWART agreed with Councilmember Lopez and at the end of the day those federal dollars for the housing vouchers go to a landlord.

COUNCILMEMBER HARRIS said he wanted to look at the code enforcement policy and what is in the yards. Not every neighbor is going to say something but if someone is using their front yard to store their personal belongings or trash, they are going to appreciate it getting cleaned up. Councilmember Harris said those that have HOAs control that. Councilmember Harris said dust continues to be a problem in our alleys and watching what people are throwing back there.

COUNCILMEMBER ORLANDO said another challenge is what else could be done. Councilmember Orlando asked if there was a way to work with the schools to open them up to bring the neighborhoods together in a safe environment.

MAYOR HARTKE said they are starting to see some of that with Kyrene.

COUNCILMEMBER ROE said code enforcement staff goes out with the goal of having a positive result. Councilmember Roe asked if there were resources to help people take care of some of the issues.

MAYOR HARTKE said with For Our City there are specific teams that are sent to people who may have trouble getting their property up to code and that happens year-round. Mayor Hartke said it is good to have more partners.

MR. WRIGHT continued the presentation.

- Action Items to Achieve the Strategic Framework Goals
 - Quality of Life, 2021 – 2023 Priorities
 - Public safety personnel/technology/training that supports partnerships, high landscaping and architectural standards, parks and amenities serving the surrounding area, public spaces usable year-round, events capitalizing on Chandler's culture, and partnerships for cultural and recreational programs.
 - Evaluate resources needed to address community behavioral health issues.
 - Complete planned parks and veterans' monument.
 - Develop a plan for addressing crime, infrastructure, and social issues in identified neighborhoods.
 - Pursue grants opportunities for visual and performing arts, including outside downtown area.
 - Identify new technologies to improve recreational facility user experience and safety.
 - Evaluate future locations and resources needed for large-scale events.

MAYOR HARTKE asked if there were ways to better cross communicate internally to get a better response and resolve quality of life issues.

COUNCILMEMBER LOPEZ said given the water situation, it may be beneficial to include water infrastructure now and water resource opportunities.

COUNCILMEMBER ELLIS asked if they were doing something about mental health. Right now, with COVID there are still people who have not taken the vaccine. There are people saying it should be mandated and others who say no way. As a City they need to determine how to move forward. Councilmember Ellis asked how they continue to move forward with these physical health issues and live with COVID.

COUNCILMEMBER HARRIS said he wanted to continue to address mental health. Councilmember Harris said there has been an increase in teen suicide and they could work with CUSD and other schools to address mental health. Councilmember Harris said they could leverage special events to address mental health and healthy lifestyles and that could bring individuals together. Councilmember Harris said they

need to also address the panhandlers and get them to use the resources available. Councilmember Harris said they need to leverage their special events to bring everyone together.

MAYOR HARTKE said Vice Mayor Stewart put together a partnership with the schools to address team suicide. Mayor Hartke said they need to expand their influence by partnering with other organizations.

MR. WRIGHT continued the presentation.

- Good Governance Goals
 - High Priorities
 - Continue technology enhancements to support mobility and efficiency solutions
 - Enhance existing City buildings based on assessments
 - Voter education on bonds and home rule initiatives
 - Maximize use of grants and partnerships to achieve strategic goals
 - Building a 21st century workforce
 - Continue PSPRS paydown plan

MAYOR HARTKE said anytime they can take onetime and convert it to ongoing is good.

COUNCILMEMBER ORLANDO said the idea of staying connected is important and they need to expand their bubble. Councilmember Orlando said they have been successful because they work with partnerships and they need to continue to work together.

VICE MAYOR STEWART said there are things that the City is responsible for. When we start expanding into private industry they become a competitor and the City would never be able to do it as good as private industry. Vice Mayor Stewart said they are good at economic development, infrastructure, and public safety but they need to stay within their boundaries.

MR. WRIGHT said all of the feedback would be formalized to an action plan. Mr. Wright said performance dashboards would have some metrics tied to it into the performance dashboards to report out to Council and see how the City is trending.

