

Meeting Minutes

Council Budget Workshop #1

February 20, 2025 | 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 Christine Ellis
Councilmember Angel Encinas
Councilmember Jane Poston
Councilmember Matt Orlando
*Councilmember OD Harris
Councilmember Jennifer Hawkins

Appointee Attendance

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

*Councilmember Harris attended virtually until 4:30, when he arrived in-person.

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / CFO
Andy Bass, Deputy City Manager
Alexis Apodaca, Mayor & Council Public Affairs Senior Manager
Sylvia Dlott, Budget & Research Administrator
Helen Parker, Budget & Research Principal Analyst
Matt Burdick, Communications & Public Affairs Director

Discussion

1. Budget Workshop #1, Fiscal Year 2025-26
 1. Opening Remarks
 2. Survey Feedback and Financial Considerations

3. Preliminary Budget

- a. General Fund Forecast Inflows and Outflows
- b. Major Revenues and Expenditures
- c. Public Safety Personnel Retirement System (PSPRS)
- d. Capital Improvement Plan (CIP)
- e. Property Tax

4. Key Budget Dates

5. Closing Remarks

MAYOR HARTKE called for a presentation.

JOSHUA WRIGHT, City Manager, introduced the discussion item.

DAWN LANG, Assistant City Manager / CFO presented the following presentation.

- FY2025-26 Budget Workshop #1
- Agenda
 - 1. Resident Budget Survey Feedback
 - FY 2025-26 Resident Budget Survey Foundations
 - 2. Financial Policies and Considerations
 - FY 2025-26 Economic Updates
 - 3. FY 2025-26 Preliminary Budget
 - General Fund Forecast Inflows and Outflows
 - Major Revenues/Expenditures and Drivers
 - Public Safety Personnel Retirement System (PSPRS)
 - Preliminary Capital Improvement Plan (CIP) Overview
 - Preliminary Property Tax Discussion
 - 4. Key Budget Dates & Closing remarks
- Chandler Budget Process Timeline
- Resident Budget Survey Feedback
- FY 202-26 Resident Budget Survey
 - Survey Participants 1,343 (1,135 prior year)
 - Survey Comments 2,474 (1,350 prior year)
 - The survey ran from November 25, 2024, through January 10, 2025
 - CAPA assisted with a video ad campaign to encourage participation
 - Continued expanded the outreach on social media
 - Additional facilities provided paper copies, signage and survey QR codes and postcards
 - Encouraged participation with Boards & Commissions, Recreation and Library users
 - The survey consisted of 19 total questions and was offered in English, Spanish, and Mandarin
 - Funding Priority questions were added to the survey to better understand Chandler residents top four priorities for operating programs and capital projects
 - Each focus area was allotted 1-2 questions on the full survey, each with a comment box for written responses

MAYOR HARTKE asked if a QR code to the survey was sent with paper utility bills.

MS. LANG said a QR code was not included, but a link was included in electronic utility mailing.

VICE MAYOR ELLIS asked what priorities were heard in the survey.

MS. LANG said a summary of the priorities will be reviewed in the presentation and WES packet.

MS. LANG continued the presentation.

- Budget Survey Results
- Budget Survey Results
- Budget Survey Spending Priorities

COUNCILMEMBER POSTON noted items that may fall under the operating programs and services of social safety net services may be in programs to address homelessness because it includes housing.

MS. LANG said these subjects were listed with this wording on the survey, where they are separate.

MAYOR HARTKE said some responses may have selected one service as a priority and not the other.

MS. LANG continued the presentation.

