

Meeting Minutes

City Council Regular Meeting

May 25, 2023 | 6:00 p.m.
Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:00 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
Vice Mayor Matt Orlando
Councilmember OD Harris
Councilmember Mark Stewart
Councilmember Christine Ellis
Councilmember Jane Poston
*Councilmember Angel Encinas

Appointee Attendance

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

*Councilmember Encinas attended telephonically.

Invocation

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

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Poston.

Consent Agenda and Discussion

Airport

1. Construction Agreement No. AI2203.401 with Diamond Ridge Development, for the Chandler Municipal Airport Wildlife Exclusion Perimeter Fence

Move City Council award Construction Agreement No. AI2203.401 to Diamond Ridge Development, for the Chandler Municipal Airport Wildlife Exclusion Perimeter Fence, in an amount not to exceed \$796,965.07.

City Clerk

2. Approval of Minutes
Move City Council approve the Council meeting minutes of the Study Session of May 8, 2023, and the Regular Meeting of May 11, 2023.
3. Board and Commission Appointments
Move City Council approve the Board and Commission appointments as recommended.

City Manager

4. Professional Services Agreement No. TP2202.201, with Kimley-Horn & Associates, for the Kyrene Branch and Highline Canal Shared Use Path Design Services
Move City Council award Professional Services Agreement No. TP2202.201 to Kimley-Horn & Associates for the Kyrene Branch and Highline Canal Shared Use Path Design Services, in an amount not to exceed \$574,883.11.

Development Services

5. Final Adoption of Ordinance No. 5051 Adoption of Historic Preservation Code Amendments
Move City Council adopt Ordinance No. 5051 approving PLH23-0010 Historic Preservation Code Amendments related to terms of Historic Preservation Commission members, regulations for the creation of historic preservation districts, and application of design guidelines for historic preservation districts, as recommended by the Planning and Zoning Commission and the Historic Preservation Commission.

Facilities and Fleet

6. Purchase of Carpet Installation Services for Main Police Station Carpet Replacement Project
Move City Council approve the purchase of carpet installation services, from Continental Flooring Company, utilizing the State of Arizona Contract No. CTR043427, in an amount not to exceed \$143,000, for the Main Police Station carpet replacement.

Information Technology

7. Purchase of Information Technology Temporary Staffing Services
Move City Council approve the purchase of information technology temporary staffing services, from Computer Aid, Inc., utilizing the Sourcewell Contract No. 071321-CAI, in the amount of \$507,600.

Management Services

8. Agreement No. WH3-890-4597 for Waterworks Supplies
Move City Council approve Agreement No. WH3-890-4597, with Core and Main, LP, and Ferguson Enterprises, LLC, for waterworks supplies, in an amount not to exceed \$500,000, for the period of June 1, 2023, through May 31, 2024.
9. Purchase of Janitorial and Sanitation Supplies
Move City Council approve the purchase of janitorial and sanitation supplies, from Waxie Sanitary Supply, utilizing the City of Tucson Contract No. 202329-01, in an amount not to exceed \$250,000, for the period of June 1, 2023, through May 31, 2024.

Police Department

10. Resolution No. 5690 Intergovernmental Agreement with Chandler Unified School District No. 80 for Police Department Security Camera System Emergency Access
Move City Council pass and adopt Resolution No. 5690 pertaining to an Intergovernmental Agreement granting the Chandler Police Department emergency access to the Chandler Unified School District No. 80 Security Camera System; and authorize the Chief of Police, as designated by the City Manager, to conduct all negotiations and to execute and submit all documents necessary in connection with such agreement.