5. Capital Guidelines

MR. DUNBAR continued the presentation.

- Capital Guidelines
 - Minimize increase in property taxes
 - Maintain, enhance or reimagine existing infrastructure
 - Finish planned construction of streets, parks, fiber and utility systems
 - Prior to adding capital, ensure related ongoing O&M can be supported
 - Utilize master plans to guide long-term capital investment

6. Financial Policies

- Financial Policies (Revised and adopted by Council January 14, 2016)
 - Operating Management
 - Capital Management
 - Reserves Jan 26, 2017 Mar. 22, 2018
 - Debt Management
 - Long Range Financial Planning
 - Grant Management
 - Investment
 - Accounting, auditing, and Financial Reporting
 - Pension Funding (annual update, last completed June 10, 2021)
- Council Approved Budgeting Practices Support Financial Sustainability
 - Maintain AAA bond ratings from Moody's, Fitch, and S&P
 - Continue adherence to all fiscal policies
 - Structurally balanced
 - Ongoing revenues support ongoing expenditures
 - Onetime revenues support onetime expenditures
 - Maintain strong reserves
 - 15% General Fund contingency reserve
 - Budget Stabilization reserve at a minimum of \$10M
 - Manage expenditure growth
 - Maintain existing services

7. Key Dates

- Tentative Key Budget Dates
 - Council Budget Kickoff Tonight
 - Citizen Budget Survey Oct. 4- Nov. 14, 2021
 - Council Workshop 1 February 10, 2022
 - Budget Input Time (BIT): Citizen Outreach Media Events Early March
 - Council Workshop 2 March 24, 2022
 - All-Day Budget Brief April 29, 2022
 - Council Meetings:
 - Amendment Discussion May 9, 2022
 - Tentative Adoption May 26, 2022
 - Public Hearing & Final Adoption June 9, 2022
 - Adoption of Tax Levy June 23, 2022

COUNCILMEMBER ORLANDO asked if staff foresees budget expenditures increasing or decreasing.

MR. DUNBAR said it is hard to answer now, there are some trends with expenditures increasing because of inflation and there are some construction projects moving forward. Mr. Dunbar said there would be some reports towards the end of the month to get more information.

VICE MAYOR STEWART said there was a large increase in the budget because of federal dollars and would like to see a budget that has a decrease.

MS. LANG said with the large grant contingencies built in that would likely happen but there are going to be some onetime dollars from Intel s project.

MAYOR HARTKE said it would be more of a true budget with organic growth instead of federal dollars.

COUNCILMEMBER LOPEZ said over the last few years they still have grown.

MS. LANG said COVID completely changed the budget with the \$20 million reduction but that had not come to fruition so there are some changes there. Ms. Lang said Intel did not say when they were going to start so that was not reflected in the FY 2021/2022 budget. There is a lot of work this year to get where they need to be.

MAYOR HARTKE said the Census gave the City a big bump more than anticipated and asked how that reflected.

MS. LANG said she has not seen the overall final assessed values across the county and state.

MR. PETERS said the proportional share for some revenue may go up because there were other cities that had inflated their numbers and they received the benefit of extra revenue. The census happened and reset that. Mr. Peters would expect to benefit from the higher census numbers.

COUNCILMEMBER LOPEZ talked about predicting the next recession and clarified they do look forward for key indicators. Councilmember Lopez asked what the trends are in Chandler to see the health of the economy. Construction would eventually drop off as they run out of space.

MS. LANG said economic development monitors a lot of different factors that goes into creating the budget forecast.

COUNCILMEMBER HARRIS said they need to make sure they look at strategic partnerships and not just the City doing the work. Councilmember Harris said protecting the employment corridor is important as well as looking at the airport. Councilmember Harris said they need to look at housing for seniors that is affordable. Councilmember Harris said they need to leverage technology and look at events in the City to bring the community together.

Adjourn

The meeting was adjourned at 5:44 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: November 1, 2021

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of Chandler, Arizona, held on the 11th day of October 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of November, 2021.

City Clerk