

Meeting Minutes

City Council Regular Meeting

January 26, 2023 | 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 Matt Orlando
Councilmember OD Harris
Councilmember Mark Stewart
*Councilmember Christine Ellis
Councilmember Jane Poston
Councilmember Angel Encinas

Appointee Attendance

Tadd Willie, Acting City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

*Councilmember Ellis attended telephonically.

Invocation

The invocation was given by Pastor Tim Klontz, Family Bible Church

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Poston.

Consent Agenda and Discussion

City Clerk

1. Approval of Minutes
Move to approve the Council meeting minutes of the Regular Meeting of January 12, 2023 and the Special Meeting of January 12, 2023.

Communications and Public Affairs

2. Agreement No. CAPA2-918-4421, Amendment No. 1, with Davidson Belluso, for Digital Marketing Services for Recruitment Campaigns
Move the City Council approve Agreement No. CAPA2-918-4421, Amendment No. 1, with Davidson Belluso, for digital marketing services for recruitment campaigns, in an amount not to exceed \$381,000, for the period of one year, beginning March 1, 2023, through February 28, 2024.

Community Services

3. Agreement No. CS9-956-3919, Amendment No. 2, for Library Materials and Related Services
Move City Council approve Agreement No. CS9-956-3919, Amendment No. 2, with Baker & Taylor, LLC; Ingram Library Services, LLC; and Midwest Tape, LLC; for library materials and related services, in a combined amount not to exceed \$1,150,000, for a period of two years, November 1, 2022, through October 31, 2024.
4. Professional Services Agreement No. PR2205.202, with Logan Simpson Design, Inc., for Brooks Crossing Park Renovation Design Services
Move City Council award Professional Services Agreement No. PR2205.202 to Logan Simpson Design, Inc., for Brooks Crossing Park Renovation Design Services, in an amount not to exceed \$187,840.

Development Services

5. Introduction and Tentative Adoption of Ordinance No. 5024 and Use Permit PLH22-0054 / PLH22-0059 Game Show Battle Room, 6909 West Ray Road, Generally Located at the Southeast Corner of Ray Road and 56th Street
Rezoning
Move City Council introduce and tentatively adopt Ordinance No. 5024 approving PLH22-0054 Game Show Battle Room, Rezoning from Planned Area Development (PAD) for Neighborhood Commercial (C-1) uses to PAD for Community Commercial (C-2) uses within an existing commercial center, subject to the conditions as recommended by Planning and Zoning Commission.

Use Permit
Move City Council approve PLH22-0059 Game Show Battle Room, Use Permit for a Series 7 Beer and Wine Bar license, subject to the conditions as recommended by Planning and Zoning Commission.
6. Introduction and tentative adoption of Ordinance No. 5044, approving a request to amend Chapter 35 of the Chandler City Code related to regulating medical marijuana facilities, medical marijuana cultivation sites, and medical marijuana infusion food establishments.

Proposed amendments include expanding hours of operation, increasing square-footage size limitations, and permitting the collocation of an ancillary medical marijuana facility with its affiliated onsite medical marijuana cultivation site and/or medical marijuana infusion food establishment when approved through a Conditional Use Permit, as recommended by Planning and Zoning Commission

Move City Council introduce and tentatively adopt Ordinance No. 5044, approving the citizen initiative Zoning Code Amendment PLH22-0060 Medical Marijuana Code Amendment, as recommended by Planning and Zoning Commission.

7. Resolution No. 5657, Authorizing a License Agreement between the Gigapower, LLC, dba Gigapower, and the City of Chandler for the Use of Public Property for the Establishment of a Class 5 Communications System

Move City Council adopt Resolution No. 5657, authorizing the Mayor to execute the license agreement between Gigapower, LLC, dba Gigapower, and the City of Chandler for the Use of Facilities in the City's Rights-of-Way and Public Places to Establish a Class 5 Communications System, and authorizing the City Manager or designee to execute other documents as needed to give effect to the agreement.

8. Preliminary Development Plan, PLH22-0039 Mountain View Estates, Located on the North Side of Riggs Road Approximately 1/4 Mile East of Lindsay Road

Move City Council approve Preliminary Development Plan PLH22-0039 Mountain View Estates for housing product design to be constructed on a 16-lot single family subdivision, subject to the conditions as recommended by Planning and Zoning Commission.

9. Use Permit PLH22-0050 Maple House, 198 W. Boston Street, Located on the Northeast Corner of Boston and California Streets in Downtown Chandler

Move City Council approve Use Permit for a Series 7 Beer and Wine Bar License and Entertainment Use Permit to allow outdoor speakers and acoustic live entertainment, subject to the conditions recommended by Planning and Zoning Commission.

