

Meeting Minutes

City Council Regular Meeting

December 7, 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 6:02 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

*Councilmember Harris and Councilmember Ellis attended telephonically.

Invocation

The invocation was given by Rev. Sarah Oglesby-Dunegan, Valley Unitarian Universalist Congregation.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Encinas.

Consent Agenda and Discussion

City Clerk

1. Board and Commission Appointments
Move City Council approve the Board and Commission appointments as recommended.

Community Services

2. Purchase of Bucket Truck
Move City Council approve the utilization of Sourcewell Contract No.110421-TER, for the purchase of a bucket truck, from Custom Truck One Source, in the amount of \$173,812.32.
3. Construction Manager at Risk (CMAR) Construction Services Agreement No. PR2201.401 with Chasse Building Team, Inc., and Municipal Arts Project Services Agreement with coLAB Studio, LLC, for the Tumbleweed Recreation Center Multi-Generational Facility Expansion

Move City Council award CMAR Construction Services Agreement No. PR2201.401, Guaranteed Maximum Price Proposal No. 1, to Chasse Building Team, Inc., for the Tumbleweed Recreation Center Multi-Generational Facility Expansion, in an amount not to exceed \$11,585,136; and award the related municipal arts project services agreement to coLAB Studio, LLC, in an amount not to exceed \$300,000; and authorize an appropriation transfer of \$25,000 from the General Fund, Non-Departmental Contingency account, to the Municipal Arts Fund, Center for the Arts, Improvements account.
4. Professional Services Agreement No. PR2201.271, with Barker Rinker Seacat Architecture, for the Tumbleweed Recreation Center Multi-Generational Facility Expansion Post-Design Services
Move City Council award Professional Services Agreement No. PR2201.271 to Barker Rinker Seacat Architecture, for the Tumbleweed Recreation Center Multi-Generational Facility Expansion post-design services, in an amount not to exceed \$356,535.
5. Professional Services Agreement No. PR2201.452, with Marc Taylor, Inc., for the Tumbleweed Recreation Center Multi-Generational Facility Expansion Construction Management Services
Move City Council award Professional Services Agreement No. PR2201.452 to Marc Taylor, Inc., for the Tumbleweed Recreation Center Multi-Generational Facility Expansion Construction Management Services, in an amount not to exceed \$1,453,055.
6. Agreement No. PW0-745-4183, Amendment No. 7, 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. 7, with M.R. Tanner Development and Construction, Inc., for street maintenance repaving, surface seal, and repair services, increasing the spending limit by \$151,534 for the Arrowhead Aquatic Center north parking lot; and approve the transfer of appropriation from the Community Services Department, Existing Community Park Improvements Program (6PR530), to the Public Works and Utilities Department, City-Owned Parking Lot Maintenance and Resurfacing Program (6ST777) in the amount of \$151,534.

Development Services

7. Introduction and Tentative Adoption of Ordinance No. 5074, PLH23-0029 Alma Office Building Rezoning, 877 N. Alma School Road, More Generally Located South of the Southeast Corner of Alma School and Ray Roads
Rezoning
Move City Council introduce and tentatively adopt Ordinance No. 5074 approving PLH23-0029 Alma Office Building Rezoning, Rezoning from Single-Family Residential (SF-8.5) to Planned Area Development (PAD) for administrative office and limited commercial uses, subject to the conditions as recommended by Planning and Zoning Commission.
8. PLT22-0023 Final Plat for Hazelwood, Located South of Chandler Heights Road and East of 124th Street
Move City Council approve Final Plat, PLT22-0023, as recommended by staff.
9. Use Permit, PLH23-0045 Buon Padre Pizza, 1080 E Pecos Road, Suite #23, Located at the Northeast Corner of Pecos and McQueen Roads
Move City Council approve Entertainment Use Permit, PLH23-0045 Buon Padre Pizza, to allow televisions, speakers, and live entertainment within an outdoor patio, subject to the conditions recommended by Planning and Zoning Commission.

