

Meeting Minutes

City Council Regular Meeting

June 13, 2024 | 6:00 p.m.
Chandler City Council Chambers
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 6:01 p.m.

Roll Call

Council Attendance

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

Appointee Attendance

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

Invocation

The invocation was given by Pastor Robert Felix, Chandler Presbyterian Church.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Stewart.

Consent Agenda and Discussion

Airport

1. Construction Agreement No. AI2206.401, with Rural Electric, Inc., for the Automated Weather Observing System (AWOS) Replacement
Move City Council award Construction Agreement No. AI2206.401 to Rural Electric, Inc., for the Automated Weather Observing System (AWOS) replacement, in an amount not to exceed \$225,800.

City Clerk

2. Approval of Minutes
Move City Council approve the Council meeting minutes of the Special Meeting - Budget Briefing of April 26, 2024; the Special Meeting of May 20, 2024; the Study Session of May 20, 2024; the Work Session of May 23, 2024; the Regular Meeting of May 23, 2024; and the Special Meeting of June 3, 2024.

City Manager

3. Resolution No. 5813 Authorizing the Execution of a License Agreement with Salt River Project (SRP), Granting the City Access to SRP Property on the Northwest Corner of Frye Road and the Consolidated Canal for the Construction, Maintenance, and Operation of Frye Road Collector Street Improvements
Move City Council pass and adopt Resolution No. 5813 authorizing the execution of a license agreement with Salt River Project (SRP), granting the city access to SRP property on the northwest corner of Frye Road and the Consolidated Canal for the construction, maintenance, and operation of Frye Road collector street improvements.

Community Services

4. Professional Services Agreement No. PR2205.451, with Dibble CM, LLC, for the Brooks Crossing Park Improvements Construction Management Services
Move City Council award Professional Services Agreement No. PR2205.451 to Dibble CM, LLC, for the Brooks Crossing Park Improvements Construction Management Services, in an amount not to exceed \$131,480.
5. Resolution No. 5811 Authorizing an Intergovernmental Agreement with Chandler Unified School District No. 80
Move City Council pass and adopt Resolution No. 5811 authorizing an Intergovernmental Agreement (IGA) between Chandler Unified School District (CUSD) No. 80 and the City of Chandler for the shared use of City and District property and the waiver of facility fees and defined development-related fees.
6. Job Order Project Agreement No. PR2205.401 with DNG Construction, LLC, Pursuant to Job Order Master Agreement No. JOC2420, for the Brooks Crossing Park Improvements
Move City Council award Job Order Project Agreement No. PR2205.401 to DNG Construction, LLC, Pursuant to Job Order Master Agreement No. JOC2420, for the Brooks Crossing Park Improvements, in an amount not to exceed \$1,987,588.

Development Services

7. Final Adoption of Ordinance No. 5099, Rezoning PLH23-0056 Viviendo, Located at the Southeast Corner of Ocotillo and McQueen Roads [Click to View](#)
Rezoning

Move City Council adopt Ordinance No. 5099 approving PLH23-0056 Viviendo, Rezoning from PAD for Neighborhood Commercial and congregate care to PAD for single-family residential, subject to the conditions as recommended by Planning and Zoning Commission.

8. Introduction and Tentative Adoption of Ordinance No. 5101, Rezoning, PLH23-0070 Guerrero Residence, 943, 953 and 963 North Mill Avenue, Generally Located ½ Mile East of the Southeast Corner of Kyrene and Ray Roads [Click to View](#)
Move City Council introduce and tentatively adopt Ordinance No. 5101 approving PLH23-0057 Guerrero Residence, Rezoning from Agricultural District (AG-1) to Planned Area Development (PAD) for Single-Family Residential with reduced setbacks, subject to the conditions as recommended by Planning and Zoning Commission.

COUNCILMEMBER ENCINAS declared a conflict of interest on Item No. 8.