- Budget Survey Comment Themes (Top Three) Community Safety
 - Police Presence and Patrol (89)
 - Major Themes Include: Appreciate visible patrols, quick response times, regular neighborhood presence. Would like to see more police presence, need more patrols in neighborhoods, need more traffic enforcement.
 - Traffic Safety and Enforcement (72)
 - Major Themes Include: Good response to accidents. Concerns about speeding, red light running, school zone safety, street racing and dangerous driving.
 - General Police Performance and Interactions (68)
 - Major Themes Include: Professional service, courteous officers, good experiences, trust in department. Some concerns about officer attitudes, poor response to reports requests.
- Budget Survey Comment Themes (Top Three) Connectivity
 - Bicycle Infrastructure (87 comments)
 - Major Themes Include: Appreciation for existing bike lanes and paths. Like the recent bike path extensions. Good incorporation of bike lanes in newer streets. Need more protected/separated bike lanes. Current bike lanes unsafe due to proximity to fast traffic. Need better connectivity between bike paths. Bike lanes need additional maintenance. Need more off-street bike paths.
 - Public Transportation (85 comments)
 - Major Themes Include: Positive feedback about Chandler Flex service. Appreciation for current bus service where available. Support for existing transit

options. Need enhanced service in south Chandler. Need more bus routes and frequency. Need better bus stop amenities (shade, seating). Service hours too limited. Transit takes too long compared to driving.

- Road Infrastructure & Maintenance (76 comments)
 - Major Themes Include: Appreciation for recent repaving projects. Good street maintenance in some areas. Well-maintained major arterials. Starting to see more potholes. Construction projects take too long. Traffic signal timing could improve.
- Budget Survey Comment Themes (Top Three) Economic Vitality
 - Business Growth & Economic Development (95 Comments)
 - Major Themes Include: Appreciation for attracting businesses, particularly in tech and semiconductor industries. Support for Chandler's competitive position in economic development. Calls for more small business support and incentives. Concerns over too many chain stores and lack of local business diversity. Seems to be more and more empty office spaces.
 - Housing Affordability & Development (55 Comments)
 - Major Themes Include: Support for continued growth to meet demand. Calls for balancing commercial and residential development. High housing costs making Chandler more unaffordable. Fewer apartment developments and high-density housing would be preferred. Concerns that new developments are harming Chandler's character.
 - Chandler Airport Expansion (48 Comments)
 - Major Themes Include: Support for extending the runway to attract business aviation. Calls for using the airport to generate more economic opportunities. Opposition to airport expansion due to noise and environmental concerns. Concerns that the airport benefits a small group rather than the broader community.

COUNCILMEMBER ORLANDO said the comments about the airport benefitting a small group should be addressed, this is a new concern. As the city moves through the budget process, there may need to be some additional messaging about the airport benefitting the broader community, not a small group.

VICE MAYOR ELLIS asked if any specific ideas were introduced in the comments about small business support and incentives. The city is limited in the actions it can take.

MS. LANG said due to the nature of the survey, it is hard to follow up with respondents who do not leave contact information.

VICE MAYOR ELLIS suggested education for the small business community.

COUNCILMEMBER POSTON asked if the interpretation of the results was that if any content is part of one of these identified themes, that several people had the same type of comment.

MS. LANG said yes, these themes were subjects that were brought up multiple times in the surveys and are reflected in the interpretation of results.

MS. LANG continued the presentation.

- Budget Survey Comment Themes (Top Three) Neighborhoods
 - Housing Development & Affordability (115 Comments)
 - Major Themes Include: Support for a mix of housing options, including single-family homes, town homes, and condos. Appreciation for efforts to increase housing supply to meet demand. Calls for more affordable housing for seniors and young families. Some opposed to apartment construction, particularly high-density developments. Concerns about rising housing costs making Chandler unaffordable. Concerns that affordable housing and Section 8 developments will reduce property values.
 - Code Enforcement & Neighborhood Maintenance (98 Comments)
 - Major Themes Include: Support for city-led clean-up programs, including alley maintenance and bulk trash pickup. Appreciation for effective code enforcement. Calls for stricter enforcement of signage and business advertisements on residential streets. Concerns about vacant lots, abandoned vehicles, overgrown yards, and poor alley maintenance.
 - Neighborhood Infrastructure & Safety (72 Comments)
 - Major Themes Include: Positive feedback on well-maintained roads, street lighting, and public spaces. Support for increased shade structures and landscaping improvements. Appreciation for efforts to keep neighborhoods clean and safe. Concerns about seeing more potholes and deteriorating streets. Older neighborhoods seem neglected while new developments receive attention. Calls for better traffic enforcement and solutions for congestion from overdevelopment.