Facilities and Fleet

10. Agreement No. PD2-055-4378, Amendment No. 2, and City of Phoenix Contract No. 159257-0, for Police Vehicle Upfitting Services
Move City Council approve Agreement No. PD2-055-4378, Amendment No. 2, with American Emergency Products, Inc., MHQ of Arizona, and Pride Outfitting, LLC; and the utilization of the City of Phoenix Contract No. 159257-0, with Airwave Communication Enterprises, for Police and Fire Vehicle Upfitting, in a combined amount not to exceed \$1,263,311.
11. Purchase of Access Controls and Security Equipment
Move City Council approve the purchase of access controls and security equipment, from APL Access & Security, Inc., utilizing the State of Arizona Contract No. CTR056377, in an amount not to exceed \$925,000.
12. Purchase of Generator Maintenance
Move City Council approve Agreement No. PW3-936-4544, Amendment No. 1, with Valleywide Generator Service, LLC, and the utilization of the City of Mesa Contract No. 2019003, with W.W. Williams Company, Inc., for the purchase of generator maintenance services, in a combined amount not to exceed \$450,000.

Information Technology

13. Agreement No. 4698 for Microsoft Information Technology Consulting Services
Move City Council approve Agreement No. 4698, within Invoke, LLC, for Microsoft information technology consulting services, for a period of one year, beginning November 15, 2023, through November 14, 2024, in an amount not to exceed \$570,000.
14. Agreement No. 4577, with N. Harris Computer Corporation, for Implementation of Infinity CIS Version 5
Move City Council approve Agreement No. 4577, with N. Harris Computer Corporation, for implementation of Infinity CIS Version 5, in an amount not to exceed \$2,228,100, with a support and maintenance term of five years, with the option of up to four one-year extensions, and approve contingency transfers from the Water Operating Fund of \$435,610, the Wastewater Operating Fund of \$326,634, and the Solid Waste Operating Fund of \$217,756, for a total of \$980,000, to the IT Projects Capital Cost Center (1285), Utility Billing Replatform Program (6IC112).

Management Services

15. Resolution No. 5756 Approving a Modification to and Renewal of the Intergovernmental Agreement Between the City of Chandler and the State of Arizona Department of Revenue for the Administration, Collection, Audit, and Licensing of Transaction Privilege Taxes, Use Taxes, Jet Fuel Excise and Use Taxes, and Rental Occupancy Taxes Imposed by Chandler
Move the City Council approve Resolution No. 5756 approving a modification to and renewal of the Intergovernmental Agreement between the City of Chandler and the State of Arizona Department of Revenue for the administration, collection, audit, and licensing of Transaction Privilege Taxes, use taxes, jet fuel excise and use taxes, and rental occupancy taxes imposed by Chandler.
16. Purchase of Maintenance, Repair, and Operational (MRO) Supplies
Move to approve the utilization of the Omnia Partners Contract No. 192163, with Grainger, Inc., for the purchase of maintenance, repair, and operational (MRO) supplies, for the term of January 1, 2024, through December 31, 2024, in an amount not to exceed \$300,000.

Neighborhood Resources

17. Resolution No. 5758 approving an Intergovernmental Agreement between Maricopa County, Administered by its Human Services Department, and the City of Chandler to Accept Community Services Block Grant Funds
Move City Council pass and adopt Resolution No. 5758 approving an intergovernmental agreement between Maricopa County, administered by its Human Services Department, and the City of Chandler to accept Community Services Block Grant funds in the amount of \$125,000; authorizing the City Manager to assign 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 grant.

18. Resolution No. 5761, Approving Amendment No. 1 to Intergovernmental Agreement C-22-23-079-X-00 between Maricopa County and the City of Chandler
Move City Council pass and adopt Resolution No. 5761 approving amendment No. 1 to intergovernmental agreement C-22-23-079-X-00 between Maricopa County, administered by its Human Services Department, and the City of Chandler for heat relief services to extend the term to December 31, 2024; 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 agreement.

