

Meeting Minutes

City Council Regular Meeting

June 15, 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

Invocation

The invocation was given by Dr. Roy Cheriyan, International Assembly of God

Pledge of Allegiance

The Pledge of Allegiance was led by Vice Mayor Orlando.

Consent Agenda and Discussion

City Clerk

1. Approval of Minutes
Move City Council approve the Council meeting minutes of the Study Session of May 22, 2023; and the Regular Meeting of May 25, 2023.
2. Board and Commission Appointments
Move City Council approve the Board and Commission appointments as recommended.

Community Services

3. Resolution No. 5693 Authorizing the Intergovernmental Agreement Between the City of Chandler and Maricopa County Library District for the Library Assistance Program
Move City Council pass and adopt Resolution No. 5693, approving the Intergovernmental Agreement (IGA) between the City of Chandler and the Maricopa County Library District (MCLD) for the Library Assistance Program (LAP).

Cultural Development

4. Professional Services Agreement No. CA2202.501, with Arizona Public Service Company (APS), for the Wall Street Overhead Power Conversion to Underground Design and Construction Services
Move City Council approve Professional Services Agreement No. CA2202.501, with Arizona Public Service Company, for the Wall Street Overhead Power Conversion to Underground Design and Construction Services, in an amount not to exceed \$1,251,239.72.
5. Professional Services Agreement No. ST2203.451, with Consultant Engineering, Inc., for the Boston Street Improvements Construction Management Services
Move City Council Award Professional Services Agreement No. ST2203.451 to Consultant Engineering, Inc., for the Boston Street Improvements Construction Management Services, in an amount not to exceed \$153,395.
6. Project No. ST2203.401 with Sunland Asphalt & Construction, Inc., Pursuant to Job Order Project No. JOC1909.401, for the Boston Street Improvements
Move City Council Award Project No. ST2203.401 to Sunland Asphalt & Construction, Inc., Pursuant to Job Order Project No. JOC1909.401, for the Boston Street Improvements, in an amount not to exceed \$1,943,984.03.

Development Services

7. Introduction of Ordinance No. 5053 Adoption of Historic Preservation District Landmark Zoning Overlay for the McCullough-Price House, a City-Owned Property Located at 300 S. Chandler Village Drive, near the Southwest Corner of West Frye Road and South Chandler Village Drive
Move City Council introduce and tentatively adopt Ordinance No. 5053 approving PLH23-0028, McCullough-Price House Historic Preservation District Landmark zoning overlay subject to the conditions as recommended by the Planning and Zoning Commission and the Historic Preservation Commission.
8. Introduction of Ordinance No. 5058 Adoption of Historic Preservation District Landmark Zoning Overlay for the Goodyear Canal, Located Along the West Side of Basha Road Between Ocotillo Road and Snedigar Park

Move City Council introduce and tentatively adopt Ordinance No. 5058 approving PLH23-0034, Goodyear Canal Historic Preservation District Landmark zoning overlay subject to the conditions as recommended by Planning and Zoning Commission and the Historic Preservation Commission.

9. Entertainment Use Permit PLH22-0061 Modern Margarita Plant Shops, LLC, for Indoor Live Entertainment and Outdoor Patio Speakers, Located at 4165 S. Gilbert Rd, Suite 5, Generally Located South of the Southeast Corner of Gilbert and Ocotillo Roads
Move City Council approve Entertainment Use Permit, PLH22-0061 Modern Margarita Plant Shops, LLC, subject to the conditions recommended by Planning and Zoning Commission.
10. Use Permit, PLH23-0016 AT&T El Lobo WCF, for Installation of a Wireless Telecommunication Facility, Located on the North Side of the Hartford Street and Fairview Street intersection, Approximately ¼ Mile North of Pecos Road
Move City Council approve Use Permit PLH23-0016 AT&T El Lobo WCF, for the installation of a wireless communication facility, subject to the conditions as recommended by Planning and Zoning Commission.

Facilities and Fleet

11. Agreement No. FS2-928-4310, Amendment No. 2, for Auto Body Repair Services
Move City Council approve Agreement No. FS2-928-4310, Amendment No. 2, with Allard Collision, LLC, for auto body repair services, in an amount not to exceed \$250,000, for the period of July 1, 2023, through June 30, 2024.

