

Meeting Minutes

City Council Special Meeting

March 21, 2024 | 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 4:00 p.m.

Roll Call

Council Attendance

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

Appointee Attendance

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

*Councilmember Ellis attended telephonically.

Staff in Attendance

Dawn Lang, Deputy City Manager / Chief Financial Officer
Matt Dunbar, Budget and Policy Assistant Director
Matt Burdick, Communications and Public Affairs Director
Ryan Peters, Strategic Initiatives Director
Alexis Apodaca, Mayor and Council Public Affairs Senior Manager
Steven Turner, Sustainability and Performance Officer
John Knudson, Public Works and Utilities Director
Mickey Ohland, Community Services Planning Manager
Jeremy Abbott, Public Works and Utilities Assistant Director
Helen Parker, Budget and Research Principal Analyst

Discussion

1. Budget Workshop #3, Fiscal Year 2024-25
 1. Overview of Proposed 10-Year Capital Improvement Program (CIP)
 2. Chandler Water and Wastewater Utilities - Major Projects and Rates
 3. Review List of Projects in Proposed 10-Year Capital Improvement Program
 4. Key Budget Dates and Questions

MAYOR HARTKE called for a staff presentation.

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

- FY 2024-25 Budget Workshop #3 CIP
- FY 2024-25 Budget Theme
 - Making it Happen
 - Our Brand: A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence
- Agenda
 - Overview of Proposed 10-Year Capital Improvement Program (CIP)
 - Chandler Water and Wastewater Utilities - Major Projects and Rates
 - Review List of Projects in Proposed 10-Year Capital Improvement Program
 - Key Budget Dates and Questions
- Chandler Budget Process Timeline
- Strategic Framework Guides our Decision Making

COUNCILMEMBER ORLANDO asked if early hires make up most of this spending.

MS. LANG said yes.

COUNCILMEMBER ORLANDO asked why none of the opioid settlement agreement identified uses funds have been spent.

MR. WRIGHT answered that with the procurement process to select vendors they are hoping to start spending before the end of the fiscal year. It is a complicated program to put together, the RFP will come back to council.

VICE MAYOR HARRIS asked about education around the program.

MR. WRIGHT said the two parts to the procurement process will be education-based teaching in schools and youth, and some part is direct response.

VICE MAYOR HARRIS asked when the vendor will be selected.

MR. WRIGHT said the project plan will go to council before companies are selected for the RFP. They will circle back after the scope of the project is plotted out.

MAYOR HARTKE compared this process to the DEI study in seeking RFP and project planning.

MR. WRIGHT said staff will be communicative about this project.

MR. DUNBAR continued the presentation.

- Proposed 10-Year Capital Improvement Program (CIP)
- Fiscal Foundations –
 - 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
- Priorities for One-Time Dollars
 - Reinvest in existing aging infrastructure, neighborhoods & systems and projects that generate ongoing savings
 - Operating and capital spending to advance Strategic Framework goals
 - Maintain reserves sufficient to meet financial policies
 - New initiatives and capital, including sustainability
 - Paid down large unfunded PSPRS liability to generate ongoing savings and continue to maintain payoff status
- Summary of City-wide Core Infrastructure
 - 65 Square miles
 - 2,090 miles of streets
 - 29,800 street lights
 - 238 signalized intersections
 - 1,228 miles of potable water lines
 - 958 miles of sanitary sewer
 - 31 operating wells
 - 69 developed parks (1,316.67 acres)
 - 51 lighted fields
 - 71 municipal buildings
 - 821 fleet vehicles / trucks
 - Focus on improving overall quality in rising cost environment
- 10-Year CIP Overview
 - 2025-2034 CIP total is \$2,493,804,031 (\$529.8M more than the 2024-2033 CIP)

- Updated to reflect continued inflationary pressures
- Continued focus on aging infrastructure
- Includes \$299M in key aging infrastructure projects for water and wastewater
- Additional capacity was gained from secondary levy growth higher than anticipated (+5.3% versus +4%)

COUNCILMEMBER STEWART commented that the increase of \$529.8M more than the 2024-2033 CIP is rather significant. Councilmember Stewart asked what comprised the \$299M in infrastructure projects.

MR. DUNBAR said that the \$299M does not just comprise new projects, these are either increasing current project costs, or new projects. There are some new projects coming in at Year 10 that are included in this amount.

COUNCILMEMBER POSTON asked how inflation affects these costs.