Public Works and Utilities

11. Resolution No. 5683 Authorizing the Acquisition of Real Property Rights Required for the Water Main Replacement Project WA2203
Move Council pass and adopt Resolution No. 5683, authorizing the acquisition of real property rights required for the Water Main Replacement Project WA2203 within Arrowhead Meadows, Tyson Manor, and Sunset Manor neighborhoods, as shown on the attached map; authorizing the City's Real Estate Administrator to sign, on behalf of the City, the purchase agreements, authorizations to access property, and any other documents necessary to facilitate these acquisitions and access the properties; authorizing eminent domain proceedings as needed to acquire said real property and obtain immediate possession thereof; and authorizing relocation assistance as may be needed and required by law.
12. Agreement No. PW9-962-4035, Amendment No. 4, with Eurofins Environment Testing Southwest, LLC; Legend Technical Services of Arizona, Inc.; and Radiation Safety Engineering, Inc., for Laboratory Testing Services
Move City Council approve Agreement No. PW9-962-4035, Amendment No. 4, with Eurofins Environment Testing Southwest, LLC; Legend Technical Services of Arizona, Inc.; and Radiation Safety Engineering, Inc., for laboratory testing services, in a combined amount not to exceed \$479,000, for the period of May 1, 2023, through April 30, 2024.

13. Agreement No. PW3-918-4551, with Arcadis U.S., Inc., for Advanced Metering Infrastructure Consultant Services
Move City Council approve Agreement No. PW3-918-4551, with Arcadis U.S., Inc., for Advanced Metering Infrastructure (AMI) Consultant Services, in an amount not to exceed \$662,065.
14. Construction Manager at Risk Agreement No. WW2005.403, Change order No. 1 – GMP2, with B&F Contracting, Inc., for the Chandler Boulevard and Dobson Road Sewer and Water Improvements
Move City Council award Construction Manager at Risk Agreement No. WW2005.403, Change Order No. 1 – GMP2, to B&F Contracting, Inc., for the Chandler Boulevard and Dobson Road Sewer and Water Improvements, in an amount not to exceed \$7,202,897.39.

Consent Agenda Motion and Vote

Councilmember Ellis moved to approve the Consent Agenda of the May 25, 2023, Regular City Council Meeting; Seconded by Councilmember Harris.

Motion carried unanimously (7-0).

Action Agenda Item 15

15. Resolution No. 5694, Adopting the Fiscal Year (FY) 2023-24 Tentative Budget and 2024-2033 Tentative Capital Improvement Program (CIP) and Giving Notice of the Dates and Times for Hearing Taxpayers for Final Adoption of the Budget and for setting the Tax Levies and Tax Rates
Move City Council pass and adopt Resolution No. 5694, adopting the FY 2023-24 Tentative Budget and 2024-2033 Tentative CIP and giving notice of the dates and times for hearing taxpayers for final adoption of the budget and for setting the tax levies and tax rates.

MATT DUNBAR, Budget and Policy Assistant Director, presented the following presentation.

- Res. No. 5694 Tentative Budget Adoption
- Statutory Budget Process A.R.S. 42-17101 to 17108
 - Adopt a tentative budget that sets forth the different amounts that will be required to meet the political subdivision's public expense for the fiscal year
 - Enter into the minutes or the governing body
 - Prepare according to forms supplied by the auditor general
 - Publish on the website for public review
 - Once tentatively adopted, budget cannot increase
 - After tentative adoption, a public hearing shall be had wherein any taxpayer may be heard in favor of or against any proposed expenditure or tax levy (set for June 15, 2023)

- Hold Special meeting after public hearing to adopt the budget
- Adopt final tax rate on or before 4 days before taxes are levied, but after the public hearing (set for June 29, 2023)
- FY 2023-24 Proposed Budget “Innovation at Work”
 - Total budget \$1,656,274,385 (all funds)
 - General Fund Only \$610,510,158
 - 22.5% increase overall: \$800M operating (+5.9%), \$856M capital (+43.4%)
 - 23.8% increase in General Fund \$483M operating (+16.9%), \$128M capital (+59.2%)
 - Adheres to financial policies
 - Structurally balanced
 - Uses Strategic Framework to guide decisions
 - Provides for cost-effective, quality services
 - Maintains long-term financial sustainability
 - Engaged Residents through input opportunities
 - Budget Survey, Kickoff, & Two Workshops
 - All-day Budget Briefing
 - Tentative and Final Adoption
- FY 2023-24 Proposed Budget Increase Drivers (all funds)
 - Revenues
 - Increased revenues to reflect actual economic environment
 - Increases are coming from continued development, inflation and strong consumer spending
 - Increased state shared revenues with updated projections
 - Expenditures
 - Inflation increasing operations and capital budgets
 - Personnel costs increasing to invest in City workforce and retain employees; market, merit, and healthcare
 - Capital projects increased to address aging infrastructure, bond authorized projects, and grant funded projects
 - Infrastructure projects to support Intel expansion (FY 2022-23 \$148M & FY 2023-24 \$30.5M)
 - Grants
 - Includes \$20M in American Rescue Plan Act (ARPA) funds included in FY 2023-24 budget as carryforward
 - Continued focus on Grant opportunities and having “shovel ready” projects that may qualify
 - Debt
 - Additional one-time payment of \$73M to pay-off the Public Safety Personnel Retirement System (PSPRS) unfunded liability and generate ongoing savings
- Total Annual Proposed Budget
- Operating Budget Highlights