COUNCILMEMBER ENCINAS asked if department directors could provide information as to what is currently being done to address the themes mentioned in the survey comments.

MS. LANG said directors are encouraged to review and focus on the themes in the survey comments, and asked if Council would like to see follow up from directors.

COUNCILMEMBER ENCINAS explained that he would like to see brief information about any actions being done to work on these themes.

MAYOR HARTKE asked if there was an option to follow up on survey responses.

MS. LANG explained that if a respondent leaves contact information and requests follow up, staff will do so.

MAYOR HARTKE asked if there was a field on the survey to collect contact information.

MS. LANG said there was not a field to collect contact information on this year's survey, but that can be considered for next year.

MAYOR HARTKE suggested that this may aid in finding advocates that bring up common themes.

MS. LANG said that can be captured for next year's survey.

MS. LANG continued the presentation.

- Budget Survey Comment Themes (Top Three) Quality of Life
 - Parks & Recreation Facilities (150 Comments)
 - Major Themes Include: Appreciation for the variety and accessibility of parks and recreation centers. Positive feedback on aquatic facilities and sports complexes. Support for continued investment in recreational programs. Concern that older parks need maintenance and updates. Requests for better upkeep of public restrooms and amenities.
 - Aquatic Facilities & Pools (65 Comments)
 - Major Themes Include: Appreciation for existing pools and aquatic programs. Requests for more aquatic facilities, including indoor and year-round pools. Concerns about overcrowding at pools, especially in summer. Issues with limited hours, maintenance concerns, and lack of shade.
 - Pickleball & Sports Facilities (50 Comments)
 - Major Themes Include: Support for expanding pickleball courts and other recreational sports options. Requests for more sports fields, including soccer and baseball fields. Seems to be some over- prioritization of pickleball over other sports. A few complaints about outdated or under-maintained sports facilities
- Budget Survey Comment Themes (Top Three) Sustainability & Technology
 - Water Conservation & Quality (92 Comments)
 - Major Themes Include: Support for water conservation efforts. Appreciation for Chandler's water planning. Calls for expanded reclaimed water use. Encouragement for sustainable landscaping incentives. Concerns about water shortages and sustainability. Concerns with poor water taste and contamination risks (lead, fluoride, chemicals). Worries about excessive water use by businesses and new developments.
 - Renewable Energy & Solar Power (55 Comments)
 - Major Themes Include: Strong support for solar expansion, including city buildings and homes. Interest in incentives for solar installations. Desire for more electric vehicle (EV) infrastructure. Some skepticism about green energy's cost-effectiveness. Some opposition to public funding for renewable energy projects.
 - Recycling & Waste Management (30 Comments)
 - Major Themes Include: Support for better recycling programs. Interest in composting and separate waste collection. Encouragement for public education on proper recycling. Concerns about recycling program effectiveness. Frustration with limited bulk pickup options.

MAYOR HARTKE commented that this focus area received less responses.

MS. LANG said the water topic is the big focus for residents.

MAYOR HARTKE asked about the methodology of reviewing survey responses.

MS. LANG said that in the past, the responses were read individually for content. This year, due to the volume of responses, the responses were broken into themes and shared with directors. This review could incorporate Councilmember Encinas' suggestion about looping back to directors and asking for input about what is being addressed and what needs more work.

MS. LANG continued the presentation.

