

Meeting Minutes

City Council Study Session

May 23, 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 Mayor Kevin Hartke at 6:01 p.m.

Roll Call

Council Attendance

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

Appointee Attendance

Joshua Wright, City Manager
Rosemary Rosales, Sr. Assistant City Attorney
Dana DeLong, City Clerk

Absent

Councilmember OD Harris - excused

Scheduled Public Appearances

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

1. Proclamation – Nurses Week

MAYOR HARTKE read the proclamation and invited nurses from the Arizona Indian Nurses Association to accept.

AMPILI UMayamma, DNP, RN, AGNP-C, represented the Arizona Indian Nurses Association, a professional non-profit organization for uniting all Asian-Indian nurses in Arizona. Ms. Amayamma thanked Council their appreciation and recognition of nurses and recognized Mayor Hartke as an ardent supporter of the organization. Nursing is considered one of the most dedicated and difficult professions. With hard work, nurses will continue to better the community they serve.

2. Recognition – Chandler Raiders National Championship Recognition

MAYOR HARTKE read the proclamation and invited the Chandler Raiders to accept.

PERCY KNOX, Assistant Coach, said it has been an honor to represent the city of Chandler. As this program was developed, there was a desire to compete on a national level. They have achieved two NFL Flag Football National Championships and three Hard Count National Championships over six years. Mr. Knox said they are proud of their accomplishments and happy to represent Chandler.

Consent Agenda and Discussion

Discussion was held on items 4, 11, 26 and 27.

City Clerk

1. May 2022 City Council Minutes
Move City Council approve the Council Meeting minutes of the Study Session of May 9, 2022, and Regular Meeting of May 12, 2022.
2. Board and Commission Appointments
Move City Council approve the Board and Commission appointments as recommended.

City Manager

3. Annual Membership Fee for Valley Metro Rail, Inc.
Move City Council authorize payment of the Fiscal Year 2021-2022 annual membership fee for Valley Metro Rail, Inc. (Metro), in the amount of \$49,995.

Community Services

4. Professional Services Agreement No. PR2201.201, with Barker Rinker Seacat Architecture, for the Tumbleweed Recreation Center Expansion Multi-Generational Facility Design Services
Move City Council award Professional Services Agreement No. PR2201.201 to Barker Rinker Seacat Architecture, for the Tumbleweed Recreation Center Expansion Multi-Generational Facility Design Services, in an amount not to exceed \$1,056,370.

COUNCILMEMBER ORLANDO asked for a staff presentation.

JOHN SEFTON, Community Services Director, introduced the item. The project history goes back a few years, after a 2020 multi-gen rec center feasibility study presented to Council in September of 2020. They looked at the Recreation Program Plan, the Chandler Senior Needs Assessment, and the 2016 Chandler General Plan. They conducted community outreach, community surveys, many stakeholder enterprise meetings, a complete market analysis to determine the top needs for programs and amenities. The space for the expansion is envisioned to host a gymnasium and multipurpose areas with a focus on meeting the needs of the community at-large, especially for

seniors and youth. Tumbleweed Rec Center was recognized as excessive in use, and community-wide we are at a deficit of square footage. This expansion would address the deficit and expansion would continue with the use of some of Chandler schools and program opportunities. The projected schedule, if approved, would begin with programming, community input, and schematic design as early as June through August for the community to give feedback. Then project design and coordination, construction documents would be around May or June. The construction process is estimated to take 18 months, with completion in approximately two and a half years.

COUNCILMEMBER ORLANDO remarked on the overuse of Tumbleweed. There is overlap between large sporting groups and this is a step in the right direction. Another direction was to look at outreach in other parts of Chandler to address neighborhood amenity needs and appreciated staff's work on this.