Information Technology

12. Agreement No. IT1-918-4343, Amendment No. 2, for Business License Portal Applications and Managed Support Services
Move City Council approve Agreement No. IT1-918-4343, Amendment No. 2, with Parsus Solutions, LLC, for business license portal applications and managed support services, in an amount not to exceed \$300,000, for the period of one year, beginning June 15, 2023, through June 14, 2024.
13. Purchase of Information Technology Research Subscription Services
Move City Council approve the Purchase of Information Technology Research Subscription Services, from Gartner, Inc., utilizing the State of Arizona Contract No. CTR053240, in an amount not to exceed \$217,700, for the period of one year, beginning July 1, 2023, through June 30, 2024.
14. Purchase of Enterprise Asset Management (EAM) System Annual Support and Maintenance
Move City Council approve the purchase of enterprise asset management (EAM) system annual support and maintenance, from CentralSquare Technologies, LLC, in an amount not

to exceed \$112,124, for the period of one year, beginning July 1, 2023, through June 30, 2024.

Management Services

15. Purchase of Office Supplies

Move City Council approve the purchase of office supplies, from Staples Business Advantage, utilizing the Sourcewell Contract No. 012320-SCC, for the period of April 1, 2023, through March 31, 2024, in an amount not to exceed \$240,000.

16. New License Series 12, Restaurant Liquor License Application for Robert Earl Matthew, Agent, BYOV, LLC, DBA BYOV

Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 238015, a Series 12, Restaurant Liquor License, for Robert Earl Matthew, Agent, BYOV, LLC, DBA BYOV, located at 777 N. Arizona Avenue Suite #3, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 305245.

Neighborhood Resources

17. Resolution No. 5700 Approving Amendment No. 4 to the Intergovernmental Agreement Between Maricopa County and the City of Chandler to Receive Federal HOME Investment Partnerships Program Funds and HOME Investment Partnerships American Rescue Plan Program Funds

Move that City Council pass and adopt Resolution No. 5700, Approving Amendment No. 4 to the Intergovernmental Agreement Between Maricopa County and the City of Chandler to receive Federal HOME Investment Partnerships (HOME) Program Funds in the amount of \$1,273,594 and HOME Investment Partnerships American Rescue Plan (HOME-ARP) Program Funds in the amount of \$1,717,654; authorizing the City Manager to sign all related documents and assurances on behalf of the City of Chandler; and further authorizing the City Manager to take all action necessary or prudent to implement the City's HOME and HOME-ARP Program activities.

18. Agreement No. NR3-952-4604, with Resurrection Street Ministry, Inc., and The Salvation Army for Heat Relief Services

Move City Council approve Agreement No. NR3-952-4604, with Resurrection Street Ministry, Inc., in an amount not to exceed \$454,312, and The Salvation Army, in an amount not to exceed \$127,407.17, for heat relief services, for the period of one year, beginning June 15, 2023, through June 14, 2024, with the option of up to four one-year extensions.

Police Department

19. Resolution No. 5673 Acceptance of FY 2023 Anti-Human Trafficking Grant Fund Program from the Department of Emergency and Military Affairs

Move City Council pass and adopt Resolution No. 5673 authorizing and approving the award of the FY 2023 Anti-Human Trafficking Fund Program from the Department of Emergency and Military Affairs in the amount of \$499,480.00; and authorizing 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 grant.

Public Works and Utilities

20. Introduction of Ordinance No. 5052 Declaring Certain Real Property as No Longer Necessary for Use as a Public Roadway
Move City Council introduce and tentatively adopt Ordinance No. 5052 declaring certain real property as no longer necessary for use as a public roadway; vacating the roadway located north and west of lots 586 through 594 in the Colonia Coronita Unit Four subdivision; quitclaiming any remaining City interest in the vacated roadway to the abutting private property owners of lots 586 through 594; and authorizing the execution of all documents necessary to complete the abandonment and quitclaim.
21. Resolution No. 5697, Authorizing the City of Chandler to Enter into an Agreement to Share Costs for the Technical Review of the SRP-CAP Interconnection Facility Among Cost-Share Partners and Salt River Project Agricultural Improvement and Power District
Move City Council pass and adopt Resolution No. 5697, authorizing the City of Chandler to enter into an agreement to share costs for the technical review of the SRP-CAP Interconnection Facility among cost-share partners and Salt River Project Agricultural Improvement and Power District.
22. Project Agreement No. WA2303.401, with B&F Contracting, Inc., Pursuant to Job Order Contract No. JOC2101.401, for the Hahn Reservoir Main Repair
Move City Council award Project Agreement No. WA2303.401 to B&F Contracting, Inc., Pursuant to Job Order Contract No. JOC2101.401, for the Hahn Reservoir Main Repair, in an amount not to exceed \$349,494.23.
23. Sole Source Purchase of Supervisory Control & Data Acquisition (SCADA) Maintenance Services
Move City Council approve Agreement No. 4521, with Schneider Electric Systems USA, Inc., for the sole source purchase of SCADA maintenance services, in an amount not to exceed \$139,620, for the period of one year, beginning June 15, 2023, through June 14, 2024.