MR. DUNBAR said we had seen high increases in projects due to high costs of supplies and labor. The rate of inflation may be the same, but the cost is still high.

COUNCILMEMBER STEWART noted that while inflation has tapered off, costs are still high.

MS. LANG said the constant rate is accounted for.

COUNCILMEMBER ORLANDO asked what numbers are used to calculate inflation in the models.

MR. DUNBAR said there is a group that establishes construction cost inflationary pricing which we use when modelling this industry costs.

JOHN KNUDSON explained that we have a source for construction costs by market, we can tune into the Phoenix market. Every year before the budget process starts, we begin this analysis and decide on escalation rates for all projects in the same way for the year.

COUNCILMEMBER ORLANDO asked if it is individual or cumulatively applied to all construction costs.

MR. KNUDSON answered that oftentimes the project will be re-estimated. The cost used years ago for the baseline were no longer valid. The costs were reevaluated by either the company or from Chandler.

COUNCILMEMBER ORLANDO asked if it the same rate applied to all of these projects, or applied differently for different aspects of the projects.

MR. KNUDSON said the base estimate is done per item. On a yearly basis, we escalate on a percentage what was originally set.

MAYOR HARTKE summarized that the yearly percentage increase is done across the board, on project estimates that were originally estimated per item.

MR. KNUDSON said yes, not every single project is re-estimated and re-escalated.

MS. LANG added that Mesquite Groves Park right now is a concept. We are rolling forward older concepts and re-estimated a lump sum, then escalating the lump sum per year.

MAYOR HARTKE said we know this year roughly.

MR. DUNBAR continued the presentation.

- 10 Year CIP Comparison by Department
- Current 10-Year and Next 10-Year CIP – Comparison
 - Continued planned project cost increases have taken a toll on how and when projects are funded
 - Example projects with significant increases or new (all funds)
 - Airport Hangar Pavement Reconstruction +\$10.5M, Rehabilitate Runway 4R/22L
 - Pavement +\$6.3M
 - Traffic Management Center Rehabilitation +\$5.6M
 - Fire Station #4 Rebuild +\$7.3M, Fire Station #12 +\$4.9M
 - IT Projects including Financial/HR system replacement +\$6.5M
 - Sustainability (Solar Capital Investment, produces ongoing savings) +\$15M
 - Mesquite Groves Park +\$19.4, Tumbleweed Multi-Gen +\$7.1M
 - Police Forensic Facility +\$15.8M, Main Station Renovations +\$7.8M
 - Kyrene Rd (Chandler Blvd to 202) +\$13.6M
 - Price Rd/Queen Creek Intersection +\$19.3M
 - New- McQueen Rd (Warner to Pecos) \$84.9M
 - Frye Rd. Protected Bike Lane +\$7.8M
 - Santan Freeway 66" Sewer line +\$40M, Wastewater Capacity Increases +\$16.8M
 - Main and Valve Replacement +\$105M, Production Facility Improvements +\$49M
- 10-Year CIP by Focus Area
- GO Bond Authorization History Need for Bond Election
 - Bond Authorization usage higher than anticipated and will be exhausted by FY 2025-26 for Parks, Streets and Police, and FY 2029-30 for Fire. Bond Election needed by Fall of 2025 to continue capital program in these areas.

COUNCILMEMBER ORLANDO asked because they are enterprise funds you cannot sell them as bonds.

MR. DUNBAR answered that we do sell bonds that are excise tax revenue bonds which has a different funding mechanism, a different revenue paying for them.

COUNCILMEMBER ORLANDO asked if the authorization has run out.

MR. DUNBAR clarified that we are currently out of authorization. We will talk about options moving forward.

COUNCILMEMBER STEWART said we have some wish list items we knew we would have to bond for.

MR. DUNBAR said we had anticipated being able to fully fund some projects, with the authorization received from voters, for example Mesquite Groves Park.

MS. LANG added that since costs have gone up, we have not been able to have enough fees to pay for the first phase of the park development, we would have to collect bonds to pay the delta because of inflation.

COUNCILMEMBER STEWART talked about federal dollars and said we will eventually have to pay for what they fund.

MS. LANG said every project we planned on bond funding we still plan to continue to bond fund, but because of inflation, it costs more, and takes up more of the authorization.

COUNCILMEMBER STEWART clarified that previous bond authorizations were planned to cover complete projects, but because of inflation, we need to seek more bond authorization to finish projects at the current higher cost.

