

Meeting Minutes

City Council Regular Meeting

January 27, 2022 | 6:00 p.m.
Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Vice Mayor Terry Roe at 6:00 p.m.

Roll Call

Council Attendance

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

Appointee Attendance

Joshua Wright, City Manager
Debra Stapleton, Assistant City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

*Mayor Hartke and Councilmember Stewart attended telephonically.

Invocation

The invocation was given by Pastor Victor Hardy, Congregational Church of the Valley.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Lopez.

Consent Agenda and Discussion

City Clerk

1. January 2022 City Council Minutes
Move City Council approve the Council Meeting minutes of the Special Meeting of January 10, 2022; Study Session of January 10, 2022; Work Session of January 13, 2022; and the Regular Meeting of January 13, 2022.

City Manager

2. Resolution No. 5548, Revised Joint Project Agreement with the State of Arizona for the Loop 101 and 202 Freeway Waterline and Sewer Rehabilitation and Repealing Resolution No. 5538

Move City Council pass and adopt Resolution No. 5548, repealing Resolution No. 5538 and authorizing the City of Chandler to enter into a revised Joint Project Agreement with the State of Arizona for the Loop 101 and 202 Freeway Waterline and Sewer Rehabilitation Project in the amount of \$8,000,000, and authorize the City Manager or designee to take actions necessary on behalf of the City of Chandler to carry out the intent of the Agreement, and approve a contingency appropriation transfer of \$4,000,000 from the Water Operating Fund, Non-Departmental, Contingency Account (605.1290.5911) to Capital Grants Fund, Water Capital Project Cost Center, Main & Valve Replacements Program (417.3820.6714.0.6WA023) to supplement the existing appropriation for spending of the State allocated funds.

Community Services

3. Professional Services Agreement No. PR2202.201 for Design Services with J2 Engineering & Environmental Design, LLC, for Arrowhead Meadows Park Tennis & Pickleball Court Replacement

Move City Council award Professional Services Agreement No. PR2202.201 for Design Services to J2 Engineering & Environmental Design, LLC, for Arrowhead Meadows Park Tennis & Pickleball Court Replacement, in an amount not to exceed \$50,445.

4. Construction Contract No. PR1902.401 with DNG Construction, LLC, for Homestead North Park

Move City Council award Contract No. PR1902.401 to DNG Construction, LLC, for Homestead North Park, in an amount not to exceed \$3,687,179.05.

5. Professional Services Agreement No. PR1902.271 for Post-Design Services with Kimley-Horn and Associates, Inc., for Homestead North Park

Move City Council award Professional Services Agreement No. PR1902.271, for Post-Design Services, to Kimley-Horn and Associates, Inc., for Homestead North Park, in an amount not to exceed \$36,635.00.

6. Project Agreement No. CS2201.401 with Caliente Construction Inc., for Arrowhead, Folley, and Nozomi Aquatic Centers Safety Improvements

Move City Council award Project Agreement No. CS2201.401 to Caliente Construction, Inc., Pursuant to Job Order Contract No. JOC1904.401, for Arrowhead, Folley, and Nozomi Aquatic Centers Safety Improvements, in an amount not to exceed \$86,614.33.

7. Project Agreement No. CS2202.401 with Caliente Construction, Inc., Pursuant to Job Order Contract No. JOC1904.401, for Hamilton Aquatic Center Safety Improvements – Trench Drain Replacement
Move City Council award Project Agreement No. CS2202.401 to Caliente Construction, Inc., Pursuant to Job Order Contract No. JOC1904.401, for Hamilton Aquatic Center Safety Improvements – Trench Drain Replacement, in an amount not to exceed \$83,947.43.
8. Project Agreement No. C2203.401 with Caliente Construction, Inc., Pursuant to Job Order Contract No. JOC1904.401, for Mesquite Groves Aquatic Center – Ultraviolet System Replacement
Move City Council award Project Agreement No. CS2203.401 to Caliente Construction, Inc., Pursuant to Job Order Contract No. JOC1904.401, for Mesquite Groves Aquatic Center – Ultraviolet System Replacement, in an amount not to exceed \$158,401.71.

