



City Council Regular Meeting

Monday, March 20, 2023
6:00 p.m.

Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ





Back row
Councilmember OD Harris, Mayor Kevin Hartke, Councilmember Mark Stewart
Front row
Councilmember Jane Poston, Councilmember Angel Encinas, Vice Mayor Matt Orlando, Councilmember Christine Ellis

Our Vision

We are a world-class City that provides an exceptional quality of life.

Our Brand

A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence.

Our Goals

City Council Strategic Policy Goals

1. Being the most connected City
2. Being a leader in trust and transparency
3. Maintaining fiscal sustainability
4. Attracting a range of private sector businesses
5. Fostering a contemporary culture that embraces unity
6. Being safe and beautiful

Pursuant to Resolution No. 4464 of the City of Chandler and to A.R.S. 38-431.02, notice is hereby given to the members of the Chandler City Council and to the general public that the Chandler City Council will hold a **REGULAR MEETING** open to the public on Monday, March 20, 2023, at 6:00 p.m., in the Chandler City Council Chambers, 88 E. Chicago Street, Chandler, Arizona. One or more members of the Chandler City Council may attend this meeting by telephone.

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at 480-782-2181 (711 via AZRS). Please make requests in advance as it affords the City time to accommodate the request.

Agendas are available in the Office of the City Clerk, 175 S. Arizona Avenue.



Regular Meeting Agenda

City Council Strategic Framework Focus Areas: Legend



Economic Vitality



Mobility



Quality of Life



Innovation and Technology



Neighborhoods



General Governance

Call to Order

Roll Call

Invocation - Pastor Keith Shepherd, Church of Christ

Pledge of Allegiance

Scheduled Public Appearances

1. Service Recognitions
2. Proclamation - Valley Bike Month

Consent Agenda

Items listed on the Consent Agenda may be enacted by one motion and one vote. If a discussion is required by members of the governing body, the item will be removed from the Consent Agenda for discussion and determination will be made if the item will be considered separately.


Proposed Motion: Move to approve the Consent Agenda of the March 20, 2023, Regular Meeting.



City Clerk

1. **Approval of Minutes**

Move to approve the Council meeting minutes of the Special Meeting - Council Retreat of February 1, 2023; Special Meeting - Council Retreat of February 2, 2023; Work Session of February 6, 2023; Work Session of February 9, 2023; Work Session of February 23, 2023; and Regular Meeting of February 23, 2023.

Council Focus Area(s): 

Adjourn



City Council Memorandum City Clerk's Office Memo No. N/A

Date: March 20, 2023
To: Mayor and Council
From: Dana DeLong, City Clerk
Subject: Approval of Minutes

Proposed Motion:

Move to approve the Council meeting minutes of the Special Meeting - Council Retreat of February 1, 2023; Special Meeting - Council Retreat of February 2, 2023; Work Session of February 6, 2023; Work Session of February 9, 2023; Work Session of February 23, 2023; and Regular Meeting of February 23, 2023.

Attachments

Minutes of the February 1, 2023, Special Meeting - Council Retreat, Day 1
Minutes of the February 2, 2023, Special Meeting - Council Retreat, Day 2
Minutes of the Work Session of February 6, 2023
Minutes of the Work Session - Budget Workshop #1 of February 9, 2023
Minutes of the Work Session of February 23, 2023
Minutes of the Regular Meeting of February 23, 2023

Meeting Minutes

City Council Special Meeting

February 1, 2023 | 9:30 a.m.
Chandler Museum, Saguaro Room
300 S. Chandler Village Dr., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 9:52 a.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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / CFO
Andy Bass, Deputy City Manager
Matt Burdick, Communications and
Public Affairs Director

Facilitator Attendance

Nicole Lance, Lance Strategies &
Extraordinary Balance
Eric Bailey, Bailey Strategic Innovation Group
& Extraordinary Balance

Welcome

MAYOR HARTKE welcomed staff and councilmembers.

NICOLE LANCE, Lance Strategies & Extraordinary Balance, and ERIC BAILEY, Bailey Strategic Innovation Group & Extraordinary Balance, introduced themselves and set goals for the day.

Discussion

Discussion, Review, Identification, and Modification of Priorities to Address and Create a Unified Strategic Policy Direction for the City of Chandler

1. Facilitation Framework, Review and Editing of Existing Priorities, Common Barriers to Effective Strategic Planning

MS. LANCE noted that the current Strategic Framework 2021 – 2023 document will be the starting point of consideration. First, look for what is missing and consider what might need to be removed, edited, or adjusted from the existing framework.

MR. BAILEY shared a presentation on perception and reality. Mr. Bailey instructed everyone to break into pairs and discuss their top ideas for each category.

2. Brainstorming New Priorities

Quality of Life

COUNCILMEMBER POSTON mentioned that Public Safety does not fit cleanly into this category. Quality of Life has the connotation of other services, like events or athletics. Quality of Life should be a stand-alone category.

COUNCILMEMBER ELLIS said that public safety was discussed to be integrated into everything that we do in Chandler. The question is do we consider public safety to be its own category or combine it into all different areas.

COUNCILMEMBER ENCINAS added that water and environment should be incorporated into this category.

COUNCILMEMBER HARRIS said having continual plans to maintain and improve our resources like water is important.

COUNCILMEMBER STEWART suggested continuing volunteer opportunities and events while collaborating with nonprofits and other interest groups.

VICE MAYOR ORLANDO mentioned aesthetics, taking opportunities to beautify the city.

MAYOR HARTKE shared a goal of being public safety leaders, setting a responsible water policy, and continuing supporting celebrations and events.

MR. WRIGHT said we need to learn to support Chandler's diverse residents and adapt our organization to make a difference to individuals.

COUNCILMEMBER STEWART said they discussed public safety as a separate item from Quality of Life, but it would still fit.

VICE MAYOR ORLANDO said we need to expand the definition of public safety to consider more than police and fire.

COUNCILMEMBER HARRIS said that including public safety issues into our consideration of Quality of Life is important. This is a topical issue, and a clear framework for how to deal with these recent concerns will help.

Neighborhoods

COUNCILMEMBER ELLIS said that neighborhoods play a holistic role in the city goals. Community service fits under this category. Community navigators are part of this category as well, we need to consider how to integrate them further to benefit our neighborhoods.

COUNCILMEMBER POSTON said that Chandler has a culture of community service. Community service is about both people doing the service and the people receiving benefits from the service. Neighborhood challenges are not a department-specific target, but a whole City target.

VICE MAYOR ORLANDO said that affordable housing is a recent focus. The city's plan for affordable housing on its land is a good way to move forward. One improvement would be to speed up the development process. Neighborhood clean ups is another suggestion for improving neighborhoods.

COUNCILMEMBER STEWART said we need to find innovative solutions to speed the process up. Councilmember Stewart suggested removing Housing from our core strategic focuses. The city's responsibility is not to provide housing to residents, only to facilitate the permitting process for builders.

COUNCILMEMBER ENCINAS agreed with the holistic approach to neighborhoods and community service and added that the city can do more independently of the other groups that provide these services. A common theme discussed was engagement, investment, and outreach. Collaboration and open communication is key.

COUNCILMEMBER HARRIS mentioned engaging HOA neighborhoods more through quarterly round table discussions. It is critical to be involved with HOA leaders and residents. The city offers some incentives to landlords for low-income housing, but we need to return to creating incentives and working relationships with landlords. Bringing up new ideas to builders is one way to influence the future of neighborhoods. Council's influence does matter to these groups and to individual constituents.

MAYOR HARTKE said that staff will return with concepts or program ideas. It is our job to provide vision and policy to staff. HOA workshops are in full swing, we can work on visibility. In considering housing strategic partnership, what are some areas we have not explored. Continue to maintain positive perceptions of Chandler for visitors and residents.

Mobility

MAYOR HARTKE said Chandler needs to be a leader in a substitute plan for transportation funding to replace Proposition 400. We need to embrace technology and alternative mobility while maintaining high standards of transportation. Multi-modal planning can address system gaps.

COUNCILMEMBER ENCINAS said there was some confusion as to why mobility was a pillar on its own. The question is where the high-tech transit options are.

COUNCILMEMBER HARRIS said that the Chandler Flex has been a great program, now we can expand the areas of service.

VICE MAYOR ORLANDO emphasized connectivity in service. The question is how we reprogram current bus service. Vice Mayor Orlando brought up fiber connectivity and advances towards 5G technology.

COUNCILMEMBER STEWART asked how we create more awareness for the services we already provide. Multi-modal or micro transit options are the future, so we must consider how we rotate funding from an old service to a new service. Perhaps connectivity is rolled into the Mobility category, where it is not just physical mobility, but mobility of opportunities.

COUNCILMEMBER HARRIS mentioned mobility as it applies to non-Chandler residents.

Innovation and Technology

VICE MAYOR ORLANDO mentioned that Innovation applied to all the focus areas. We can add sustainability to Technology category.

COUNCILMEMBER STEWART shared some overlap between economic development and smart sustainability practices when it comes to energy.

COUNCILMEMBER HARRIS said that everything we do is innovative across all focus areas. We can consider how we use A.I. and what Chandler looks like in the future.

COUNCILMEMBER POSTON said that most of the points in this area related more to technology than they did innovation. We also must consider if the technology goals are internal or external. Much of the goals of the other focus areas were outward facing, but this one seems less clear.

COUNCILMEMBER ELLIS said we conducted various assessments and now must implement suggestions to meet our goals.

MAYOR HARTKE mentioned we need to be sustainable and innovative leaders in energy and water. We can revisit the incubator, and revisit partnerships with other groups. There is still room to build on the Price Corridor area for semiconductor manufacturing opportunities. Our internal needs to invest in hardware, software, infrastructure can realize spending one-time funds to get ongoing savings.

Economic Vitality

COUNCILMEMBER POSTON said that internally we need to prioritize a business-friendly culture. Economic vitality does not just come from the Economic Development department.

COUNCILMEMBER ELLIS said Mayor and Council need enough direction to be able to direct questions from business owners and residents.

COUNCILMEMBER ENCINAS mentioned that Chandler has a great technology employment base, but we can be more open to other industries to foster new businesses and start-ups. Infill redevelopment and reuse is a big opportunity for Chandler to become more innovative. We need to think outside the box to bring cool and exciting new things to Chandler.

COUNCILMEMBER HARRIS said that making access to capital, marketing, and starting a business easier for entrepreneurs will help businesses. Let the City support them with our resources and find sustainable partners. We need to continue expanding and cleaning north Arizona Avenue.

MAYOR HARTKE said we need to tell our story better through better marketing. We can use our strong position on water to influence economic vitality. In considering the situation with build-out, what are we missing and what needs remain. We can conduct an inventory and then determine what the best use for that space is. Chandler needs to be assertive in its redevelopment and reuse.

COUNCILMEMBER STEWART summarized that in Price Corridor, Economic Development is tied to Planning and Zoning. We need to support small businesses and provide them with the resources and tools they need to succeed.

VICE MAYOR ORLANDO said that more partnerships may do better on with working with small businesses, we need to prioritize what we do best. What is the next step after inventory is completed.

MR. BAILEY asked each councilmember to identify one focus area they would like to focus on for the rest of the day.

3. Consensus-Building on Priorities and Focus Areas

MR. BAILEY organized councilmembers to target certain focus areas. In each group, look at the current strategic plan and determine what items will be listed under each focus area.

Neighborhoods

COUNCILMEMBER ENCINAS suggested adding more bullet points rather than editing what was already there. There should be more of a focus on neighborhoods rather than housing. Suggested bullet points were well maintained neighborhoods that show pride in ownership; engagement of community leaders, residents, and HOAs; providing infrastructure to create community through events and volunteer opportunities; exploring strategies to streamline processes in order to bring diverse housing to market quickly and efficiently; reinvest and revitalize traditional

neighborhoods; and explore partnerships with HOAs to ensure sustainability and viability of neighborhoods. They would keep the bullet point about holistic neighborhoods.

VICE MAYOR ORLANDO asked where housing would fit.

COUNCILMEMBER POSTON said that it was in one of the bullet points, where the intention was not to delete it entirely but to change the focus.

COUNCILMEMBER STEWART commented that this realignment would focus less on housing as a product and more on the neighborhood.

Innovation and Technology

MAYOR HARTKE said that the title of this area should be Sustainability and Technology but highlight innovation in other supporting text. Every area of the City already fosters and implements innovation.