VICE MAYOR HARRIS said it is important to discuss risk factors in the life of a project. If we go back out for authorization, it is important to know when we would then plan to finish the project. We need to balance how we ask for bond authorization.

MS. LANG said inflation like this is not typical. The numbers for the 2021 bond election was pre-COVID, the projection was escalated for what was appropriate at the time. A cushion was built in at that time, but this unprecedented rate of inflation could not have been predicted.

MAYOR HARTKE said we do not have the money to buy all the bonds today, it depends on the secondary property tax. There is a balance when we spend and when we can pay for them.

VICE MAYOR HARRIS said we need to communicate clearly when we ask for more authorization to continue the capital plan, explaining the reason of higher costs and inflation.

MAYOR HARTKE said the community outreach in previous elections was very focused.

COUNCILMEMBER ELLIS asked how we are going to balance build-out with a decrease of impact fees and new bond projects.

MS. LANG said even though build out is on the horizon, we have changed the way we build now. Changes are made in the system development fee structure. We anticipate collecting fees every time a new permit is pulled, funds set aside for future growth projects or to pay back project funds. We will continue to collect on these permits.

COUNCILMEMBER ELLIS said this is important to know how we plan on collecting these fees.

COUNCILMEMBER ORLANDO asked if staff has investigated how to use one-time funding on these projects.

MS. LANG say there is a significant amount of CIP projects general funded. Projects were planned to be general obligation bond. We then used general fund dollars to purchase bond-funded items, to focus on using bonds for big projects. We do not have authorization for technology and fiber developments. Those projects are over \$20M and planned with cash. Some other projects that cannot be grant-funded and are being general fund cash-planned.

MAYOR HARTKE said one example is using funds for solar energy. It is based on priorities of council, one of which being using one-time funding to generate ongoing savings.

COUNCILMEMBER POSTON asked about the availability in airport authorization.

MR. DUNBAR said it is from a previous bond election. Bond authorization does not expire, it keeps rolling forward.

MR. DUNBAR continued the presentation.

- GO Bond Authorization Project Drivers
 - Parks
 - Regional Park Development Auth \$18,074,000, now \$61.5M
 - 4 Diamond Field \$22.3M + Ryan Rd. 5.9M
 - Pickleball \$6.6M (12 to 18 courts) & 3 Tennis Cts/Lights \$2M
 - Multi-Gen Expansion \$14.8M (gym delayed)
 - Mesquite Groves Ph 1 \$10M (SDF shortfall)
 - Public Safety Police
 - Forensic Facility Auth \$38,325,000

- Forensic Facility \$64.8M (incl. \$9.1 GF)
- Streets / Transportation
 - Streets Auth \$10.9M, now \$42.9M
 - Cooper / Insight Loop \$13.5M
 - Alma School (Germann to QC) \$10.1M
 - Price/Queen Creek intersection \$19.3M (Beg. FY 2025-26)
 - Cost Changes since 2021 Arterial +19.2%
 - Intersect. +19.1%
 - Collectors +21.4%
- Public Safety Fire
 - Fire Stations Auth \$15,670,000
 - Station 2 Rebuild \$10.7M (+\$1.4M GF)
 - Station 4 rebuild +\$16.8M (beg. FY 2028-29)
- Increases as high as +30% to +50% in Capital Project costs

COUNCILMEMBER ORLANDO asked what the square footage is needed for the forensics facility.

MR. WRIGHT said we are still working on these options. A consultant is examining different options. The current placeholder option is to have a stand-alone city facility with just one tenant for the forensic facility. We are looking to increase the size based on demand and technology development. Our questions are if the will just be for us, or built in partnership with another organization, and how specialized are the things that need to go in this lab.

COUNCILMEMBER ORLANDO asked when to anticipate completion.

MR. WRIGHT said the preliminary response is complete, but will need determination before finalizing the budget, in the next couple months.

VICE MAYOR HARRIS said the cost of inflation is very high for these projects, notably the forensics facility.

MR. WRIGHT said that one of the pieces we still need in the design is the business case for the facility. We need to determine the operations plan, and how residents can benefit from this facility.

COUNCILMEMBER ELLIS said we cannot anticipate costs in the future to stabilize or decrease inflation rates. We need to work on community involvement and the project planning, and asked if we continue to move forward on the forensic facility project.