Development Services

9. Introduction of Ordinance No. 5000, ANX21-0003 Annexation and initial City zoning of approximately 0.27 acres located north of the northeast corner of Arizona Avenue and Germann Road
Move City Council introduce and tentatively adopt Ordinance No. 5000 approving the annexation of approximately 0.27 acres and Initial City zoning – North of the Northeast corner of Arizona Avenue and Germann Road, as recommended by Planning staff.
10. Introduction of Ordinance No. 5001, PLH21-0032/PLT21-0034 Arizona Avenue Commerce Center, located north of the northeast corner of Arizona Avenue and Germann Road Rezoning
Move City Council introduce and tentatively adopt Ordinance No. 5001 approving PLH21-0032 Arizona Avenue Commerce Center, Rezoning approximately 16.6 acres from Agricultural District (AG-1), Regional Commercial (C-3), and Planned Area Development (PAD) to PAD for commercial, office, business park, and light industrial uses, subject to the conditions as recommended by Planning and Zoning Commission.
Preliminary Development Plan
Move City Council approve Preliminary Development Plan PLH21-0032 Arizona Avenue Commerce Center for site layout and building architecture, subject to the conditions as recommended by Planning and Zoning Commission.
Preliminary Plat
Move City Council approve Preliminary Plat PLT21-0034 Arizona Avenue Commerce Center, subject to the condition recommended by Planning and Zoning Commission.
11. Use Permit, PLH21-0067 ImprovMania Entertainment, 51 E. Boston Street, generally located east of the southeast corner of Arizona Avenue and Boston Street

Move City Council approve Use Permit PLH21-0067 ImprovMania Entertainment, requesting a Series 7 Beer and Wine Bar license and an Entertainment Use Permit for acoustic and amplified live bands, DJ, and speakers with background music indoors and on an outdoor patio, subject to the conditions recommended by Planning and Zoning Commission.

12. Use Permit, PLH21-0035 Verizon Pho Twelve Oaks, 360 S. Twelve Oaks Blvd., generally located ½ mile south of Chandler Boulevard at the Rural Road alignment
Move City Council approve Use Permit, PLH21-0035 Verizon Pho Twelve Oaks to modify and relocate an existing wireless facility subject to the conditions recommended by Planning and Zoning Commission.
13. Entertainment Use Permit, PLH21-0087 The Forum, located at 2301 S. Stearman Drive, generally located west of the northwest corner of Gilbert Road and Insight Way
Move City Council approve PLH21-0087 The Forum Use Permit expansion of premises for a Series 6 Bar license and an Entertainment Use Permit for live music inside and on an outdoor patio located at 2301 S. Stearman Drive, subject to the conditions recommended by Planning and Zoning Commission.
14. Entertainment Use Permit, PLH21-0092 Celoni Hospitality DBA Recreo located at 28 S. San Marcos Place, generally located ¼ mile south of the southwest corner of Arizona Avenue and Chandler Boulevard
Move City Council approve Entertainment Use Permit PLH21-0092 Celoni Hospitality DBA Recreo located at 28 S. San Marcos Place, generally located ¼ mile south of the southwest corner of Arizona Avenue and Chandler Boulevard, subject to the conditions recommended by Planning and Zoning Commission.

Fire Department

15. Resolution No. 5535, Intergovernmental Agreement with the Town of Guadalupe to provide Firefighter Training
Move City Council approve Resolution No. 5535, authorizing the Mayor to execute an intergovernmental agreement with the Town of Guadalupe allowing the Chandler Fire Department to provide firefighting and emergency medical training to the Guadalupe Fire Department.

Information Technology

16. Purchase of Tenable Software Support
Move City Council approve the purchase of Tenable software support, from SHI International Corporation, utilizing the Omnia Partners Contract No. 2018011-02, in an amount not to exceed \$94,530.

Management Services

17. Claims Report for the Quarter Ended December 31, 2021
Move to accept the claims report for the quarter ending December 31, 2021, which is included with this memo as an attachment.