MR. WILLE said additional text would be about embracing innovation in all aspects.

MAYOR HARTKE continued that current bullet points are still relevant, and we should add a point stating Chandler's goal to be a lead in water, energy, and infrastructure sustainability. As part of the action plan, internally invest in new technology, hardware, software, and infrastructure to enhance sustainability and workforce retention. Building on the Price Corridor brand and revisit strategies to help small business should move to Economic Vitality. Conduct a broad band fiber needs assessment across the city. This was done internally for City facilities, but we can secure better quality broadband for residents.

COUNCILMEMBER ENCINAS commented that the name change is topical and fits better with the content.

MAYOR HARTKE said we are elevating innovation, not removing it from this area.

Mobility

COUNCILMEMBER STEWART said they revised mobility to mean more than just physical mobility. A better title would be Connectivity. Communication and physical access would be a part of this.

COUNCILMEMBER HARRIS said additional points would be fiber expansion can provide partnership and how the city can expand access for all. Expand internet access. Cybersecurity, virtual experiences, and community engagement.

MS. LANCE asked to expand on these subjects.

COUNCILMEMBER STEWART explained that the goal is to provide equal access to events either physically or virtually.

COUNCILMEMBER HARRIS continued talking about micro transit options within the current budget. We would replace high tech with micro transit options in the text. Add city-to-city connections in the East Valley by identifying additional transit circuits that neighboring cities have. Add Electric Vehicle charging somewhere in the Strategic Initiative, under Sustainability.

COUNCILMEMBER STEWART added that if we build the infrastructure for EV, that is a good movement forward, but it is not our responsibility to build the stations.

VICE MAYOR ORLANDO said the infrastructure bill puts money to subsidize the work that private industry does.

MAYOR HARTKE said our job would be in permitting and communicating with other cities for integration.

VICE MAYOR ORLANDO said we can study how new transportation technologies fit into connectivity

COUNCILMEMBER HARRIS said some of this may already be addressed in other groups like the East Valley Transportation Plan.

MR. BAILEY clarified that staff will transform recommendations into the Strategic Plan document itself. For tomorrow, there are three focus areas left to discuss if public safety becomes its own focus area.

Council consensus was that community safety should be its own focus area.

MR. BAILEY asked each councilmember to identify one focus area they would like to focus on for the next day. He said there was a lot today, we will meet and regroup tomorrow.

Adjourn

The meeting was adjourned at 3:35 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: March 20, 2023

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Chandler, Arizona, held on the 1st day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk

Meeting Minutes

City Council Special Meeting

February 2, 2023 | 9:30 a.m.
Chandler Museum, Saguaro Room
300 S. Chandler Village Dr., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 9:40 a.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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / CFO
Andy Bass, Deputy City Manager
Matt Burdick, Communications and
Public Affairs Director

Facilitator Attendance

Nicole Lance, Lance Strategies &
Extraordinary Balance
Eric Bailey, Bailey Strategic Innovation Group
& Extraordinary Balance

*CM Harris departed at approximately 10:30 am.

Welcome

NICOLE LANCE, Lance Strategies & Extraordinary Balance, and ERIC BAILEY, Bailey Strategic Innovation Group & Extraordinary Balance set goals for the day.

Discussion

Discussion, Review, Identification, and Modification of Priorities to Address and Create a Unified Strategic Policy Direction for the City of Chandler

3. Consensus-Building on Priorities and Focus Areas

Economic Vitality

COUNCILMEMBER ENCINAS said overall this section is good. Combine points 3 and 5. Remove amenities from point 4.

COUNCILMEMBER POSTON said we need to make sure we have a consistent vision for adaptive reuse. In general, broaden the framework to attract new development to older areas. We do not need to be the producer of these events if we can attract and support events. Another idea is to create synergy in micro communities across Chandler. How can we foster organic activity.

VICE MAYOR ORLANDO asked if this belongs in this category.

COUNCILMEMBER POSTON said it could belong to a few categories. Councilmember Poston continued by adding business-friendly strategies: we need to get purposeful about small businesses, one path forward may be through pursuing partnerships; revisit the incubator; and assess business diversity in the strategy for what sort of business we pursue for Chandler. The focus on the Chandler Airpark and Price Corridor are opportunity areas for Chandler, while continuing to preserve roads, it can be one bullet point.

COUNCILMEMBER ENCINAS emphasized that the overall theme would be telling our economic story.

VICE MAYOR ORLANDO asked where capital investment meets start-ups in the incubator.

MR. WRIGHT said that connections to startup funding opportunities or angel investing.

COUNCILMEMBER POSTON suggested connection to financial resources as a goal.

COUNCILMEMBER STEWART said that the priority for small businesses is important, and we need to have more focus on how to develop this into a full project to redevelop the incubator. If we can incorporate larger cornerstone businesses into the incubator it would work well with small businesses.

MAYOR HARTKE said we need to put intentional thought into developing the incubator. The goals of the incubator would be less for small businesses and more for the next big thing for Chandler. We need to look at this space and reexamine potential concepts.

COUNCILMEMBER POSTON said we need to set solid expectations for participants in the incubator program.

MR. WRIGHT added that we need to disconnect the physical incubator space from the incubator concept. Much of the start-up resources is not bound by location.

COUNCILMEMBER STEWART said that we do need some physical space for groups to meet and collaborate.

MAYOR HARTKE restated that we cannot be everything to everyone.

Quality of Life

MAYOR HARTKE said we need to provide connections to allow other groups to put on events. We want to be a community of celebration.

COUNCILMEMBER STEWART said Quality of Life encompasses everything. Remove reference to safety, change point to inclusivity. Add more conversation about aesthetics, living in a beautiful community. Ensure planning and zoning meets Chandler standards in aesthetics and amenities. We have no need to break away from our standards on request. We can focus in on enhancing North Arizona Avenue. Remove point on architecture, art and landscaping to be more general. The goal is to facilitate projects and events, not run them.

COUNCILMEMBER ELLIS said that people want the City to help support events. We can consider supporting new events, but must consider qualifications of the events. This will be helped by the strategic plan that the DEI office is doing. How do we stay relevant to a diverse population.

MR. WILLE said that some of these strategies will be in the DEI strategic plan.

MR. WRIGHT added that some things we are already doing, like spending money to market city events. We are taking steps forward, there are subtle changes in progress, rather than one thing.

COUNCILMEMBER STEWART said that this may need to be written and captured a different way.

COUNCILMEMBER ELLIS continued by adding a bullet point about maximizing tax savings to residents while maintaining quality service.

VICE MAYOR ORLANDO commented that the use of the word maintaining has a different tone than enhancing quality service. We have city events that we plan and execute. Vice Mayor Orlando asked if we face pressure from outside organizations asking us to plan more events.

COUNCILMEMBER POSTON said that we do face pressure to hold and plan events.

COUNCILMEMBER ELLIS said most of the time, requests come from others at events.

COUNCILMEMBER STEWART asked if these were separate goals.

MR. WRIGHT said some policy framework to address this is forthcoming.

MAYOR HARTKE said we need to continue our legacy events. We can find pathways so people feel like they are being heard, but understand that it is not the City's responsibility to run events.

MS. LANCE asked for clarification on the point maximizing tax savings to residents while enhancing quality service.

COUNCILMEMBER ELLIS said staff is always looking at how to decrease cost.

VICE MAYOR ORLANDO reframed the statement as a purpose, not an action. This would make more sense in the introduction paragraph.

COUNCILMEMBER STEWART said we have invested in our water infrastructure and will have continual opportunities to do so in the future. The more money we can keep in our residents' pockets the better their quality of life will be. We need to be intentional about this phrasing. Another point added was continue to invest in smart technology to monitor and regulate traffic. This is a tactic rather than an action.

VICE MAYOR ORLANDO asked what points would be changed and removed.

COUNCILMEMBER ELLIS clarified that the first point would be removed and the second point would be edited to be more general about aesthetics.

VICE MAYOR ORLANDO said art is not an amenity. How can we capture art in this point.

COUNCILMEMBER POSTON asked about the bullet point reading public spaces that are usable year-round and eliminate blight.

MR. WRIGHT said this was to provide shade and update Dr. A. J. Chandler park.

COUNCILMEMBER ELLIS said these spaces need to be maintained and kept functional.

COUNCILMEMBER STEWART said that managing blight is part of the consideration on aesthetics.

Community Safety

MAYOR HARTKE said this is a new stand-alone focus area, where previously it was considered to intrinsically be a part of every focus area. Some ideas could be present in other focus areas but should all tie into the theme of community safety. Safe health and a vibrant community.

VICE MAYOR ORLANDO summarized that it would be for individuals, businesses, and the community at large.

MAYOR HARTKE said some of this would be included in the opening paragraph. Bullet points would include develop a plan for homeless services past the federal funds they are currently funded by.

VICE MAYOR ORLANDO said providing wrap-around service for education, engagement community first responders. Building a positive perception and trust of public safety comes from fostering positive interactions in the community.

MAYOR HARTKE said we are continually looking for partners in our community other than schools.

VICE MAYOR ORLANDO said we can foster the further pursuit of safety technology for increased effectiveness and cost savings. We can create partnerships to focus on behavioral health.

MAYOR HARTKE said the goal of this focus area was to move beyond the concept of public safety to wider community safety. There are many other ways to improve the safety of our community.

VICE MAYOR ORLANDO added that we are doing a good job on our own with internal cybersecurity, we can partner with other resources for a wider lens.

MAYOR HARTKE enhance community safety programs, like community safety officers, events, or programs.

VICE MAYOR ORLANDO how do we tell our story of being a safe community.

MAYOR HARTKE added that how can we make our courts safe and fair for employees and people at the courts.

COUNCILMEMBER ELLIS asked about school resource officers.

COUNCILMEMBER STEWART said internet crime, financial crime. We have not discussed these things before.

MAYOR HARTKE said the focus of council is to best understand and make decisions to address what is happening in Chandler currently.

COUNCILMEMBER POSTON asked about safety technology.

MAYOR HARTKE clarified that this would mean making sure first responders have the appropriate equipment and training they need to do their job.

COUNCILMEMBER STEWART added concern for biker and road safety.

MAYOR HARTKE added water security infrastructure and emergency management.

4. Finalization of Strategic Priorities and Commitments for Effective Implementation

MS. LANCE reviewed the Our Vision, Our Brand, and Our Goals structure in the strategic plan.

MAYOR HARTKE said these sections were up front as the Chandler mission and brand.

COUNCILMEMBER STEWART commented that the strategic policy goals do not need to be numbered as that creates a ranking. Private sector business statement excludes and defines rather than states opportunities.

MAYOR HARTKE said that the point of the goals is to follow through based on the values present.

VICE MAYOR ORLANDO asked about rephrasing the goals to reduce redundancy.

MR. BURDICK said this is more of a philosophical statement or narrative.

COUNCILMEMBER POSTON said the statements should have stronger words than being.

MS. LANG added that innovation should be captured in this section.

MS. LANCE asked what leading statements or key ideas you want people to know about the City of Chandler's commitment innovation.

COUNCILMEMBER POSTON answered that innovation is our expectation and our culture.

MAYOR HARTKE said innovation reflects who we are.

COUNCILMEMBER ENCINAS said this feels like a presentation of our story. We are at an opportunity to reevaluate what this looks like to us at this point, and where can we go next.

COUNCILMEMBER ELLIS said innovation as in where we are now and our future.

MS. LANCE asked if Chandler as an organization or Chandler as a community.

COUNCILMEMBER ELLIS said that it applies to both.

COUNCILMEMBER POSTON said that historically we have been an innovative community, less so an innovative organization. One example is the Saturday open house at the courts.

VICE MAYOR ORLANDO said that a culture of improvement and innovation effects every department and the views of the city. It is okay to try new things, making calculated risks is acceptable.

COUNCILMEMBER ELLIS mentioned empowering employees to have the power to bring new innovative ideas forward.

COUNCILMEMBER STEWART added that we should be dedicated to embracing change for improving quality of life is the overarching theme. This comes through a wide variety of partnerships.

MAYOR HARTKE shared that at the state level of legislature there is a focus on quantity rather than quality. We need to be thorough and thoughtful in our risk-taking. It is important to have a commitment to innovation as leaders for businesses and individuals.