MS. LANG said we need to do our due diligence with the public. It was asked for and was included in projects that was authorized. We will continue to have this discussion and determine what is best for our community.

COUNCILMEMBER ELLIS said that we understand the rising costs of inflation, we just need to understand how best to move forward.

COUNCILMEMBER STEWART clarified that the bond election process does not start from residents. We request authorization from voters to bond fund certain projects.

MR. DUNBAR continued the presentation.

- GO Bond Projects Additional Bond Authorization Needs
 - Parks
 - Mesquite Groves Phase II (portion) and III*
 - A J Chandler Park Renovation*
 - Existing Community and Neighborhood Park Improvements*
 - Folley Pool/Park Renovation*
 - Tumbleweed gymnasium expansion
 - Streets/Transportation
 - Street Repaving*
 - Traffic Signal Additions and Repairs*
 - Kyrene Rd (Chandler Blvd. to Santan 202) (portion)*
 - Price Rd. Queen Creek Intersection*
 - McQueen Rd (Warner to Pecos)*
 - Washington Street Improvements*
 - Note: Additional projects if Prop 400 does not pass
 - Public Safety Fire
 - Fire Station 4 Rebuild (portion)*
 - Fire Station 12
 - Public Safety Police
 - Police Main Station and Criminal Investigation
 - Bureau (CIB)/Communications Renovations *
 - * = projects included in bond election, but additional bond authorization needed to complete

COUNCILMEMBER STEWART asked about bond authorization from previous bond elections.

MAYOR HARTKE said our residents request specific items. We reflect and listen to what our residents want and put together packages.

MS. LANG responded that some factors affecting projects from previous bond elections was not having the capacity in the tax rate to buy bonds.

COUNCILMEMBER ORLANDO said we had bond authorization but did not have the capacity without raising second tax rates at the current value. We must move forward.

COUNCILMEMBER ELLIS said we need to keep communication active with the community.

MS. LANG summarized that staff recommends a bond election in the fall of 2025 to continue our CIP projects.

COUNCILMEMBER ELLIS said that based on bond authorization project drivers, the recommendation is to pursue a bond election in the fall of 2025. More communication and discussion will come later.

MS. LANG continued the presentation.

- Chandler Water and Wastewater Utilities: Major Projects and Rates
- Utility Rates
 - Initial adjustments were made in current Fiscal Year to start to be able to address additional infrastructure projects
 - Anticipated rates as shared in FY 2023-24
- Major Drivers – Aging Infrastructure
 - Water
 - Total mains 1,228 miles
 - 31 operating wells
 - Reactive replacements based on breaks, proactive replacements based on risk assessment
 - Wastewater
 - 958 miles of sanitary sewer lines
 - 19,000 manholes 7,000 need repair
 - Proactive replacements based on physical inspections
- Water and Wastewater Operational Needs
 - Operating impacts, on top of major projects and debt service, are driving revenue requirement increase for Water and Wastewater Utilities
 - Water
 - Granulated Activated Carbon (GAC) costs +\$500k
 - Powdered Activated Carbon (PAC) costs +\$2M
 - Increased surface water costs +\$1.6M
 - Wastewater
 - Ocotillo Brine Reduction +\$2.3M (revenue offset)
 - Reclaimed Water Interconnect Facility +\$877k (revenue offset)
 - Reclaimed Water Utilities Increase +\$200k
 - Increased baseline testing costs for WW +\$150k

MR. KNUDSON continued the presentation.

- Water Infrastructure
- New Infrastructure – Pecos Water Plant Improvements

- A total of \$222M is being proposed in the new CIP for improvements to Water Facilities
- Aging Infrastructure – 48” Transmission Line
 - Design was included in current CIP of \$17.7M and proposed CIP has the construction of an additional \$134.5M for \$152M total
 - Adds redundancy for this single point of failure
 - Allows for eventual rehab on original transmission main
 - Seeking Congressionally Designated Funding for at least a portion of this project

COUNCILMEMBER ORLANDO asked if we would be able to receive any State funding due to the importance of this project to Intel.

MR. KNUDSON said it is a possibility. It is a replacement pipe, technically.

COUNCILMEMBER ORLANDO requested staff look into this source for funding.

MR. KNUDSON continued the presentation.