9. Introduction and Tentative Adoption of Ordinance No. 5102, Rezoning, PLH23-0070 Chandler Palms Medical Offices, located at 500 N. Juniper Drive, Generally Located 1/2 Mile North and West of Chandler Boulevard and McClintock Drive [Click to View](#)
Move City Council introduce and tentatively adopt Ordinance No. 5102 approving PLH23-0070 Chandler Palms Medical Offices, amending the existing PAD to allow medical office uses, subject to the conditions as recommended by Planning and Zoning Commission.
10. Introduction and Tentative Adoption of Ordinance No. 5103, Annexation, ANX23-0003, Approving the Annexation of Approximately 13.57 Acres of Land South of the Southeast Corner of Arizona Avenue and Germann Road [Click to View](#)
Move City Council introduce and tentatively adopt Ordinance No. 5103 approving ANX23-0003 Annexation of 13.57 acres located at the southeast corner of Arizona Ave and Germann Road, as recommended by Planning staff.
11. Preliminary Plat PLT23-0039 Chandler Innovation Center, Generally Located 1/4 Mile South of the Southeast Corner of Arizona Avenue and Germann Road [Click to View](#)
Move City Council approve Preliminary Plat PLT23-0039 Chandler Innovation Center, subject to conditions as recommended by the Planning and Zoning Commission.
12. Use Permit and Entertainment Use Permit, PLH24-0004 The Forum, for a Time Extension for a Series 6 Bar License and an Entertainment Use Permit for Live Music Inside and on an Outdoor Patio at 2301 South Stearman Drive, Generally Located South of the Southwest Corner of Gilbert and Germann Roads [Click to View](#)
Move City Council approve Use Permit and Entertainment Use Permit, PLH24-0004 The Forum, subject to the conditions recommended by Planning and Zoning Commission.

VICE MAYOR HARRIS declared a conflict of interest on Item No. 12.

Facilities and Fleet

13. Agreement No. FS2-928-4310, Amendment No. 3, for Auto Body Repair Services
Move City Council approve Agreement No. FS2-928-4310, Amendment No. 3, with Allard Collision, LLC, for auto body repair services, for an amount not to exceed \$250,000, for the period of July 1, 2024, through June 30, 2025.

Information Technology

14. Agreement No. 4506, Amendment No. 4, with WalkMe, Inc., for the Digital Adoption Platform
Move City Council approve Agreement No. 4506, Amendment No. 4, with WalkMe, Inc., for the Digital Adoption Platform, in an amount not to exceed or total \$161,700, for the period of one year, beginning June 30, 2024, through June 29, 2025.
15. Agreement No. 4730, for Permitting Software and Support Services
Move City Council approve Agreement No. 4730, with Accela, Inc., for permitting software and support services, for a period of five years, in an amount not to exceed \$754,654 in the first year.
16. Purchase of Upgrade for Virtual Meeting Hardware and Software
Move City Council approve the purchase of Cisco Webex room kit upgrades, from Sentinel Technologies, Inc., utilizing the 1GPA Agreement No. 22-02PV-18, in an amount not to exceed \$695,000.
17. 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 \$244,873, for the period of one year, beginning July 1, 2024, through June 30, 2025.
18. 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 an amount not to exceed \$7,129,534, for a period of one year, beginning July 1, 2024, through June 30, 2025.
19. Purchase of Oracle Annual Support and Maintenance Click to View
Move City Council approve the purchase of Oracle annual support and maintenance, from Mythics, Inc., utilizing the Omnia Partners Contract No. R190801, in the amount of \$408,635, for a period of one year, beginning August 1, 2024, through July 31, 2025.

Management Services

20. Resolution No. 5799 Authorizing Submittal of an Indian Gaming Revenue Sharing Grant Application from Dignity Health Foundation - East Valley to Ak-Chin Indian Community
Move City Council pass and adopt Resolution No. 5799 authorizing the submittal of a \$206,648 pass-through Indian Gaming Revenue Sharing Grant Application from the Dignity Health Foundation – East Valley to the Ak-Chin Indian Community for a Pilot Behavioral Health Program.

21. Agreement No. IT1-918-4343, Amendment No. 3, for Business License Portal Applications and Managed Support Services
Move City Council approve Agreement No. IT1-918-4343, Amendment No. 3, 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, 2024, through June 14, 2025.

22. New License Series 12, Restaurant Liquor License Application for Wade Alan Stooks, Agent, Gravity Solutions Chandler, LLC, DBA Slick City Action Park
Move for recommendation to the State Department of Liquor Licenses and Control for approval of the State Liquor Job No. 282704, a Series 12, Restaurant Liquor License, for Wade Alan Stooks, Agent, Gravity Solutions Chandler, LLC, DBA Slick City Action Park, located at 845 N. 54th Street, and approval of the City of Chandler, Series 12, Restaurant Liquor License No. 306816.

Neighborhood Resources

23. Resolution No. 5810, Approving and Authorizing Agreements with Recovery Cafe Arizona and EMPACT-Suicide Prevention Center for the Provision of Opioid Treatment and Prevention Services
Move City Council pass and adopt Resolution No. 5810, approving and authorizing agreements with Recovery Cafe Arizona and EMPACT-Suicide Prevent Center, for the provision of Opioid treatment and prevention services, in the aggregate amount of \$100,000.