COUNCILMEMBER ELLIS said we need to bring others up. Fostering innovation in Chandler will multiply the benefits on quality of life.

VICE MAYOR ORLANDO said that a common thought about government is that it is not innovative. Embedding innovation as a focus brings awareness and excitement.

MAYOR HARTKE said the goal is how to find the fit for what is right for us.

COUNCILMEMBER POSTON summarized that we are setting a high expectation for ourselves with innovation, rather than change for change's sake.

VICE MAYOR ORLANDO said the cultural shift in our organizational dynamics is aligned with the goals.

COUNCILMEMBER POSTON said Chandler has come a long way over a short time. Rapid growth and development happened all at once. We need to continue innovation in our current situation.

MS. LANCE asked for final thoughts.

COUNCILMEMBER STEWART was grateful for the opportunity to talk over these goals.

COUNCILMEMBER ELLIS asked Ms. Lance if she had any perspectives to share.

MS. LANCE said that Council was consistent with their goals over time. One shift with a new council is a distance, there is ownership and collaboration now as a council. After this, any new ideas are not discouraged, but must be understood under the context of the document. There is a balance to consider between adding new ideas and respecting what we came up with together.

MAYOR HARTKE said new ideas that may come from conferences need to be considered as to what they can provide to the document. The strategic plan is a living document to generate consensus on ideas we can work on together.

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Chandler, Arizona, held on the 2nd day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk

Meeting Minutes

City Council Work Session

February 6, 2023 | 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 4:01 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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Matt Burdick, Communications & Public Affairs Director
Melissa Quillard, Marketing & Communications Manager

Discussion

1. Discussion and Recommendations from the Mayor's Ad Hoc Governance Subcommittee relating to Revisions to the Council Rules and Procedures including: Setting of Agendas; Parliamentary Procedures; Meeting Protocol; Use of Staff; Representation of City Strategic Goals; and General Council Governance

MAYOR HARTKE called for a staff presentation.

JOSHUA WRIGHT, City Manager, introduced the discussion item. He said that the Council rules and procedures helps staff know what Council expectations are. Since the last time the document was

updated, technologies have changed, and these policies should reflect modern times. He said they will review this document by section.

COUNCILMEMBER STEWART asked what the purpose was for these changes.

MAYOR HARTKE said that the last time the rules and procedures was updated was in 2008. The purpose of the changes is to reexamine and update the document. The intent is to clarify language used and update the rules of order.

COUNCILMEMBER STEWART compared the rules and procedures update to updating a code by ordinance.

MAYOR HARTKE said there were no inciting incidents leading to changes made. There is just a need to make the document more current.

KELLY SCHWAB, City Attorney, added that the council rules and procedures are not part of the city code, they are adopted rules to govern the council. It is not law.

MATT BURDICK, Communications & Public Affairs Director, explained that there were two council subcommittee meetings held on rules and procedures. As the subcommittee reviewed the rules and procedures, there were many points that were out of sync with current practices. This is an opportunity to integrate current practices with the rules and procedures. Terminology is updated and clarification is given. There was discussion about the agenda, council office use of staff, discretionary spending, and document clean-up.

MR. BURDICK presented and reviewed with the Council the following sections of the document.

SECTION I – RULES OF JOURNAL

SECTION II – MEETINGS

COUNCILMEMBER STEWART asked about the requirement for four councilmembers to call a special meeting.

MS. SCHWAB stated that the requirement for four councilmembers to call a special meeting is a code requirement. Either the mayor or four councilmembers can call a special meeting. It is not a violation of open meeting law to call a meeting.

MR. BURDICK presented.

SECTION III – AGENDA

COUNCILMEMBER HARRIS asked what the purpose was of removing the City Manager's process for agenda items from the Council rules and procedures.

VICE MAYOR ORLANDO said that there are two options to call a meeting – for the mayor to contact the City Manager and request a meeting, or four councilmembers can request a meeting. There are some things that the City Manager and staff may know about that council may not.

MR. BURDICK said that the purpose of the changes in the first paragraph was to bring the text up to date with current practices. The second paragraph details when items are submitted for an agenda.

MAYOR HARTKE said there was discussion on the timeframe of how soon a councilmember should submit an item. Most other cities have moved the timeframe earlier. This should allow for more time to allow City Clerk and City Manager to review and add the appropriate language.

COUNCILMEMBER STEWART said that this is a good adjustment. Having more time to review the agenda is important. The current reality is that sometimes there is not enough time to review all the items on the agenda. Councilmember Stewart requested to see a completed agenda by Monday.

MAYOR HARTKE explained that having a completed agenda by Monday would push the entire process an additional week. It would change the timeline that companies have to work on items like agreements and contracts.

VICE MAYOR ORLANDO clarified that what was being requested was for a completed agenda to be posted the Monday the week before the meeting rather than the current process of posting the completed agenda on the Thursday the week before the meeting.

COUNCILMEMBER STEWART said the request was to see the completed agenda the Monday the week before the meeting.

VICE MAYOR ORLANDO asked when does the City Manager see the agenda come together.

MR. WRIGHT explained that internal deadlines for all items to be submitted in the system is two weeks prior to the meeting. The deadline for the items to be submitted to directors is the Friday before agenda collection. Agenda collection is where the executive team reviews all items that have come through as a group, which occurs the Tuesday before the meeting. After the agenda items are finalized, then one-on-one meetings occur. Ultimately the City Manager reviews every agenda item before an agenda is finalized and published.

VICE MAYOR ORLANDO mentioned that councilmembers with questions could then bring up questions in one-on-ones earlier. Vice Mayor Orlando asked if a draft agenda could be shared with councilmembers the Monday the week before the meeting.

DANA DeLONG, City Clerk, said a draft agenda is currently compiled by 4:00 p.m. the Monday the week before the meeting which is shared with department directors before the agenda collection meeting. Any changes because of the agenda collection meeting are incorporated on Tuesday.

VICE MAYOR ORLANDO summarized that the directors meet on Tuesday to finalize the agenda and asked when the best time would be to see a draft agenda.

COUNCILMEMBER STEWART said that ideally this would give the public more time to review the agenda prior to the meeting.

MR. WRIGHT said that any draft agenda would be available to councilmembers only. It is not ready for publishing as a draft.

COUNCILMEMBER POSTON shared that looking at the agenda ahead of time makes a difference in one-on-one meetings. Having early access to a draft would be helpful.

COUNCILMEMBER HARRIS said that staff briefs are limited to certain items. Councilmembers do not have the opportunity to review the entire agenda at the current timeline.

MAYOR HARTKE asked to look into a confidential agreement to not post agenda items early for councilmembers to be able to review a draft agenda before one-on-one meetings.

MS. DeLONG explained that any draft agenda presented to council at this timeframe would not be comparable to a complete published agenda.

MAYOR HARTKE asked about the ramifications of advancing the agenda timeline.

MR. WRIGHT explained that if the goal is to have more time with the published final agenda, we can revise our internal timeline for item submission. Changes to the procedure would work backwards to establish whatever amount of time was needed.

COUNCILMEMBER STEWART said if the timeline is moved up it would be better in general with exception to special cases.

MR. WRIGHT said that access to a draft agenda is possible if that is what the consensus is, it would be less complete than what is reviewed in one-on-ones.

COUNCILMEMBER ENCINAS asked to clarify the expected timeline. Councilmember Encinas asked if this deadline advancement would create a backlog of items in the system that missed a deadline and would need to wait until the next meeting.

MR. WRIGHT said there would be a backlog of items in the system.

COUNCILMEMBER ENCINAS asked if the edits in paragraph two of a deadline of 5:00 p.m. on Wednesday would be in effect for just councilmember items or all items.

MAYOR HARTKE said this would advance the entire timeline for all items.

COUNCILMEMBER HARRIS said we can give ourselves enough time to look at items by setting an earlier timeline and would like to see it as early as possible.

MAYOR HARTKE asked for council consensus on a complete final agenda or a draft agenda.

VICE MAYOR ORLANDO asked if the idea was for a complete agenda prior to meeting with the City Manager. The City Manager reviews a rough draft Monday night, and has a reviewed draft Tuesday night. Rough agendas could be visible Wednesday or Thursday. This may create a disadvantage to have a draft agenda with less information because the details will not be present.

COUNCILMEMBER STEWART said that there is a short window that councilmembers have to go into depth reviewing items. It would be helpful to have the possibility to review each item on the agenda in-depth in one-on-one meetings.

MAYOR HARTKE said that reviewing every item in individual meetings with each councilmember is not a wise use of time. Calling in questions on certain items is certainly acceptable but efficiency is the goal.

COUNCILMEMBER POSTON asked when City Manager receives full council memos.

MR. WRIGHT said that he receives full council memos for items up until Tuesday the week before the draft agenda. Initial submissions and revisions are visible. Comments and questions may not be ready until Wednesday. The system is programmable to adjust certain deadlines.

MAYOR HARTKE said if an electronic draft agenda was provided on Tuesday night before meeting, would this be a better solution.

VICE MAYOR ORLANDO said there should be better time spent to create a procedure that works for all.

COUNCILMEMBER POSTON said there are two issues: when council submits items, and when council gets the opportunity to see the full agenda. We can come back to this.

MAYOR HARTKE said that when council submits items depends on what council wants on a date to see the full agenda.

COUNCILMEMBER HARRIS said we should revisit this and address it later.

COUNCILMEMBER STEWART said this relates to councilmember submitted items, and we should talk about this further later.

VICE MAYOR ORLANDO commented that the last sentence in the third paragraph is unnecessary and discussed the redundant language between the Councilmember Agenda Item Submittal form and the rules and procedures.

MAYOR HARTKE added that this gives the option for the City Manager to put something on the study session agenda for discussion, then an action agenda at the next regular meeting. It provides a way for the councilmember to move to a future meeting or remove the item.

VICE MAYOR ORLANDO said the language could be more general than proceeding to a regular meeting to allow for more possibilities of action.

COUNCILMEMBER STEWART said the item could be removed before the agenda is published on Wednesday, or tabled or continued at the meeting.

COUNCILMEMBER HARRIS asked to include more language and definitions on the Councilmember Agenda Item Submittal form.

MAYOR HARTKE said that these terms are covered in councilmember onboarding, and preferred to leave the form as simple as possible.

COUNCILMEMBER HARRIS asked to have a reference to where this information could be found listed on the form.

MS. SCHWAB commented that the exhibits are referenced in the rules and procedures.

MAYOR HARTKE added that this will just be used internally, no citizen will be using this form.

COUNCILMEMBER POSTON noted that one area said one agenda item may be submitted while another area said an agenda item may be submitted. A councilmember may submit more than one agenda item at a time, but would just fill out a form for each one.

COUNCILMEMBER STEWART asked how the Councilmember Agenda Item Submittal form would be submitted.

MS. DeLONG said that the form would be completed electronically.

MR. BURDICK continued the presentation.

SECTION IV – PRESIDING OFFICER – DUTIES
SECTION V – CALL TO ORDER – PRESIDING OFFICER
SECTION VI – ROLL CALL
SECTION VII – QUORUM
SECTION VIII – ORDER OF BUSINESS

COUNCILMEMBER STEWART asked about removing staff or public requests to move a council item from consent agenda to action agenda.

MS. SCHWAB said that the council controls the agenda process. Councilmembers can choose to pull an item at the request of the public if they choose. This makes the rules more consistent with the current operation of public meetings.

COUNCILMEMBER STEWART confirmed that this removed the option for the public to request to pull an item from the consent agenda.

MS. SCHWAB said that is correct, the public would then make the request of the council to pull the item who may decide to do so.

MAYOR HARTKE said that there have been moments of the council acting both to pull an item at the request of the public, and to not consider pulling items.

VICE MAYOR ORLANDO said that members of the public can still choose to speak on any item listed on the agenda.

MS. SCHWAB said that from a legal perspective, members of the public have the right to speak at a public hearing. The ability to speak on any other agenda items is at the control of the council.

VICE MAYOR ORLANDO shared concerns with controlling the public's right to speak on any agenda item.

COUNCILMEMBER STEWART suggested leaving in the sentence about the public requesting a specific item being discussed.

MAYOR HARTKE said that the current practice is to accept speaker cards before deliberation by council.

MR. WRIGHT added that if the language is changed, the rule will then be that any item will be pulled by public request.

MS. SCHWAB said that members of the public often speak about items which are then left on the consent agenda which is appropriate.