Police Department

18. Resolution No. 5537, Agreement with Off Duty Management for Management and Administrative Services for Police Department's Extra Duty Program and Assignments
Move City Council approve Resolution No. 5537, Authorizing an Agreement between the City of Chandler and Off Duty Management, Inc. (ODM), to Provide Management and Administrative Services to the Police Department's Extra Duty Program and Assignments; and Authorizing the Chief of Police to Sign, Administer, Execute, and Submit all Documents and Other Necessary Instruments in Connection with Such Agreement.
19. Professional Services Agreement No. PD2205.201 for Design Services with Arrington Watkins Architects, LLC, for Police Work Area and Storage Renovation Design Services
Move City Council award Professional Services Agreement No. PD2205.201 for Design Services, to Arrington Watkins Architects, LLC, for Police Work Area and Storage Renovation Design Services, in an amount not to exceed \$102,600.

Public Works and Utilities

20. Purchase of Drywell Maintenance, Installation, and Repair Services
Move City Council approve the purchase of drywell maintenance, installation, and repair services, from Torrent Resources, utilizing City of Surprise Contract No. 320156, in an amount not to exceed \$273,420.
21. Introduction of Ordinance No. 5004 Amending Chandler City Code Chapter 43 (Public Works and Utilities Department) Section 43-4.5 Pertaining to the Adoption of Public Works Standards, Specifications and Regulations
Move City Council introduce and tentatively adopt Ordinance No. 5004 declaring that document entitled "2022 Amendments to Chandler City Code Chapter 43, Section 43-4.5" to be a public record; amending the Code of the City of Chandler, Chapter 43 (Public Works and Utilities Department), Section 43-4.5 to adopt the City of Chandler Engineering and Design Standards Manual (2022 Edition) as may be periodically amended by the Public Works and Utilities Department Director, or designee; providing for the repeal of conflicting ordinances; and providing for severability.
22. Professional Services Agreement No. WA1810.201 Amendment No. 2, with Dibble & Associates Consulting Engineers, Inc., dba Dibble Engineering, for Lindsay Road Water Main Replacement Design Services

Move City Council award Professional Services Agreement No. WA1810.201, Amendment No. 2, to Dibble & Associates Consulting Engineers, Inc., dba Dibble Engineering, for the Lindsay Road Water Main Replacement Design Services, in an amount not to exceed \$28,872, for a revised contract amount not to exceed \$86,114.

23. Construction Contract No. ST2006.401 with B&F Contracting, Inc., for Traffic Signal Installation
Move City Council award Construction Contract No. ST2006.401, to B&F Contracting, Inc., for Traffic Signal Installation at Warner Road and Nevada Street, in an amount not to exceed \$594,681.82.
24. Resolution No. 5539, Authorizing the City of Chandler to Enter into an Agreement to Share Costs for the Feasibility Study of Bartlett Dam Modification Alternatives and Repealing Resolution No. 5533 Authorizing a Previous Version of the Agreement
Move City Council approve Resolution No. 5539 authorizing the City of Chandler to enter into an agreement to share costs for the Feasibility Study of Bartlett Dam Modification Alternatives Among Various Participating Entities and Salt River Agricultural Improvement and Power District in the amount not to exceed \$400,000, and repealing Resolution No. 5533 authorizing a previous version of the agreement.
25. Professional Services Agreement No. ST2103.101 with Kimley-Horn and Associates, Inc., for the Ray Road and Dobson Road Intersection Improvements Study Consultant Services
Move City Council award Professional Services Agreement No. ST2103.101, with Kimley-Horn and Associates, Inc., for the Ray Road and Dobson Road Intersection Improvements Study Consultant Services, in an amount not to exceed \$167,130.
26. Sole Source Purchase of Hach Equipment, Service, and Parts
Move City Council approve the sole source purchase of Hach equipment, service, and parts, from Hach Company, in the amount of \$600,000, for a two-year term, February 1, 2022, through January 31, 2024.
27. Sole Source Purchase of Arsenic Removal Filter Media
Move City Council approve the sole source purchase of arsenic removal filter media, from Evoqua Water Technologies, in an amount not to exceed \$220,000.
28. Resolution No. 5545, Authorizing Project Agreement No. 5 Under the Public Infrastructure Master Agreement Dated May 24, 2019, with Intel Corporation
Move City Council approve Resolution No. 5545, authorizing Project Agreement No. 5 under the Public Infrastructure Master Agreement dated May 24, 2019, between the City of Chandler and Intel Corporation, a Delaware Corporation, for the construction of

