

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago Street, on Friday, May 3, 2013 at 8:36 a.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY.

The following members were present:

Jay Tibshraeny	Mayor
Jack Sellers	Vice-Mayor
Rick Heumann	Councilmember
Jeff Weninger	Councilmember
Trinity Donovan	Councilmember
Kevin Hartke	Councilmember
Nora Ellen	Councilmember

The purpose of the meeting was to discuss the FY2013-14 City Budget and Capital Improvement Program FY2014-2023.

Opening Remarks – Mayor Tibshraeny

Mayor Tibshraeny gave brief opening remarks. The Mayor thanked Budget staff, Directors, the City Manager and his office for continuing to identify cost savings and other efficiencies.

Mayor Tibshraeny – Chandler is in a good position today because of years of good budgeting and sound fiscal policies and decisions. I think most of the Council feels fairly optimistic about the economy right now. It seems to be moving in the right direction and that's a good thing for not just us in the City but also those in the private sector. We hope those trends continue. This particular budget process continues our goal of transparency as a City. We had the Budget Survey, we had Budget Connect, two Budget Workshops, public meetings like this, and we'll have a couple more after this too. We will continue to stay vigilant as a City Council and as a City. I do want to thank my fellow Councilmembers as well. Council is working very hard.

Introduction – City Manager Dlugas

City Manager Dlugas gave introductory remarks.

Mr. Dlugas welcomed everyone to the presentation of the Proposed 2013-14 Budget and 2014-2023 Capital Improvement Program. He discussed the budget development process and the public input process. The Budget Executive Summary book provided with the proposed budget includes his full budget message for the 2013-14 Budget. Mr. Dlugas emphasized several key points regarding the budget. (1) Although there are many positive signs in the local economy with the two Intel expansions and the recent announcement by General Motors to open a new technology center in Chandler, the City must be wary of national and global economic conditions as well as state legislative actions that could reduce future City funding. With only slow and steady operating revenue growth anticipated, managing costs of services is vital. (2) It is important for the City to maintain existing infrastructure while still adding new projects to the capital improvement program. (3) In today's uncertain economy, building reserves is a key focus. The City established a \$34.6 million Infrastructure Maintenance Reserve as part of the Fiscal Year 2011-12 Budget. More details on the planned use of the reserve will be presented later this morning. In addition, the proposed budget restores the Budget Stabilization Reserve. This will provide the opportunity to use the reserve to balance the budget, if necessary, for no more than three consecutive years. (4) Fiscal sustainability and growth is the theme of this budget. The City has made great strides in working through several years of declining revenues with

necessary reductions and organizational realignments that allowed us to continue to meet the needs of the citizens of Chandler and of all City employees.

Mr. Dlugas noted that while we believe we have a sound plan for the future, there is still uncertainty in the housing market and the general economy. For that reason, Chandler has taken a conservative approach to this budget. We have worked diligently to differentiate ongoing revenues from one-time revenues to make sure we can sustain our budget now and in the future. The overall budget is actually smaller than the previous budget while the general fund budget is virtually unchanged from 2011-12. On the expenditure side, we have been creative and thoughtful in adding new ongoing appropriation to Department budgets, but we were able to help fund many programs that benefit the citizens of Chandler. All these measures help to ensure our continued fiscal sustainability and growth while continuing to provide essential public services and infrastructure improvements that make Chandler attractive for businesses and employees.

Overview of Operating Budget and CIP – Dawn Lang and Greg Westrum

Management Services Director, Dawn Lang, and Budget Manager, Greg Westrum, presented the Overview of the Proposed Operating Budget and CIP.

Operating Budget Overview

Ms. Lang pointed out that much work and numerous public opportunities for input have gone into the preparation of the Proposed 13-14 Budget. Today's full-day budget briefing represents the last scheduled day to openly discuss the recommended operating and capital budgets prior to proposing any potential budget amendments.

Ms. Lang discussed three factors influencing this year's budget. The first is the importance of identifying our ongoing revenues and differentiating them from one-time revenues.

Secondly, we have been very conscious of the need to control future expenditure growth. Even though we are seeing some positive signs in some revenue areas, there is still uncertainty in the future economic growth rate for the county, state and for Chandler. In many cases even if we were to maintain existing levels of services; higher costs for fuel, energy, health care, and retirement systems are inevitable.

Finally, we have incorporated Council's direction for no property tax increases and provided comparisons for median single family homes in Chandler. With primary and secondary property tax, the same home compared from 12-13 to 13-14 will pay less in overall property tax even though there is no change in the property tax rate. For each dollar a citizen pays in taxes, the City of Chandler's portion of that dollar is only \$0.12.

The total Proposed Budget for 13-14 is \$803.9 million, which is about \$32 million less than our current 12-13 Adopted Budget. There is not a really big change in our operating cost portion of this budget. In addition, major capital is the portion that has some decrease in both new appropriation and carryforward.

From the current year 12-13 Budget, we reduced a net of 2.325 FTE.

Chandler has 6.6 employees per 1,000 of population, making us the second lowest compared to other Valley cities.

Capital Improvement Program Overview

Mr. Westrum – I'd like to cover just a couple of the unique aspects of the first year of the budget. More details on specific projects will be discussed later this afternoon.

The Proposed CIP Budget for 2013-14 of \$327 million is made up of encumbrance carryforward, capital carryforward, and new funding/appropriation. Very few of our capital projects start and are completed in the same fiscal year. For 13-14, we anticipate carryforward amounts of \$91.9 million for projects that are encumbered and under contract but not yet completed and approximately \$157 million of capital carryforward projects that have not yet been encumbered. Lastly, the new appropriation, which is the smallest piece of the CIP, is \$77.8 million. All of those combined become our Proposed CIP for 13-14 of \$327 million.

Much of the size and structure of our CIP is driven by the changes in the Secondary Assessed Value, which in turn impacts our Secondary Levy and our ability to take on additional general obligation debt. We already know that the 13-14 Assessed Valuation is down a little over 3.5%. We are projecting 0% growth in the second year followed by 4.0% per year increases in outer years.

In 11-12, Council established the Infrastructure Maintenance Reserve of \$34.6 million. This reserve will be moved into the actual appropriation each year for the next four years. Approximately \$8.6 million will actually move from the reserve into appropriation year-by-year until we draw that down completely at the end of 16-17. The biggest beneficiary of this reserve will be Street Repaving with over \$26 million.

Although we are limited in our General Obligation Bond sales, we are planning bond sales over the next five years, mostly with Excise Tax Revenue Obligations. Most of these are to support water and wastewater projects. At this point, we do not anticipate any General Obligation Bond Sales until 2017-18. As always, we will reassess this every year. If assessed values are much better than we projected, maybe there would be an opportunity for something more or something larger. This is our current projection going forward.

Mayor Tibshraeny – Greg, these are paid for out of the Enterprise Funds. They may be backed by City taxes and shared revenues, but they are paid out of Enterprise Funds.

Mr. Westrum – Mayor, that is correct.

General Fund Forecast & Fund Balance Projection

Ms. Lang explained the 5 Year General Fund Forecast. A preliminary version of the forecast was reviewed in February with Mayor and Council at a workshop. Through February and March, we continued to get updated information from the State of Arizona, League of Arizona Cities & Towns, and internal City Departments to update anticipated Fiscal Year 2012-13 revenues and expenditures. This process resulted in a revised forecast that forms the basis for our 13-14 Proposed Budget.

She then discussed a chart showing the Total Annual Budget for the General Fund, comparing the 2012-13 Adopted Budget to the 2013-14 Proposed Budget. About \$265.2 million is shown in the 2012-13 Adopted Budget. The 2013-14 Proposed Budget shows \$265.9 million. Department operating costs are lower, in total, in the proposed budget. Although we are seeing increases in a lot of our retirement and health care costs, there are one-time appropriations in the adopted and proposed budgets that fluctuate in total. One of the items included in Department operating costs is our Strategic Economic Development funding. Although our ongoing costs are increasing slightly, our one-time costs have shifted slightly. New Appropriation for Major Capital is reflecting

the Infrastructure Maintenance Reserve and the increased spending of our General Fund dollars toward those maintenance items from 12-13 to 13-14. Debt Service is down slightly from 12-13 to 13-14 because of the Council approved payoff of the large debt issue, which is due at the end of 12-13. Contingencies and Reserves show an increase from 12-13 to 13-14 because of the Infrastructure Maintenance Reserve being appropriated.

Councilmember Heumann – What's the difference in the debt service dollar wise?

Ms. Lang – The overall payoff is \$8.4 million. I will have to get back to you on the overall change in debt service.

Ms. Lang – The 13-14 Budget Year, on page 7 of the Executive Summary, represents current revenues that are received into the City annually. The forecast is projected out five years based on prior trends and current information. The result of this work shows 93.4% of revenues being ongoing, which can be used toward those ongoing expenditures. The one-time revenues represent 6.6% of total revenues and will be used toward capital projects and equipment purchases.

Our major revenue categories of Local Sales Tax, State Shared Sales Tax, Vehicle License Tax, Urban Revenue Sharing, and Primary Property Tax account for approximately 83.5% of all revenues that come into the City of Chandler. The rest of the revenues come from fees, charges, and miscellaneous revenue. Unfortunately, many of the major revenue categories are volatile in nature. Impacts can happen pretty suddenly, especially changes from the state legislature. These uncertainties led to the creation of the Budget Stabilization Reserve.

Councilmember Hartke – On the local sales tax, is that solely the reflection of looking at the Wild Horse Pass Mall or are there other reflections that are affecting sales tax?

Ms. Lang – Local sales tax not only has the impact of the outlet mall in that number but also the legislative impact of the commercial lease change this year that affected Chandler's revenues by about \$700,000. The projection of the impact of the mall was a reduction of about \$750,000. In addition to that, we also had changes just in development. Last year we had a full year of Intel development whereas this year it was projected at only six months. Now we are seeing some of that rolling into 13-14. Every year we have to look at these one-time development revenues. With all of these items being considered, our overall local sales tax total from 12-13 to 13-14 is estimated to be reduced by 2.3%.

Councilmember Heumann – This is going to be a volatile kind of thing to try to have your hands on. We won't even know the impact of the mall until maybe the first of May with the April numbers. But also as Intel slows down, hotel and motel taxes are part of local sales tax, correct?