Police Department

19. Resolution No.5759 Authorizing Intergovernmental Agreements with the Chandler Unified School District No. 80, Kyrene Elementary School District No. 28, and Mesa Unified School District No. 4 for the Assignment of School Resource Officers to Schools Located Within the Chandler City Limits
Move City Council pass and adopt Resolution No. 5759 authorizing Intergovernmental Agreements (IGAs) with the Chandler Unified School District No. 80, Kyrene Elementary School District No. 28, and Mesa Unified School District No. 4 for the assignment of School Resource Officers to schools located within the Chandler City limits; authorizing the Mayor to sign the agreements; and authorizing the Chief of Police to administer, execute, and submit all documents and other necessary instruments in connection with said program.

Public Works and Utilities

20. Introduction and Tentative Adoption of Ordinance No. 5073 Granting a Non-Exclusive Utility Easement to Arizona Public Service Company
Move City Council introduce and tentatively adopt Ordinance No. 5073 granting a non-exclusive utility easement to Arizona Public Service Company, at no cost, to accommodate the Wall Street Improvement Project (Frye Road to Chicago Street).
21. Resolution No. 5719 Authorizing the Acquisition of Real Property Rights Required for the Wall Street Improvement Project (Frye Road to Chicago Street)
Move City Council pass and adopt Resolution No. 5719 authorizing the acquisition of real property rights required for the Wall Street Improvement Project (Project No. CA2202), from Frye Road to Chicago Street; authorizing the city's Real Estate Administrator to sign the purchase agreements, authorizations to access property, and any other documents necessary to facilitate these acquisitions and access to 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 required by law.

VICE MAYOR ORLANDO thanked staff for their work on this item.

COUNCILMEMBER STEWART thanked Vice Mayor Orlando for bringing this item forward.

COUNCILMEMBER ENCINAS declared a conflict of interest on Item No. 21.

22. Job Order Project Agreement No. ST2017.403, with Sunland Asphalt & Construction, Inc., Pursuant to Job Order Master Agreement No. JOC1909.401, for Quiet Zone Improvements
Move City Council award Job Order Project Agreement No. ST2017.403, to Sunland Asphalt & Construction, Inc., Pursuant to Job Order Master Agreement No. JOC1909.401, for Quiet Zone Improvements, in an amount not to exceed \$237,410.40.
23. Professional Services Agreement No. WA2401.451, with Hazen and Sawyer, P.C., for the Pecos Surface Water Treatment Plant Filter Improvements Phase 2 Construction Management Services
Move City Council award Professional Services Agreement No. WA2401.451, to Hazen and Sawyer, P.C., for the Pecos Surface Water Treatment Plant Filter Improvements Phase 2 Construction Management Services, in an amount not to exceed \$189,290.
24. Job Order Project Agreement No. WA2401.402, with PCL Construction, Inc., Pursuant to Job Order Master Agreement No. JOC1915.401, for the Pecos Surface Water Treatment Plant Filter Improvements Phase 2
Move City Council award Job Order Project Agreement No. WA2401.402, to PCL Construction, Inc., Pursuant to Job Order Master Agreement No. JOC1915.401, for the Pecos Surface Water Treatment Plant Filter Improvements Phase 2, in an amount not to exceed \$761,888.80.
25. Agreement No. PW2-988-4407, Amendment No. 2, with Artistic Land Management, Inc., for Public Works Landscape Services
Move City Council approve Agreement No. PW2-988-4407, Amendment No. 2, with Artistic Land Management, Inc., for Public Works landscape services, in an amount not to exceed \$1,152,000, for a one-year term, January 1, 2024, through December 31, 2024.
26. Construction Manager at Risk Construction Services Agreement No. WW2206.401, Guaranteed Maximum Price (GMP) Proposal No. 2, with PCL Construction, Inc., for the Reclaimed Water Conveyance Improvements
Move City Council award CMAR Construction Services Agreement No. WW2206.401, GMP No. 2, to PCL Construction, Inc., for the Reclaimed Water Conveyance Improvements, in the amount of \$10,967,208.
27. Professional Services Agreement No. WW2206.451, Amendment No. 1, with Wilson Engineers, LLC, for the Reclaimed Water Conveyance Improvements

Move City Council award Professional Services Agreement No. WW2206.451, Amendment No. 1, to Wilson Engineers, LLC, for the Reclaimed Water Conveyance Improvements Construction Management Services, in the amount of \$1,316,320.