- Reduces City property tax rate for the 8th consecutive year, no charge to Transaction Privilege Tax (TPT)
- Anticipates water, wastewater, and solid waste rate changes to continue to move toward Cost of Service recommendations
- Budget maintains existing service levels and enhances programs tied to strategic framework
- Adds funding for labor association commitments and general employee merit/market
- Plans towards debt reduction: \$73M in one-time funding for pay-off of PSPRS liability
- Maintains strong reserves (includes 15% General Fund contingency reserve and \$20M budget stabilization reserve)
- Average Annual Residential Cost Comparison for Direct Services
 - The average annual cost of services across the Valley is \$2,217

MAYOR HARTKE asked if these are current real numbers.

MR. DUNBAR said that is correct, this includes our anticipated rate changes in the current fiscal year, but it does not reflect rate changes for other communities.

MAYOR HARTKE said then our numbers will be significantly lower once FY 2023-24 budgets for other communities are approved.

MR. DUNBAR added that other communities are sharing that their water and wastewater utility rates are growing at a larger percentage than ours.

MAYOR HARTKE commented that this is because of great water planning by Chandler.

MR. DUNBAR confirmed that water policy and infrastructure has been wisely planned for by Chandler over time.

MR. DUNBAR continued the following presentation.

- Average Residential Cost Comparison for Water, Wastewater and Solid Waste
- 2024-2033 CIP Highlights
 - 2024-2033 CIP total is \$1,963,967,457 (\$299M more than the 2023-2032 CIP)
 - Updated to reflect inflationary pressures
 - Increased focus on aging infrastructure
 - Includes \$178.5M in projects for infrastructure to support Intel expansion
 - Bond authorization longevity shortened by inflation and additional projects

MAYOR HARTKE asked if the Intel expansion would be a reimbursement from Intel not taxpayer funds, but we do have to account for it.

MR. DUNBAR said for that partnership, Intel, and a tax rebate for infrastructure through the State of Arizona pays for this Intel expansion. The City provides the investment in infrastructure projects, we need the authorization to spend it – which will then be reimbursed to the City later.

MR. DUNBAR continued the following presentation.

- Proposed FY 2023-24 CIP Appropriation (all funds)
 - Capital Carryforward \$497.7M
 - Contingency & Reserves \$0.45M
 - New Funding \$358.3M
 - \$856.5M Total CIP Appropriation
- Key Budget Dates
- Questions

MAYOR HARTKE asked what money in the budget is set for transportation.

MR. WRIGHT said there is nothing in this budget for lane removal or road diet projects. Arterial road construction is ongoing throughout southeast Chandler. Bus Rapid Transit is not planned for in the 10-year capital plan. One recently released recommendation from Maricopa Association of Governments (MAG) is for a Bus Rapid Transit, but it and other recommended transit models would not be planned for until 2045.

MAYOR HARTKE said we had investigated light rail and did not pursue it. Any future conversations on MAG recommendations will not be coming up soon.

MR. WRIGHT added that it took many public hearings and public input to establish recommendations and action, and additional study and research.

MAYOR HARTKE asked for speakers.