Ms. Lang – That is correct.

Councilmember Heumann – So that's another fluctuation as they finish up their project. How much was impacted by how many people were staying at the hotels? It will be interesting every month to see how the numbers bounce all over the place.

Ms. Lang – That's why more and more we are having discussions with Departments. We have a quarterly meeting between Transportation & Development and Economic Development that we continue to talk about that. We've created new reports in our Tax and License area that really looks at the mall and surrounding area in hopes of gauging that change and comparing it against

what we have built into the budget. We are trying to watch those things as we do our Monthly and Quarterly Reports throughout the year.

Councilmember Heumann – I would rather be as conservative as possible on the numbers versus other cities in the Valley in past years making the budget work by plugging higher numbers. I'd rather have it where we get halfway through the year, and we have a little money to do something else with or carryforward.

Ms. Lang – Agreed.

Councilmember Weninger – I know it is kind of tough to predict in most businesses and entities across the United States, and they don't know how it is really going to affect them, but were there any talks about Obamacare and how that is going to affect businesses? I know with my own business and other businesses some people are going to take a big hit as far as business and they are going to raise their prices, so in some instances, that may result in more tax collections. Yet, at the same time, fewer people may be going to those places because things are so much more expensive because the prices have risen. Is there any thought as to how that is going to affect everything?

Ms. Lang – Those conversations have been going on for quite some time with HR and with their consultant who is working with the Health Care Trust and Task Force. We are seeing how it is going to impact our own health care. We are just starting to see the tip of the iceberg of that, but you can just imagine how it is impacting the individual commercial businesses out there. It is a big unknown. It is something we definitely need to be aware of and sensitive to.

Ms. Lang – We also build expenditure assumptions into the General Fund forecast. The expenditure assumptions all start with personnel. Since contracts are not final, we just simply have the estimate in there for the current budget year. Something that is very important to note is that over the five years, we did not project that we would have merits or COLAs every single year. We also assumed a 2% vacancy savings rate that was assumed in the current year, and we are continuing that 2% over the next five years. There are a lot of conversations going on throughout the United States on pension reform, but this year Arizona State Retirement didn't adjust their rates too much. We saw about a 0.4% increase in retirement. Public Safety experienced a 2% increase overall and 2% thereafter in the forecasted estimate. Our health care increases reflect about a 16% increase as we move into 13-14 because of the fact six months of that year is still paying a subsidized rate. We are now getting our rate back to the point where it should be for a fully funded rate. Then we will experience about 10% per year after that. Just recently, through the Health Care Trust Board, our consultants have adjusted that number to 10.5%. We have built in 10% for the current year. The impacts of the Affordable Health Care Act are definitely going to impact our overall health care costs. Even though we have now estimated 10% a year, that can change dramatically as we know more and we work through all these additional impacts to our health care and how we have our structure set up in the City of Chandler.

Councilmember Heumann – I think that we have done a really good job as a Council and staff in terms of trying to take care of our employees the best we can. Employees have to understand that even though there might not be a COLA in there, the total compensation that we do for our employees is going to increase significantly over the next three or four years. I hope people are educated about and aware of those kinds of things and not just looking at their paycheck and are looking at the total compensation situation. Health care is a major factor. As Councilmember Weninger talked about, in the private sector it is a struggle trying to do anything for your employees. That's a major benefit, and I hope our employees are very aware of the cost of it.

Ms. Lang – That is so true. We have already had discussions about the impacts of the upcoming changes to our benefit mix. Those will need to be communicated as we move forward. We have a very good health care plan in the City of Chandler, but the costs are probably not going to be going down. If anything, costs will be going up.

Councilmember Weninger – I agree with Councilmember Heumann. I think, though, the fight is that people were told over and over again that costs were going to go down. I saw a poll the other day that 40% of Americans think that the Affordable Health Care Act is not even going forward. Most people think that costs are supposed to be going down because they were told that over and over. We are going to have to fight that perception and let people know that the costs to us are going up dramatically.

Ms. Lang – It is not an easy message to communicate. It is extremely complicated. The entire Affordable Health Care Act and the impact on our benefits and overall costs is a very difficult message. It is going to take time and will need to be repeated over and over.

Ms. Lang – In the General Fund forecast for personnel, we do have one new ongoing position for FY 2013-14.

Ms. Lang - We have not had inflationary increases in the base budget for quite some time. Departments have done an incredible job creating efficiencies and reducing their budgets over the last four years. That pent up demand to maintain our operations led to quite a few ongoing Department requests coming forward this year. We have increases to maintain our current level of service in this year as well as over the next four years. The Highway User Revenue Funds are not growing, and we have to acknowledge that some of those costs have to shift over into the General Fund.

Ms. Lang – We do have a balanced forecast over the next five years. We are looking realistically at our ongoing costs. We built in the increases to our health care and for retirement. We've got our ongoing sustainable revenues supporting our ongoing expenditures. We also have the Budget Stabilization Reserve to be reinstated in 13-14. This will become more important as we learn about decisions in the state legislature that may impact our shared revenues.

Ms. Lang – General Fund balance is existing money that gets carried forward from year to year. Council has done a great job in making sure that we have sufficient reserves, that we are using our General Fund balance for appropriate one-time related expenditures, and that process is continuing as we move into the new year. By 17-18, we still have a healthy reserve that shows that we are able to cover our Stabilization Reserve, continue to cover our 12% Contingency Reserve, and cover many other reserves that are listed in our budget book. We also want to be viewed favorably by the rating agencies.

Ms. Lang – Discussed the Tempe Cost of Service results. This is a survey that is conducted by the City of Tempe every year. They look at the same level of utility costs, property taxes, and sales tax spending for every city and then do a comparison against other Valley cities. We are second, but we are very close to the bottom for lowest cost of service.

Mayor Tibshraeny – When did you say the update would occur?

Ms. Lang – They have been working on the update. They said they should have it done next week.

Mayor Tibshraeny – Can I get a couple of color hard copies of this?

Ms. Lang – Absolutely, Mayor, we will make sure you get those.

Ms. Lang – The Directors are going to talk about the highlights of the Decision Packages. In addition to that, we do have some fees and charges that are being brought forward in this budget. This is really just an introduction of those fees and charges, but we will still have an opportunity after the budget briefing to really delve into those fees and charges.

Councilmember Heumann – On the revenues and fee charges, are they going to be discussed at all today or brought up as we go along? We are not going to wait until another meeting, are we?

Ms. Lang – Yes, they are going to be talked about within every single Department. I just want to make it clear that there will be a separate process where they will be discussed also.

City Magistrate – Judge Traynor

Judge Traynor presented the budget for the City Magistrate.

Councilmember Weninger – I've watched some programs on the veteran's courts around the country. Would it be like the treatment courts we have where they would come to one court or one judge, or would it be spread out through the system?

Judge Traynor – I would anticipate that both of those would be coming through one court.

Councilmember Weninger – Do you think it is important, helpful, or necessary if the judges involved in these cases are veterans themselves? How do you feel about that?

Judge Traynor – I do not believe that is going to be necessary. The issue is dealing mostly with providers and what they have and what they have available.

Councilmember Weninger – Thank you. I applaud you for taking on those two things. I think they will be very helpful for Chandler.

Police – Chief Kiyler

Chief Kiyler presented the budget for the Police Department.

Councilmember Heumann – Going back to the bond election and to the new radios, is that all now implemented for the field force as well? Are all radios functional and running?

Chief Kiyler – We will never be done. Now we are going to a mandatory narrow banding of the radio system that is going to be required under the law. It is something different every year. I believe we have the equipment that will take us into the future, but the processes and requirements change every year.

Councilmember Heumann – I understand that. In government you are never done because somebody is trying to change the law on you. We are not having officers at risk anymore down in Southeast Chandler where they have to use their cell phones to communicate? Is that all in the past?

Chief Kiyler – As it relates to the radio transmissions, yes. One of our budget packages does address one issue that I will explain briefly when I get to that. We are now working on the connectivity of our data terminals. We are so far ahead of where we were on the radio system.

Councilmember Donovan – You mentioned the forensics and reducing the staff because of Gilbert. In terms of forensic staffing levels for Chandler, are we fully staffed this year?

Chief Kiyler – Yes, that is correct. At the time that we reduced the criminalist position for Gilbert, that was a vacant position we've been unable to fill. At the same time, we had a second vacant position. Criminalist positions are difficult to fill.

Councilmember Donovan – So we still have a plan for filling the vacant position to fulfill our work in Chandler?

Chief Kiyler – That is correct.

Councilmember Heumann – You were touching a little bit on the School Resource Officers and you were mentioning the partnership with Chandler. Where are we going forward with Chandler and also with Kyrene in terms of how we are going to be able to fund it? Are there needs that the Council has to address?

Chief Kiyler – I wish I had the answer to that. This is the final year of the three-year grant cycle. We are good for the grants this year. We have everybody we need in Kyrene and Chandler Unified in terms of middle schools and high schools. It will very much depend on the grant funding going forward. Those are state grants, and we have been very successful in getting grants on some fine work done by Chandler Unified and Dr. Horan who did all the coordination for us. We have some of those same questions. We don't know if given some of the things that have happened if there will be more funding given for these kinds of grants or not. We are watching that very carefully. This is the last year knowing what we have.

Councilmember Heumann – So for 13-14 in this budget, we are covered?

Chief Kiyler – We are good.

Vice Mayor Sellers – It seemed to me that the School Resource Officers are being funded with one-time instead of ongoing money?

Chief Kiyler – That is correct. For the past three years, it is not an ongoing source of funding. We have been funding it with one-time money shared with Chandler Unified each year for the last couple years of this grant cycle, hoping that when we go back to getting grants that it will be grant funded again. Then we won't have to use General Fund money. We would not retain these positions if we were unable to do the cost sharing with Chandler Unified.

Councilmember Heumann – Do we still have a policy where customers still get a "free" false alarm call before a fine is imposed?

Chief Kiyler – We have not made any changes in our structure for the past several years. We did look at it several years ago by looking at what was happening around us in other municipalities and trying to bring us into the same realm as everybody else. I believe we are still low overall. We do allow a couple of false alarms before we get to the penalty section. We do look at it every

few years to make sure we are still where we should be in terms of what the charges and penalties are.