28. Professional Services Agreement No. WW2106.271, with Brown and Caldwell, Inc., for the Sewer Lift Station Rehabilitation Post-Design Services
Move City Council award Professional Services Agreement No. WW2106.271 to Brown and Caldwell, Inc., for the Sewer Lift Station Rehabilitation Post-Design Services, in an amount not to exceed \$179,814.
29. Professional Services Agreement No. WW2106.451, Amendment No. 4, with Entellus, Inc., for the Sewer Lift Station Rehabilitation Construction Management Services
Move City Council award Professional Services Agreement No. WW2106.451, Amendment No. 4, to Entellus, Inc., for the Sewer Lift Station Rehabilitation Construction Management Services, in the amount of \$1,058,243.84.
30. Construction Manager at Risk Construction Services Agreement No. WW2106.401, with MGC Contractors, Inc., for the Sewer Lift Station Rehabilitation
Move City Council award CMAR Construction Services Agreement No. WW2106.401, to MGC Contractors, Inc., for the Sewer Lift Station Rehabilitation, in an amount not to exceed \$9,280,107.02.
31. Construction Manager at Risk (CMAR) Construction Services Agreement No. WW2106.402, with MGC Contractors, Inc., for the Manganaro Lift Station Electrical Improvements
Move City Council award CMAR Construction Services Agreement No. WW2106.402, to MGC Contractors, Inc., for the Manganaro Lift Station Electrical Improvements, in an amount not to exceed \$2,707,998.57.
32. Construction Manager at Risk Construction Services Agreement No. WA2105.401, with PCL Construction, Inc., for the Water Facilities Optimization Improvements – Hunt Highway Water Production Facility Rehabilitation
Move City Council award CMAR Construction Services Agreement No. WA2105.401, to PCL Construction, Inc., for the Water Facilities Optimization Improvements – Hunt Highway Water Production Facility Rehabilitation, in an amount not to exceed \$3,317,089.
33. Professional Services Agreement No. WA2105.451, with Water Works Engineers, LLC, for the Water Facilities Optimization Improvements – Hunt Highway Water Production Facility Rehabilitation Construction Management Services
Move City Council award Professional Services Agreement No. WA2105.451, to Water Works Engineers, LLC, for the Water Facilities Optimization Improvements – Hunt Highway Water

Production Facility Rehabilitation Construction Management Services, in an amount not to exceed \$127,130.

Consent Agenda Motion and Vote

Councilmember Stewart moved to approve the Consent Agenda of the December 7, 2023, Regular City Council Meeting; Seconded by Vice Mayor Orlando.

Motion carried unanimously (7-0), with the exception of Item No. 21 which passed 6-0 with Councilmember Encinas declaring a conflict of interest.

Public Hearing

34. Public Hearing on Land Use Assumption and Infrastructure Improvement Plan Updates
 1. Open Public Hearing
 2. Staff Presentation
 3. Council Discussion
 4. Discussion from the Audience
 5. Close Public Hearing

Open Public Hearing

MAYOR HARTKE opened the public hearing at 6:06 p.m.

Staff Presentation

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

- Public Hearing System Development Fee Update, 2022-2032 Land Use Assumptions & infrastructure Improvements Plan
- Agenda
 - System Development fees background
 - Program requirements
 - Fee categories / service areas
 - Land use assumptions (LUA)
 - Infrastructure improvements plan (IIP)
 - Public outreach
 - Remaining project timeline
- Why Charge System Development Fees (SDFs)?
 - One of the 1st cities to implement the full range of SDFs or “Impact fees” in 1997 in an effort to ensure growth pays for growth.
 - SDF's funded growth related infrastructure through the years, which was and still is paid by developers at the time of permitting.