COUNCILMEMBER STEWART said that the procedure to then consider an item as an action item is quick enough while letting the public's opinions be shared.

MAYOR HARTKE said that the change should be that there is an opportunity for the public to speak while keeping the item discussion movement up to council.

VICE MAYOR ORLANDO said we respect speaker cards and comment cards as requests to speak.

COUNCILMEMBER STEWART said we must consider what future councils will look like.

VICE MAYOR ORLANDO asked about the Citizen Request for Scheduled Public Appearance and the current practices.

MS. DeLONG said that the current practice for scheduled public appearances is to communicate with the requestor via email. The information captured on the form is like a speaker card. The intent is that even if they did not fill out the scheduled public appearance form, they would still be able to speak at the meeting.

VICE MAYOR ORLANDO noted that they can only appear on the agenda if they fill out the form. We should encourage them to fill out the form, but it is not required to be able to speak.

COUNCILMEMBER ELLIS said that members of the public can only be placed on the agenda if they contact the Clerk.

MS. DeLONG confirmed that they must be in contact in order to be placed on the agenda.

MS. SCHWAB added that this is only for scheduled public appearances, there is still the opportunity to speak under unscheduled public appearances. There are not other communities in Arizona that allow for scheduled public appearances like this.

VICE MAYOR ORLANDO found some dissimilarities between the language on the form and the language in the rules and procedure for the scheduled public appearance rules.

MS. SCHWAB said the goal of the Citizen Request for Scheduled Public Appearance form is to collect enough information to create an appropriate item on the agenda.

COUNCILMEMBER HARRIS asked about a member of the public speaking on multiple items or multiple people speaking on one item.

MAYOR HARTKE said the intention is to give everyone the opportunity to speak. It is important to keep things orderly in allowing for speakers.

COUNCILMEMBER HARRIS said the form should be clearer in allowing for speakers per item.

MAYOR HARTKE said that when speaking, members of the public may speak about whatever topic they choose in the time allotted.

MS. SCHWAB said that there is an option for someone to speak under both unscheduled and scheduled time. There are multiple opportunities for people to speak on multiple topics.

COUNCILMEMBER ENCINAS asked if this has been an issue in prior years.

MS. SCHWAB said that we need sufficient information to place an item on the agenda to comply with state statute.

MS. DeLONG said this creates a documented process for getting an item on the agenda. This is not meant to preclude citizens to speaking, it is meant to help staff comply with legal guidelines.

MAYOR HARTKE said that there have been many requests from citizens to learn how to speak to council. The goal is to vet the issue before involving council if it can be solved by staff.

COUNCILMEMBER POSTON recommended removing 'citizen' from the form.

COUNCILMEMBER STEWART asked how a councilmember would bring forward a speaker to speak on the councilmembers' behalf.

MS. SCHWAB said the councilmember would request of the presiding officer to allow a speaker. If the presiding officer denies it, a majority of the council can vote to allow a speaker.

MR. BURDICK continued the presentation.

SECTION IX – PROCEDURES FOR DEBATE

SECTION X – RULES OF DEBATE

SECTION XI – ADDRESSING THE COUNCIL

SECTION XII – DECORUM

SECTION XIII – ENFORCEMENT OF DECORUM

SECTION XIV – VOTING

MS. SCHWAB said there was a conflict in the rules as they were written before between the privilege of closing debate and motion for previous question. There are two different processes to stop the debate and vote on the item.

MAYOR HARTKE said that it is important that is council is on the same page about items, council should have the ability to continue discussion until everyone is comfortable voting.

COUNCILMEMBER ELLIS said there should be a motion to stop debate with a vote.

COUNCILMEMBER HARRIS said that there should be a motion to stop debate.

MS. SCHWAB clarified that call the question and previous question mean the same thing in this context, both would end debate.

COUNCILMEMBER HARRIS said if a person calls for the question, then we vote to end debate.

MAYOR HARTKE reminded that any call to question would need to be first recognized by the presiding officer.

VICE MAYOR ORLANDO asked if this would be applicable for all items.

MS. SCHWAB said it would be to avoid confusion of different processes.

VICE MAYOR ORLANDO said that anyone can call for the question regardless of the motion. This motion would then require a second.

MS. SCHWAB said this motion would require a second. Under Robert's Rules of Order, this motion would require a second. Council may make the decision on whether to require a second. Having one process for everything will be clearer. Adding additional language to clarify the process.

MAYOR HARTKE said the motion to reconsider is when you already voted to bring it back to vote. Voting no would discontinue any consideration.

VICE MAYOR ORLANDO said this relates to ordinances, are other items valid to be reconsidered.

MS. SCHWAB said that is up to the council. Originally reconsideration was only accepted for zoning ordinances. The challenge of reconsidering anything else, some things go into effect immediately, while ordinances take effect 30 days later.

VICE MAYOR ORLANDO said that currently there is no way of bringing back non-ordinances for consideration.

MS. SCHWAB would change the language to allow for all items.

MAYOR HARTKE asked if there were any challenges to making that change.

MS. SCHWAB said other than the timing, many other cities allow for reconsideration of any item.

COUNCILMEMBER STEWART asked if there are any times where 30 days pass without holding a council meeting, they would call a special meeting to vote again.

MS. SCHWAB said that additional language was inserted to address gaps in the meeting schedule longer than 30 days.

MR. BURDICK continued the presentation.

SECTION XV – PROCEDURE FOR DEBATE DURING PUBLIC HEARING

VICE MAYOR ORLANDO asked if the time limit for applicant speakers would also be reduced to three minutes.

MAYOR HARTKE said that other cities only allow 15 minutes total. This removes the maximum of 15 minutes, but that time allowance is still possible.

VICE MAYOR ORLANDO said that limiting the applicant to three minutes is unfair.

MS. SCHWAB said that the three-minute limit only applies to members of the public.

MR. BURDICK continued the presentation.

SECTION XVI – PETITIONS

SECTION XVII – ORDINANCE – EMERGENCY CLAUSE

SECTION XVIII – SPECIAL COMMITTEES

SECTION XIX – COUNCIL DISCRETIONARY BUDGET AMENDMENTS

COUNCILMEMBER HARRIS liked the additions in encouraging communication between councilmembers.

MR. BURDICK continued the presentation.

SECTION XX – COUNCIL DISCRETIONARY SPENDING

COUNCILMEMBER HARRIS said to add the word 'generally'.

MAYOR HARTKE said that is fine, as long as use adheres to these policies.

COUNCILMEMBER HARRIS say that staff does a good job of navigating discretionary spending.

MAYOR HARTKE said that there should be a limited use for the funds.

COUNCILMEMBER HARRIS agreed.

COUNCILMEMBER POSTON suggested changing the language to 'associated with City business'.

VICE MAYOR ORLANDO said it is governed by the same policies as staff.

MR. BURDICK continued the presentation.

SECTION XXI – USE OF STAFF

COUNCILMEMBER POSTON asked if the other paragraphs fall under generally accepted requests that staff may be assigned to.

MAYOR HARTKE said that only specific projects over the four-hour staff time would require approval.

COUNCILMEMBER POSTON said this should be better separated.

MAYOR HARTKE said this update clarifies the definition of the opportunity to use staff time.

MR. BURDICK continued the presentation.

SECTION XXII – MEDIA PRIVILEGES DURING AN ELECTION YEAR

VICE MAYOR ORLANDO asked what the definition of early voting in this context is.

MR. BURDICK said that it was the first day a voter could submit a ballot, 27 days before the election.

COUNCILMEMBER STEWART confirmed that this is only for the office of council.

MR. BURDICK continued the presentation.

SECTION XXIII – SENIORITY OF COUNCIL MEMBERS

COUNCILMEMBER HARRIS shared hesitations with the language.

VICE MAYOR ORLANDO noted that it should be by votes when elected, not connected to the primary or the runoff in the general election.

MR. BURDICK continued the presentation.

SECTION XXIV – ENFORCEMENT SUSPENSION, AND AMENDMENT OF RULES

SECTION XXV – RULES OF ORDER

SECTION XXVI – COUNCIL FORMS

EXHIBIT A – COUNCILMEMBER AGENDA ITEM SUBMITTAL FORM

EXHIBIT B – REQUEST FOR SCHEDULED PUBLIC APPEARANCE

MAYOR HARTKE summarized that besides the discussion of distributing agendas, we are in consensus with these changes.

Staff will update the rules and procedures with requested changes.

Adjourn

The meeting was adjourned at 5:55 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: March 20, 2023

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 6th day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk

Meeting Minutes

City Council Work Session

February 9, 2023 | 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 4:02 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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Matt Burdick, Communications and Public Affairs Director
Matt Dunbar, Budget and Policy Assistant Director

Discussion

1. Budget Workshop #1, Fiscal Year 2023-24
 - a. Opening Remarks
 - b. Survey Feedback and Financial Considerations
 - c. Preliminary Budget
 - i. General Fund Forecast Inflows and Outflows
 - ii. Major Revenues and Expenditures
 - iii. Public Safety Personnel Retirement System (PSPRS)
 - iv. Capital Improvements Plan (CIP)
 - v. Property Tax
 - d. Key Budget Dates

e. Closing Remarks

MAYOR HARTKE called for a staff presentation.

JOSHUA WRIGHT, City Manager, introduced the item.

DAWN LANG, Assistant City Manager / CFO, presented the following presentation.

- FY2023-24 Budget Workshop #1
- Agenda
 - Feedback / Financial Considerations
 - FY2023-24 Resident Budget Survey
 - Foundations
 - FY 2023-24 Preliminary Budget
 - General Fund Forecast Inflows and Outflows
 - Major Revenues / Expenditures
 - Public Safety Personnel Retirement System (PSPRS)
 - Capital Improvement Plan (CIP) Overview
 - Property Tax Discussion
 - Key Budget Dates
 - Closing remarks

MATT DUNBAR, Budget and Policy Assistant Director, continued the presentation.

- Chandler Budget Process Timeline – Innovation at work
- Feedback and Financial Considerations
- FY 2023-24 Resident Budget Survey
 - The survey ran from November 28, 2022, through January 13, 2023, with Council outreach videos
 - CAPA assisted with an ad campaign to encourage participation
 - Expanded the outreach on social media
 - Weekly poll questions were added to Twitter, Instagram, Nextdoor, Ocotillo Friends, and Facebook
 - 5 total polls – one for each focus area
 - The shortened survey consisted of 15 total questions and was offered in English, Spanish, and Mandarin
 - Each focus area was allotted 1-2 questions on the full survey, each with a comment box for written responses
 - Total Survey Responses: 1,310 (214 prior year)
 - Poll responses 4,303
 - Survey Comments 1,629
- Budget Survey Results
- Budget Survey Results
- Poll Question Results

- Poll Question Results
- Poll Question Results
- FY2023-24 Budget Theme
 - Innovation at Work
 - Our Brand: A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence
- 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
 - Good Governance
- Financial Policies
 - 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; June 9, 2022)
- FY 2023-24 Financial Considerations
 - Economy has seen inflation and supply chain issues for many months now with slight easing on the inflationary front. Continued Federal Reserve monetary policy changes will affect future growth.
 - Growth of sustainable (ongoing) revenue was reset in FY 2022-23 following 2 years of artificially reduced projections from COVID, then the Intel development's additional increase in FY 2023-24.
 - Potential State legislative and/or Federal actions may threaten City revenues, with large Infrastructure projects to support Intel and federal grants continuing to drive projected expenditures up (ARPA, ERA, etc.)

- Possible recession or self inflicted downturn is in most economist's predictions due to consumer confidence, interest rates rising, fuel pricing and a potential drop in home values.
- Unemployment still low, but we have seen additional personnel rightsizing, especially in the technology sector.
- Development revenues continue contributing one time dollars to General Fund, but much lower on single family residential (only 23 permits issued in last 6 months) but higher in commercial.
- Inflation Now Trending Lower
- Recession Gauge Flashing Yellow GDP Expected to Grow by End of Year
- Sound Budgeting Practices Support Financially Sustainable Goals
 - Chandler maintained AAA Bond Ratings from Moody's, Fitch, and S&P rating agencies
 - Continue adherence to all fiscal policies
 - Continue pay-down of pension obligations
 - Re-affirmed end of 2021
 - Chandler is structurally balanced
 - Ongoing revenues support ongoing expenditures
 - One-time revenues support one-time expenditures
 - Chandler maintains strong reserves
 - 15% General Fund contingency reserve
 - Budget Stabilization Reserve at a minimum of \$10M
 - Will review and right size to Council Goals
 - Chandler manages expenditures to meet service demands
 - Maximize grant opportunities
 - Weigh positions vs. contracting
 - Ensure service continuity through various staffing solutions
 - Bond election passing also drives spending totals/projections
 - Control Primary Property Tax
 - Provide options to match expenditure needs or right size

COUNCILMEMBER STEWART asked about predictions of recession in the economy.