- Aging Infrastructure – Water Production Facilities
 - The use and maintenance of ground wells is critical to Chandler’s water portfolio
 - Booster station failures have become more of an issue and the cost for rehabilitation is higher if earlier remediation is not done
 - Average age of these remote facilities is 24-years with the newest being 4-years and the oldest 40-years
- Aging Infrastructure – Watermains
 - Recommended replacement plan would start out averaging 3-5 miles per year, escalating to 7.5 miles per year over the next 30 years to address all at risk lines. Coordination with other projects is vital.

MAYOR HARTKE asked if valve replacements would need to be completed in order to do watermain replacements.

MR. KNUDSON said yes, a test shutdown is done first to check the valves. We are getting ahead on valve replacements which saves us future project costs.

MR. DUNBAR continued the presentation.

- Aging Infrastructure – Watermains
 - Water Main Replacement Scenarios
 - 20-Year spread average 1% replacement/year covers all moderate to high risk
 - Effect on rates over next five years
 - 30-Year spread (recommended) average 0.6% replacement/year covers all moderate to high risk

- Effect on rates over next five years
- Water Rate Driver Comparison
 - Each 1% rate change equates to about \$580,000 in revenue
 - This year's operating increase is about \$3.3M ongoing (5.7% rate increase to fully fund)
 - This year's personnel increase is about \$400k ongoing (0.7% rate increase to fully fund)

MR. KNUDSON continued the presentation.

- Wastewater Rates
- Large Project in current CIP 66" Wastewater pipe

COUNCILMEMBER ORLANDO asked where the pipes will converge at the one station.

MR. KNUDSON said there will be a new junction structure, built out a sturdy material. The line out of the juncture structure will be relined next year. There is no redundancy for the pipe across the freeway.

MR. KNUDSON continued the presentation.

- Aging Infrastructure – Wastewater Mains / Manholes
 - Recommended replacement plan would start out averaging 90-120 manholes per year, escalating to 350 per year over the next 30 years to address all 7,000 manholes that have known issues

MR. DUNBAR continued the presentation.

- Aging Infrastructure – Wastewater Mains / Manholes
 - Wastewater Scenarios:
 - 20-Year spread covers all 7,000 moderate and major rehabs needed
 - Effect on rates
 - 30-Year spread (recommended) covers all 7,000 moderate and major rehabs needed
 - Effect on rates
- Wastewater Rate Driver Comparison
 - Each 1% rate change equates to about \$460,000 in revenue
 - This year's operating increase is about \$1M ongoing (2.2% rate increase to fully fund)
 - No new personnel planned in FY 2024-25

COUNCILMEMBER POSTON asked about policy behind the operating reserves.

MR. DUNBAR said the policy for operating reserves for sections that carry more risk such as water / wastewater are to set aside 20% reserves. This is from a rating agency perspective to maintain a positive financial policy requirement.

MR. DUNBAR continued the presentation.

- Proposed 5-Year Enterprise Fund Balance Projections
 - Water
 - Wastewater
 - Reclaimed
 - Solid Waste
- City Residential Rate Comparison
 - Estimated based on Tempe Cost of Service July 2023 results at 10,000 gallons single family residential rates for FY 2023-24 plus known Water and Wastewater increases across all Cities
- Cost of Service Allocations – Water / Wastewater
 - COS rate allocations:
 - Water 8.5% increase
 - Residential 3.7%
 - Multifamily 2.5%
 - Non-Residential 11.4%
 - Landscape 13.7%
 - Industrial 21.3%
 - Wastewater 8% Increase
 - Residential 0.0%
 - Multifamily 18.8%
 - Non-Residential 14.8%

Mayor and Council recessed the meeting at 5:47 p.m.

Mayor and Council reconvened the meeting at 6:45 p.m. with all members present.

- Review List of Projects in the Proposed 10-Year Capital Improvement Program (CIP)
- Draft Proposed 2025-2034 Capital Improvement Program General Funds

MAYOR HARTKE asked if the new CIP under Parks Capital – Parks Maintenance Equipment Replacement is to consider new equipment necessary for new parks.

MR. DUNBAR said is it for a new equipment replacement program, to evaluate needs for new equipment. This program would be to replace equipment on a timely basis.

- Buildings and Facilities Capital

COUNCILMEMBER ORLANDO asked what the amount of public facility bonds is here.

MS. LANG answered that the public facility bonds is a new category based on building assessment for roofs, HVAC, etc.

COUNCILMEMBER POSTON asked about space utilization improvements.