Councilmember Heumann – I just think with the state making changes to it without the repercussions for us that we should always be looking at that to make sure our costs are being recouped. It's not the first or second false alarm, but it's the third, fourth, fifth, and sixth that are the issue.

Chief Kiyler – We collect about \$112,000 in permitting fees as opposed to the \$125,000. That's where the \$13,000 fits and about another \$100,000 in penalties over a year period of time.

Councilmember Weninger – I appreciate you needing more ammo. Do you think you will be able to get it? I've read stories and in personally trying to get ammo that it is almost impossible to buy. I've heard that police departments are curtailing training because they don't have the ammo to use to practice. Do you see any problem in getting it if you have the extra money and do you see any problems in having to reduce training?

Chief Kiyler – We have already reduced some of our training opportunities as a result of the ammo issue. It is really not about the funding for the ammo as it is the ability to get the ammo. We order ours way ahead. We actually ordered ahead of the budget year so that we can make sure that we get it. We are okay.

Councilmember Weninger – Do you use two different types of ammo? Do you have range ammo and then do you have field ammo?

Chief Kiyler – We can't use regular live ammo in the range. We can only use frangible ammo.

Councilmember Weninger – On the Criminal Investigations Bureau Overtime Decision Package, there is \$150,000 in ongoing money. Why the overtime and not fund another position? If you are using ongoing money anyway, why continue to just fund the overtime and not get another position or two?

Chief Kiyler – I think from our perspective this overtime really is making up for years of wage and benefit increases where there has been no increase in the overtime budget. The number of people doing the investigations is okay. One position would not give us near what this would allow us to do in terms of making sure we can fund the necessary overtime that already exists.

Councilmember Weninger – Is the response time that it encapsulates Citywide or are there pockets where the times are higher than others geographically throughout the City?

Chief Kiyler – Every year we look at our districts and our beat structure. We look at our response times. We look at our calls for service. We then look to see if we need to make adjustments. Our response times have typically run higher in South Chandler. That's because we don't have a lot of calls for service and people are not as close to calls. We had a problem in a couple of the beats having a high response time elsewhere in the City because there were so many calls, so we have made some beats smaller while others were made larger. We are tracking it this year to see if that is going to resolve some of it. South Chandler I think is going to continue to be a problem because you can't dedicate a ton of resources for a limited number of calls, but you still have to have enough to make sure they can get to the calls. That is a constant balancing act for us. We actually moved the southern boundary up a little bit to take some of the load off of the Downtown Main Station. That gives them more geography that may negatively affect our

response times while it positively impacts the calls for service. Every year we look at it, we talk to our folks, we talk to our planning people, and we look at the stats and try to do the best we can do. You can't redistrict every year. That just doesn't work. We have a new plan for this year, and we are hopeful that we will have a better distribution of work load and better response times.

Transportation & Development – Dave Nakagawara

Dave Nakagawara presented the budget for Transportation & Development.

Councilmember Heumann – Let's say somebody comes in and doesn't plan, and you guys make redline changes to something that is very simple. Then the person comes back the next day and wants it expedited. Does that still rise to the level of a minor change? You guys have received a lot of great compliments on your small business team that is really working well. I just want to make sure we are keeping that streamlined as much as possible. I am kind of curious how these fees might affect the small business guy who is just trying to make some minor changes to his business.

Mr. Nakagawara – This is for a situation where somebody runs into an emergency and didn't submit for the longest time. This is an initial plan review fee for an expedited permit. I did run some numbers on the number of projects this would affect. For this current year if we extended it out to the end of the fiscal year, the number of projects that are expedited typically by customer request is about 150 per year. We get about 15 of them that are these really small-scale ones that are rush projects that somebody submits and needs within three days. Or somebody forgot to submit a fire sprinkler plan or something like that until the very end of the project, and somebody was opening the business on a Monday. Those are the types of projects we are trying to encourage better planning on. When it comes to redline comments on the traditional process, our emphasis is to try and get those out first because you know what's wrong with them and you know that they have been addressed.

Councilmember Heumann – What about safety concerns? If a safety concern has been identified by either you guys or by fire inspection, how does that change any of these expedited fees? Let's say somebody has to fix whatever and it has to be done right away, is that still part of this expedited plan?

Mr. Nakagawara – This fee is something that can be waived in those types of situations. It is always a judgment call. I am trying to address those types of expedited requests that come up strictly from the customer on a non-safety type of situation where I might be displacing other work that is already in line with somebody who is diligently waiting for it to come out.

Councilmember Heumann – I appreciate that. If somebody is not doing their job, other businesses shouldn't suffer because of that and I agree. I am also glad I got some comments on the safety things.

Vice Mayor Sellers – I am just trying to understand the difference between a regular review and an expedited review time frame.

Mr. Nakagawara – By statute, we have a turnaround time of 20 working days for a typical building permit application. We have been beating that quite handily lately. An expedited is paying for a service that gets you your comments in half that time (10 working days). My personal goal and the goal of our Department is to make these fees obsolete by always beating those time frames. We have been successful in recent years; however, that is primarily a function of staffing and also the economy at this point in time.

Mayor Tibshraeny – Can you repeat the amount of that rate increase by SRP for the Utilities Decision Package?

Mr. Nakagawara – Yes, it is 8.7%.

Councilmember Heumann – On the utility increase for the Bus Rapid Transit shelters, is it just for BRT or is it part of the other shelters? Do we have a contract with the same people who are doing the normal bus shelters for advertising revenue and things like that? Will this be offset by additional advertising revenue?

Mr. Nakagawara – I am going to defer to Transportation Manager, Dan Cook.

Mr. Cook – This increase is just related to the BRT shelters and the power associated with the variable dynamic message signs that are on there as well as the vending machines. The vending machines have an air conditioner inside to keep them cool. During summertime, that part of it is a fairly big bill. It relates to seven Fair Vending Machines, including one at Chandler Mall and 13 BRT stations where we have the dynamic message machines. The rest of the bus stops are already covered within our existing operations budget. Regarding the revenue we get from the advertising, CBS Outdoor has that contract. In lieu of the advertising, they do actually clean the BRT shelters as well, but they are not responsible for the power bills.

Councilmember Heumann – Regarding the contract with CBS Outdoor Services, was there no plan to help offset some of that cost? Is that contract for three or four more years on the BRT side at least?

Mr. Cook – CBS Outdoor is for a few more years. I don't remember exactly how many more years. We usually use that revenue we get to offset our transit operations cost, which would be actual service on the street or some of our power bills associated with the lighting of several of our structures around town.

Councilmember Heumann – I know on light rail we have been trying to add advertising opportunities to try and offset some costs.

Councilmember Heumann – You've got a 48% increase in Transportation & Development administration costs. When I see things like that, it kind of sends up a red flag on why that number has increased so much. Are we taking people out of the field? Can you explain why? The job numbers are staying the same in the total Department yet administration is going up from five to nine.

Mr. Nakagawara – I will take a closer look and will get back to you on that.

Municipal Utilities – Dave Siegel

Dave Siegel presented the budget for Municipal Utilities.

Councilmember Heumann – I think we have to be really sensitive to some of these increased fee issues. I know we have people using it for a commercial business, and we need to stop that. When you come back to us in subcommittee, we need to take a look at some of these things. What we don't want is multi-family people turning around and dumping it out in the streets or vacant lots.

Mr. Siegel – Absolutely. We have some ideas on those things when we talk to you in the near future.

Councilmember Hartke – Regarding increased costs for CAP (Central Arizona Project), is this speculated too? I know there is discussion on the coal firing plant and then passing on the cost. Is this reflecting that at all by speculation or is that just hard cost and the impact of the plant is yet to be known?

Mr. Siegel – That is going to impact us more starting next year. We have pushed AMWUA (Arizona Municipal Water Users Association) to stabilize that rate, but that definitely is going to be a cost increase in the future. We've worked with Dawn's staff and the rate models to try and project part of that in the future. I am sure we will be adjusting it between today and next year at this time as we learn more about what is going to happen with the two coal fire plants. This is going to be a future issue for us.

Councilmember Heumann – As the representative for the City on AMWUA (Arizona Municipal Water Users Association), it is an ongoing challenge. The NGS (Navajo Generating Station) hasn't really even kicked in yet. These are just deficits that occurred over the last two years based on power not being able to be sold and the price of natural gas actually going down. We are in much better shape than a lot of cities because we don't use as much CAP (Central Arizona Project) water as other cities do. That's going to be a challenge over the next five years that AMWUA is wrestling with along with CAP. The NGS thing is definitely part of it, but you are going to see some significant rate increases on water over the next five years with that plant.

Councilmember Weninger – Can you tell everybody what the Intel reimbursement is for?

Mr. Siegel – It is for the pipeline, a just completed pump station that cost about \$40 million, and the Airport plant which cost about \$120 million. We bill them monthly, and they reimburse us monthly as we build it.

Councilmember Weninger – And this was in the current budget that we are in right now?

Mr. Siegel – Correct.

Councilmember Weninger – Just to let everybody know, there is an organization out there that usually does good work. They do rankings of legislators and councilmembers. However, I recently received some calls from citizens because they had done a ranking of this Council and past Councils as low and a friend of big government. But they ranked Glendale as an ally of the taxpayer when it has the highest taxes along with Tucson and Phoenix. They do a very general look at things, so they looked at the budget and saw that it increased over 5%. Of course not taking into account that we have the largest construction project going on, and we had to put in these pipelines at Intel who is mainly reimbursing us all for it, correct?

Mr. Siegel – That is correct.

Councilmember Weninger – I am getting back to the citizens, but just in case anybody else had seen that I wanted to clear that up that the metrics they are using is flawed to be kind.

Fire – Chief Clark

Chief Clark presented the budget for the Fire Department.

Councilmember Heumann – On page 15 of the book, it talks about prevention preparedness. It is talking about violations, and there's a footnote in there that there has been a decrease in violations due to businesses performing self-inspections. Can you talk a little bit about that and is that something that has worked really well? If somebody performs a self-inspection, do you still go out and check it every so often? Are you finding that most of the people are great but there are a few people who are not self-inspecting?