MS. LANG responded that Chandler would deal with the predictions of recession differently. Large development projects occurring in Chandler bolster activity and revenue. There would be an economic downturn, but the projects will continue until the end of the calendar year, and act as a buffer to the downturn. When construction stops, that would change.

COUNCILMEMBER STEWART asked if this would extend through the fiscal year in June.

MS. LANG said that is not an expected downturn until 2024-2025.

MAYOR HARTKE commented that other development projects in Chandler would have the same effect of lessening the effects of recession.

MS. LANG answered that with construction ending at the end of 2023, there will be one-time revenue coming in the project slowing. The decrease will be because of the construction project ending, not an economic downturn.

COUNCILMEMBER POSTON asked if the budget stabilization reserve cap of \$10 million dollars is City policy or a reality.

MS. LANG said that the cap is policy and the current value. This is not an appropriated reserve; we just hold \$10 million in our fund reserve in case of need.

MAYOR HARTKE asked if the \$10 million amount is part of the 15% of council contingency reserve.

MS. LANG said that the council contingency reserve and the budget stabilization reserve are different. The 15% contingency is appropriated for actual use throughout the year in an emergency. The state requires that we adopt a budget with a contingency appropriation to cover unforeseen emergencies. The stabilization reserve is a policy that says we can continue to spend from savings to give Council enough time to make good decisions midyear.

COUNCILMEMBER STEWART asked what the 15% amount is.

MR. DUNBAR answered that 15% is \$38 million.

COUNCILMEMBER STEWART said that there is \$48 million unappropriated dollars all together.

MS. LANG said one is appropriated, one is not. The contingency reserve often goes unused. If we do not use it, it can be reappropriated in the following year.

MR. DUNBAR added that this policy is examined by the bond rating agencies for budget safety and risk reduction.

MAYOR HARTKE commented that we should work to maintain our AAA bond rating and strong reserves.

COUNCILMEMBER STEWART asked to revisit these reserves later.

COUNCILMEMBER ELLIS shared that those reserves should be maintained.

MS. LANG added that more information would be shared at the next Budget Workshop.

VICE MAYOR ORLANDO said that this state legislative session is concerning despite financial planning. The reserves will be used for any midyear changes; but are cause for concern.

COUNCILMEMBER STEWART commented that legislators are concerned about city reserves. We should take a preemptive approach to municipal budget planning.

VICE MAYOR ORLANDO said that the point of view is to reduce taxes in any area possible. The legislature has been focused on cutting taxes and sees taxes in a different way than cities do.

MAYOR HARTKE said this topic will be revisited.

MS. LANG continued the presentation.

- General Fund Inflows and Outflows

MR. DUNBAR continued the presentation.

- Annual General Fund Revenues and Expenditures
- Ongoing/One-time Local Sales Tax (TPT) Revenues

MS. LANG added that Intel building projects that impact revenue may be announced but not immediately commenced. There is a balancing act based on available information.

MR. WRIGHT clarified that it is when the Intel facilities start producing not when they break ground that ultimately effects the budget so it is important to not get ahead when planning.

VICE MAYOR ORLANDO asked what the numbers would be without the Intel project.

MS. LANG responded that it would probably put the numbers at 90% which would leave a 10% cushion but there are other historical ongoing projects.

MR. DUNBAR continued the presentation.

- Key Local Sales Tax Revenues by Category

MAYOR HARTKE asked if every category of our local sales tax is projected to not increase.

MR. DUNBAR answered that the top five are impacted by development. They are projecting that when development ends mid fiscal year, there will be a decline in local sales tax.

MS. LANG said that projection is assuming construction ends as planned.

VICE MAYOR ORLANDO clarified that even if you take the one-time projects out of the numbers, they are still showing steady growth and lots of economic opportunity.

MS. LANG agreed and said this conversation is really focusing on those special projects and their impact but there is still plenty of other means of economic growth when you take the whole budget forecast into account.

MR. DUNBAR continued the presentation.

- State Shared Revenues (in Millions)
- Potential Ongoing & Other Legislative Impacts to FY2023-24 Revenues
- Preliminary FY2023-24 Revenue Takeaways
 - Positive Indicators:
 - Continue significant commercial development
 - Revenue collections still higher
 - Low unemployment
 - Negative Indicators:
 - Supply chain and inflation impacts continue
 - Stagnating home sales and significant drop in single family permits issued
 - Significant potential legislative revenue impacts
 - Consumer confidence continues to drop

MS. LANG continued the presentation.

- New Decision Package Requests Expenditures “Outflows”

COUNCILMEMBER STEWART asked what decision packages were approved in previous years.

MR. DUNBAR confirmed he was asking for requested versus approved.

COUNCILMEMBER STEWART asked if the decision package is subject to change depending on all the variables.

MR. DUNBAR said that was correct and the requested decision package can change.

MR. WRIGHT said there is a process that takes place between preliminary discussions and when the decision package is requested and then approved.

MAYOR HARTKE stated the difference compared to previous years in this decision package is the \$20 million dollars of inflation that is required for maintaining service levels.

MS. LANG responded that not just the inflation but a higher request for people needed to meet the demands of service. There is a total of 58 position requests included in the decision package.

COUNCILMEMBER STEWART asked for the amounts of decision packages requested in the past.

MS. LANG answered that for FY2022-23 there was \$32 million in requests. From that there was an approved one-time general fund for \$13.4 million and an additional ongoing fund of \$3.2 million equaling a total of \$16.7 million.

COUNCILMEMBER STEWART asked about the previous year's numbers.

MS. LANG stated she would have to revisit that question. Possibly \$10 million with \$3 to \$4 million ongoing.

COUNCILMEMBER STEWART asked if during the pandemic request amounts were lower due to lack of hiring.

MS. LANG said the requests were minimal and the City maintained non-public safety hiring.

COUNCILMEMBER STEWART said it sounds like the budget had been added to and increasing for a little while.

MAYOR HARTKE reminded everyone this is just preliminary projections at this time.

COUNCILMEMBER POSTON asked why Chandler has lower amounts of permits for single family homes compared to neighboring cities.

MS. LANG answered that the amount is not going to be normally that low but going forward single-family home permits will tend to be lower due to land restrictions.

MR. WRIGHT said there is land that has already been approved for single family homes, that have not started construction yet and currently not as many requests are coming in.

MS. LANG continued the presentation.

- Focus on Chandler's Workforce
 - 1,727 FTE excludes 40 grant funded and early funded positions
 - Updated Technology
 - Professional Development
 - Recruitment
 - Wellness
 - Work Flexibility-Balance
 - Workers Comp & Safety
 - Mentoring
 - Contract vs. Employee
 - Succession Planning
 - Class and Comp
 - Health Care Costs

- Mental Health
- Citywide Inflationary Impacts
 - Operating:
 - Certain contracts, chemicals (+44%) and utilities has seen significant increase
 - Budget Inflationary Changes (BICs) were identified and added in FY2022-23 do not fully offset costs but has helped
 - Capital:
 - Projections increased +8.5% 1st year, then +5%, then +3.5% thereafter, and 12% contingency
 - Materials experiencing hyperinflation are asphalt, steel, pipes, data fiber, anything cement-based, and anything with a computer chip
 - Projects with those materials are being costed based on market
- Effect of Strong Revenue Growth on One-Time Fund Balance
- Recommended Priorities for One-Time Dollars
 - Continue reduction of PSPRS pension debt to generate ongoing savings
 - Reinvest in existing aging infrastructure, neighborhoods & systems
 - Operating & Capital spending to move strategic goals
 - Maintain reserves sufficient to meet financial policies
 - New initiatives and capital including sustainability

MAYOR HARTKE said he would like to eliminate the PSPRS debt, be able to generate the ongoing income and from there be able to address the different priorities.

COUNCILMEMBER POSTON asked if the previous payment for PSPRS may change the results of the next payment.

MS. LANG said she would address that in the following slides.

COUNCILMEMBER STEWART asked what the amount for the PSPRS is for next year.

MS. LANG answered that the total unfunded liability is \$136.5 million, before a \$50 million payment.

COUNCILMEMBER STEWART asked if that was already budgeted.

MS. LANG said the amount is paid down in the forecast and reviewed annually.

COUNCILMEMBER ELLIS asked if the five priorities built into the budget for 2023/24 can be addressed simultaneously.

MS. LANG said that an understanding of the magnitude of each goal and their priority was needed to make decisions from there.

VICE MAYOR ORLANDO agreed it would be great to address all the priorities and reinvest and asked if the total dollar amount for reinvesting only included the one-time dollars and excluded any bonding capacity.

MS. LANG said that was correct and they would present bonding capacities in the next session.

MAYOR HARTKE said that they could pull from one-time funds or bonds if needed.

MS. LANG said that is an option, depending on the situation it may be better to use a cash fund or a bond fund if there is a bond authorization.

MR. DUNBAR said they will be reviewing the best options for funding projects that may overrun because of increases on capital side and possible changes with property tax revenue. The funding may have to be adjusted depending on projections and it will most likely be a blend to make sure projects can continue.

COUNCILMEMBER STEWART asked if they are still playing catch up with the state regulated 5% increase limit on property taxes.

MR. DUNBAR said they anticipate the 5% property tax cap, but they won't know until that information is released later. The 5% is capped on current existing properties but that doesn't apply to new buildings.

COUNCILMEMBER STEWART asked if the city is still playing catch up from 2010 when that 5% cap was put into place and limited taxes from showing what their true value is, and if the 5% is built into the budget.

MS. LANG answered that they built in 5% on the primary side and 4% on the secondary side just to be conservative depending on what evaluations come in at and it gives them room to grow their improvement plan.

COUNCILMEMBER STEWART asked that even if evaluations came in lower would they still be able to capture that 5% because the property has not been assessed or taxed at its real value since 2010.

MS. LANG said that the 5% is built into the preliminary budget.

COUNCILMEMBER STEWART asked if using the bond dollars for revenue is a better option than using cash due to rates.

MS. LANG answered that currently it is better, but it depends on rates, they are ever changing, and it depends on the situation.

MS. LANG continued the presentation.

- Public Safety Personnel Retirement System Update
- PSPRS Unfunded Liability Pay-Down Benefits
 - Beginning FY2022-23, Chandler rates and unfunded liability are decreasing
 - Started with 20-year amortization, and now have 14 years remaining
 - Continuing additional payments has reduced liability and rates for FY2023-24
- PSPRS Actuarial Report Results 6/30/22
 - Unfunded liability decreased \$17.5M from prior year's total of \$154M
 - Employer contribution rate reductions translates to about \$900K in ongoing savings based on FY2022-23 personnel levels
- PSPRS Net Unfunded Liability Balances Update

COUNCILMEMBER STEWART asked if the unfunded liability balance would be \$95 million after the \$50 million dollar over-payment is applied to the numbers.

MS. LANG said that it was possible that number will be different based on interest rates. They had earned 4.2% but there was an interest rate of 7.1% applied for the last 7 years and part of the \$50 million may have been applied to cover that loss.

COUNCILMEMBER STEWART asked about the management of the fund.

MS. LANG expressed it is being managed well and they will be receiving a fresh modeler in March that will reflect more accurately what another payment will do to the bottom line.

MS. LANG continued the presentation.

- PSPRS Employee / Employer Rates Comparison | Fire
- PSPRS Employee / Employer Rates Comparison | Police
- PSPRS Contributions in FY2022-23 One-Time Forecast

COUNCILMEMBER POSTON asked if the amount is for this year FY2022-23 or next year FY2023-24

MS. LANG responded that this is current time rates for FY2022-23, but they will change to accommodate for next year's needs.

MR. DUNBAR continued the presentation.