5. Project Agreement No. PR2105.401 with ForeSite Design & Construction, Inc., Pursuant to Job Order Contract No. JOC1905.401, for the Sunset Park ADA Improvements
Move City Council award Project Agreement No. PR2105.401 to ForeSite Design & Construction, Inc., Pursuant to Job Order Contract No. JOC1905.401, for the Sunset Park ADA Improvements, in an amount not to exceed \$303,616.00.
6. Professional Services Agreement No. PR2105.451, with Dibble CM, LLC, for the Sunset Park ADA Improvements Construction Management Services
Move City Council award Professional Services Agreement No. PR2105.451 to Dibble CM, LLC, for the Sunset Park ADA Improvements Construction Management Services, in an amount not to exceed \$34,100.

Cultural Development

7. Resolution No. 5585 Approving a First Amendment to the Development Agreement between Spike Lawrence Ventures, LLC, and the City of Chandler to Allow the Construction of a Mixed-Use, Four-Story Retail/Residential Housing Development on the New Square Phase 2 Site, Located at the Northeast Corner of Oregon Street and Chicago Street.
Move City Council adopt Resolution No. 5585 approving a First Amendment to the Development Agreement between Spike Lawrence Ventures, LLC, and the City of Chandler to allow the construction of a mixed-use, four-story retail/residential housing development on the New Square Phase 2 site, located at the northeast corner of Oregon Street and Chicago Street.

Development Services

8. Final Adoption of Ordinance No. 5016, PLH21-0073 Veneto, Rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Medium Density Residential, Located on the Northeast Corner of Pleasant Drive and Pecos Road, Approximately ¼ Mile East of the Northeast Corner of Alma School and Pecos Roads
Rezoning

Move City Council adopt Ordinance No. 5016 approving PLH21-0073, Rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for medium density residential, subject to the conditions as recommended by Planning and Zoning Commission.

9. Final Adoption of Ordinance No. 5017, PLH21-0097 House for the Moore Family, Rezoning from Multi-family Residential District (MF-2) to Planned Area Development (PAD) for Single-Family Residential, Located South of the Southwest Corner of California and Chicago Streets, More Generally Located West of the Northwest Corner of Arizona Avenue and Frye Road

Move City Council adopt Ordinance No. 5017 approving PLH21-0097 House for the Moore Family, Rezoning from Multifamily Residential District (MF-2) to Planned Area Development (PAD) for Single-Family Residential, subject to the conditions as recommended by Planning and Zoning Commission.

Information Technology

10. Purchase of Webex Annual Subscription

Move City Council approve the purchase of Webex annual subscription from NTT America, Inc., utilizing the NPCA Contract No. 01-97, in the amount of \$143,812, for a two-year period, beginning May 1, 2022, through April 30, 2024, payable on an annual basis, and authorize the City Manager or designee to sign a linking agreement with NTT America, Inc.

Management Services

11. Resolution No. 5586, Adopting the Fiscal Year (FY) 2022-23 Tentative Budget and 2023-32 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 City Council pass and adopt Resolution No. 5586, adopting the FY 2022-23 Tentative Budget and 2023-2032 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.

MAYOR HARTKE asked for a staff presentation.

MATT DUNBAR, Budget and Policy Officer, presented the following presentation.

- Res. 5586 Tentative Budget Adoption 2022-23 Proposed Budget 2023-2032 Capital Improvement Program (CIP)
- Statutory Budget Process A.R.S. 42-17101 thru 17108
 - Adopt a tentative budget that sets forth the different amounts that will be required to meet the political subdivision's public expense for the fiscal year
 - This information shall be entered into the minutes or the governing body
 - Shall be prepared according to forms supplied by the auditor general
 - This information must be published on the website for public review