Chief Clark – Yes, we do audit the self-inspection program. We send the self-inspections out. The reason you see the decrease in the number is had we had an inspector go out, the inspector would have written up two or three or four violations in each of those businesses. As part of the self-inspection program, as a business owner, you find those violations yourself and correct them. You certify that you correct them. We don't count that as a violation. That was corrected and sent out. Then we do audit. We send our inspectors out to a certain small percentage of them, and we do audit some of these self-inspection findings. Actually, we find that it is more awareness than anything. By pointing things out through the self-inspection program and the written literature that is there, the self-compliance is at a very high rate. We very seldom, on follow up visits, find anybody who is not adhering to the fire code. It is just simply getting something in their hands and letting them know what the rules are.

Councilmember Heumann – It is great that our citizens and businesses are saving us money by them doing this and is less onerous on them. One other question on the Fire Admin line of the budget...I am curious. Last year's adopted budget was about \$5.2 million and we are estimating only \$3.7 million this year, and the proposed budget is \$4.9 million. I am curious as to what caused the \$1.6 million decrease to actual expenditures by the end of the year and then jumping back up to the \$4.9 million.

Chief Clark – You're looking at page 3, Councilmember?

Councilmember Heumann – Yes sir.

Chief Clark – So on the Fire Admin line, a 6% drop. I'll have to get back to you on that.

Councilmember Heumann – It seems that last year there was a significant drop of what you estimated to expend and then it pumps back up. So are we short two people?

Chief Clark – No, we haven't changed anything.

Ms. Lang – We will look into it and have an answer for you in a little bit.

Community Services – Mark Eynatten

Mark Eynatten presented the budget for Community Services.

Councilmember Weninger – Mark, if we implemented fees for field and court reservations, would there be a way of installing any kind of a board or something to where it shows there is a reservation there so you don't run into a thing where you just have somebody arguing with somebody else who is there?

Mr. Eynatten – Right now the way we do it is somebody just has the permit. But that is something that we will take a look at so that we can avoid any potential altercations that might occur.

Councilmember Heumann – When you say special event, are you talking about a block party Downtown or are you talking about the dog thing at Tumbleweed or are you talking about somebody renting the ramadas at Desert Breeze Park or Tumbleweed Park?

Mr. Eynatten – We are talking about a special event that would go through the Special Event Committee. For instance, that group may want to reserve AJ Chandler Park. They would pay in this case, if it is an event with less than 500 participants, a resident deposit of \$250 that they would get back if the site was cleaned.

Councilmember Weninger – I am assuming that if somebody just leaves and doesn't clean and just forfeits the deposit that there would be careful consideration not to allow them to do something again.

Mr. Eynatten – Yes, exactly. That's what would happen.

Councilmember Weninger – Obviously if there was a deposit, our resources will probably cost a lot more than that to clean up after somebody has an event.

Mr. Eynatten – If the costs we incurred were greater than what the deposit is, then we would charge that balance back to the event promoter.

Councilmember Heumann – Dr. Chandler Park, for example, does this apply to DCCP (Downtown Chandler Community Partnership) when they run events or does it apply for the Jazz Festival that is partially a City event?

Mr. Eynatten – The City is a member of the DCCP (Downtown Chandler Community Partnership). We waive these kinds of fees for them. We see it as more of a partnership type of situation. For instance, if Community Services or another Department were to put on a special event, we would not charge them these deposits either.

Councilmember Hartke – Regarding these fees, is greater priority given to them (commercial business) if a local group wants to use this field but suddenly corporate groups have, by right of fee, the ability to take over more fields? How does that work in terms of a change in registration, time, or structure?

Mr. Eynatten – There is no priority given to a commercial company. It is based on availability, and it is also based on the rest and recovery schedule of ball fields. It is on a first come, first serve basis. If the field is available and I come in and want to run a tournament, I can book it. If it has already been rented by an individual resident, we are not going to bump them simply so that maybe we can make a little bit more money.

Councilmember Heumann – When Desert Oasis was built, was that a joint venture with Mesa Unified School District (MUSD) with a long-term contractual agreement or how was that done?

Mr. Eynatten – I am going to ask Sheri Passey, our Aquatics Superintendent, to answer that question.

Ms. Passey – Yes, it was a long-term agreement. Both the school board and Council approved that. The school donated the land as well as \$200,000 toward the construction of the bath houses and the ongoing costs of the utilities for that facility since 1993.

Councilmember Heumann – Was it a contractual agreement for an unlimited amount of time or was there a time frame put in there? Do you know?

Ms. Passey – The agreement, I believe, was for 20 years. It is now time that we will be revisiting that IGA with the changes they are requesting. They do value the partnership they have had the last 20 years with the City of Chandler. They also maintain schools within our boundaries, so they do value that partnership. They are willing to work with us and allowing us the time to make this adjustment. But because they have made changes to what used to be Hendrix Junior High School and is now Summit Academy, the learning structure has changed. They don't use the facility now. After the facility was initially built, Dobson High School also used it for their high school swimming and diving program. That no longer exists. They go to Rhodes Junior High. Their use of the facility has really changed.

Councilmember Heumann – The north part of Chandler, which is represented by the Mesa Public School System, the schools up there, I feel, have been neglected in a lot of respects. There have been a lot of changes with an elementary school being changed over to a preschool. Hendrix has been changed to Summit. I just hope that the Mesa School District is going to work with us a lot more closely. I know they are under budget constraints as well, but we have a lot of citizens who live in North Chandler. It is not just the pool, but I am concerned as an overall City. This is something I would like to talk to the City Manager's Office about. I am a little frustrated.

Councilmember Weninger – So they are not going to be paying that portion of it. Does that mean it's going to shift to 100% use by the City of Chandler?

Mr. Eynatten – We still anticipate that we will get a lot of Mesa residents that will come for open public swim. We do know, and we are able to track currently, the number that participates in our swim lessons and our certification classes. Right now, 90% of our swim classes that are up there are filled by Chandler residents. We do anticipate some use by Mesa.

Councilmember Weninger – I guess what I am getting at is the shared use of the facility like Hamilton Pool. It is shared with the school and they take up a lot of time. Does this free up time

to where you can have more activities where you could have swim meets or different things? Sometimes I know with swimming in these competitions that it gets pretty tight in trying to schedule these things. Can we increase that kind of thing now?

Mr. Eynatten – Yes sir. We will have those capabilities.

Councilmember Weninger – Kudos on a lot of things you are doing. Happy to hear about the lighting being done at Tumbleweed. I was driving by Snedigar the other day, and you can hardly read the sign. Is there any plan to replace the old wooden sign?

Mr. Eynatten – That sign is scheduled to be replaced.

Councilmember Weninger – We've had another park, Valencia Park, moved up in this next fiscal year's budget, is that correct?

Mr. Eynatten – In the CIP, that is the proposal.

Councilmember Heumann – Thanks to your staff member who came up with the ball field maintenance idea. Council gave some money last year to ball field maintenance, and you were

telling me the other day that this third fertilization will happen in June. Is that something we really need to do for a couple of years? It is not in any of these funding packages, I don't think. Is that something we would need to do for a second year? I think it was about \$20,000 so we can get some measurable data on that.

Mr. Eynatten – Yes sir. It would help a lot if we got back to a regular three times a year fertilization schedule. It is not included in any of our funding levels. We think we will see a dramatic improvement in our Bermuda grass as it gets an additional feeding if you will as it really goes into its heavy growing season. If we don't continue that, that trend will not continue.

Councilmember Heumann – Was it about \$20,000?

Mr. Eynatten – Yes. The Council gave us \$20,000 last year.

Councilmember Heumann – If Council did that again next year using contingency money or whatever, we could get some measurable data by the end of the year? We could get a feel as to how it is working?

Mr. Eynatten – Yes. I think that would be very possible.

Councilmember Heumann – We moved some money up last year for shade structures. How many structures are in the budget for 13-14 and what will that leave us to do?

Mr. Eynatten – Last year, the Council gave us funding for two additional shade structures, which allowed us to do five. We have a total of eight left. There are six scheduled in this budget for this year.

Councilmember Heumann – What would be the cost of the last two so that we can have every park in the City with the shade structures? The compliments from citizens are that the kids can use the parks a good portion of the year now.

Mr. Eynatten – The two remaining ones are larger structures than what we are currently doing. We anticipate the cost for those to be in the \$70-75,000 range total.

Councilmember Heumann – Where are we at in terms of making some adjustments to our library reimbursements so that we are not a "donor?" We get back about 20% right now from the county. I think that is the number.

Mr. Eynatten – I'd like to ask Brenda Brown, our Library Manager, to come up to talk about that.

Ms. Brown – There have been two meetings, one in March and one in April to discuss restructuring the reciprocal borrowing. What the county hopes to do is currently they fund us through two different ways. About two years ago, they set aside \$1 million which is designated by the percentage of property taxes paid by any municipality. Out of that \$1 million, we are currently getting \$82,000 reimbursed in addition to reciprocal. Reciprocal is running them about \$1 million as well. Recently, our numbers have decreased. We are getting less and less. Some of that is because some municipalities are counting their cardholders from other cities differently, which is a point of concern for me. If they are not expiring their non-residents annually, it pushes our numbers down dramatically because we do follow the guidelines set up in the IGA. They are proposing now to take that \$1 million that they give us for the Materials Assistance Program and \$1.6 million, as reciprocal potentially, and combining it into \$2.6 million and dividing it up. Getting

away from the formula. Doing it by assessed value, which would dramatically increase what we are getting. Making it a combination of assessed value percentage and the way that the cardholders are done now. They are really brainstorming and haven't settled on anything. At best, it would increase what we are getting right now. From the two programs, we estimate the revenue this year to be a little over \$100,000. It would increase, at best, to about \$214,000 through the best proposal they have.

Councilmember Heumann – We send how much money to the county?

Ms. Brown – At the last projection, it was about \$1.2 million from Chandler property owners.

Councilmember Heumann – I appreciate you working on this, and I know we'll work closely on this. We will wait for their next proposal, but just wanted to make Council aware that we are trying to set up some meetings with two of the County Board of Supervisors that this is a major issue for a lot of these Valley cities. Not all of them because a few of them are benefiting tremendously from this thing. Several Valley cities were basically donors. Even if this number goes up, we are only getting \$.20 on the dollar back from what we participate in.