JANET ACKERMAN, 6320 N 16th St., Phoenix, spoke on public transportation and lightrail. Ms. Ackerman said an issue with public transit in Phoenix is that the summer heat makes it difficult to commute. It is hard to use public transit in high temperatures because of the time spent outdoors waiting for transportation. Reducing roadways leads to congestion.

Action Agenda Item 15 Motion and Vote

Vice Mayor Orlando moved to pass and adopt Resolution No. 5694, adopting the FY 2023-24 Tentative Budget and 2024-2033 Tentative CIP and giving notice of the dates and times for hearing taxpayers for final adoption of the budget and for setting the tax levies and tax rates.; Seconded by Councilmember Ellis.

Motion carried unanimously (7-0).

Public Hearing and Action Agenda Item 17

16. Public Hearing for Resolution No. 5692 Approving the Fiscal Year 2023-2024 Annual Assessment for the City of Chandler, Arizona, Downtown Chandler Enhanced Municipal Services District

Open Public Hearing

MAYOR HARTKE opened the public hearing at 6:31 p.m.

Staff Presentation

KIM MOYERS, Cultural Development Director, presented the following presentation.

- Enhanced Municipal Services District
- Enhanced Municipal Services District (EMSD) Overview
 - Created in 2005 – 18th Year
 - Covers 61.4 Acres and over 1 million square feet of commercial space
 - Formed to provide public services over and above typical public services elsewhere in the City
 - Services are provided by the Downtown Chandler Community Partnership (DCCP) through an annual contract with the City

REBECCA HILL, Downtown Chandler Community Partnership Executive Director, continued the presentation.

- DCCP Mission Statement
 - The Downtown Chandler Community Partnership (DCCP) is a 501(c) 6 not-for-profit corporation whose mission is to mobilize leadership and resources to advance the development of Downtown Chandler as a regional destination for shopping, dining, living, culture and the arts.
- 2023 DCCP Board of Directors
- 2023-2024 DCCP Services
 - Management
 - Board And Stakeholder Engagement, Strategic Planning, Destination Management
 - Events
 - Farmer's Market, Wedding Walk, Small Business Saturday, Crawls Including Sippin' Santas, Brunch Crawl, and hosted partnered events such as the Fine Arts & Wine Festival, Beer, Bourbon & BBQ and Oktoberfest with our partners at San Tan Brewing and Pedal Haus Brewery
 - Marketing
 - Promoting Downtown Chandler via social media, monthly newsletters, event branding and stakeholder notifications. Creating a stay and play campaign,

Channel Your Chill to attract both residents and visitors during the summer months.

- Placemaking
 - Planting flowers, placing American flags for holidays, holiday lights and displays, and roof top lighting. Providing the overall feel of a welcoming and inviting downtown. Partnering with local businesses and community groups to build community.
- Clean Team
 - Removes litter, graffiti, stickers, trash cans and wipe down surfaces. Serves as a downtown ambassador.

MS. MOYERS continued the following presentation.

- EMSD Process & Next Steps
 - Process
 - Assessment was authorized by property owners
 - 100% of assessment proceeds paid to the district
 - City Council officially enables the district
 - District must be renewed each year
 - Next steps
 - Contract with DCCP brought forward at June 22 Council Meeting
 - Voluntary City contribution: \$124,744

Council Discussion

VICE MAYOR ORLANDO thanked Ms. Hill for the work being done and the input provided from councilmembers.

COUNCILMEMBER STEWART said our downtown is a destination because of what is being done at the DCCP. We are grateful.

COUNCILMEMBER HARRIS thanked Ms. Hill and staff. The partnership we have with DCCP is valuable.

MAYOR HARTKE said that at the Chandler International Film Festival, the feedback towards Downtown Chandler was great.

VICE MAYOR ORLANDO asked if any new members have joined the DCCP.

MS. MOYERS shared the Maple House as an example.

Discussion from the Audience

MAYOR HARTKE asked if there was any discussion from the audience. There was none.

Close Public Hearing

MAYOR HARTKE closed the public hearing at 6:42 p.m.