10. Entertainment Use Permit, PLH22-0049 Elliot's Steakhouse, Located at 81 W. Boston St, on the Southwest Corner of Arizona Ave and Boston Street

Move City Council approve Entertainment Use Permit, PLH22-0049 Elliot's Steakhouse, for live indoor entertainment and indoor and outdoor speakers for background music, subject to the conditions recommended by Planning and Zoning Commission.

Economic Development

11. Agreement No. ED2-918-4422, Amendment No. 1, with 2060 Digital, LLC, for Digital Marketing Services

Move City Council approve Agreement No. ED2-918-4422, Amendment No. 1, with 2060 Digital, LLC, for digital marketing services, in an amount not to exceed \$500,000, for the period of one year, beginning March 1, 2023, through February 28, 2024.

Facilities and Fleet

12. Purchase of Painting and Related Services

Move City Council approve the purchase of painting and related services, from Ghaster Painting & Coatings, Inc., utilizing the City of Mesa Contract No. 2018165, increasing the spending limit by \$230,000, for a revised amount not to exceed \$330,000, for the existing term ending May 31, 2023.

13. Purchase of City Hall Cooling Tower Replacement Services

Move City Council approve the purchase of City Hall cooling tower replacement services, from Sun Mechanical Contracting, Inc., utilizing the Mohave Educational Services Cooperative (MESC) Contract No. 19F-SMC-0904, in the amount of \$439,600, and authorize the City Manager to sign a linking agreement with Sun Mechanical Contracting, Inc.

Fire Department

14. Agreement No. FD2-340-4440, with LN Curtis, Swift Group, Velocity Fire, and United Fire, for Fire Turnouts and Personal Protective Equipment (PPE)

Move City Council approve Agreement No. FD2-340-4440, with LN Curtis, Swift Group, Velocity Fire, and United Fire, for fire turnouts and PPE, in an amount not to exceed \$850,000, for the period of one year, beginning February 1, 2023, through January 31, 2024.

Information Technology

15. Agreement No. IT2-918-4438, Amendment No. 1, with CE Wilson Consulting, for Professional and Project Consulting Services

Move City Council approve Agreement No. IT2-918-4438, Amendment No. 1, with CE Wilson Consulting, for professional and project consulting services, in an amount not to exceed \$150,000, for a one-year term, beginning January 1, 2023, through December 31, 2023.

16. Purchase of Cisco Smartnet

Move City Council approve the purchase of Cisco Smartnet, from Sentinel Technologies, Inc., utilizing the 1GPA Contract No. 22-02PV-18, in the amount of \$233,745.

Management Services

17. New License Series 6, Bar Liquor License application for DTC Bar, LLC, DBA Val's

Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 213988, a Series 6, Bar Liquor License, for Patrick Roger Stratman, Agent, DTC Bar, LLC, DBA Val's, located at 118 W. Boston Street, and approval of the City of Chandler, Series 6, Bar Liquor License No. 304457.

18. New License Series 12, Restaurant Liquor License application for The Taco Spot, LLC, DBA The Taco Spot
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 220578, a Series 12, Restaurant Liquor License, for Jeffery Craig Miller, Agent, The Taco Spot, LLC, DBA The Taco Spot, located at 698 E. Chandler Boulevard, Suite B, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 202733.
19. New License Series 6, Bar Liquor License application for GTC Chandler, LLC, DBA Good Time Charli's
Move for recommendation to the State Department of Liquor Licenses and Control for approval of State Liquor Job No. 218632, and further, that approval be given for the City of Chandler Series 6, Bar Liquor License No. 300408 L6, for Jeffery Craig Miller, Agent, GTC Chandler, LLC, DBA Good Time Charli's, located at 6045 W. Chandler Boulevard Suite # 7.

Neighborhood Resources

20. Resolution No. 5664 Authorizing a Legal Services Retainer Agreement for Harvey Law, PLLC, to Assist in the Conversion of Public Housing Properties to Section 8 Project-Based Rental Assistance and Related Legal Matters
Move City Council pass and adopt Resolution No. 5664 approving Legal Services Retainer Agreement for Harvey Law, PLLC, to Assist in the Conversion of Public Housing Properties to Section 8 Project-Based Rental Assistance and Related Legal Matters.