Councilmember Weninger – Is there anything that can be done about the bees at Tumbleweed Park, especially around the large ramada? Have you noticed that problem?

Mr. Eynatten – Yes sir. That's a common complaint. A lot of it has to do with what is being put in the garbage cans, particularly soda cans and sports drinks which attract the bees. We will look at increasing our collection of the trash materials so that will eliminate the attraction for the bees.

Mayor & Council, Communications & Public Affairs – Nachie Marquez

Nachie Marquez presented the budgets for Mayor & Council and Communications & Public Affairs.

Councilmember Heumann – In terms of the print situation, I know we are working on a new Utility Billing System. What percentage of customers is getting electronic bills now?

Ms. Lang – Electronic bills are about 11,000. Electronic payment types are about 70% of our customers.

Councilmember Heumann – My whole point is that as we continue to look at technology, we have a great IT Department, we should be looking at eliminating as much paper as we possibly can. That includes City Scope going out electronically. I would hope that is the goal. I understand if the printer is dead and you have to replace it. But I would hope that the goal over the next five years is to continue to reduce that paper flow, which will save us money in the long run. More and more citizens are doing things electronically, so we should stress that the goal should be to minimize the amount of paper going out.

Ms. Marquez – Absolutely, and we will work with IT and Management Services. We are going into a new Utility Billing System. We are always looking to see where we can go electronic.

Mayor Tibshraeny – The caveat on that is if there was a major policy decision, it would come to the whole body in terms of what items we were going to eliminate sending or start sending electronically.

Ms. Marquez – Absolutely, if we were going to make any change we would do that.

Councilmember Heumann – If 30% of our people are still getting it by mail, they are going to get the City Scope by mail.

Mayor Tibshraeny – All I am saying is that if they want to get it electronically, that's fine. But I wouldn't mandate that they have to get it electronically.

Councilmember Donovan – Dawn, you mentioned 11,000 households. Is the customer total 90 some thousand?

Ms. Lang – We have a total of about 80,000 accounts. Out of those 80,000 accounts, about 11,000 are receiving e-bills.

Councilmember Donovan – 14% or so?

Ms. Lang – Correct. Councilmember Heumann mentioned 70%. That is referring to the almost 70% of the 80,000 accounts that are paying their utility bill in an electronic manner.

City Manager – Marian Norris

Marian Norris presented the budget for City Manager.

No Questions or Comments.

Buildings and Facilities – Kris Kircher

Kris Kircher presented the budget for Buildings and Facilities.

Mayor Tibshraeny – City Manager, I would just like to mention to you, Marian, and Kris that I appreciate all of the things you do on the maintenance and upkeep of our facilities. You get a lot of emergency calls and a lot of repair calls for all of the different facilities that we own. Your crews are really good. They get out there and take care of things. The people all have a good attitude. I just wanted to thank you and them for the work they do for the citizens of Chandler.

Mr. Kircher – Thank you, Mayor and Council. I have a wonderful staff and appreciate your comments.

Economic Development/Downtown/Airport – Chris Mackay

Chris Mackay presented the budgets for Economic Development, Downtown Redevelopment, and Airport.

Economic Development

Councilmember Hartke – You had mentioned that we had located 3,600 jobs. But it seems like if you are doing your job well, you are also creating a synergy of other things that happen. What is the total job number in our City? I think it is just worth bragging about.

Ms. Mackay – We look at our MAG numbers. Chandler's most recent numbers show just over 134,000 total jobs within Chandler. That's a gain of just over 5,000 from the previous time we had done the study. We see those numbers steadily increasing year after year, which is important to us as we move forward. I think another important point that we talked about this morning was our unemployment rate. The national unemployment rate was issued this morning at 7.5%. Chandler's rate, as of the end of March, was 5.7%. Phoenix is at 6.8% while the state is at 7.8%. We continue to do significantly better than the region.

Councilmember Heumann – I just want to compliment you guys on the work you do. It is not just bringing the companies in, but your retention efforts are amazing. Vice Mayor Sellers and I have gone out to a couple of these, but the knowledge that you and your staff have of every property around town is amazing. We did one this past week, and they were asking about a building. James Smith was right there with the information. You're the front person out there and do a great job. I think your staff needs to get the kudos from us as well. I think they do an awesome job. I hope there are some large announcements coming up on the Price Road Corridor. So we are excited about those as well.

Ms. Mackay – I truly appreciate your compliments to them. They work diligently, day in and day out to bring those forward. Those visits are so critically important because of your new jobs, 85% come from your existing companies. As far as Price Corridor is concerned, we are very excited about some of those new announcements. I know in the *Business Real Estate Weekly* this past week, they did formally announce the site for GM. I know you all have known the location, but it was finally announced for Chandler Freeway Crossing. We received a lot of kudos regarding GM.

Downtown Redevelopment

Mayor Tibshraeny – San Marcos is obviously a cornerstone of our Downtown, so I know we are working closely with the new owners. You are working closely with them as are the City Manager's Office and my office. We need to do everything we can within our power to see that they are successful.

Ms. Mackay – Mayor, you are exactly right. That hotel really is the cornerstone of our Downtown operations and our community's heart. It is so important to bring her back up to her status. Teri has seen a little bit of the preview of what they plan to do. It is going to be beautiful.

Airport

Councilmember Weninger – I went to an HOA meeting there a couple weeks ago, and the road is just brutal coming from Queen Creek. Is that anywhere in the plans to be repaved?

Ms. Mackay – Compliments actually to Dan Cook. It was not slated until 15-16 for its resurfacing. Dan noticed how challenging it was getting with the potholes. He actually moved it up in the priority, and it is now planned to be fixed in the next few months. It will be a mill and overlay repair.

Councilmember Heumann – You are doing some fee increases, but where are we at on a five-year plan to get the Airport self-sufficient in terms of revenue? It is a challenge to me to continue the amount of money that is going out there without some kind of a plan. I know you have planned it, but is there a light at the end of the tunnel when we might break even?

Ms. Mackay – We are working towards this flight to self-sufficiency. The operations that are out there today with the tower, runways, and pavement have to be maintained whether you have one tenant or 100 tenants. Our plan to move toward self-sufficiency is to continue to push out RFPs (Requests for Proposal) and to continue to get new tenants out to the Airport while bringing in new development and operations that would in turn pay for land leases, operations, and fuel. Our land leases are relatively low. That is standard on any airport around the country. We are looking at other ways to lease potential property out there, like the T-Shades. Asking for a loan from ADOT and being able to pay back the loan and then being able to recoup the money increases our ability to pay our bills and moving toward self-sufficiency. Some of the things you will be seeing us asking for moving forward are absolutely in that plan.

Councilmember Heumann – At an airport like this, are there fees to land and take off? Or is it just the tie downs, rentals, and those kinds of things?

Ms. Mackay – No, there are no user fees that exist at any of our non-commercial airports here in Arizona. It's the tie down fees, it's the fuel flowage fees, it's the economic impact of the hotels they are staying at, and the money that circulates through the economy. But no, there aren't any user fees at this airport. Falcon (Field) is an airport that we are probably 15 years behind. They only hit self-sufficiency five or six years ago, so it takes time. We and Airport staff plan to make our Airport into something similar to a Scottsdale Airport.

Councilmember Heumann – I know Lori has been doing a great job out there. There seems to be a whole different attitude out there. I think that was the reason we have you guys overseeing it so you'll drive that development, and we'll be sitting here in a couple of years seeing that plan getting closer to reality.

Human Resources – Debra Stapleton

Debra Stapleton presented the budget for Human Resources.

Vice Mayor Sellers – I will just mention that I am impressed with the efforts that we are putting into the wellness programs. Councilmember Heumann and I visited one of our employers here in the City this last week. They had a very impressive gym where they encourage their employees to really be involved in a physical fitness program. Very impressive.

IT/ITOC – Steve Philbrick

Steve Philbrick presented the budgets for Information Technology and ITOC Operating.

Information Technology

Councilmember Hartke – Is the Internet backup to the City complex \$100,000 - \$120,000 for installation and then the \$51,000 is for the contract to keep the Internet backup system there?

Mr. Philbrick – The \$125,000 that is in the CIP is to buy the networking equipment necessary to be able to connect in a second service. The \$51,000 is divided up: \$25,000 is put in the Fund 403 Replacement Fund to pay for replacement equipment five years from now, so it is basically 1/5 of the initial purchase price. The \$26,000 is the ongoing portion that pays the monthly service fee with a network provider to connect us to the Internet.

Councilmember Hartke – Is this the same cost as the primary in terms of \$2,000 a month? This is our backup system, and I am assuming we will be using it for more than just backup. But is that the commercial cost on the ongoing fee?

Mr. Philbrick – We will be balancing the network connectivity through the two different providers so we can get the full bandwidth when we have it through the two providers. The City is currently using an agreement through CenturyLink. We are provided with free Internet service because they didn't have video services in the City. In lieu of doing that for the citizens, they would provide the City with free Internet service for a period of time. We are still under that agreement. With CenturyLink coming in, we expect that at some point that will change. They have started ramping up services such as television and cable video services to citizens.

Councilmember Hartke – So this is more than just a true backup. It is actually an augmentation with the capability that if once this part expires, the other will add to it.

Mr. Philbrick – Correct. This is more than just a simple backup that will be sitting there waiting for use. We are going to be able to balance our services across it to make sure we have the best services for the City.

Councilmember Heumann – In terms of the Utility Billing System, will it have the capability of just not billing but also being able to reach out to people? We were talking earlier this morning about more people going electronic. We have 11,000 going out, but we have 56,000 coming back in. Will the new system have the capabilities of being able to do messaging and things like that?

Mr. Philbrick – Yes. In addition, we will have EPPP, the Electronic Payment Processing Portal. Between the two projects, they are going to be integrated and working together so that we will be able to have the payment processing portal for people to sign up and be able to get messaging through that. We also have built-in messaging through the Utility Billing System. It is just a matter of different types of customers and how they interact with the City. There will be multiple ways to get them the information electronically if they choose to do that.

Councilmember Heumann – So if somebody wants their City Scope electronically as part of the billing, will you be able to do that seamlessly?

Mr. Philbrick – We probably could. There are probably ways to get that information electronically.