- Preliminary Discussion: Capital Improvement Plan (CIP)

- Fiscal Foundations – Staying Connected
 - Current 10-Year CIP Council Guidelines
 - Minimize increase in property taxes
 - Maintain, enhance, or re-imagine 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
 - Deliver on commitments made to residents through 2021 bond election
 - Balance inflation, workload, and timely completion of high-visibility and grant-funded projects
- Continued Focus on Chandler’s Aging Infrastructure
- Capital Projects Under Review in the 10-Year Plan
 - A successful bond election was held to support all the projects in the current year CIP
 - Various community / regional park improvements, including Multi-Generational Center addition
 - Remaining arterial street projects such as Alma School, Ocotillo, and Chandler Heights Roads
 - Address aging street, park, facility, and utility infrastructure through revitalization
 - Technology and fiber projects
 - Public Safety projects and maintenance or replacement of capitalized equipment
 - Airport needs and enhancements, including Cooper Road collector (under design)
 - Utility infrastructure rehab / infrastructure

VICE MAYOR ORLANDO stated that he does not want to keep pushing these projects out if they can be addressed now with the Capital Improvement Plan and if they can get some more information.

MS. LANG said they can provide more information and options.

COUNCILMEMBER ELLIS asked about more information on using one time cash for projects and keeping them viable.

MS. LANG said they will do some projecting on using cash versus bonds on a few 10-year plan projects and bring those to the next session.

COUNCILMEMBER STEWART asked if foreseeable issues with supply chain and labor can change the priority of these projects so that overages can be prevented.

MS. LANG replied that it is a challenge because of all factors involved, projects are maxed out, that just being able to start a new project may be an issue.

MR. DUNBAR continued the presentation.

- Preliminary Property Tax Discussion
- Property Tax Rate Comparison

MAYOR HARTKE stated that these property tax rates show how legislature regulating an avenue of revenue can affect each city so differently.

COUNCILMEMBER STEWART asked why Scottsdale's numbers looked lower than Chandler's.

MR. DUNBAR said it could be an increase of housing evaluations on new properties or capital projects that have been completed and multiple other variables.

MR. DUNBAR continued the presentation.

- Impact of FY2022-23 Tax Rate Reduction on Median Value Homeowner
- Breakdown of \$1 of Typical Chandler Property Tax Bill
- Property Tax Policy Recommendation
 - Maintain Secondary Rate since bond election anticipated an increase in assessed values
 - Evaluate Primary Rate Options
 - Offset appreciation in assessed values
 - Offset entire increase for primary rate if expenditure levels allow
 - Primary Rate will be continuously evaluated until Tentative Budget adoption and can be revisited if revenue needs change

COUNCILMEMBER STEWART stated that it would be nice to have the 7-year trend of only a marginal decrease to continue and looks forward to being provided with some good options for the budget in the next meeting.

MR. DUNBAR continued the presentation.

- Budget Year 2023-24 Recap
 - There are mixed signals when looking at economic indicators that should be weighed when looking at any significant changes to revenue or expenditure projections or policy changes
 - Legislative revenue impacts could cause significant adjustments late in the budget process
 - There continue to be needs City-wide, both from ongoing and one-time perspectives, to provide the services residents expect
 - Chandler continues to provide its residents with an award-winning City in which to live, work and play

- Key Budget Dates
- Questions?

COUNCILMEMBER HARRIS thanked staff for all their hard work and said there was some concerns about state legislators and how that will affect occupancy tax, food tax and transportation. Councilmember Harris asked if staff can come back with some serious options on how to use the reserves and to have more concrete numbers in conjunction with tax rates so they can make good decisions to be able to maintain a healthy and thriving city financially.

Adjourn

The meeting was adjourned at 5:56 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: March 20, 2023

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 9th day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk

Meeting Minutes

City Council Work Session

February 23, 2023 | 4:30 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 4:30 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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / CFO
Andy Bass, Deputy City Manager
Kevin Mayo, Planning Senior Manager
Micah Miranda, Economic Development Director
Ryan Peters, Strategic Initiatives Director
Melissa Quillard, Marketing and Communications Manager
Lauren Koll, Digital Content Creator
Matthew Burdick, Communications and Public Affairs Director
Michael Winer, Economic Development Project Manager

Discussion

1. Presentation and Discussion from the Economic Development Division on the Mayor's 4-Corner Report Relating to Infill and Redevelopment of Vacant and Underutilized Properties

MAYOR HARTKE called for a staff presentation.

JOSH WRIGHT, City Manager, introduced the item. The Four Corner report was initially conducted in 2011 on the retail situation in Chandler. This is an update on that report over the past decade, and a way to discuss what comes next.

MICAH MIRANDA, Economic Development Director, presented the following presentation.

- Mayor's 4-Corner Retail Committee Report Update
- Background
 - Mayor's 4-Corner Retail Committee was assembled in Fall 2011
 - Committee had 22 members
 - Property owners, brokers, developers, builders, architects, attorneys, citizens, and the Chandler Chamber of Commerce
 - Included representation from different property specializations – multifamily, retail, office and industrial
 - Evaluated intersections where retail was the dominant use, with high vacancy rates and questionable long-term viability
 - Made recommendations to support redevelopment of underutilized projects
- Key Issues in 2011
 - The opening of the Chandler Fashion Center in 2001 led to the relocation of many national retail tenants to the mall area
 - The opening of the Loop 202 Santan Freeway resulted in a shift in traffic patterns, affecting the viability of shopping centers and retail in older area in Chandler
 - The opening of the Loop 202 Santan Freeway also led to the development of several new power centers, attracting many national tenants
 - The global financial crisis resulted in bankruptcies and store closures in the retail industry that had a significant impact on Chandler
 - The financial crisis also affected consumer spending and population growth in Chandler
- Intersections Studied – Alma School Rd and Elliot Rd
- Intersections Studied – Alma School Rd and Warner Rd
- Intersections Studied – Alma School Rd and Ray Rd
- Intersections Studied – Alma School Rd and Queen Creek Rd
- Intersections Studied – Arizona Ave and Warner Rd

COUNCILMEMBER HARRIS asked if there are any alternative uses for the extra space in storage unit parking lots. There is a lot of parking with not a lot of use.

MR. MIRANDA said that on infill development sites, options are limited. Potential infill projects will be coordinated with the property owner. Frequently, property owners are not interested. These

sites are pushed for redevelopment projects. The police department and code enforcement do what they can to enforce property management.

COUNCILMEMBER POSTON asked if these intersections with lower traffic counts would be able to handle higher volumes of traffic.

MR. MIRANDA said that most of the intersections are functioning at a B+ rating, there is capacity to take on additional volumes. Specific grades can be provided later.

COUNCILMEMBER POSTON asked what kinds of development is being sought for the Alma School and Ray intersection.

MR. MIRANDA said we would not want to introduce uses that would compete with existing projects, but there is nothing particular in mind. Mr. Miranda suggested a low-density townhome project.

MAYOR HARTKE asked if there were any ideas for retail projects that would not be competitive with existing projects.

MR. MIRANDA said that staff discusses creative retail tenant options with developers and retail brokers. They consider what is complementary to the area and listen to what residents want.

COUNCILMEMBER ENCINAS asked which sections shown on the map the city owns.

MR. MIRANDA pointed out the corner that the city owns.

COUNCILMEMBER ENCINAS asked what the goal is for traffic numbers for these intersections.

MR. MIRANDA said it depends on what the intersection is engineered for. Major arterial roadways can handle a lot of movement. It is dependent on the individual intersection. This intersection could handle more movement.

MAYOR HARTKE said that we have built up multiple roadways through major intersections to improve capacity of traffic.

MR. MIRANDA added that the remaining traffic choke points are in South Chandler, where city departments are working to develop better east-west corridors. There are few remaining intersections that need improvement.

COUNCILMEMBER HARRIS asked about the impact of the Kroger – Albertson's merger on the development of existing grocery stores.

MR. MIRANDA said that information is currently an unknown.

COUNCILMEMBER HARRIS asked if the retail area around Chandler mall will remain well maintained due to changing property management leadership.

MR. MIRANDA said that there are multiple departments within the property management company Macerich that they collaborate with. The mall development team looks at the future of what the mall will be. They work to understand what the new retail landscape looks like. This space has performed well.

COUNCILMEMBER HARRIS asked about the forecast for Bed Bath and Beyond.

MR. MIRANDA said that the store will be another big box vacancy needing to be filled. It will not be quick or easy to fill. Our staff pursue experiential retailers to use the space in a creative way.

COUNCILMEMBER HARRIS said he would like to know more about the outreach done.

MR. MIRANDA continued the presentation.

- Intersections Studied – Cooper Rd and Ray Rd
- Intersections Studied – McQueen Rd and Pecos Dr
- Uptown Chandler
 - Place branding initiative launched in 2017 to raise awareness of the area with participation from a group of key stakeholders
 - Established a name for the area that is now used by real estate brokers, developers, and businesses (not 'donut hole' anymore)
 - Branding positions the area's unique character as a strength for business attraction and redevelopment (casual, eclectic, authentic)
 - Banners and traffic signal art installed to enhance sense of place within the area

VICE MAYOR ORLANDO asked how does the vacancy rate correlate to the quality of the retail.

MR. MIRANDA said to level up tenants, the area demographics need to be observed. Historically, Uptown Chandler was called the donut hole, it was located in between highways and did not have a solid identity. To generate desired tenants, the overall economic performance of the community must be improved.

VICE MAYOR ORLANDO asked if it is worth saving some of these corners with retail shrinking and encouraging different types of development. If more density is added, perhaps the retail centers will survive.

MR. MIRANDA answered that as discretionary spending increases, the quality of tenants increases. People working in those areas during the day provide business to retail during the day. We do not need as much retail; it is about finding an equilibrium with the right amount and types of clients.

VICE MAYOR ORLANDO said as we look to invest, we have a basis to forecast success.

MR. MIRANDA added that forecasting is done on a per-project basis. Fiscal economic impact analysis is conducted to quantify what the net benefit to the city would be for the individual project.

MR. MIRANDA continued the presentation.

- Infill Projects
 - Uptown Commons
 - Location: Arizona Ave and Elliot Rd (NEC)
 - Status: Approved
 - Former Use: Vacant Lot
 - Future Use: Apartment Complex (252 Units)
 - Elevation AZ 87
 - Location: Arizona Ave and Elliot Rd SEC
 - Status: Approved
 - Former Use: Vacant Lot
 - Future Use: Apartment Complex (199 Units)

VICE MAYOR ORLANDO said this has come up a few times. Legislators say projects do not move fast enough. We need ideas on what more projects we have that are out of our hands. There are four design reviews in progress.

COUNCILMEMBER STEWART said that zoning comes in and staff meets the corresponding deadlines, but developers do not move fast enough.

MR. MIRANDA added that these projects achieve the employment corridor-specific goals that the city wants to see.

MR. MIRANDA continued the presentation.

- Redevelopment Projects
 - Alta Chandler at the Park
 - Location: Alma School Rd and Parklane Blvd SWC
 - Status: Under Construction
 - Former Use: Office Buildings
 - Future Use: Apartment Complex (291 Units)
 - Alta Uptown
 - Location: Arizona Ave and Corporate Pl SEC

- Status: Approved
- Former Use: Auto Dealership Parking Lot
- Future Use: Apartment Complex (425 Units)
- TBD
 - Location: Alma School Rd and Warner Rd NEC
 - Status: Proposed
 - Former Use: Sun Village Fair Shopping Center
 - Future Use: Apartment Complex
- Retail Market: Then vs. Now

COUNCILMEMBER HARRIS asked what incentives are offered to attract retailers.

MR. MIRANDA said that incentives are no longer offered. The Arizona state constitution has a gift clause which has been interpreted as severely limiting governments' role in incentives. There are recommendations in proactive recruitment that do not violate court rulings.

MR. MIRANDA continued the following presentation.

- Industrial & Office: Then vs. Now
 - Economic recovery in these areas has also included base industry growth and new job creation. From 2011 to 2021, Uptown Chandler added more than 580 jobs.

MAYOR HARTKE asked about the expectations for leased but underutilized office space.

MR. MIRANDA said that we anticipate office sublease vacancy to increase. We are spending marketing dollars for office user tenants to backfill the space. We are in a good spot right now.

MR. MIRANDA continued the following presentation.