Consent Agenda Motion and Vote

Councilmember Harris moved to approve the Consent Agenda of the June 15, 2023, Regular City Council Meeting; Seconded by Councilmember Stewart.

Motion carried unanimously (7-0).

Public Hearing

24. ANX21-0005 Harris Place, Annexation of Approximately 3.4 Acres West of the Southwest Corner of Ocotillo and McQueen Road

Open Public Hearing

MAYOR HARTKE opened the public hearing at 6:04 p.m.

Staff Presentation

MIKAYELA LIBURD, Associate Planner, presented the following presentation.

- ANX21-0005 Harris Place, Annexation of Approximately 3.4 Acres West of the Southwest Corner of Ocotillo and McQueen Road
- Location: West of the Southwest Corner of McQueen Rd. & Ocotillo Rd.
- Surrounding Land Uses:
 - North: Ocotillo Road, then City Park
 - South: Single-Family Lots (Maricopa County)
 - East: 119th St., then PAD for Commercial
 - West: Kerby Way, then PAD for Single-Family
- Background:
 - Approximately 3.4 acres
 - Zoned Rural-43 within Maricopa County
 - Initial City Zoning will be Agricultural District (AG-1)
- General Plan Designation of Neighborhoods
- Rezoning is in review and will be forthcoming for Council review
- Existing municipal water service, wastewater service, and reclaimed water are available for the site.
- Staff has circulated the request to City departments and no negative comments have been received.
- Questions

Council Discussion

COUNCILMEMBER STEWART complimented Ms. Liburd on her presentation and asked if water and sewer were already there or if they would be put in after the zoning changes.

MS. LIBURD said she would look into it and follow up.

MAYOR HARTKE commented that water and sewer may already be available via the road and could potentially be connected to the parcel.

JOSHUA WRIGHT, City Manager, confirmed that water and sewer would be available via Ocotillo Road.

VICE MAYOR ORLANDO asked what the expected timeline would be for development and confirmed it would be single-family homes.

MS. LIBURD said she currently did not have a timeline, but more information would be forthcoming and confirmed it would be single-family homes.

COUNCILMEMBER HARRIS thanked Ms. Liburd for her presentation.

Discussion from the Audience

None.

Close Public Hearing

MAYOR HARTKE closed the public hearing at 6:08 p.m.

25. Public Hearing on Adoption of the FY 2023-24 Annual Budget and 2024-2033 Capital Improvement Program (CIP), and Setting of Property Tax Levies

Open Public Meeting

MAYOR HARTKE opened the public hearing at 6:08 p.m.

Staff Presentation

DAWN LANG, Deputy City Manager / Chief Financial Officer, presented the following presentation.

- Public Hearing: FY 2023-24 Proposed Budget, 2024-2033 Capital Improvement Program (CIP), and 2023-24 Property Tax Levy
- 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 polices
 - 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 \$30.5 M)
 - 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 PSPRS unfunded liability and generate ongoing savings
- Operating Budget Highlights
 - Reduces City property tax rate for the 8th consecutive year
 - No change to Transaction Privilege Tax (TPT) rates
 - Adds funding for labor association commitments and general employee merit/market
 - Anticipates Water, Wastewater, and Solid Waste rate changes to continue to move toward Cost of Service recommendations
 - Plans towards debt reduction: \$73M in one-time funding for pay-off of Public Safety Personnel Retirement System (PSPRS) liability
 - Budget maintains existing service levels and enhances programs tied to Strategic Framework
 - Maintains strong reserves (includes 15% General Fund contingency reserve and \$20M budget stabilization reserve)
 - Potential State Legislative revenue impacts continue to be monitored
- 2024-2033 Capital Improvement Program (CIP) Highlights