MS. LANG said the space assessment was completed; out of that it was determined we need more collaborative spaces. This year current budget allows for IT improvements, City Hall, Neighborhood Resources. We are reallocating people around to get more people into City Hall and give space to employees that do not have any.

MAYOR HARTKE said that he is pleased with the fresh look and seeing how we can better utilize our space.

- Transportation Policy Capital

MAYOR HARTKE asked if this is calculated without Prop 400 funding.

MR. DUNBAR said close years are estimated with Prop 400 funding, it is the later years that are unknown. Some are general fund-funded, that would likely be shifted to be grant-funded.

MAYOR HARTKE requested more information on what is dependent on Prop 479, and what projects may be at risk.

COUNCILMEMBER ORLANDO asked about bond capacity in terms of the proposition passing.

MS. LANG said Ocotillo shared use path funding source could change.

COUNCILMEMBER ORLANDO said Prop 479 will be fall 2024, and when we would go to bond authorization would be fall 2025. Are there any of these we need seek bond authorization for if Proposition 479 does pass at the state level and what is the appropriate timing.

MR. DUNBAR said we will know the results of Prop 479 during the project planning for bond authorization election.

COUNCILMEMBER ORLANDO said we need to make sure our timing is right when it comes to this unknown when it comes to state transportation funding.

MS. LANG said the first 2 years of this draft 10-year plan do incorporate expected funding. We assume that will pass. Projects that are further out may receive a positive effect. The current

funding for Prop 400 goes through 2026. To do a bond election 2025, we would not start the process until fall 2024.

MR. WRIGHT said our last bond election, our decisions were made further out.

COUNCILMEMBER ORLANDO requested a more concrete timeline for these transportation projects that may be affected by this year's election.

COUNCILMEMBER STEWART asked if there is any intention to formalize any response about Prop 479 from the City.

KELLY SCHWAB, City Attorney, mentioned that there are limitations on how to respond. The city cannot offer a direction. In an individual capacity, there is not a limitation.

- Community Services

MAYOR HARTKE asked about Phase 1 of Mesquite Groves Park and if it will be worked on next fiscal year funded by impact fees.

MS. LANG said correct, without the \$10M shortfall, which we would borrow and repay.

COUNCILMEMBER ORLANDO asked if last year's CIP had estimated \$20M for the Mesquite Groves project.

MS. LANG said two CIPs ago it was at \$19.7M, and was adjusted for this year again.

VICE MAYOR HARRIS asked if there is more time to discuss this with staff.

MAYOR HARTKE said this is the introduction of these items. You are free to develop questions to discuss with staff in one-on-ones.

MS. LANG said if there are any questions for the Budget Staff, to ask them now. Any further work sessions come down to the line to get the budget books printed two weeks before the all day budget briefing day.

VICE MAYOR HARRIS asked for more time to look at this.

COUNCILMEMBER POSTON wanted to ask more high-level questions.

MAYOR HARTKE said we are focusing right now on strategic questions.

MR. WRIGHT said we can schedule separate meetings to discuss.

MS. LANG returned to the question of Mesquite groves Park costs – it was \$19.7M, this year \$24M, with escalation up to \$30M.

- Cultural Development

COUNCILMEMBER STEWART asked if the funds for Downtown Redevelopment go to businesses.

MS. LANG said no, much of it is going towards electrical work downtown recently, walkways around the downtown square. These are projects rolled forward with updated funding.

COUNCILMEMBER STEWART asked about the Dr. A.J. Chandler Park line.

MS. LANG answered that this is a placeholder for now, which will come forward to council later. This is based on the updated design for a refresh of the park based on feedback from council and downtown members.

MR. WRIGHT said a new company is doing a conceptual refresh for the park design, which will come forward to council later.

COUNCILMEMBER STEWART asked if the message is if the park is fine, we can use this expenditure.

MR. WRIGHT said this has been rolling forward since the pause originally since the first design. There will be more discussion on this park design.

COUNCILMEMBER STEWART shared concerns about holding off on this item that we delayed.

COUNCILMEMBER ORLANDO asked when will be coming forward.

MR. WRIGHT said once the design is completed.

- Development Services

COUNCILMEMBER ORLANDO asked if these projects are bond funded.

MS. LANG said they are from the general fund.

- Fire
- Information Technology
- IT Projects Operations
- Non-Departmental

COUNCILMEMBER STEWART asked if this is for solar.

MS. LANG said yes.