- Once tentatively adopted, budget cannot increase
- After tentative adoption, a public hearing shall be had wherein any taxpayer may be heard in favor of or against any proposed expenditure or tax levy
- Special meeting held after public hearing to adopt the Budget
- Final tax rate adoption occurs on or before 14 days before taxes are levied, but after the public hearing
- FY 2022-23 Proposed Budget “Staying Connected”
 - Total Budget \$1,352,658,536
 - Total General Fund: \$412,923,538
 - 27.8% increase overall
 - \$755M operating (+9.8%)
 - \$597M capital (+61.2%)
 - 22.7% increase in General Fund
 - Ongoing operating (+12%)
 - Proposed Budget
 - Adheres to financial policies and is structurally balanced
 - Uses Strategic Framework to guide decisions
 - Provides for cost-effective, quality services
 - Maintains long-term financial sustainability
 - Engaged Residents through input opportunities
 - Budget Survey, Kickoff, and Two Workshops
 - Budget Advancement of Strategic Framework Outreach Videos
 - All-day Budget Briefing
 - Tentative and Final Adoption
- Budget Increase Drivers
 - Revenues
 - Prior 2 year’s budgets artificially low due to COVID
 - Current budget did not reflect Intel expansion revenue impacts
 - Increased revenues to reflect actual economic environment
 - Expenditures
 - Inflation increasing operations (\$3.6M) and capital (4%-7%) budgets
 - Personnel costs increasing to invest in City workforce and retain employees; market, class and comp, and healthcare
 - Capital projects increased to address aging infrastructure, bond authorized projects, and grant funded projects
 - Includes \$119M in projects for infrastructure to support Intel expansion
 - Grants
 - Includes \$34.6M in American Rescue Plan Act (ARPA) funds included in FY 2022-23 budget as carryforward
 - Enhance technology capabilities to assist with mobility, security and cloud-based solutions using AZCares; requiring additional ongoing resources to maintain
 - Debt

- Additional one-time payments to continue planned paydown of PSPRS unfunded liability
- Operating Budget Highlights
 - Slight reduction of City property tax rate, no change to Transaction Privilege Tax (TPT) rates, and no new fees
 - Anticipate Water, Wastewater, and Solid Waste rate changes as they were delayed from prior year
 - Budget maintains existing service levels and enhances programs tied to Strategic Framework
 - Adds funding for labor association commitments and general employee merit/market
 - Plans towards debt reduction: \$50M in one-time funding for paydown of Public Safety Personnel Retirement System (PSPRS) liability
 - Maintains strong reserves (includes 15% General Fund contingency reserve \$10M budget stabilization reserve)
- Average Annual Residential Cost Comparison for Direct Services
 - The average annual cost of services across the valley is \$2,149
- Average Residential Cost Comparison for Water, Wastewater and Solid Waste
- 2023-2032 Capital Improvement Program CIP
 - Developed by CIP Coordination Team
 - Collaborative and flexible to changes
 - CIP guidance
 - Minimize increase in property taxes
 - Maintain, enhance, or re-imagine existing infrastructure
 - Finish planned construction of streets, parks, fiber and utility systems
 - Ensure related ongoing O&M can be supported prior to adding capital
 - Utilize master plans to guide long-term capital investment
- 2023-2032 CIP Highlights
 - Continued emphasis on maintaining aging infrastructure
 - Reflects inflationary pressures
 - Includes \$119M in projects for infrastructure to support Intel expansion
 - Continues to fund requested projects such as...
 - Police Forensic Lab facility
 - All phases of Mesquite Groves Park
 - Fiber upgrades
 - Tumbleweed Expansion/Multi-Gen facility
 - Airport improvements/Cooper Rd. extension
 - \$1.66B Total 10-Year CIP
- Proposed FY 2022-23 CIP Appropriation (all funds)
 - Contingency and Reserves \$0.25M
 - Capital Carryforward \$286.8M
 - New Funding \$310.3M
 - Total CIP Appropriation \$597.4M

- Key Budget Dates

COUNCILMEMBER ORLANDO asked if the Council contingency allotment had been seen by Council.

MAYOR HARTKE said that they will be voting on that and all the final details at the next meeting.

JOSH WRIGHT, City Manager, said that final copy has not been provided, but would be shortly. Some numbers are still being finalized. However, the amount has been factored into the number shared tonight.