- Area Plan Updates
 - Development Services concept approach is to do 'neighborhood level' updates based on the characteristics of each area. Proposed sequence is as follows:
 - Southside Village Area: boundaries are Frye Rd to Pecos Rd (north to south). And Arizona Ave to the Union Pacific Railroad from (west to east)
 - Downtown Area: boundaries are Chandler Blvd to Frye Rd (north to south), and San Marcos Estates to Union Pacific Railroad (west to east)
 - North Arizona Ave Area: boundaries to be determined
 - East Chandler Blvd Area: boundaries to be determined
- City Code / Zoning Code Updates
 - Proposing to bring City Code / Zoning Code updates to City Council in groups. The first group would be concurrent with the first area plan update (Southside Village area):
 - Building setbacks for infill development
 - Building height trigger for midrise overlay (45' to 50')

- Murals
- Mechanical screening
- Blade sign limitations (enlarge)
- Single-family permitted in MF-1, MF-2 and MF-3 districts by right
- Driveways / front yard paving regulations (establish maximum paving allowances)
- Alleys (permit primary vehicular / pedestrian access)
- February 2023 kickoff for Area Plan Updates and City Code / Zoning Code Updates
- Other Staff Recommendations
 - Economic Development is also working on recommendations to support redevelopment and placemaking projects
 - Expand Adaptive Reuse Overlay District Boundaries
 - Issue: The Adaptive Reuse Overlay District has been successful in facilitating reuse projects, but its geographic scope is very limited
 - Proposal: Expand the district boundaries to include all parts of Chandler north of Loop 202

COUNCILMEMBER STEWART asked if discussion on city code and zoning would include multi-family zoning in upcoming discussions.

MR. MIRANDA said yes, discussions would include multi-family zoning.

COUNCILMEMBER STEWART shared concern about parking change. Due to increasing rents, more people live in a single unit, where one unit would require multiple cars and multiple parking spots. There may be parking overflow for multifamily housing.

KEVIN MAYO, Planning Senior Manager said that our parking code is restrictive and requires lots of parking of developers. Some developments entertained parking reductions because it was pre-COVID-19. At this time, we are not entertaining any parking reductions. The parking code requires a certain number of spaces per unit. The developers are not assigning the spaces to the unit, they are for rent as well.

VICE MAYOR ORLANDO asked for an example of adaptive reuse.

MR. MIRANDA explained that adaptive reuse is a parcel less than 15,000 sqft. in a certain area with different development standard requirements like retention screening and landscaping. It did not dictate use. This was intended for smaller parcels to lessen development requirements to help facilitate growth in these lots.

COUNCILMEMBER HARRIS said we should explore the option of container projects.

MR. MIRANDA said that these projects have been evaluated before and did not progress. There should be nothing in the code that prohibits container projects.

COUNCILMEMBER HARRIS said we have to consider how our businesses make people feel.

MR. MIRANDA said he will follow up on this.

MAYOR HARTKE said previous attempts were unsuccessful and asked if anything changed since 10 years ago that would be more inviting to these project.

MR. WRIGHT said that we will be revisiting code revisions in the future.

MR. MIRANDA continued the presentation.

- Other Staff Recommendations
 - Expand the Commercial Reinvestment Program boundaries to match proposed Adaptive Reuse Overlay District and shift focus of program funding
 - Issue: Program was created to provide reimbursements to private property owners for redevelopment activities, but most financial support is not legal per court ruling of Arizona's Gift Clause
 - Proposal: Use funds on public infrastructure upgrades, land acquisition / assembly, and placemaking projects
- Other Staff Recommendations
 - Advocate for changes to state legislation that would encourage the redevelopment of underutilized properties to provide new housing units
 - While redevelopment often seems like an obvious answer, there are additional costs and risks that property owners / developers need to take into consideration:
 - Fragmented Ownership
 - Approval Processes
 - Site Prep / Restoration
 - Pace of Development
- City Redevelopment Powers
 - Existing state legislation empowers municipalities to engage in redevelopment, but it cannot produce the large-scale housing development needed in Arizona.
 - Government processes are slow
 - Eminent domain is highly contentious
 - Revenue bonds for redevelopment projects are higher risk and less attractive to investors than other revenue bonds (e.g., utilities bonds)
- City Redevelopment Powers
 - Additional legislation could be enacted to help municipalities better support private sector led redevelopment projects
 - One idea would be to allow municipalities to authorize a temporary property reclassification for redevelopment projects that create new housing units

- Reclassifying to Class Six would lower the assessment ratio from 10% to 5% for residential projects, substantially reducing property taxes. Over time, cumulative savings would offset the higher costs of redevelopment.
- Factoring this benefit into a pro forma, developers would be able to see they can achieve their required internal rate of return from the redevelopment project.
- Proposed State Legislation
 - Process for Municipalities to Authorize Property Reclassification:
 - Developer submits a site analysis to the municipality explaining how the property satisfies the conditions for a slum or blighted area designation under ARS 36-1471.
 - Municipality adopts a resolution pursuant to ARS 36-1473 finding and declaring the site a slum or blighted area and that redevelopment is necessary.
 - Developer submits a redevelopment plan to the municipality pursuant to ARS 36-1479.
 - Municipality contracts for an economic and fiscal impact analysis pursuant to proposed section ARS 36-1492.
- Proposed State Legislation
 - Process for Municipalities to Authorize Property Reclassification (continued):
 - Developer and municipality enter into a redevelopment contract authorizing real property reclassification to Class Six for seven years (5% assessment ratio).
 - County assessor establishes a base tax payment using the current year real property tax bill. During reclassification, property taxes paid to any district cannot be less than its share of the base tax payment.
 - Property significantly increases in value following redevelopment. Developer pays lower property taxes than usual due to reclassification, helping to offset site restoration costs.
- Case Study
 - Sun Village Towne Fair Center
 - Built in 1991
 - 158,000 SF of retail space on 17.3 acres
 - Grocery store anchor left in 2016; 84,000 SF space remains unfilled
 - Current occupancy rate is 23%
 - Tenant mix includes cash for gold, payday loan, furniture rental businesses
 - Riata Apartments
 - Built in 2019
 - 300 Units on 8.6 acres (50% of Sun Village land area)
 - 93% occupancy rate (City avg. is 92%)
 - \$1,810 average rent (City avg. is \$1,886)
 - Sold in November 2020
 - \$91 million / \$303,333 per unit
- Case Study: Property Taxes

- Case Study: Property Taxes
- Case Study: Fiscal Impact Analysis
 - Sun Village Fair: Inputs & Assumptions
 - 158,000 SF shopping center
 - No investments made in renovations
 - 35,658 occupied SF (23% occupied)
 - \$22 per SF annual lease rate
 - \$300 per SF average in-store retail sales
 - 65 full-time employees (1 per 550 SF)
 - \$41,600 average salary (\$20 per hour)
 - Riata Apartments
 - 300 new housing units constructed
 - \$81.9 million capital investment
 - 18-month construction period
 - 50% occupied in year built; 93% after
 - \$1,810 per unit rent
 - \$86,880 average household income
 - Reclassification benefit for the first 7 years
- Case Study: Fiscal Impact Analysis
 - Sun Village Fair: 10-Year Impacts
 - Negative net fiscal impact on the city
 - Net income of -\$81,307
 - General Fund Revenues: \$1.67M
 - General Fund Expenses: \$1.75M
 - Revenues include property taxes, commercial lease tax, retail sales tax, local spending by employees
 - Most significant expense is public safety
 - Riata Apartments
 - Positive net fiscal impact on the city
 - Net income of \$1.94M
 - General Fund Revenues: \$5.21M
 - General Fund Expenses: \$3.27M
 - Revenues include property taxes, building permit/plan review fees, construction TPT, residential lease tax, state shared revenues, local spending by residents

COUNCILMEMBER HARRIS asked how much collaboration is there with public safety on these analyses to continue safety efforts.

MR. MIRANDA answered that we have a city-wide team that meets called pre-deck to review projects during initial consideration. The economic development team keeps a close eye on response times, the new fire station helps with this. We have great response times, but a large

volume of calls. Public safety plays an important role in redevelopment possibilities. We work with property owners to provide public safety as insurance rankings resulting from response times are important to owners.

COUNCILMEMBER POSTON asked if this addresses the issue of developers not working to complete projects.

MR. MIRANDA said this was a 5-year pilot program. This gives cities more opportunities to build housing in. There are not yet statistics to suggest an opinion.

COUNCILMEMBER POSTON asked if we would require developers to start building in a certain amount of time, so movement on construction begins quicker.

MR. MIRANDA said that they would not receive tax benefits. They would need to begin construction within however many years since approval of the project or they would lose the potential benefit.

MR. MIRANDA continued the following presentation.

- Recap & Staff Recommendations
 - The 4-Corner report intersections are performing better now than in 2011 with redevelopment / reuse projects and an improved retail market lowering vacancies
 - The City has actively helped to revitalize and bring new uses to these areas
 - Staff recommends the City take the following additional, proactive steps:
 - Implement City Code / Zoning Code Updates
 - Expand Adaptive Reuse Overlay District
 - Invest in Placemaking Activities
 - Strategic Parcel Assemblage
 - Work with Partners to Propose Redevelopment Legislation
- Thank you! Questions?

MAYOR HARTKE thanked Mr. Miranda for the information and looked forward to getting more details.

VICE MAYOR ORLANDO asked how practical the legislation is and what happens if it does not pass. Vice Mayor Orlando shared concern with the variance in addressing the gift clause in developer agreements.

KELLY SCHWAB, City Attorney said that there are a few things we can do that are safe like public infrastructure. Some things carry a level of risk, and some are outright banned. There must be a community benefit rather than directly benefiting just the project. Whatever amount the city is investing there must be revenue that meets or exceeds that amount. Historically any attempts to circumnavigate the gift clause are met with more case law limiting options.

VICE MAYOR ORLANDO asked to revisit this on what we can and cannot do since it is unlikely that the legislature will address this.

Adjourn

The meeting was adjourned at 5:48 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: March 20, 2023

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 23rd day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk

Meeting Minutes

City Council Regular Meeting

February 23, 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 6:01 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

Josh Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Invocation

The invocation was given by Pastor Joel Tetreau, Southeast Valley Bible Church

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Stewart.

Scheduled Public Appearances

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

1. Recognition – Eva Salek

MAYOR HARTKE recognized Eva Salek, for reporting a house fire.

2. Recognition – Disability Award Recipients

MAYOR HARTKE invited Committee Member Jeff Deaver, Mayor's Committee for People with Disabilities forward.

MAYOR HARTKE shared that the Mayor's Committee for People with Disabilities serves as a liaison between the city council and the citizens of Chandler to increase awareness and accessibility and to provide programs for individuals with disabilities.

MAYOR HARTKE recognized the following

Kyler Lister, Student of the Year

Freddie Rodriguez, Student of the Year

Rose Escalante, Educator of the Year

Austin Rector, Volunteer of the Year

Jude Walker for Clarendale Assisted Living, Employer of the Year

3. Proclamation – March 2023 Disability Awareness Month

MAYOR HARTKE read the proclamation and invited Mayor's Committee for People with Disabilities members to accept.

COMMITTEE MEMBER JEFF DEEVER thanked the recipients of the awards and recognized their accomplishments. Mr. Deaver announced the Chandler Fun Run Thursday, March 2 at Tumbleweed Park at 10:15 a.m.

Consent Agenda and Discussion

Airport

1. Resolution No. 5666, Arizona Department of Transportation (ADOT) Airport Improvement Grant Agreement for Taxiway B - Phase 1
Move City Council pass and adopt Resolution No. 5666 authorizing a grant agreement with the Arizona Department of Transportation (ADOT) to accept a grant in an amount not to exceed \$2,035,200 for the design and construction of phase one of the Taxiway B improvements at the Chandler Municipal Airport; and authorizing the City Manager, or designee, to execute the grant agreement.
2. Agreement No. AP3-918-4559, with Aviation Management Consulting Group, Inc., for the Airport Strategic Business Plan
Move City Council approve Agreement No. AP3-918-4559, with Aviation Management Consulting Group, Inc., for the Airport Strategic Business Plan, in an amount not to exceed \$124,750.
3. Professional Services Agreement No. AI2202.201, with Dibble Engineering, for the Runway 4R-22L Pavement Improvements Design Services

Move City Council award Professional Services Agreement No. AI2202.201 to Dibble Engineering for the Runway 4R-22L Pavement Improvements, in an amount not to exceed \$269,529.