Councilmember Heumann – We want our citizens to have all of the information, so I would hope there is a way to connect those two together.

Vice Mayor Sellers – With this upgrade in our billing system, will we be able to show the amount that is due on the bill as part of the email rather than having a person log on to find out?

Ms. Kerstin Nold – Yes. The new billing statements, which we are actually designing as we speak, will have the ability to have the amount due. Anybody who would like to subscribe for billing services will get a notification. They will have to click on that notification because we will want to secure that information, log in, and then they will be able to see.

ITOC Operating

Councilmember Heumann – On the large transfer files, is that using a 3rd Party service for that? What kind of service are you using?

Mr. Philbrick – Yes, we are using a secured 3rd Party product through a company called Thru. We looked at a bunch of different solutions, and that one had the best system that met our needs and would integrate the best into what we had. It is all cloud based as far as where the data is stored.

Councilmember Weninger – Regarding the server room, if we rented out the rest of that building, how tough would it be to make that a secured area? Obviously you don't want anyone wandering in there. Could that be done? How big of a project would that be?

Mr. Philbrick – We had to move the doorway. If you remember, the doorway into the computer room was back by that back door. In order to get the ramp distance we need to get up the floor, we had to move it farther into the building. There would be a little more work to secure that space

to make sure that the City had access. But we could obviously also just secure that room and some amount of space for staff that are going to need to be there when they need to be there to work on that system. It could be worked out. It is not impossible.

Councilmember Weninger – Right, but right now we are kind of married to the building because we just did the expansion and everything.

Mr. Philbrick – There is no other place in the City to move the data center that is there. City Hall doesn't have the capacity to be able to do that. We've got redundant data centers to a certain extent with some of the data in both locations so that we can survive in case we lost one or the other.

Neighborhood Resources – Jennifer Morrison

Jennifer Morrison presented the budget for Neighborhood Resources.

Vice Mayor Sellers – Do you perceive that in some amount of time that you will be caught up with substandard building inspections or when our regular inspectors can keep up with this? Or do you see this as more of an ongoing thing?

Ms. Morrison – That's a great question. I see this as a pilot. As we have the funding to be able to put this position in the field and respond to calls, we will be able to tell you in a year or so what the demand is. I think it is a great opportunity to learn more about the scope of the problem out there. We have no preconceived notions that this will be ongoing at this time.

Councilmember Heumann – What conversations are going on about commercial demolitions? Is there any federal money or would it have to come out of Council money? We get calls on that during the year that ask about these kinds of blighted properties.

Ms. Morrison – I was in a meeting where that came up yesterday. I do believe the owner of that property has made some commitments. They are going to do some rehabilitation. We were in a meeting yesterday with the code inspector on the planning side of the commercial inspections, and Malcolm made sure to let her know that the abatement fund that was established last year by Council is available to her as well. It may not cover the cost of a full demolition, but it does allow us to react when we see commercial properties in disrepair. We can send that 30-day notice; have them go into a process; and abate, bill, and lien. I think we are expanding now our idea of what our abatement funds can be used for because we realize that commercial properties in blighted condition are blight just like residential properties.

Councilmember Heumann – Are there abatement funds, you said you had some leftover, which are needed for next year if they aren't in the budget?

Ms. Morrison – No, we are in good shape on that.

Councilmember Heumann – I know your proactive enforcement has gone up over the 40% range if I remember correctly. I just want to commend your staff. It was always a challenge over the last three or four years with the economic downturn, but your guys are being a lot more proactive now. Neighborhoods are feeling it and are getting cleaned up. I especially appreciate the work being done in the neighborhoods in North Chandler.

City Clerk – Marla Paddock

Marla Paddock presented the budget for City Clerk.

Vice Mayor Sellers – It seems like you got some sort of award this year too, didn't you?

Ms. Paddock – I did. I received the Clerk of the Year from the Arizona Municipal Clerks Association. Thank you.

Law – Mary Wade

City Attorney Mary Wade presented the budget for Law. Prosecutor John Belatti also provided information regarding the Domestic Violence Process Service, Treatment Court, Supervised Probation Court, Veteran's Court, and Mental Health Court.

No Questions or Comments.

Management Services (including Non-Departmental) – Dawn Lang

Dawn Lang presented the budget for Management Services, including the Non-Departmental budget.

Councilmember Hartke – It seems like there is probably a fair share of reconnects for those who are struggling to pay their bills already and then having them disconnected and then coming up with money to pay late fees. Is there a possible abatement if someone is just struggling? If the reason it was turned off was because they couldn't pay it, this will obviously be more insult to an already distressed situation. Is this in line with what other cities are doing or do we have a way to maybe offer some assistance on that based on circumstances?

Ms. Lang – We do have the A-OK funds that are paid through the utility bill. Some of those are applied toward utility costs for those people who have trouble paying utility bills. That's a funding source for that. In regards to this fee itself, some of it has to do with snowbirds that come in and out and reconnect after disconnect or moving from one apartment to another apartment. There are a lot of different situations, but we can certainly look at situations where there is already a hardship. I'll have that discussion with our Utility Manager and see how we can maybe structure the language or change this somewhat.

Councilmember Hartke – It makes sense to me with snowbirds, but I would not want to add further distress upon distressed families.

Ms. Lang – I completely understand.

Councilmember Heumann – I want to piggyback onto Councilmember Hartke on this. I think there is a distinction between a snowbird who is coming in and out and just trying to save money and somebody who is struggling. They were shut off for failure to pay. We should be able to code it in such a way that you know there is a difference between somebody who was shut off and gone for six months and just didn't want to pay. I would very much support Councilmember Hartke's comments.

Ms. Lang – We will definitely be sensitive to that and think about language to solve that issue.

Councilmember Heumann – For the banks, the rate of interest is near zero. Even with the amount of money we pass through the banks, they are still charging us fees? What kinds of fees are these?

Ms. Lang – This is a combination of a wide variety of fees. Our banker is J.P. Morgan Chase. The fee contract is probably about 15 pages long. ACH transactions, wires, and every little back

and forth have a fee. There is a negotiated contract we went out competitively on, and they had the best price for the City of Chandler. There are numerous fees.

Councilmember Heumann – How much money do you think we have run through Chase Bank? It just seems odd that the amount of money we must be running through them, like deposits, would cause the bank to charge us fees while they are using our money.

Ms. Lang – That is an excellent thought, but most of our funds are held in our two investment funds, which are through Wells CAP and PFM. We have it 50-50. We try to keep the J.P. Morgan operating account at a fairly low level, and we have overnight transfers to maintain that level as low as possible.

CIP Overview – Greg Westrum

Greg Westrum presented the CIP Overview.
No Questions or Comments.

Buildings and Facilities CIP – Kris Kircher

Kris Kircher presented the budget for the Buildings and Facilities CIP.

Councilmember Heumann – On the HVAC at Tumbleweed Rec Center, wasn't this a design flaw that was done by the architect? Is that something we can go back to the architect that designed this building?

Mr. Kircher – It actually is not a design flaw. During the construction process to speed up the construction timeline, they asked to change this air handler to a different one they could get in right away. However, once they decided and the City actually accepted, the air handlers were a lot larger than the ones that were designed. The issue is that the air handlers need the same amount of cooling yet they are packed into a very small area. We did, through the course of several years, try to work to find some solution where they didn't need to be moved. But we have exhausted all of our options.

IT/ITOC CIP – Steve Philbrick

Steve Philbrick presented the budget for the IT/ITOC CIP.
No Questions or Comments.

Communications & Public Affairs CIP – Nachie Marquez

Nachie Marquez presented the budget for the Communications & Public Affairs CIP.

Councilmember Weninger – What Channel 11 video equipment is being replaced? Is it cameras, or more editing, or everything?

Ms. Marquez – It is both. All of the cameras in the studio, the cameras that we use for all of our programming, anything that is done in the studio...it's replacing all of those cameras. Then the editing equipment that goes with that is fairly ancient as well. We have had it for quite some time.

Councilmember Weninger – What are the plans for the existing equipment?

Ms. Marquez – It will probably end up in a museum, but I am not sure. It is quite old. Everything that we currently have has no maintenance. If something were to happen, we are in a world of hurt. I think we will send it to auction. Somebody, maybe a collector, might buy it.

Councilmember Weninger – I remember when we were making the move from the other City Hall, the guys at Gangplank and a couple of other people were drooling over the equipment. They were asking if we were getting rid of all of this. So I don't know if there is a way that you could sell it or donate it to non-profits or to anybody who might have a use for that in Chandler.

Ms. Marquez – That's a good point. We've also had some smaller towns, like Florence, looking at some of our equipment. We will reach out to see if there is an entity whether it is another town, a smaller city, or Gangplank. We've done that with some of the other equipment.

Councilmember Heumann – I think there are a lot of opportunities in the high schools for the equipment. Regarding the Print Mail and Graphics inserter, wasn't the number on the other part of the budget today \$10,000 to replace something?

Ms. Marquez – The \$10,000 was for the maintenance agreement for the inserter.

Councilmember Heumann – So it is \$10,000 for the maintenance agreement for this?

Ms. Marquez – That is correct. The amount shown here is to purchase the equipment.

Councilmember Heumann – Is there no warranty on something like this or is it for a very short term?

Ms. Marquez – It is too short term for what we would need.

Councilmember Heumann – I talked earlier about working with Utility Billing and the capabilities of the new system where we can try to strive to move away from paper bills.

Ms. Marquez – The interesting thing about the inserter is that it will actually help with the switch over from the Utility Billing System. It will increase the functionality of it. It would be able to read the embedded information in the bill. We do not have that capability with the inserter we have today. It will also provide us more control over our mailing. It fits into this upgrade. It will help us be more efficient as an organization.

Economic Development CIP – Chris Mackay

Chris Mackay presented the budget for the Economic Development CIP.
No Questions or Comments.

Downtown Redevelopment CIP – Teri Killgore

Teri Killgore presented the budget for the Downtown Redevelopment CIP.

Vice Mayor Sellers – I guess I am anxious to see the South Washington Street design go forward because that goes all the way back to when I was on the Transportation Commission. We were doing some planning around that. Glad to see that is finally showing up on our horizon.