- Financial Policies and Considerations
- Strategic Framework Guides Decision Making
 - Our Brand: A safe, diverse, equitable and inclusive community that connects people, chooses innovation and inspires excellence.
 - Focus Areas:
 - Community Safety
 - Connectivity
 - Economic Vitality
 - Neighborhoods
 - Quality of Life
 - Sustainability & Technology
- Chandler's 9 Financial Policies Institutionalize Strong Financial Management Practices
 - Financial Policies (*Revised and updated by Council February 2024)
 - Operating Management *
 - Capital Management (Jan. 2016)
 - Reserves (Apr. 2023)
 - Debt Management *
 - Long-Range Financial Planning (Jan. 2016)
 - Grant Management *
 - Investment*
 - Accounting, Auditing, and Financial Reporting*
 - Pension Funding * (annual update; March 2025 Council Meeting)

VICE MAYOR ELLIS clarified what the asterisk on the slides indicates.

MS. LANG said policies with asterisks indicate that they have been revised or updated by Council.

MS. LANG continued the presentation.

- FY 2025-26 Financial Considerations
 - Economy has seen supply chain issues continue to ease, but inflation is still a concern. Federal Reserve monetary policy is being closely watched.

- Growth of sustainable(ongoing) revenue is expected to grow at a slower rate locally and at the state level.
- Spending on COVID relief funds (ARPA, ERA, etc.) fully encumbered and decisions on related ongoing levels is again a topic in the new year's budget.
- Possible recession or self-inflicted downturn remains in most economists' predictions due to lower consumer confidence.
- Full Residential Rental legislation impact is incorporated. \$5M ongoing in the current year and another \$5M impact in FY 2025-26.
- Development revenues lower on single family residential. Expect future development to be infill and redevelopment.
- FY 2025-26 Financial Considerations
 - Unknown impacts of implementing Tariffs. (Chandler's Foreign Trade Zone Businesses will see limited or no Impact)
 - Length of grant funding freeze by Federal Government and what will be finally impacted unknown.
 - Potential State Food Tax ballot provision could be a loss of up to \$17M ongoing revenue; will be monitored.
 - Potential federal elimination of Tax-Exempt Bond Status will be monitored.
 - ARS personal property tax methodology change caused a decline in current assessed values.

COUNCILMEMBER ORLANDO asked what the fee is and how was the program defined.

MS. LANG said she did not have that information.

MAYOR HARTKE requested further information.

VICE MAYOR ELLIS asked if this was going to the navigators.

MR. WRIGHT said that it may be a different fund. Staff can provide more information on which specific services are being funded by both fees.

COUNCILMEMBER ORLANDO asked about the quantity of funds affected by the federal grant funding freeze.

MS. LANG said the operating side of housing and community development, monthly programs were a concern but they are not part of the freeze.

COUNCILMEMBER ORLANDO asked if the amount was \$3 million.

MS. LANG said it was closer to \$900,000 per month. These funds are safe.

VICE MAYOR ELLIS asked about HUD funds.

MS. LANG said some funds from Section 8 and emergency housing are HUD funds.

COUNCILMEMBER ORLANDO asked if the amount was \$10 million.

MS. LANG said yes, that is a large program for the city.

COUNCILMEMBER ORLANDO said that this program directly contributes to housing people.

MS. LANG agreed and explained that this program is excluded from the freeze. An amount around \$480,000 monthly for housing and community development programs is at risk due to the funding freeze.

VICE MAYOR ELLIS asked if there is an estimate of how many individuals this affects.

MS. LANG said that information will be provided. Other departments with operating awards total \$3.2 million, an annual amount that is at stake due to a potential freeze.

COUNCILMEMBER ORLANDO asked about the amount in expected grant funds.

MS. LANG explained that these are budgeted numbers when departments budget for grants, they estimate what they think can be awarded.

VICE MAYOR ELLIS asked if this is expected grant payouts.