- Police

COUNCILMEMBER STEWART asked if the forensics facility in FY25-26 would be from a new bond or general fund.

MS. LANG said that is the remaining authorization.

COUNCILMEMBER STEWART said we have the money to do it.

MS. LANG said yes, and we would need new authorization to CIP.

MR. DUNBAR added that other bond funded projects would need renewal.

COUNCILMEMBER ORLANDO asked when the forensic facility design will come forward.

MR. WRIGHT said that update will come forward to council later.

- Public Works & Utilities

MAYOR HARTKE asked if the Washington Street improvements are still in conversation.

MR. DUNBAR said yes.

MS. LANG added that there are additional funds being used for street repaving.

COUNCILMEMBER STEWART asked about the work being done on Lindsey Road.

MR. KNUDSON said intersections on Lindsey needs to be updated, there is not a lot of work, but it needs to be done.

MR. DUNBAR said much of that project is impact fee funded.

COUNCILMEMBER STEWART asked if the costs for these ongoing cost savings will be paid off, notably in the Turf to Xeriscape Program.

MR. WRIGHT explained that the results will be present in financial savings and water savings. There may be areas we decide not to do based on residents' feedback as well.

MS. LANG said more information will come forward.

- Draft Proposed 2025-2034 Capital Improvement Program Enterprise Funds
 - City Manager - Airport Capital

MAYOR HARTKE asked if traditionally these projects are grant matched.

MR. DUNBAR said yes, there are some areas which do not receive as high as a match due to lower priority.

COUNCILMEMBER ORLANDO asked if there is that much money in the enterprise fund.

MS. LANG said it would come through the general fund, coming through as a subsidy.

COUNCILMEMBER ORLANDO asked how this money flows.

MS. LANG said the airport enterprise fund is allowed in our financial policy to receive a subsidy from general fund. If there is not a grant match, then it comes from the general fund.

MR. DUNBAR said there is some small amount of bond authorization remaining.

MS. LANG said the enterprise fund has been studied to support operations and capital. The intent was to be an enterprise, with the subsidy being tracked on an annual basis.

- Public Works & Utilities – Solid Waste Capital

COUNCILMEMBER ORLANDO asked if these consist of projects mentioned earlier in the presentation.

MR. KNUDSON said yes.

- Public Works & Utilities – Wastewater Capital
- Public Works & Utilities – Water Capital

MAYOR HARTKE asked what a Vactor Truck is.

MS. LANG said it is used to clean out sewers.

MR. KNUDSON said it has a vacuum system to extract water.

MR. DUNBAR continued the presentation.

- Summary of Proposed Key General Government Capital Projects in the 1st 5 Years
 - Airport
 - Hanger Area Pavement Reconstruction
 - Runway 4R/22L Extension
 - Buildings & Facilities
 - Building Renovations and Repairs
 - Space Utilization Improvements
 - Community/Regional Park Improvements
 - Tumbleweed Regional Park Expansion
 - A.J. Chandler Park Improvements
 - Existing Community and Neighborhood Park Imp
 - Existing Athletic Field Improvements
 - Mesquite Groves Phases I & II
 - Folley Pool Renovation
 - Lantana Ranch Park Site
 - Tumbleweed Ranch
 - Development Services
 - Citywide Fiber Upgrades
 - Traffic Management Center Upgrades
 - Technology
 - ERP Modernization/Replacement
 - Fire
 - Emergency Vehicle Replacements
 - Self Contained Breathing Apparatus Replacements
 - Station #4 Rebuild Design
 - Police
 - Forensic Services Facility
 - Police Main Stations Renovations
 - Street/Transportation Projects
 - Street Repaving Program (\$116.7M in first 5-years)
 - Washington Street Improvements
 - Alma School Rd (Germann Rd to Queen Creek Rd)
 - Kyrene Road (Chandler Blvd to San Tan 202)
 - Ray Road/Dobson Road Intersection Improvement
 - Turf to Xeriscape Program
 - Frye Rd Protected Bike Lanes
 - Paseo Trail Crossing Improvements
 - Kyrene Branch and Highline Canal Shared Use Path
- Summary of Proposed Key General Government Capital Projects in the 2nd 5-Years
 - Airport
 - Heliport Apron Construction
 - Taxiway B Construction

- # Adjourn

ATTEST: _____
City Clerk

Mayor

Page 20 of 21

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 21st day of March 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of May, 2024.

City Clerk