- If not for SDFs, Chandler would have had to find an alternative revenue source (e.g. additional bond elections & related taxes, etc.) to fund needed infrastructure as the city grew and continues to grow.
- SDFs have allowed Chandler to keep taxes low over the years. Provided a capital funding source in lieu of selling bonds.
- Examples of arterial streets, fire stations, police facilities, libraries, parks, and utilities projects completed with SDFs:
- Desert Breeze Police Substation; Tumbleweed, Snedigar, Arbuckle, Roadrunner, Chuparosa, and Espee Parks, Fire Stations 2-11, Mesquite Groves Aquatic Center, Water/Wastewater Mains, Wells, and other infrastructure, and all Major Arterial Street widenings.
- Background
 - SDF process governed by A.R.S. 9-463.05
 - Developers pay SDFs during the building permit process
 - One-time funding for growth-related capital infrastructure
 - Cannot be used to fund repairs or operations & maintenance
 - Cannot be used for capital that is not directly attributed to growth
 - Must be infrastructure that is a necessary public service and that directly provides a beneficial use to the development
- Program Requirements
 - A.R.S. requires the following to ensure transparency and oversight
 - Complete the LUA and IIP report as a precursor to Fee Updates based on methodology outlined in A.R.S.
 - Requires update every five years – legally required by January of 2024
 - Last LUA and IIP Adoption – January of 2019
 - Includes an updated fee schedule
 - Public outreach and Council approval process
 - Prepare an Annual Report and post online
 - Includes actual results for the previous year
 - Complete Biennial Audit*
 - Results require a Public Hearing
 - *Must be Prepared by a Qualified Professional
- Fee Category Summary
 - Fees Charged by Equivalent Dwelling Unit (EDU) or SQ FT
 - Arterial Streets
 - Parks – three service areas
 - Fire
 - Police
 - Public buildings
 - Fees by Meter Size
 - Water

- Wastewater
 - Reclaimed Water
- Building Permits
- Arterial Streets Service Area
- Parks Service Areas
- Land Use Assumptions (LUA)
 - LUA's are updated to reflect the General Plan, zoning changes and development patterns
 - Greater densities = increased EDUs
 - EDU's which include Housing Units and Non-Residential Sq Ft are updated based on city projections
 - Build-Out EDU's are updated with Maricopa Association of Governments (MAG) development projections
- Land Use Assumptions Citywide Comparison
- Land Use Assumptions Arterial Streets Comparison
- Infrastructure Improvements Plan (IIP)
 - Update remaining growth projects and related costs
 - Update Outstanding debt for each category
 - Update 10-year Revenue Forecast and estimated financial need for each category
 - Remaining future growth projects in parks:
 - Mesquite Groves Community Park (30 acres)
 - Lantana Ranch Community Park (30 acres)
 - Remaining Future Growth Projects in Arterial
 - Alma School: Germann – Queen Creek (2-4 lanes) and Frye – Pecos (4-6 lanes)
 - Chandler Heights: Gilbert – Val Vista (2-4 lanes)
 - Lindsey: Ocotillo – Hunt Hwy (2-4 lanes)
 - All other categories collecting fees to repay debt
- Pledged Outstanding Internal Debt as of June 30, 2022
 - Annual SDF Permit Revenue collected fluctuates between \$15.5M to \$23M over the last 5 years
 - Streets \$34.5M
 - Parks \$8.7M
 - Public Buildings \$1.8M
 - Fire \$3.6M
 - Police \$2.0M
 - Water \$113.3M
 - Wastewater \$140.9M
 - Reclaimed Water \$24.4M
 - Total Outstanding Debt \$329.2M
- Public Outreach