improvements to the City's Airport Water Reclamation and Ocotillo Water Reclamation facilities needed to serve Intel's campus at 4500 S. Dobson Road.

Consent Agenda Motion and Vote

Councilmember Orlando moved to approve the Consent Agenda of the January 27, 2022, Regular City Council Meeting; Seconded by Councilmember Ellis.

Motion carried unanimously (7-0).

Action Agenda No. 29 and Discussion

29. Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2021, and Resolution No. 5542

Move City Council accept the Annual Comprehensive Financial Report (ACFR) and related financial audit reports submitted by Heinfeld, Meech & Co., P.C. for the fiscal year ended June 30, 2021, and approve Resolution No. 5542 to demonstrate compliance with §9-481(H) and ARS §41-1494.

JOSHUA WRIGHT, City Manager, introduced the item and asked KRISTI SMITH, Accounting Manager, to present.

MS. SMITH introduced COREY ARVIZU, Partner and JOSHUA JUMPER, Manager from Heinfeld, Meech & Co. Ms. Smith thanked Mr. Arvizu, Mr. Jumper, and the Accounting Division for their efforts in preparing the FY2020-21 audit report.

Mr. Arvizu presented the following presentation.

- Presentation of the City of Chandler Annual Financial Audit For the Fiscal Year Ended June 30, 2021
- Requirements
 - The City is required by City Charter and State Statute to issue an annual audited financial report, and federal law requires the City to undergo an annual single audit (A-133) of federal financial assistance.
 - Effective September 29, 2021, ARS §9-481 (H), as amended by Laws 2021, Ch 427, §1, auditors must present audit results and any findings to the Council in a regular meeting without the use of a consent agenda within 90 days of audit completion.
 - ACFR posted online; at least 3 years reports.
- Importance of the Audit
 - Verify management representations regarding finances
 - Demonstrate stewardship and accountability to:
 - Citizens
 - Governing body

- Grantors
- State agencies
- Federal agencies
- Bond holders
- IRS
- Creditors
- Review compliance with certain laws and regulations
- Governing body ultimately must ensure management fulfills its responsibility

COUNCILMEMBER ORLANDO asked if there was an issue in the past that prompted us to change the law. He asked for information on the background of the law.

MR. WRIGHT said he was personally unaware of the background and asked the Strategic Initiatives Director, Ryan Peters, to address the question.

RYAN PETERS, Strategic Initiatives Director, explained that last year, a special interest group claimed there were these audits being done and then were left alone and put on consent agendas to hide it from the public. They wanted to ensure that the public had a full opportunity to review the audit findings through this type of presentation. There was no specific problem that prompted this but suggested that it could create a problem by hiding it on a consent agenda.

COUNCILMEMBER ORLANDO said that we put the report on our website, that we have to fiduciary produce the report anyway and that is a public document, and that any citizen could come up at any time during the budget process and even after the audit and still ask questions.

MR. PETERS said that point was made during testimony, and it was not persuasive.

COUNCILMEMBER ORLANDO said we are paying these gentlemen to go through this briefing, and the taxpayers are paying for this again.

COUNCILMEMBER HARRIS asked if the budget and taxpayer cost was discussed in the testimonies that originated this procedure.

MR. PETERS said that issue did not come up but emphasized the importance of transparency.

MR. ARVIZU explained that in many organizations it is standard practice for auditors to meet with the governing body. It is part of the evolution of transparency and openness regarding public finances.

Mr. Jumper continued the presentation.