VICE MAYOR HARRIS declared a conflict of interest on Item No. 23.

24. Resolution No. 5814, Approving Amendment No. 1 to Intergovernmental Agreement No. CC-22-24-037-X-00 for Housing Stability Services
Move City Council pass and adopt Resolution No. 5814 approving Amendment No. 1 to Intergovernmental Agreement No. CC-22-24-037-X-00 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 \$150,000 for Housing Stability

Services; authorizing the City Manager to assign all related documents and assurances on behalf of the City of Chandler; and authorizing the City Manager to take all action necessary or prudent to implement the grant.

Police Department

25. Purchase of Handheld Narcotics Analyzers

Move City Council approve the purchase of handheld narcotics analyzers, from Thermo Scientific Portable Analytical Instruments, Inc., in the amount of \$152,527.49.

Public Works and Utilities

26. Final Adoption of Ordinance No. 5098 Granting a Non-Exclusive Underground High Voltage Power Easement to Salt River Project Agricultural Improvement and Power District to Accommodate the Installation of Electric Vehicle Charging Stations on the Amazon Site at 3405 S. McQueen Road, Chandler, Arizona

Move City Council approve final adoption of Ordinance No. 5098 granting a Non-Exclusive Underground High Voltage Power Easement to SRP, in consideration for the payment of \$18,500.00 to accommodate the installation of electric vehicle charging stations on the Amazon site at 3405 S. McQueen Road, Chandler, Arizona.

27. Introduction and Tentative Adoption of Ordinance No. 5100 Authorizing a Contract and Grant of Easement with the United States of America for Irrigation Facilities Located at the Northwest Corner of Dobson Road and Pecos Road

Move City Council introduce and tentatively adopt Ordinance No. 5100 authorizing the City of Chandler to enter into a Contract and Grant of Easement with the United States of America for irrigation facilities located at the northwest corner of Dobson Road and Pecos Road in consideration for payment of the market value of the property from CRP/Sparrow Chandler Owner, LLC.

28. Agreement No. PW0-745-4183, Amendment No. 9, 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. 9, with M.R. Tanner Development and Construction, Inc., for street maintenance repaving, surface seal, and repair services, increasing the spending limit by \$400,000.

29. Professional Services Agreement No. WA2103.452, Amendment No. 1, with Jacobs Engineering Group, Inc., for the Pecos Surface Water Treatment Plant SCADA Upgrades - Programming

Move City Council award Professional Services Agreement No. WA2103.452, Amendment No.1, to Jacobs Engineering Group, Inc., for the Pecos Surface Water Treatment Plant SCADA Upgrades - Programming, increasing the agreement amount by \$1,398,805.

30. Professional Services Agreement No. WA2103.451, Amendment No. 4, with Jacobs Engineering Group, Inc., for the Pecos Surface Water Treatment Plant SCADA Upgrades Construction Management Services
Move City Council award Professional Services Agreement No. WA2103.451, Amendment No. 4, to Jacobs Engineering Group, Inc., for the Pecos Surface Water Treatment Plant SCADA Upgrades Construction Management Services, increasing the agreement amount by \$1,286,450.
31. Construction Manager at Risk Construction Services Agreement No. WA2103.402, with Archer Western Construction, for the Pecos Surface Water Treatment Plant SCADA Upgrades GMP-2
Move City Council award CMAR Construction Services Agreement No. WA2103.402, to Archer Western Construction, for the Pecos Surface Water Treatment Plant SCADA Upgrades GMP-2, in an amount not to exceed \$8,360,342.
32. Construction Manager at Risk (CMAR) Construction Services Agreement No. WW2210.401, Change Order No. 1, with B&F Contracting, Inc., for the Price Road Frontage Road Sewer Rehabilitation
Move City Council award CMAR Construction Services Agreement No. WW2210.401, Change Order No. 1, to B&F Contracting, Inc., for the Price Road Frontage Road Sewer Rehabilitation, in an amount not to exceed \$1,064,143.72.

Consent Agenda Motion and Vote

Councilmember Stewart moved to approve the Consent Agenda of the June 13, 2024, Regular City Council Meeting; Seconded by Councilmember Ellis.

Motion carried unanimously (7-0), with the exception of Item No. 8, which passed 6-0 with Councilmember Encinas declaring a conflict of interest, and Item Nos. 12 & 23, which passed 6-0 with Vice Mayor Harris declaring a conflict of Interest.