MS. LANG said that yes, the city requested funds, received an award letter and has a program ready, but the funds are frozen. This is the amount of \$3.2 million, where a determination needs to be made to issue the funds to the city.

COUNCILMEMBER ORLANDO asked about the expected grants in the estimated amount of \$70 million.

MS. LANG said that in the formulation of the FY 2024-25 budget, the city anticipated a total of \$19.7 million in operating and capital grants. Prior year capital grants carried forward from previous years. The new budget and prior year total were in the amount of \$70.4 million.

COUNCILMEMBER ORLANDO asked what happens if these grants are not received.

MS. LANG said that if the city has already started spending money, the amount would have to be reimbursed by the city out of the General Fund, which would come forward to Council. The question would be if the city wants to continue the programs and actions that the grant was intended to fund.

COUNCILMEMBER ORLANDO requested more information on funding, grants and what may be at risk.

MR. WRIGHT suggested that federal funding can be further explained at the next budget workshop.

COUNCILMEMBER ORLANDO asked if the state has conducted the practice of what is funded and what is at risk, as some state funding trickles down to municipalities.

MAYOR HARTKE said the state is likely working to reconcile their own budget.

MS. LANG said a further report will be shared at the next budget workshop.

MAYOR HARTKE commented that these federal impacts may shift by the time of the next presentation.

COUNCILMEMBER HARRIS asked if the total amount in grants that could be impacted is \$70 million.

MS. LANG said the \$70 million is a budget projection, not actual grants received. State law requires grants to be appropriated for in order to spend. Departments review grants they've received in the past to estimate grant appropriations. This is not an actual amount in the year departments apply for grants.

COUNCILMEMBER HARRIS requested more information about projected information and actual year budget totals.

MAYOR HARTKE said these considerations reflect national trends of uncertainty and instability, but at a local level, the city tries to provide certainty and stability.

MS. LANG continued the presentation.

- National Economic Indicators
- National Inflation is hovering at 3%
- Lower Inflation means prior year high spending remains, but new increases are lower
- Capital Plan Inflation Impacts
- National Recession Gauge showing mixed results
- Local Growth is still projected
- Sound Budgeting Practices Support Financially Sustainable Goals
 - Chandler maintains AAA Bond Ratings from Moody's, Fitch, and S&P rating agencies for GO Bonds and ETRO
 - Continued adherence to all fiscal policies & strong reserves
 - Re-affirmed and improved ratings in 2023
 - Chandler is structurally balanced
 - Ongoing revenues support ongoing expenditures
 - One-time revenues support one-time expenditures
 - Chandler maintains strong reserves
 - 15% General Fund contingency reserve
 - Recommend Budget Stabilization Reserve at \$10M
 - Chandler manages expenditures to meet service demands
 - Maximize grant opportunities
 - Weigh positions vs. contracting

- Continue Modified Zero Based Budgeting to verify funding requirements to provide services
- Property Tax Options
 - Provide options to match expenditure needs or right size
- FY 2025-26 Preliminary Budget
- FY 2024-25 General Fund Operating Revenues and Expenditures

MAYOR HARTKE asked if one-time employees like consultants or temporary positions would be included in the 20.5% annual outflow in the category one-time & other needs.

MS. LANG said those positions come out of the one-time category. This depicts the FY 2024-25 budget where the city applied more one time money towards capital needs, paying PSPRS. Ongoing personnel is usually a higher percentage than other outflows, but due to higher incoming one-time funds, the expenditure on one-time needs is currently higher than usual. Overall, in the current year, 81% of revenues is dedicated to funding ongoing expenditures.

COUNCILMEMBER ORLANDO asked if the FY 2025-26 projects a greater amount of ongoing compared to one-time expenditures.

MS. LANG said yes and shared the next slide with a chart of ongoing versus one-time revenues.

COUNCILMEMBER HARRIS asked for information about the amount of money spent on studies before executing new programs or projects, consultants, and temporary personnel.

MS. LANG said that information will be provided.