- Held a stakeholder meeting on 10/11/2023, including representation from every development category
- Both in person and online formats were available
- Included a presentation of the updated LUA, IIP and SDF fees
- There was one request for a follow up meeting with the Central Arizona Homebuilders Association which was held on 10/23/2023
- Provided multiple notices of meeting to builders, developers, and others with an economic interest in ongoing development and construction within the City of Chandler
- Project Timeline
 - Public outreach – October 2023 & Council Work Session Dec. 4, 2023 COMPLETE
 - Public Hearing – LUA & IIP Report Dec. 7, 2023 TONIGHT
 - Adopt LUA and IIP Report January 11, 2024
 - Adopt Notice of Intent to Modify SDF Fees January 11, 2024
 - Public Hearing on Proposed SDF Fees and First Read of Ordinance February 22, 2024
 - Final Adoption of Ordinance to modify SDF fees April 4, 2024
 - New Fees Effective Date July 1, 2024
- Thank You Questions?

Council Discussion

VICE MAYOR ORLANDO asked if the \$329M internal balance would be balanced by the last permit pulled in the city.

MR. DUNBAR said that is correct. The intention of the update is to time the last permit is pulled that the debt and needs for funding have been met.

VICE MAYOR ORLANDO added that the tables in the report show over time the debt is absorbed and zero balanced. Vice Mayor Orlando reaffirmed that state statute governs these updates.

MR. DUNBAR said the state requires us to have an update at least every five years.

VICE MAYOR ORLANDO said this is a robust process.

MAYOR HARTKE mentioned that this is considered debt on what is a benefit to the community that does not exist. Improvements to current city infrastructure are not included in these fees.

Discussion from the Audience

None.

Close Public Hearing

MAYOR HARTKE closed the public hearing at 6:20 p.m.

Informational

- 35. September 20, 2023, Planning and Zoning Commission Meeting Minutes
- 36. October 18, 2023, Planning and Zoning Commission Meeting Minutes
- 37. Contracts and Agreements Administratively Approved, Month of November 2023

Unscheduled Public Appearances

SYED TAHA HUSSAIN, 1010 E. Kaiba, spoke about his interaction with Chandler Police.

TOM FERSTL, 4923 W. Gail Dr., spoke about a disruptive soil vapor extraction unit being used in his neighborhood.

PATRICIA EVANS, 4673 E. Cherry Hills, spoke about aerial surveillance and drones.

COUNCILMEMBER STEWART asked about the status of the city policy on drones.

JOSH WRIGHT, City Manager, said we have been working on our internal city drone usage.

Current Events

Mayor's Announcements

MAYOR HARTKE announced the Golden Neighbors Holiday Celebration on December 14 from 9:00 to 11:00 a.m. at the Chandler Community Center.

MAYOR HARTKE said Chandler Exchange Club is hosting a Wreaths Across America event on December 16 at 9:00 a.m. at the Valley of the Sun Cemetery to honor our veterans.

MAYOR HARTKE wished everyone a happy Hanukkah, merry Christmas, and happy New Year. Mayor Hartke thanked council for working together this year and looks forward to what we can accomplish next year.

Council's Announcements

COUNCILMEMBER ENCINAS mentioned the Pueblo Viejo neighborhood celebration was a success. He wished everyone happy holidays.

VICE MAYOR ORLANDO wished everyone happy holidays.

COUNCILMEMBER STEWART mentioned the ASU Polytechnic campus building groundbreaking and said it is a great success for Arizona's future.

COUNCILMEMBER STEWART said that Chandler is the first and only city to receive triple-A bond ratings on our excise tax revenue bonds from three credit rating agencies. This helps us acquire borrowing money for projects at a low rate. Councilmember Stewart thanked the Management Services department for their work on this.

COUNCILMEMBER POSTON wished everyone happy holidays and reminded everyone to Shop Chandler.

City Manager's Announcements

MR. WRIGHT wished everyone a happy holidays and happy Hanukkah, he said we are looking forward to great things in 2024.

Adjourn

The meeting was adjourned at 6:37 p.m.

ATTEST: *Dana R. Dizon*
City Clerk

Kevin Harthe
Mayor

Approval Date of Minutes: January 11, 2024

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 7th day of December 2023. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 11th day of January, 2024.

Dana R. Dizon
City Clerk