Police Department

21. Resolution No. 5662 Authorizing an Intergovernmental Agreement Between the City of Chandler and the City of Phoenix, and Other Identified Cities, for the Award of the Edward Byrne Memorial Justice Assistance Grant (JAG) Program FY 2022 in the Amount of \$43,233
Move City Council pass and adopt Resolution No. 5662, authorizing an Intergovernmental Agreement (IGA) with the City of Phoenix, and other identified cities, for the award of the Edward Byrne Memorial Justice Assistance Grant (JAG) Program FY 2022 in the Amount of \$43,233; and authorizing the Mayor to execute the Agreement.
22. Resolution No. 5663 Authorizing an Intergovernmental Agreement for the Sharing of Law Enforcement Information
Move City Council pass and adopt Resolution No. 5663 authorizing an Intergovernmental Agreement for the Sharing of Law Enforcement Information between the City of Chandler, Town of Gilbert, City of Mesa, City of Tempe and Town of Queen Creek, authorizing the Mayor to sign the Agreement, and appointing the Chief of Police to administer, execute, and submit all documents and any other necessary instruments in connection with said

Agreement, including any such future extensions under the same terms and conditions not to exceed the duration of the original Agreement.

23. Professional Services Agreement No. PD2205.452, with Kitchell/CEM, Inc., for the Police Work Area and Storage Renovation Construction Management Services
Move City Council award Professional Services Agreement No. PD2205.452 to Kitchell/CEM, Inc., for the Police Work Area and Storage Renovation Construction Management Services, in an amount not to exceed \$142,940.
24. Project Agreement No. PD2205.401 with SDB, Inc., Pursuant to Job Order Contract No. JOC1912.401, for the Police Work Area and Storage Renovation
Move City Council award Project Agreement No. PD2205.401 to SDB, Inc., Pursuant to Job Order Contract No. JOC1912.401, for the Police Work Area and Storage Renovation, in an amount not to exceed \$1,808,582.79.
25. 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 \$1,023,556.94.
26. Purchase of Police Bucket Truck
Move City Council approve the purchase of a Police Bucket Truck, from Altec Industries, Inc., utilizing Sourcewell Contract No.062320-ALT, in the amount of \$152,936.

Public Works and Utilities

27. Resolution No. 5642 Approving the Acquisition of a Water Line Easement on Lot 16 of Arden Park
Move City Council adopt Resolution No. 5642 approving the acquisition of a water line easement on lot 16 of Arden Park, at fair market value plus closing and escrow fees, in order to extend a water line from Beverly Place to the south side of Kingbird Drive; authorizing the City's Real Estate Administer to sign, on behalf of the City, the purchase agreement, and any other documents necessary to facilitate this acquisition.
28. Resolution No. 5643 Authorizing an Intergovernmental Agreement with the Arizona Water Banking Authority for Distribution of Long-Term Storage Credits for Firming Municipal and Industrial Priority Central Arizona Project Water
Move City Council pass and adopt Resolution No. 5643 authorizing an Intergovernmental Agreement with the Arizona Water Banking Authority for distribution of long-term storage credits for firming Municipal and Industrial (M&I) priority Central Arizona Project (CAP) Water.

29. Resolution No. 5655 Approving the Abandonment of Temporary Drainage Easements No Longer Needed for Public Use
Move City Council pass and adopt Resolution No. 5655 approving the abandonment of temporary drainage easements no longer needed for public use located south of Germann Road at the southwest corner of Stearman Drive and Douglas Drive.
30. Professional Services Agreement No. WW2001.203, with HDR Engineering, Inc., for the Ocotillo Brine Reduction Facility Hydrochloric Acid Storage and Weak Acid Containment Mixing Improvements Design Services
Move City Council award Professional Services Agreement No. WW2001.203, to HDR Engineering, Inc., for the Ocotillo Brine Reduction Facility Hydrochloric Acid Storage and Weak Acid Containment Mixing Improvements Design Services, in an amount not to exceed \$189,475.

Consent Agenda Motion and Vote

Councilmember Poston moved to approve the Consent Agenda of the January 26, 2023, Regular City Council Meeting; Seconded by Councilmember Encinas.

Motion carried unanimously (7-0).

Action Agenda and Discussion

31. Resolution No. 5661 Accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022
Move City Council pass and adopt Resolution No. 5661 accepting 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, 2022, and demonstrating compliance with Arizona Revised Statutes (ARS) §9-481(H) and §41-1494.

TADD WILLE, Assistant City Manager explained that the city is required by City charter, state statute, and federal law to issue an annual audited financial report. It is required to have the auditors report any annual audit results and any findings to the City Council during a regular meeting.

ROBERT STEELE, Accounting Senior Manager, introduced the item and thanked the auditors presenting.

COREY ARVIZU, Heinfeld Meech Audit and Consulting Partner, and JOSHUA JUMPER, Heinfeld Meech Audit Manager, presented the following presentation.