12. Agreement No. MS2-920-4405 with Questica, Ltd., for Budget Software Solution and Support
Move City Council approve Agreement No. MS2-920-4405, with Questica, Ltd., for the budget software solution, implementation, and support services in an amount not to exceed \$1,367,517, beginning on the effective date of the agreement, for a period of five years.
13. Agreement No. MS8-946-3910, Amendment No. 5, for Audit Services
Move City Council approve Agreement No. MS8-46-3910, Amendment No. 5, with Heinfeld, Meech & Co., P.C., for audit services, in the amount of \$148,910, for the period of June 1, 2022, through May 31, 2023.
14. Agreement No. WH8-890-3914, Amendment No. 4, for Waterworks Supplies
Move City Council approve Agreement No. WH8-890-3914, Amendment No. 4, with Core and Main, LP, for waterworks supplies, in an amount not to exceed \$500,000, for the period of June 1, 2022, through May 31, 2023.
15. 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 \$250,000, for the period of June 1, 2022, through May 31, 2023.
16. New License Series 12, Restaurant Liquor License application for CEC Entertainment (Arizona), LLC, DBA Chuck E Cheese's #3260
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 189746, a Series 12, Restaurant Liquor License, for Ryan Witner Anderson, Agent, CEC Entertainment (Arizona), LLC, DBA Chuck E Cheese's #3260, located at 2977 W. Frye Road, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 302401.

Public Works and Utilities

17. Introduction of Ordinance No. 5012 Authorizing the Abandonment of a Drainage Easement No Longer Needed for Public Use
Move City Council introduce and tentatively adopt Ordinance No. 5012 authorizing the abandonment of a drainage easement no longer needed for public use on property located at the northeast corner of Cooper and Germann roads.
18. Introduction of Ordinance No. 5015 Authorizing the Abandonment of a Temporary Access Easement on Property Located at the Northeast Corner of Chandler Boulevard and Pleasant Drive
Move City Council introduce and tentatively adopt Ordinance No. 5015 authorizing the abandonment of a temporary access easement on property located at the northeast corner of Chandler Boulevard and Pleasant Drive.
19. Resolution No. 5549 Approving the Acquisition of Real Property Needed for the Chandler Heights Road Utility Relocations and Salt River Project 230kV Power Line Easement in the Vicinity of Chandler Heights Road from the Union Pacific Railroad Alignment to Dobson Road
Move City Council approve Resolution No. 5549 determining that acquisition of real property needed for the Chandler Heights Road utility relocations and Salt River Project 230 kilovolt power line easement in the vicinity of Chandler Heights Road from the Union Pacific Railroad alignment to Dobson Road is a matter of public necessity; approving the purchase of such real property at market value plus closing and escrow fees; authorizing the City's Real Estate Manager to sign, on behalf of the City, the purchase agreements and any other documents necessary to facilitate these acquisitions; approving eminent domain proceedings as needed to acquire said real property and obtain immediate possession thereof; and approving relocation services as may be needed and required by law.
20. Agreement No. PW0-745-4183, Amendment No. 3, with M.R. Tanner Development and Construction, Inc., for Street Maintenance Repaving, Surface Seal, and Repair Services
Move City Council approve Agreement No. PW0-745-4183, Amendment No. 3, with M.R. Tanner Development and Construction, Inc., for street maintenance repaving, surface seal, and repair services, increasing the spending limit by \$1,000,000, for a revised amount not to exceed \$8,241,860.75.
21. Purchase of SCADA Network Hardware Upgrades
Move City Council approve the purchase of SCADA network hardware upgrades, from Sentinel Technologies, Inc., utilizing 1GPA Contract No. 22-02PV-18, in an amount not to exceed \$800,000.
22. Construction Manager at Risk Contract No. ST2009.401, Change Order No. 1, with DCS Contracting, Inc., for the Dobson Road Improvements at Intel Driveways #1 and #4 – GMP No. 2

Move City Council award Construction Manager at Risk Contract No. ST2009.401, Change Order No. 1, to DCS Contracting, Inc., for the Dobson Road Improvements at Intel Driveways #1 and #4 – GMP No. 2, in an amount not to exceed \$3,030,177.90, and authorize a transfer of funds from General Fund, Non-Departmental, Contingency Reserve to General Government Capital Projects Fund, Streets Capital, Other Streets Improvements, Dobson Road Intel Driveways, in the amount of \$1,161,356.