4. Professional Services Agreement No. AI2208.201, with WSP USA Environment & Infrastructure, Inc. for the Airport Fuel Tank Relocation Design Services
Move City Council award Professional Services Agreement No. AI2208.201 to WSP USA Environment & Infrastructure, Inc. for the Airport Fuel Tank Relocation Design Services, in an amount not to exceed \$112,424.

City Clerk

5. Approval of Minutes
Move to approve the Council meeting minutes of the Study Session of February 6, 2023; and the Regular Meeting of February 9, 2023.

Community Services

6. Construction Manager at Risk Project No. PR2106.401 with Hunter Contracting Co., Change Order No. 1, for the Tumbleweed Park Diamond Field Complex, Guaranteed Maximum Price (GMP) 2
Move City Council Award Construction Manager at Risk Project No. PR2106.401, Change Order No.1, to Hunter Contracting Co., for the Tumbleweed Park Diamond Field Complex, Guaranteed Maximum Price (GMP) 2, in an amount not to exceed \$18,977,649.41.

Fire Department

7. Resolution No. 5658 Approving an Intergovernmental Agreement (IGA) for Regional Emergency Operations and Disaster Services
Move City Council pass and adopt Resolution No. 5658 approving an Intergovernmental Agreement (IGA) between the City of Chandler and Maricopa County for regional emergency operations and disaster services.
8. Resolution No. 5665 Governor's Office of Highway Safety (GOHS) Grant Application
Move that City Council pass and adopt Resolution No. 5665, authorizing the submission of a Governor's Office of Highway Safety Grant for the Child Safety Seat Clinic program, in the amount of \$57,360, and authorizing the City Manager, or a designee, to perform grant-specific negotiations and submit documentation on behalf of the City of Chandler.

Information Technology

9. Purchase of Information Technology Temporary Contract Staffing Services
Move City Council approve the purchase of information technology temporary contract staffing services, from Computer Aid, Inc., utilizing the Sourcewell Contract No. 071321-CAI, in the amount of \$640,000.

10. Purchase of VMware Licenses Annual Support
Move City Council approve the purchase of VMware licenses and annual support, utilizing the State of Arizona Contract No. ADSP016-098163, with Dell Financial Services, LLC, in an amount not to exceed \$134,367.
11. Sole Source Purchase of BECSys7 Pool Chemical Controllers
Move City Council approve the sole source purchase of BECSys7 pool chemical controllers, from Aquatic Environmental Systems, in an amount not to exceed \$153,325.

Management Services

12. New License Series 12, Restaurant Liquor License Application for John Parley Cloward, Agent, PMR Group, LLC, DBA Roll Em Up Taquitos
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 218517, a Series 12, Restaurant Liquor License, for John Parley Cloward, Agent, PMR Group, LLC, DBA Roll Em Up Taquitos, located at 301 S. Arizona Avenue Suite 2, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 304665.

Police Department

13. Professional Services Agreement No. PD2301.101 with SmithGroup, Inc., for the Police Forensic Services Facility Study Consultant Services
Move City Council award Professional Services Agreement No. PD2301.101 to SmithGroup, Inc., for the Police Forensic Services Facility Study Consultant Services, in an amount not to exceed \$281,835
14. Job Order Project Agreement No. PD1302.404 with Caliente Construction, Inc., Pursuant to Job Order Project No. JOC1910.401, for the Public Safety Training Center Fitness and Parking Metal Shade Structures
Move City Council award Job Order Project Agreement No. PD1302.404 to Caliente Construction, Inc., Pursuant to Job Order Project No. JOC1910.401, for the Public Safety Training Center Fitness and Parking Metal Shade Structures, in an amount not to exceed \$462,090.03.

Public Works and Utilities

15. Resolution No. 5561 Approving the Purchase of Real Property Needed for the Hamilton Street Improvements from Appleby Road to Ocotillo Road
Move City Council pass and adopt Resolution No. 5561 determining that acquisition of real property needed for the Hamilton Street Improvements from Appleby Road to Ocotillo 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 Administrator 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.

16. Purchase of Water and Wastewater Maintenance Basin Recoating Services
Move City Council approve the purchase of water and wastewater maintenance basin recoating services, from Joseph Painting Company, Inc., dba JPCI Services, utilizing Town of Gilbert Agreement No. 321000003, in an amount not to exceed \$830,472.
17. Professional Services Agreement No. WA2301.101, with Matrix New World Engineering, Land Surveying and Landscape Architecture, P.C., for the Recovery Well Permit Capacity Study Consultant Services
Move City Council award Professional Services Agreement No. WA2301.101 to Matrix New World Engineering, Land Surveying and Landscape Architecture, P.C., for the Recovery Well Permit Capacity Study Consultant Services, in an amount not to exceed \$193,066.
18. Agreement No. PW0-745-4123, Amendment No. 4, with M.R. Tanner Development and Construction, Inc., for Street Maintenance and Repair Services
Move City Council approve Agreement No. PW0-745-4123, Amendment No. 4, with M.R. Tanner Development and Construction, Inc., for street maintenance and repair services, increasing the spending limit by \$655,000, for a revised amount not to exceed \$1,555,000.
19. Agreement No. PW0-745-4183, Amendment No. 4, 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. 4, with M.R. Tanner Development and Construction, Inc., for street maintenance repaving, surface seal, and repair services, in an amount not to exceed \$9,101,647.17, for a one-year term, May 1, 2023, through April 30, 2024.

Consent Agenda Motion and Vote

Vice Mayor Orlando moved to approve the Consent Agenda of the February 23, 2023, Regular City Council Meeting; Seconded by Councilmember Stewart.

Motion carried unanimously (7-0).

Action Agenda Discussion, Motion and Vote Item No. 20

20. At the Request of Councilmember Mark Stewart, Discussion and Vote on Implementing an Annual Inflation Relief Moratorium on Chandler City Grocery 1.5% Tax
After discussion, the Council would consider a vote be taken to move forward with the crafting of an ordinance for an immediate inflation relief moratorium or to explore alternative approaches to financially help our community.

COUNCILMEMBER STEWART introduced the item. The economic changes nationwide effect the Chandler community and families. Suspending or sunseting the grocery tax can help the folks that need it the most. We face inflationary challenges which creates hardship. He said he would like to suspend the grocery tax of the 1.5% on all non-prepared foods. Councilmember Stewart would like this to go into effect April 15, 2023, if possible, or July 1, 2023, to start the next fiscal year. During COVID-19, the federal government issued federal monies which created inflationary pressures, the funding was to be used to shore up municipal budgets. Chandler was able to take the money and reinvest back in the small business community because of the work done by previous leadership and city staff's financial planning practices. Councilmember Stewart said we have the opportunity to help the people at home, if there is anything we can do to help, we should consider it. A food tax reduction is a tax relief for everyone. Chandler's culture of fiscal responsibility was set decades ago. Our standard is to provide the best possible services at the lowest cost possible. Chandler has a \$10 million emergency fund and a \$38 million contingency fund which are not earmarked for anything specific. The contingency budget could be lowered to 12% of our budget, the three percent reduction would net us \$26.6 to serve as a buffer to inflationary overruns while providing relief to the community. City revenues this year have come in over forecasted amounts. Suspension of the entire 1.5% tax would cost the city \$14 million. Suspending a half amount at a .75% tax would cost us \$7 million. We are equipped to address staff decision packages, PSPRS paydown, and continuing to provide excellent service if we were to take the sales tax cut. Chandler is doing well, and this is an opportunity to give back to those who need it. If approved, this item would be reviewed annually.

Councilmember Stewart moved to direct staff to draft an ordinance to suspend the collection of the city's grocery transaction privilege tax at 1.5% effective July 1, 2023, and require Council to reconstitute or continue the suspension before the last regular council meeting of February of each year.

Motion failed due to lack of second.

MAYOR HARTKE asked staff what direction this item could take.

KELLY SCHWAB, City Attorney, said that the conversation could stop now, or a motion could be made.

MAYOR HARTKE asked for further discussion or another motion.

COUNCILMEMBER ELLIS said that when staff is present to give us direction and explain what is next, it is important for us to listen. Councilmember Ellis discussed the possibility of this item with staff and was concerned with the removal of the tax. She thought this could be tabled to the next meeting to give them a chance to get more information and have more conversation to explore

ideas on how to help others. There could be other options to address this important situation with staff recommendations. Discussing this item further at the March 20 meeting can give us more options to see where else we can help address inflation.

MAYOR HARTKE asked to clarify that this conversation would continue in the budget conversation next month to look for other options to provide financial relief to residents.

COUNCILMEMBER ELLIS said yes and explained that it would go back to staff to evaluate the logistics of the proposed ordinance or examine alternate options for financial relief.

MAYOR HARTKE asked if there was a second to the motion to continue the conversation to look for cost savings to alleviate the impact of inflation on our citizens in other ways and bring it to the next budget meeting.

COUNCILMEMBER STEWART said he would like to second the motion and thought tabling the discussion and tabling a vote on an ordinance for a later date would be good. He is not adding to the motion.

VICE MAYOR ORLANDO asked to clarify that the motion is not to resurrect a resolution or ordinance, but to continue discussion for potential further revenue cuts.

MOTION AND VOTE

COUNCILMEMBER ELLIS moved to continue the discussion of potential further revenue cuts and cost savings to alleviate the impact of inflation on Chandler residents to the March budget meeting; Seconded by Councilmember Stewart.

Motion carried unanimously (7-0).

COUNCILMEMBER STEWART asked if this item could be brought forward subsequently and voted on at consecutive Council meetings. He thought after the discussion at the budget meeting, the ordinance can be brought forward in the next meeting.

MAYOR HARTKE asked if the direction was to not further this call.

MS. SCHWAB said that the consensus was to let discussion proceed without any specific direction on any ordinance but as part of the budget.

MAYOR HARTKE called for speakers.

JEFF WENINGER, 1360 S. Camelia Ct., said that this is not a luxury tax – this is a tax on what people need every day. This recession or inflationary period is different than previous economic states.

Grocery inflation is sky-high. The 2023-2024 budget is still in the works, and there is lots to consider before approval; however, ideas like this should not be discouraged. Chandler is entitled to certain state shared revenue, and urban revenue sharing will be high in the future. Mr. Weninger said that this idea should continue to be considered.

Informational

21. Contracts and Agreements Administratively Approved, Month of January 2023

Unscheduled Public Appearances

None.

Current Events

Mayor's Announcements

MAYOR HARTKE thanked staff and council for the State of the City 2023 event. We have the lowest transaction tax of any city, and other ways in which we continue to make life valuable for our community.

MAYOR HARTKE announced the Relay for Life event on Saturday, March 11, 2023 at 3:00 p.m. at Perry High School to raise money for cancer survivors.

MAYOR HARTKE announced the Chandler Chamber Ostrich festival March 16 – 19, 2023 at Tumbleweed Park.

Council's Announcements

COUNCILMEMBER ENCINAS shared that he will be at the Chandler Innovation Fair Saturday, February 25, 2023.

COUNCILMEMBER ELLIS introduced the Public Safety Fair, Saturday, March 4 at 9:00 a.m. at the Chandler Police Main Station.

COUNCILMEMBER ELLIS said University of Arizona is hosting a lunch and learn event Friday, February 24, 2023, at 12 p.m.

VICE MAYOR ORLANDO announced the Chandler Innovation Fair will be Saturday, February 25, 2023, at 10:00 a.m. at Dr. A. J. Chandler Park showcasing science and innovation in Chandler.

COUNCILMEMBER STEWART congratulated council and staff for a great State of the City event. Councilmember Stewart encouraged everyone to watch the videos created for the event.

COUNCILMEMBER STEWART shared the Beer and Barbeque Festival Saturday March 25, 2023, at 12:00 p.m. at Tumbleweed Park.

COUNCILMEMBER HARRIS shared that he had the opportunity to speak about Black History Month at schools around the valley, we need to advocate to have an inclusive history.

COUNCILMEMBER POSTON recognized the Mission of Mercy nonprofit in Chandler that offers free medical primary care and free prescription medication to individuals without insurance.

City Manager's Announcements

JOSH WRIGHT, City Manager, thanked the Economic Development team for their work for planning the Innovation Fair.

Adjourn

The meeting was adjourned at 6:54 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: March 20, 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 23rd day of February 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of March, 2023.

City Clerk