17. Resolution No. 5692 Approving the Fiscal Year 2023-2024 Annual Assessment for the City of Chandler, Arizona, Downtown Chandler Enhanced Municipal Services District
Move City Council pass and adopt Resolution No. 5692 approving the Fiscal Year 2023-2024 Annual Assessment for City of Chandler, Arizona, Downtown Chandler Enhanced Municipal Services District.

Action Agenda Item 17 Motion and Vote

Vice Mayor Orlando moved to pass and adopt Resolution No. 5692 approving the Fiscal Year 2023-2024 Annual Assessment for City of Chandler, Arizona, Downtown Chandler Enhanced Municipal Services District; Seconded by Councilmember Poston.

Motion carried unanimously (7-0).

Informational

19. Contracts and Agreements Administratively Approved, Month of April 2023

Unscheduled Public Appearances

CLOVIS HUNGATE, 21837 S. 140th St., presented and requested work on Ocotillo and 140th St. be suspended until resolved. A temporary easement from 2020 grants a five-foot temporary construction easement for the widening of Ocotillo Road. A vinyl fence is located on the temporary construction easement on property.

JANET HOO, 21632 S. 140th St., shared that the Ocotillo Road Widening project has impacted the entrance and exit of the neighborhood. Left turn lane onto 140th St. has been closed since construction. It is a safety issue for the neighborhood. We need to work to get this resolved.

JEAN DIXON, 65 N. Hamilton #19, spoke against the proposed MAG Road Diet Plan.

DEREK LOGAN, Lot 96 Pinelake Estates, shared that Chandler should be considering the proposed MAG transportation when considering density in the future. Chandler should consider what we can do now.

JEFF CALDWELL, 15236 N. 21st St., Phoenix, shared that decades of planning effects outcomes that come up. Mr. Caldwell spoke against the proposed MAG Road Diet Plan; decisions should be left to cities and their residents.

MARISSA HAMILTON, 625 W. Citrus Way, spoke against the proposed MAG Road Diet Plan and encouraged people to have a direct relationship with their elected officials.

Current Events

Mayor's Announcements

MAYOR HARTKE wished everyone a happy Memorial Day.

MAYOR HARTKE congratulated Micah Miranda, Economic Development Director, and the Economic Development department as Chandler is being recognized for the Arizona Chambers 2023 Best City for Business.

MAYOR HARTKE congratulated Hamilton High School Students for winning 4th in the nation in the National Economics Challenge.

Council's Announcements

COUNCILMEMBER ELLIS shared she attended a Haitian Flag Day celebration and read a proclamation on May 18.

VICE MAYOR ORLANDO announced the 2023 Memorial Day Observance Event at Valley of the Sun Cemetery on Monday, May 29 at 9:00 a.m.

COUNCILMEMBER STEWART shared that he went through a public safety demonstration at the Chandler Public Safety Training Facility and thanked public safety staff.

COUNCILMEMBER STEWART thanked the audience for attending and speaking.

COUNCILMEMBER HARRIS shared that we will honor and remember our military servicemembers this Memorial Day.

COUNCILMEMBER HARRIS recognized Armed Forces Day on May 20.

COUNCILMEMBER HARRIS congratulated his daughter for graduating Arizona State University (ASU) Class of 2023.

COUNCILMEMBER POSTON shared that it was the last day of school in Chandler Unified School District (CUSD) and wished everyone a safe and happy summer and announced the Summer Reading Program starts June 1.

COUNCILMEMBER POSTON said our Chandler Chamber Economic Development Update shared some great news for Downtown Chandler. Downtown businesses are seeing an increase in business over the summer season, and new businesses are opening this summer.

COUNCILMEMBER POSTON recognized the Recycling Solid Waste Collection Center and Public Works team for doing a great job.

City Manager's Announcements

MR. WRIGHT shared it was Public Works week this week and recognized Public Works staff for doing a great job keeping Chandler safe and beautiful.

Adjourn

The meeting was adjourned at 7:15 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: June 15, 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 25th day of May 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2023.

City Clerk