- Presentation of the City of Chandler Annual Financial Audit For the Fiscal Year Ended June 30, 2022 | Presented by Corey Arvizu, Partner & Joshua Jumper, Manager January 26, 2023

- 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
- 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 in internal control and compliance for federal awards as required
 - Agreed-upon procedures report for ADEQ landfill requirements
 - Annual expenditure limitation report
- Key Items from FY 2021-22
 - Unmodified (clean) audit opinion dated December 16, 2022
 - No internal control deficiencies noted
 - COVID-19 related funding required significant attention and focus for audit team
 - Approximately \$25.8M spent in fiscal year 2022
 - Implementation of GASB 87 related to leases
- Other Important Communication

- Communication to those charged with governance provided by the audit firm at the completion of the audit also includes 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? | Approval of Resolution 5661 demonstrates compliance with ARS §9-481(H) and ARS §41-1494.

MAYOR HARTKE thanked Mr. Arvizu and Mr. Jumper for the presentation.

VICE MAYOR ORLANDO asked about the normal length of conducting an audit.

MR. ARVIZU answered that the total time worked conducting this audit was 700 hours total.

VICE MAYOR ORLANDO asked if the initial analysis was completed before meeting with City staff.

MR. ARVIZU confirmed and said it depends on what the subject control is. Conducting an audit is an interactive process between City staff and the audit team.

VICE MAYOR ORLANDO asked if purchasing was investigated in the audit.

MR. ARVIZU said that procurement purchasing is part of the audit review procedures for federal requirements.

COUNCILMEMBER STEWART asked where the Annual Comprehensive Financial Report is posted.

DAWN LANG, Deputy City Manager / Chief Financial Officer, explained that the 2022 report can be found at <https://www.chandleraz.gov/government/departments/management-services/accounting>.

COUNCILMEMBER HARRIS asked to explain an unqualified opinion audit.

MR. ARVIZU explained that an unqualified or unmodified opinion result means that nothing was of note in the amounts reported in the financial statements that would be incorrect and are believed to be accurate. A modified opinion result would mean that there was something of concern in the financial statements.

COUNCILMEMBER HARRIS asked if Chandler received an unqualified or unmodified opinion.

MR. ARVIZU reported that Chandler received an unqualified or unmodified opinion for this audit.

MAYOR HARTKE thanked Mr. Arvizu and Mr. Jumper.

Action Agenda Motion and Vote

Vice Mayor Orlando moved to approve the Action Agenda Item 31, Resolution No. 5661 accepting the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022, Seconded by Councilmember Ellis.

Motion carried unanimously (7-0).

Informational

32. Special Event Liquor Licenses and Temporary and Permanent Extensions of Liquor License Premises Administratively Approved

33. Claims Report for the Quarter Ended December 31, 2022

34. Contracts and Agreements Administratively Approved for the Month of December, 2022

Unscheduled Public Appearances

MAYOR HARTKE called for Unscheduled Public Appearances.

ANKIT SURA, 850 W. Oriole Way., shared a presentation on the housing situation in Chandler and how innovation can make our community affordable and resilient.

Current Events

Mayor's Announcements

MAYOR HARTKE thanked volunteers in the annual Point in Time count conducted January 24, 2022.

MAYOR HARTKE announced the Regional Unity Walk on Saturday, January 28, 2023 at Tempe Town Lake beginning at 4:30 p.m.

MAYOR HARTKE shared that the Chandler International Film Festival is ongoing until January 29, 2023.

MAYOR HARTKE shared that the city is proposing changes to its existing short-term rental ordinance, addressing the new state law that allows the city to license short term rental properties and establish criteria for maintaining licenses. We are looking for public input found in a survey online at chandleraz.gov/shorttermrental.

Council's Announcements

COUNCILMEMBER ENCINAS shared that local leaders will be present at the Chandler International Film Festival January 29 at 2:00 p.m. by the East Valley Community Center.

COUNCILMEMBER STEWART shared that 1,300 took part in the budget survey and thanked residents for being involved and looked forward to hearing more.

COUNCILMEMBER STEWART shared that the Night of Hope event will be taking place Friday, February 10, 2023, at ASU Gammage at 6:00 p.m. to unite in the fight against human trafficking.

COUNCILMEMBER HARRIS shared that he participated in the East Valley MLK Day parade and celebration. Martin Luther King Day celebrations across the valley were great and are a great way to share recognition for those putting in work honoring Dr. King.

COUNCILMEMBER HARRIS share that he is looking forward to serving as treasurer on the Valley Metro board. Valley Metro services will be conducted from 4:00 a.m. to 2:00 a.m. daily the week of the Super Bowl.

COUNCILMEMBER POSTON shared a reminder to apply for open positions in Chandler boards and applications.

City Manager's Announcements

None.

Adjourn

The meeting was adjourned at 6:31 p.m.

ATTEST: *Dana R. DeLong*
City Clerk

Kevin Harthe
Mayor

Approval Date of Minutes: February 9, 2023

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 26th day of January 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 9th day of February, 2023.



Dana R. DeLong
City Clerk