- 2024-2033 CIP total is \$1,963,967,457 (\$299M more than the 2023-2-32 CIP)
- Updated to reflect inflationary pressures
- Increased focus on aging infrastructure
- Includes \$178.5M in projects infrastructure to support Intel expansion (reimbursed from Intel and State)
- Bond authorization longevity shortened by inflation and additional projects
- \$1.96B – Total 10-Year CIP
- \$497.7M – Total FY 2023-24 CIP
- Public Hearing: 2023-24 Property Tax Levy
 - Breakdown of \$1 of Typical Chandler Property Tax Bill
 - Public Schools and Community College Districts, 70 cents
 - Maricopa County & Special Districts, 19 cents
 - City of Chandler, 11 cents
 - Based on 2022 Tax Bill information. Exact split will vary depending on the school district and any other special taxing districts on the bill.
- FY 2023-24 Property Tax Levy
 - FY 2022-23 LPV, \$3.703B = 2022-23 Levy \$40,828, 804
 - FY 2023-24 LPV, \$3.900B = 2023-24 Levy \$42,612,435
 - +5.3% Increase, 1.9% New Property, 3.4% Appreciation = Levy Increase \$1,783,630
 - Tax rate reduction from \$1.1026 to \$1.0926 reduces impact of Limited Property Value (SPF) Increase
 - Reduces property tax rate for the 8th consecutive year
- Impact of City Tax Rate Reduction on Median Value Homeowner
- Key Budget Dates
- Questions

Council Discussion

MAYOR HARTKE spoke in favor regarding property tax relief for Chandler residents and commented that it is a major source of income. It is an eye-opener to look at the amounts considering where the budget increases are coming from such as unfinished projects, Intel, and inflation; but it is an accurate budget that allows Chandler to continue to provide great service. Mayor Hartke thanked Council and staff for their work on the budget.

VICE MAYOR ORLANDO commented that governments are under scrutiny, but this budget is based upon the 1,300 residents that completed the budget survey and a lot of elements are based on resident comments. Vice Mayor Orlando thanked the City Manager and staff for their work and commented on the transparency of the budget process. Vice Mayor Orlando quoted Pastor Cheriyan saying “there are better times ahead,” and this budget reflects that. The budget is a product of local government and addressing resident issues and concerns.

COUNCILMEMBER ELLIS thanked Mayor Hartke for his leadership and commented it is her third year going through the budget process. Councilmember Ellis said what a blessing it is to be part of the process, \$1.6 billion dollars is no small amount to make sure that all City services are taken care of. Councilmember Ellis commented on being a resident for 36 years and complimented staff for all their hard work and said the best is yet to come.

COUNCILMEMBER POSTON thanked staff for answering her questions regarding the budget. Councilmember Poston commented she had asked for more time to consider the bigger picture of the entire budget while also examining the reduction in property tax. This budget is something to be proud of.

COUNCILMEMBER ENCINAS thanked staff for the great collaboration that went into the budget. This budget reflects the needs and services that residents come to expect.

COUNCILMEMBER HARRIS thanked residents for their input into the budget. The voice of Chandler is reflected in this budget. This budget is fiscally sound, and it is exciting that the property taxes are being reduced.

COUNCILMEMBER STEWART commented that we took this budget into careful consideration and there are a lot of great elements included.

Discussion from the Audience

None.

Close Public Hearing

MAYOR HARTKE closed the public hearing at 6:32 p.m.

Informational

26. Special Event Liquor Licenses and Temporary and Permanent Extensions of Liquor License Premises Administratively Approved
27. Study Session & Regular Minutes of April 5, 2023, Planning and Zoning Commission
28. Study Session & Regular Minutes of April 19, 2023, Planning and Zoning Commission

Unscheduled Public Appearances

VICKI BERGLIN, 2310 E Folley St, shared concerns over the security in the neighborhood alleyway. Property owners would like the city to allow them to absorb the property into the current lots and maintain the alley space. The City would not be responsible for maintenance of the alley. She said that Chandler is a great place to live.

MAYOR HARTKE thanked staff for working on this issue.

COUNCILMEMBER HARRIS asked to see any potential petitions generated by neighbors.

Adjourn

The meeting was adjourned at 6:36 p.m.

ATTEST: *Dana R. DeLong* *Kevin Hartke*
City Clerk Mayor

Approval Date of Minutes: June 29, 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 15th day of June 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 29th day of June, 2023.

Dana R. DeLong
City Clerk