23. Professional Services Agreement No. ST1616.271, with Ardurra Group, Inc., for the Ocotillo Road Improvements – Gilbert Road to 148th Street Post-Design Services
Move City Council award Professional Services Agreement No. ST1616.271, to Ardurra Group, Inc., for the Ocotillo Road Improvements - Gilbert Road to 148th Street Post-Design Services, in an amount not to exceed \$86,605.
24. Professional Services Agreement No. ST1616.401, with Haydon Building Corp., for the Ocotillo Road Improvements – Gilbert Road to 148th Street
Move City Council award Construction Contract No. ST1616.401 to Haydon Building Corp., for the Ocotillo Road Improvements - Gilbert Road to 148th Street, in an amount not to exceed \$6,763,162.
25. Professional Services Agreement No. ST1616.451, with Consultant Engineering, Inc., for the Ocotillo Road Improvements – Gilbert Road to 148th Street Construction Management Services
Move City Council award Professional Services Agreement No. ST1616.451, to Consultant Engineering, Inc., for the Ocotillo Road Improvements - Gilbert Road to 148th Street Construction Management Services, in an amount not to exceed \$678,806.
26. Project Agreement No. WA2007.402, with PCL Construction, Inc., Pursuant to Job Order Contract No. JOC1915.401, for the Alma School Well Site Improvements
Move City Council award Project Agreement No. WA2007.402 to PCL Construction, Inc., Pursuant to Job Order Contract No. JOC1915.401, for the Alma School Well Site Improvements, in an amount not to exceed \$936,595.38.
27. Professional Services Agreement No. WA2007.451, with Wilson Engineers, LLC, for the Alma School Well Site Improvements Construction Management Services
Move City Council award Professional Services Agreement No. WA2007.451 to Wilson Engineers, LLC, for the Alma School Well Site Improvements Construction Management Services, in an amount not to exceed \$157,990.

COUNCILMEMBER ORLANDO said that Chandler has been considered a leader in the Valley for water conservation through different projects over the years. Now we are coming up to our well system. Councilmember Orlando asked who has the rights of water if things worsen.

JOHN KNUDSON, Public Works and Utilities Director answered that Chandler would not be in conflict with SRP over this water. The groundwater underneath Chandler and throughout the State in aquifers, is managed by the Arizona's Department of Water Resources. There are around 30 wells in Chandler, and around nine are partnered with SRP on. Each of those wells has a permit, which is administered by the State, with a certain amount of water appropriate to pump. Our wells are pumped for our use, to serve the residents of Chandler. SRP's wells have multiple uses: agricultural irrigation, residential use. Some of SRP's wells pump into the canals that serve the surface water plants throughout the valley. SRP partners with Chandler not only on well groundwater, but with providing water into the canals. Over the past 30 years, we have had partnerships with SRP to allow the City of Chandler first right of use on the partnered wells. This well, if Chandler does not use it, SRP could pump it into the Western canal to provide to the Tempe plant. It is a shared, cooperative source of water.

COUNCILMEMBER ORLANDO thanked staff and said we have done a lot to protect our residents and businesses in our community over the years.

COUNCILMEMBER LOPEZ reaffirmed that Chandler has sustained the diversification of water sources through partnerships. Chandler's maintenance of its wells has put us in a good position.

28. Construction Manager at Risk Contract No. WW2005.252, with B&F Contracting, Inc., for the Chandler Boulevard and Dobson Road Sewer and Water Improvements Pre-Construction Services
- Move City Council award Construction Manager at Risk Contract No. WW2005.252, to B&F Contracting, Inc., for the Chandler Boulevard and Dobson Road Sewer and Water Improvements Pre-Construction Services, in an amount not to exceed \$494,546.80.

Adjourn

The meeting was adjourned at 6:33 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: June 9, 2022

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 23rd day of May 2022. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2022.

City Clerk