Councilmember Heumann – I will disagree with the Vice Mayor. One of things you talked about on South Washington Street involves Dakota. We've had development come in on Sites 4 and 5. Looking at that, we are talking about doing an RFP (Request for Proposal) on Site 6. Talk to Council a little bit about the Dakota part of it because I think that is something that is going to happen a lot faster than South Arizona Avenue. I can see South Washington down the road, but I don't see the spending of money next year for design. I think there are more needs in the center

square. Can you talk about what you are envisioning for Dakota Street and what the costs would be and where they would come from?

Ms. Killgore – The purpose of the Dakota Street punch-through from Commonwealth to Buffalo is to provide two things for the Downtown. One, a secondary circulation pattern for the west side of Arizona Avenue. We are thinking a secondary access so that when Arizona Avenue is closed for events or San Marcos Place is very busy and active, residents and visitors have a different way to circle about on that side of town. What is envisioned is that we would do design work in partnership with the San Marcos Resort to support both their activities and their redevelopment efforts, envisioning what the golf course and casitas should be along with new luxury apartments coming in on Sites 4 and 5. There is significant infrastructure that needs to come in with this project. It may not have to happen at the same time, but we know we have some major utility upgrades to do in that area to support this additional density. On South Washington, it does some of the same things. We have a developer who is inches away from going into escrow on the CMC Steel site, which the South Washington Street corridor supports also from a utility and traffic perspective. Which project is going to come out of the ground first? We are kind of guessing here, but our money right now is suggesting that we move forward with the South Washington Street design. We think we have enough in some carryforward money to help us through the Dakota Street design because it is a much smaller stretch of street.

Councilmember Heumann – I would just like to make a recommendation that when it comes back to a Council subcommittee that we really discuss it. The Dakota thing has really accelerated over time. I think the Dakota thing is very important. I'm not saying South Washington Street down the road isn't important. I would really like to take some strong looks at the numbers. There is actually money for 14-15 that you have on Washington Street. We are going to have to move on Dakota fairly quickly if this thing starts to happen. I have also been reading about a stage being proposed over by the old museum. What's the funding situation on that?

Ms. Killgore – We've asked the Downtown Chandler Community Partnership to provide us a formal proposal on what type of stage they would like to see built and what the operations and maintenance arrangements would be on that. We don't have refined numbers past those presented at the public meetings. We have put some placeholders in with the Community Services CIP to address a potential stage going forward. Mickey is far more familiar with that than I am.

Councilmember Weninger – I guess I agree in part with both of these gentlemen. I think we can walk and chew gum at the same time. I look forward to doing both of these projects. This has been a little part of my evolution because I used to not support South Washington. But what I see both of these projects doing is slowly releasing more and more of this Downtown and the incentives. We want to get this turned over to the private sector. I think these are the kinds of things that are the responsibilities for governments to do: To build roads, to build infrastructure. Then let the private sector come in and assemble the land and do these things. I think both of these infrastructure projects are going to produce more of that and let us more rapidly get off of these Downtown incentives. I applaud you on both of these things. I'd like to see them both move forward quickly.

Councilmember Hartke – I agree with Councilmember Weninger. I look at these and see the need for Downtown to develop and, as we've talked about, taking it to the freeway. I do see the value. My question is related more to land acquisition. I know there has been discussion if there are pieces that come up with Washington. Is there land acquisition at all involved in looking at

Dakota or are there any other specific property targets we are considering other than the possibility of looking at Washington right now?

Ms. Killgore – We continue to assess every piece of property that becomes available for sale in the area. We have a few where I have a wish list. We are still debating how they play into our strategic plan. We will probably have some acquisition to do with Dakota Street. There is potential that we could do some horse trading there as well for other improvements that they are hoping to see in the area. Right now, we don't have any specific properties. Personally, I'd love to see us buy the Old Juggz just to get it off the record. The voluntary demolition program of Neighborhood Resources has done an amazing job in helping do some of the things we were doing in our land acquisition, which was trying to get some of those old houses torn down, bladed, and sites cleaned up. We do continue to look at those as we go, but so far none have risen to the top.

Mayor Tibshraeny – As staff continues to analyze this, there has been a lot of vetting on Washington Street over the last few years. There has basically been no vetting at the Council level on the Dakota thing. Everybody needs to realize that Dakota Street goes through that major property. Anything we would think of doing really needs to be done in conjunction with their wishes since it is their property. I am sure you are. We haven't been briefed as a Council on this. We heard from a developer that they would like to punch it through. Hopefully, there would be thorough vetting on that and, obviously, that property owner is going to be very involved with this ultimate decision. I know that this is not in the CIP.

Ms. Killgore – I absolutely agree, Mayor. We have been working closely with both property owners for the apartment complex as well as the hotel. That's one of the reasons it hasn't been fully vetted. It has really just gelled together with both of those parties and the City all coalescing around the idea in the last month or two. Even with that said, it is very conceptual at this point. We know they are interested in doing this. What it looks like and how it flows is still much to be discussed with all parties involved.

Mayor Tibshraeny – What is envisioned is to separate their main event venue from the property. I know that is a temporary main event venue, but it has been a permanent temporary main event venue. Hopefully, all of those will be part of that discussion because once you put a road there it kind of changes the dynamics of the pedestrian flow on the property.

Ms. Killgore – Absolutely, and we are talking with them about how we can help make this an amenity for them as well as have functionality for the neighborhood.

Airport CIP – Lori Quan

Lori Quan presented the budget for the Airport CIP.

Mayor Tibshraeny – The numbers don't mean that much to me, but the visual observation is. I don't drive the whole Airport, but I see the southwest corner is the one that has no stormwater system. Actually, it floods after a rain and then you guys are out there with a manual pump, pumping it back into the canal. I assume that is one of the higher priority areas since it is right at the end of the runway.

Ms. Quan – You are correct. That is the highest priority for us. We actually had the FAA out there looking at it. It is a high priority for them too because of the water fowl attractant that the water creates. We do pump that, and it takes a long time to move that water. It actually pumps up to another water retention basin that perks like a dream where the old heliport area used to be.

Councilmember Ellen – Lori, you have done a great job. I am on the Airport Commission and really enjoy it. I really appreciate what is going on at our Airport and what it is doing for our economy.

Community Services CIP – Mickey Ohland

Mickey Ohland presented the budget for the Community Services CIP.

Councilmember Heumann – You are saying it is cardio equipment. Are you replacing some of the other machines now and are they accessible machines?

Mr. Ohland – As they replace the equipment, the intent would be to have the equipment be handicap accessible if it is feasible.

Mayor Tibshraeny – What you are saying is that the same lines at the aquatics facility were serving the school and the pool? So now you have to separately meter it?

Mr. Ohland – Right.

Councilmember Heumann – You are saying new lines and things like that. Are you talking about ripping everything out and putting in completely new lines or just putting a meter in of what is going into that facility?

Mr. Ohland – It varies. Last I recall, I think two of the three services are relatively simple. One of them, I can't remember which one; we do need to run some new lines.

Councilmember Heumann – My suggestion would be to go the school district and say rather than spending \$100,000 we could work out something where we pay them a certain amount of money based on what we think the usage is by using some of our other pools as an example. That might be a simpler solution. If the pipes need to be replaced, that's a different story if they are corroded. Maybe sometime down the road you will need to do that but you might be able to come up with some kind of a formula to say this is the cost.

Councilmember Weninger – I think you guys have done an incredible job this year, especially with the parks. I had brought up at some other budget meetings and the Mayor and others were supportive of moving up the next one in the queue. I never specified a park. You guys had said that Valencia was the next one. That is slated. Basically, you are going to double up and this next fiscal year, according to the budget, we are going to do those parks. It doesn't look like we are adding much of anything as far as ongoing funds. Is that correct? As far as positions?

Mr. Ohland – Both do have ongoing funding but no new positions.

Councilmember Weninger – We have received a lot of emails on Citrus Vista and talked about that. I think we all understand why. You have an entire neighborhood that is almost completely built out. You have a school that is functional. The economy took a downturn. Next to the school we have a large dirt area that has a chain link fence around it. That's the catalyst that is pushing this. As the CIP stands right now, you are saying Citrus Vista Park would be designed in what year?

Mr. Ohland – It would be designed in 17-18.

Councilmember Weninger – And then constructed in 18-19. Now how much of that money for construction do we have right now? Is it the same 85 percentile that we have?

Mr. Ohland – I would have to defer to Greg.

Mr. Westrum – We have the 85% part of it in the Impact Fee funds available now.

Councilmember Weninger – So that's a lot of money from the people that did build in the neighborhood. So it is the question of, down the road, coming up with the other 15% and then coming up with the ongoing portion. Rich, I know you have been talking about this. How do we better manage without as much coverage on the landscaping and that point of view? Are you doing some sort of an overview of that now?

City Manager Dlugas – What staff has been looking at are some ways to potentially accelerate bringing in new neighborhood parks earlier and maintaining those through a full-service maintenance contract and foregoing the hiring of new groundskeeper positions. In the past for every two neighborhood parks that were opened, we would request bringing on a full-time groundskeeper with benefits, supplies, and equipment that was probably over a \$90,000 package to bring forward. Staff right now is looking at, and should have in the next couple weeks, a way to analyze what we could do by bringing in a full-service contract and potentially accelerating park projects because of the savings on the O&M side.

Councilmember Weninger – Do we need to do a budget amendment or is that something with the feeling of everyone up here we could change? I'd like to see Citrus Vista moved up a little bit more even in the design phase. So maybe the design can move to 14-15. Rich, you tell me if this is feasible. And move the construction to 15-16, and then we can re-evaluate it again next year. But as far out as this park is as the next one with the entire neighborhood built up around the school, I think it is too far out. Is that feasible?

City Manager Dlugas – I think on the capital side it would be feasible having the 85% already available and coming up with some additional one-time money. I am fairly positive that by moving up the construction, we can still do this and minimize the O&M costs that we had shared with you during our budget workshop in March. Yes, I think the answer is that it is something that is very feasible to move up.

Councilmember Weninger – I can leave it up for discussion with anybody else.

Mayor Tibshraeny – I think it is a good idea. We could probably do it either way. Is there a procedural way that we want to make that an amendment since it wasn't posted or would we prefer to just make that change if Council thinks it is a good thing from the dais tonight?