Public Hearing

33. Public Hearing on Adoption of the FY 2024-25 Annual Budget, 2025-2034 Capital Improvement Program (CIP), and Setting the FY 2024-25 Property Tax Levies

MATT DUNBAR, Budget & Policy Director, presented the following presentation.

- FY 2024-25 Proposed Budget
- 2025-2034 Capital Improvement Program CIP
- 2024-25 Property Tax Levy
- FY 2024-25 Proposed Budget "Making it Happen"
- Total Budget \$1,629,072,684 Total General Fund: \$577,776,840

- Proposed Budget
 - Adheres to financial policies and is structurally balanced
 - Ongoing for ongoing and one-time for one-time
 - Uses Strategic Framework to guide decisions
 - Provides for cost-effective, quality services
 - Maintains long-term financial sustainability
 - Resident engagement through input opportunities
 - Kickoff, Resident Budget Survey & Three Workshops
 - All-day Budget Briefing
 - Tentative and Final Adoption in May/June
- FY 2024-25 Proposed Budget Drivers (all funds)
- Revenues
 - Revenues reflect actual economic environment with additional analysis on sustainable level
 - Increases coming from continued development & decreases from Residential Rental revenue
 - State Shared revenues updated with latest projections using State and League forecasts
- Expenditures
 - Funding to convert one-time funded positions to ongoing, maintain service delivery after adjusting for inflation, and ensure enhancements are in strategic focus areas
 - Personnel costs increasing to invest in city workforce and retain employees; market, merit, and healthcare. Reflects ongoing savings from PSPRS employer contribution
 - Capital projects increased to address aging infrastructure, inflation, and new infrastructure
- Grants
 - Continued focus on finding Grant opportunities and having “shovel ready” projects that may qualify
- Debts & Actions Reducing Cost
 - Maintain AAA bond rating to minimize cost of borrowing for capital projects
 - Maintain funded status of Public Safety Personnel Retirement System (PSPRS) to ensure unfunded liability does not grow
 - Solar energy investment for utility cost savings
 - Turf to Xeriscape capital project for utility cost savings
- Operating Budget Highlights
 - Reduce city primary property tax rate, no change to Transaction Privilege Tax (TPT) rates
 - No planned Water, Wastewater, or Solid Waste rate changes in the new Fiscal Year
 - Budget maintains existing service levels and enhances programs tied to Strategic Framework
 - Adds funding for new labor association commitments and general employee merit/market

- Continues debt elimination: \$7M in one-time funding for pay-off maintenance of Public Safety Personnel Retirement System (PSPRs) liability
- Maintains strong reserves including 15% General Fund contingency and \$10M budget stabilization reserve
- 2025-2034 CIP Highlights
 - 2025-2034 CIP total is \$2,488,884,031(\$525M more than the 2024-2033 CIP)
 - Updated to reflect additional utility projects and project costs to current values
 - Increased focus on aging infrastructure
 - Voter Bond authorization to support capital plan is shortened by inflation
 - \$2.49B - Total 10-Year CIP
 - \$876.5M - Total FY 2024 – 25 CIP
- Public Hearing FY 2024-25 Property Tax Levy
- Breakdown of \$1 of Typical Chandler Property Tax Bill
 - Public Schools and Community College Districts 70cents
 - Maricopa County & Special Districts 19 cents
 - City of Chandler 11 Cents
 - *Based on 2023 Tax Bill information. Exact split will vary depending on the school district and any other special taxing districts on the bill.
- FY 2024-25 Property Tax Levy
 - FY 2023-24 LPV \$3.900B 203-24 Levy \$42,612,435
 - FY2024-25 LPV \$4.108B 2024-25 Levy \$44,473,791
 - +5.3% increase 0.9% New Property 4.4% Appreciation Levy Increase \$1,861,356
 - Tax rate reduction from \$1.0926 to \$1.0826 reduces impact of limited Property Value (LPV) increase
 - Reduces property tax rate for the 9th consecutive year
- Impact of City Tax Rate Reduction on Median Value Homeowner
- Key Budget Dates
- Questions

VICE MAYOR HARRIS confirmed that a yes vote would lower the property tax rates in the City of Chandler.

MR. DUNBAR said tonight's vote sets anticipated tax revenues in the budget; the actual rate setting will happen at the end of June. Thursday will be the final day of adopting the tax levy lowering taxes for the people of Chandler.

VICE MAYOR HARRIS asked about the appreciation of values for the properties in Chandler.

MR. DUNBAR explained that Maricopa County evaluates property values across the county. They assess the new properties added to the tax rolls each year and the actual value of existing properties in Chandler. After the assessment, they send out property valuations and the