- Audit Process

- Engagement letter and initial planning of the audit began in April
- Site visits in July, August, October, and November
- Various audit procedures performed remotely between site visits
- Audit reports issued in December & January
- Audit Related Reports Issued
 - Audit communication to those charged with governance
 - Annual Comprehensive Financial Report (ACFR)
 - Single Audit Reporting Package
 - Report on internal control for audit under *Government Auditing Standards*
 - Report on internal control and compliance for federal awards as required
 - Agreed-upon procedures report for ADEQ landfill requirements
 - Agreed-upon procedures for p-card transactions
 - Annual expenditure limitation report
- Key Items from FY2020-21
 - 1. Unqualified (clean) audit opinion dated December 10, 2021
 - 2. No internal control deficiencies noted
 - 3. COVID-19 related funding required significant attention and focus for audit team
 - Approximately \$14.5M spent in fiscal year 2021
 - 4. Increase to government-wide net position of \$25,690,296

Mr. Arvizu continued the presentation.

- Other Important Communication
 - Communication to those charged with governance provided by the audit firm at the completion of the audit must include the following:
 - Engagement letter provided by the audit firm to management at the initiation of the audit
 - Management representation letter provided by management to the audit firm at the completion of the audit.
- Questions?

COUNCILMEMBER HARRIS asked in the opinion of the auditors if Chandler is a well-maintained city and fiscally responsible.

MR. ARVIZU answered that Chandler's financial position is healthy, financial statements are accurate, and staff is attentive and cooperative. These are indications that management and staff are doing a good job.

COUNCILMEMBER HARRIS thanked Team Chandler for being good partners in public-private partnerships. Maintaining Chandler's high standards is important.

Action Agenda Motion and Vote

Councilmember Orlando moved to approve the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2021, and Resolution No. 5542; seconded by Councilmember Lopez.

Motion carried unanimously (7-0).

Current Events

Mayor's Announcements

VICE MAYOR ROE made the following announcements on behalf of MAYOR HARTKE.

VICE MAYOR ROE introduced the 2022 State of City Community Celebration on Thursday, February 17 at the Chandler Center for the Arts which will have a free concert and food from local Chandler restaurants.

VICE MAYOR ROE introduced the Good Neighbor 101 Program put on by the City's Neighborhood Resources Department, a four-session program where residents can learn about services and programs that directly impact their community. The first session is Wednesday, February 9 from 5 – 6 p.m.

VICE MAYOR ROE announced Chandler's month of events for Black History Month.

VICE MAYOR ROE introduced the Arizona Art Academy's 2022 Chinese New Year Spring Festival Gala at 7pm on Saturday, February 5 at Hamilton High School Auditorium

Council's Announcements

VICE MAYOR ROE said goodbye to Debra Stapleton, Assistant City Manager.

COUNCILMEMBER ELLIS announced the kickoff of February's Black History Month events in Chandler with Food Truck Friday: A Night at the Museum event on Friday, January 28 from 6 – 8 p.m. and the Bigger than Boxing exhibition about Zora Folley. Councilmember Ellis also introduced the National Haitian American Elected Officials Network (NHAEON) retreat events on January 28 – 29. Councilmember Ellis thanked the Council for their support in this event.

COUNCILMEMBER LOPEZ congratulated the board, staff, and sponsors of the Chandler International Film Festival for a successful event. Councilmember Lopez also announced the Night of Hope at Cornerstone Church on Sunday, February 6 to fight human trafficking.

COUNCILMEMBER HARRIS thanked Mayor, Council, and Congressman Stanton for the success of the Martin Luther King Jr. Keeping the Dream Alive ceremony. Councilmember Harris introduced

Our Stories: A Conversation with the Folley Family at the Chandler Museum on Saturday, January 29. Councilmember Harris encouraged residents to attend these events.

Adjourn

The meeting was adjourned at 6:27 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: February 10, 2022

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of Regular Meeting of the City Council of Chandler, Arizona, held on the 27th day of January 2022. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of February, 2022.

City Clerk