MAYOR HARTKE asked if Councilmember Harris was focused on the 20.5% annual outflow in the category one-time & other needs.

COUNCILMEMBER HARRIS said yes.

MR. WRIGHT asked if Councilmember Harris wanted more information about the General Fund.

COUNCILMEMBER HARRIS said anything that comes out the budget to pay for items such as consultants, pilot programs, or temporary sources of support.

MS. LANG explained that capital projects often have associated studies which are paid out of bond funds or system development fee funds.

COUNCILMEMBER HARRIS said he would like to see these as well as General Fund funded expenditures to look closely at the amounts.

MS. LANG continued the presentation.

- Ongoing/One-Time Local Sales Tax (TPT) Preliminary Revenues

COUNCILMEMBER HAWKINS asked if the reduction in inflation rate is reflected in TPT revenues.

MS. LANG said inflation rates have reduced slightly, higher prices due to inflation still impact TPT revenues.

COUNCILMEMBER HAWKINS asked if this projection is included in the forecast.

MS. LANG said current inflation rates are included in the forecast.

MAYOR HARTKE commented that the one-time expenditures is less than ongoing expenditures, but total amounts fluctuate due to various external factors.

MS. LANG continued the presentation.

- New & Expanding Employers
- New & Expanding Employers
- New & Expanding Employers
- Key Local Sales Tax Revenues by Category
- Expanding Resident Base
- State Shared Revenues (in millions)
- New Decision Package Requests Expenditures "Outflows"

VICE MAYOR ELLIS asked if the current budget practice is to examine potential adjustments for every department.

MS. LANG said yes, this practice is part of the modified zero-based budgeting where budget examines department budgeting on an account level.

COUNCILMEMBER HARRIS asked if the tax-exempt status is removed, what interest rate would the city be looking at.

MS. LANG said the city's financial advisor could assist with pulling together that information. That information will be shared.

COUNCILMEMBER ORLANDO asked if there is the possibility that the city may not sell bonds due to its tax-exempt status.

MS. LANG said that is a possibility. The city must remain within authorization levels. Further information will be provided.

COUNCILMEMBER ORLANDO commented that this may affect cities with different bond ratings due to the difference in assured revenue streams. There are different outcomes depending on state tax abatement.

MS. LANG said staff reviews past bond issues to create a projection to determine the likelihood of successful bond sales.

MAYOR HARTKE added that the success of bond sales may affect the rate and pace that the city can deliver the projects and end up with bond authority.

MS. LANG continued the presentation.

- Priorities for Ongoing Dollars
 - 1. Maintain existing service levels within core programs and strategic focus areas including contract and other increases
 - 2. Ensure sufficient ongoing funding for facilities and infrastructure including technology and security
 - 3. Convert successful social safety net programs to ongoing funding from grants
 - 4. Build the strength of our workforce to meet evolving resident expectations
 - 5. New enhancements or additions, considering the option of one-time pilot programs first

MAYOR HARTKE said priorities 1 and 2 are the city's continued priorities, but priorities 3, 4, and 5 may be affected in a worst-case scenario. The city will still deliver on its commitments.

COUNCILMEMBER HARRIS shared concerns with spending dollars entrusted to the city by taxpayers in the most efficient way possible. In this budget, there are uncertainties to address such as forecast economic conditions. There is a balance based on reality versus projections. Councilmember Harris advised against raising taxes. The message of strategic spending needs to be shared with the community. Priorities 1 and 2 should remain top priority. Communicating these priorities with department directors will help develop a responsible budget.

MAYOR HARTKE hoped that as the process continues, more information will become available rather than speculation.

COUNCILMEMBER POSTON asked for clarification on priority 4: build the strength of our workforce to meet evolving resident expectations.

MS. LANG explained that an example would be that some responses received through the resident budget survey would require adding additional staff based on specific requests and resident expectations and weighing the needs in prioritization.