Ms. Lang – Mayor, the official amendment process is anything in the 13-14 Proposed Budget year. If you are looking at the out years in the CIP and moving projects forward that are not affecting 13-14, you could make that decision now if you like.

Mayor Tibshraeny – Why don't we do what Councilmember Weninger suggested by moving the design up to 14-15 and show construction in 15-16. In the meantime, staff will be working on how they are going to maintain and what have you. If something drastic changes between now and the budget adoption, we could talk about it or that gives us time during the year to also look at the new parameters.

Councilmember Heumann – I think that it is a good way to do it. The CIP, even though we say it is five years or ten years, we take a look at it every year. Based on the economy and how it changes and based on General Fund revenues, by moving it up it doesn't hurt anything. It gives us a chance to take a look at it. Hopefully, next year we will be able to do that. We may be able to even accelerate it more. I don't think it hurts anything to do that.

Councilmember Hartke – I agree. I was looking at how we could move this up, and I think Jeff was being a little more ambitious than my initial thoughts. But I really think this is a good idea, and it would serve our citizenry around that area well.

Police CIP – Assistant Chief Neuman

Assistant Chief Neuman presented the budget for the Police CIP.

Councilmember Heumann – We just bought all of these radios. Will that be affected by the narrow band conversion? Or is the equipment we already have going to be able to roll into this? What exactly is this going to do? Is this for security reasons, does it open up more bandwidth for other places?

Assistant Chief Neuman – As I understand it, it opens up more bandwidth for other businesses but leaves law enforcement alone on these particular bands. It allows law enforcement to communicate more clearly and more securely.

Councilmember Heumann – The radios we have been buying in the last year...will they work with this new system or are there new radios included?

Assistant Chief Neuman – These are all compatible.

Councilmember Hartke – Chief, where do we currently do our driver training now? I know this has been out there for a while. But where do we currently do it?

Assistant Chief Neuman – We have been fortunate enough over the last few years to work with CAC (Central Arizona College) in Coolidge. We have to schedule it several years in advance to be able to get in there and use it. We have been very fortunate to work with them.

Councilmember Hartke – That's off of McCarthy, 45 minutes away?

Assistant Chief Neuman – Yes it is.

Councilmember Hartke – I know this is a few years out, but I imagine if and when we develop this that we would also allow adjoining communities and others to share as well. Does Gilbert, Tempe, or Mesa have anything like this?

Assistant Chief Neuman – Tempe and Scottsdale I believe do. Mesa also has one. They have some issues with hours since it is close to a residential area. But we always communicate and work with our partners in law enforcement. We'd be more than happy to allow them to use it when we are not using it.

Fire and Vehicle Replacements CIP – Chief Clark

Chief Clark presented the budgets for the Fire and Vehicle Replacement CIP.

Mayor Tibshraeny – So what year is the new station?

Chief Clark – That's next year, 13-14 starting in July.

Mayor Tibshraeny – Design?

Chief Clark – We have already designed it. We designed it in 2009. We need to update the design, which should be a short process, and then break ground in '13.

Municipal Utilities-Water CIP – John Knudson

John Knudson presented the budget for the Water CIP.

Mayor Tibshraeny – John, how many years does that settlement go?

Mr. Knudson – This particular settlement and this funding will take us through a 100-year assured supply. So the \$11.7 million will get us the 4,597 acre feet for the 100 years.

Mayor Tibshraeny – As far as payments to the tribe, how many years does that go?

Mr. Knudson – I am not sure of the payment schedule, but I can get Council that information.

Municipal Utilities-Wastewater CIP – John Knudson

John Knudson presented the budget for the Wastewater CIP.

Councilmember Hartke – John, I know this has been moved up again in terms of our relationship with our neighbor. How many times have we actually been able to extend this?

Mr. Knudson – This was the first extension I believe. What that has done for us is that has allowed us to put back another wastewater plant expansion that we had in our CIP a few years ago. We were able to push that back.

Transportation & Development CIP – Dan Cook

Dan Cook presented the budget for the Transportation & Development CIP.

Councilmember Heumann – When we were doing Alma School and Ray, I thought we were talking about pushing out Chandler and Alma School so it wouldn't have the impact on that corridor. We just finished Alma School and Ray three or four months ago. Now we are talking about utility work. When would construction start if this was approved by Council?

Mr. Cook – We are looking at not starting construction on this project until after January 2015. We do have a design phase and an environmental phase to complete as well as right-of-way. Then we'll start the utility construction probably at the end of 2014. There are not a lot of utilities on this project. There are utilities, but they aren't as major as the last intersection. So the heart of the road construction will start after January 2015.

Councilmember Heumann – What's the time frame to have this done?

Mr. Cook – The goal is to have this done before Thanksgiving.

Councilmember Heumann – I wasn't supportive of the Alma School and Ray project because of the time we were doing it. I thought the discussion was to push this out further. We really need to take a look at cutting that 9-month time frame down to alleviate the pain that corridor has had

year after year. I am just concerned that as this corridor just starts to recover we are hitting it with another intersection construction project for another 9 months. When it comes back to Council, I think the timing of the project is going to influence my decision.

Mr. Cook – When we get more into the throws of design, we'll be doing a very detailed schedule.

Councilmember Heumann – I am always amazed at projects around the country, such as tearing down bridges. I know there are certain project costs that are higher, but I think the cost to the businesses in that corridor is collateral damage or whatever you want to call it. I think we need to take a look at whether we can work 16 hour days and other things to get it done quicker.

Mr. Cook – We will do that for sure.

Councilmember Hartke – I've also had some reticence about further stressing that intersection, but I have also noticed just the condition of the road on Alma School. It seems to be decaying. If there was a major repair on that, what does that run for a half mile on that road? I am not proposing this, but it is just for me to compare this cost versus having to do something with that road anyway.

Mr. Cook – That piece of Alma School is in the mill and overlay program for next year, I believe. We recognize that it needs work. The project would start approximately where the turn into the Home Depot is on Alma School and would go south from there because north of that is the intersection where there is planned construction. The road work south of that area really needs to be done before this intersection construction. In terms of the cost per mile, I don't remember but I can certainly get that information back to you.

Councilmember Hartke – I am sensitive to both residents and businesses in not wanting to stress them. It is also evident that something needs to happen on that road. I realize you said it was going to be done south. I am just curious about the cost because it would not make sense to put a whole lot of money into an intersection if sometime in the near future it would have to be redone.

Mr. Cook – In the area of this construction, we won't be doing the mill and overlay as part of our normal process. We are going to coordinate those limits in terms of not having to do a mill and overlay and of course tear it out right away.

Councilmember Weninger – Is there mill and overlay? The road is getting bad on Alma School south of that intersection. So that is coming up?

Mr. Cook – I believe it is next year, but I can verify that. I believe it is in the program for 13-14 to do that 3/4 mile.

Councilmember Weninger – On the intersection, I think you are looking at a space between these where it is spread out a little bit. I am supportive of getting this done, and I know it's not easy. It is easy for people to just sit up here and say "do it quicker." I just wonder if there are still more things we can do to challenge ourselves in innovative and unique ways. I just want to make sure that we are continually pushing the envelope of how we can push different options in an RFP (Request for Proposal) or bid. Maybe some weekend or night work is involved depending on whether there are neighbors nearby. Anything we can do to get these projects done quicker is a benefit. Not only are businesses losing money which is the worst part. When the businesses aren't making as much money, the City is not receiving it as well. It is bad for everybody.

Mr. Cook – We will certainly do that and look for any innovative techniques we can use to speed up the process.

Mayor Tibshraeny – Thank you for your work on Alma and Ray. I thought that was a difficult project that went well. It turned out really nice. It is a much safer intersection. I appreciate your comments on the safety factor. People have asked when that Chandler and Alma School intersection is going to be done. I call it an antiquated intersection. It is not good for stacking. It is good to see this moving on, and I agree with Councilmember Weninger. There's a good enough window here, 2.5 years between constructions for this to work out well.

Vice Mayor Sellers – The ADA (Americans with Disabilities Act) improvements that we have to do with repaving projects, is that to meet federal requirements, state requirements, or what?

Mr. Cook – Yes, this is to meet federal law. The new ADA (Americans with Disabilities Act) law that came into effect in 2012 requires that for any new construction, and the federal courts have defined the mill and overlay as new construction, you have to bring your ADA facilities adjacent to that project to the current standards. The 2012 standard is now in effect. Everyone agrees that there are only some subtle differences between the later versions of ADA and the current version.

Councilmember Heumann – You guys have been working on a project with the new blinking yellow lights at certain intersections. Is that being funded through some of the CIP in terms of converting the rest of the intersections in the City? Or is that federal grant money?

Mr. Cook – The flashing yellow is something we just do out of our operating fund. The cost to convert that to the flashing yellow and the sign is something we usually absorb through our operating fund. There is not a high cost for the sign, reprogramming the controller, or for a new head.

Councilmember Heumann – What is the plan to do the rest of the intersections? What is an average cost per intersection?

Mr. Cook – The cost per intersection is probably a couple hundred dollars. It is not very much money. Certainly some of the intersections along the freeway like a Cooper Road or a Dobson Road have the potential to have a long gap in there because of the volumes being lower during certain times of the day. The ones that are highly congested most of the day would probably not receive the conversion.

Councilmember Heumann – Have you evaluated the accident rate by going to that blinking yellow?

Mr. Cook – We are starting to keep those statistics that are associated with that. At this time, I do not know if there have been any accidents, but I can certainly get that information and provide it.

Councilmember Heumann – I would be curious if you could get us the information because I think what I have seen of them around town is that they are time savers, especially at off-peak times.

Mr. Cook – They are particularly helpful in the evening hours after 10 o'clock until 6 in the morning.

Wrap-Up – Dawn Lang

Dawn Lang presented the Wrap-Up.

Mayor Tibshraeny – Dawn, put the amounts in the memo. I would like the Council to get your forms and what the amounts are that are available and also last year's amendments that were discussed and passed by the Council on Monday.

Ms. Lang – Mayor, we will definitely include all of that.

The Mayor and each Councilmember gave some brief closing remarks.

Adjournment – Mayor Tibshraeny

Mayor Tibshraeny adjourned the meeting at 3:35 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: June 13, 2013

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 3rd day of May 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of June, 2013.

City Clerk