COUNCILMEMBER POSTON said this is specific to City of Chandler employees, not community workforce development.

MS. LANG said yes, this is for City of Chandler employees.

MS. LANG continued the presentation.

- Effect of Revenue Growth on One-Time Fund Balance

- Priorities for One-Time Dollars
 - Maintain reserves sufficient to meet financial policies including PSPRS fully funded status
 - Reinvest in existing aging infrastructure, systems, including projects that generate ongoing savings
 - New initiatives and capital that generate sustainable ongoing financial savings
 - Focus operating & capital spending to move forward strategic focus area action items
- Public Safety Personnel Retirement System Update
- PSPRS Pension Update

COUNCILMEMBER ORLANDO asked how many more years there are to go for PSPRS pension to be fully funded.

MS. LANG said five more years where the PSPRS Boards adjust the growth rates of personnel. Each year a payment is made when adjustments are done as the numbers shift. There is a goal growth rate of 1%.

COUNCILMEMBER ORLANDO said it was not completed all at once.

MS. LANG said municipalities would not have been able to afford it all at once.

MAYOR HARTKE asked what would happen if the city overpaid.

MS. LANG said the intention is to not overpay based on information received every year. There could be times when interest earning comes in higher than expected. It depends on the actuarial numbers.

MS. LANG continued the presentation.

- PSPRS Employee/Employer Rates Comparison - Fire
- PSPRS Employee/Employer Rates Comparison - Police
- Preliminary Discussion: Capital Improvement Plan (CIP)
- Fiscal Foundations "Strength in Numbers"
 - Current 10-Year CIP Council Guidelines
 - Maintain secondary property tax rate flat
 - Re-imagine resident amenities scheduled for replacement
 - Prioritize aging 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
 - Ensure sufficient bond authorization exists to complete projects desired by residents
 - Balance timely completion and coordination of capital projects with impacts to neighborhoods and businesses
- Prior Year Bond Requests in Today's Dollars
- Continued Focus on Chandler's Aging Infrastructure
- Capital Project Review in Workshop #3

- New Year CIP Considerations
 - Inflation has eased but costs still increasing
 - Bond authorization needed and election process is in progress
 - As studies and project design are completed, some CIP project costs may adjust
 - Prop 479 extension passed but with some adjustments to grant funding of projects causing more local contributions on some projects
- Preliminary Property Tax Discussion Assessed Values Not Yet Received
- Property Tax Rate Comparison
- Breakdown of \$1 of Typical Chandler Property Tax Bill
- Property Tax Assessed Value Comparison
- Property Tax Policy Options and Considerations
 - Due to assessed values small increase, truth in taxation rules will not apply
 - Maintain secondary rate to deliver commitments made in bond election
 - Evaluate Primary Rate options
 - Reduce \$0.01= \$412,425 ongoing reduction
 - Leave overall rate flat, keeping primary (+\$34,449) and secondary (+\$140,972) unchanged

MAYOR HARTKE said he had considered decreases in primary rate previously but suggested staying flat this year due to outside factors.

COUNCILMEMBER ORLANDO commented that every year is different and must be considered independently. Outside influences all affect the primary and secondary tax rate.

MAYOR HARTKE said the city is in a good position to make smart decisions based on the economic environment.

MS. LANG continued the presentation.

- Key Budget Dates
- Questions?

COUNCILMEMBER HARRIS commented that acting based off current fiscal realities aligned with the Council's priorities is essential.

COUNCILMEMBER HAWKINS thanked staff for the information, this helps Councilmembers share relevant and topical information with residents.

Public Comment

None.

Adjourn

The meeting was adjourned at 5:50 p.m.

ATTEST: *Dana R. Drong*
City Clerk

Kevin Harbo
Mayor

Approval Date of Minutes: March 24, 2025

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 20th day of February 2025. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 24th day of March, 2025.

Dana R. Drong
City Clerk

