

MINUTES OF THE REGULAR MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago Street, on Thursday, January 9, 2014 at 7:10 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY.

The following members answered roll call:

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

Councilmember Heumann participated via telephone. Councilmember Weninger participated via telephone and arrived at the meeting at 7:17 p.m. during Scheduled Public Appearances.

Also in attendance:

Rich Dlugas	City Manager
Pat McDermott	Assistant City Manager
Marsha Reed	Assistant City Manager
Kay Bigelow	Acting City Attorney
Marla Paddock	City Clerk

INVOCATION: Pastor Mike Sproul, Tri-City Baptist Church, gave the invocation.

PLEDGE OF ALLEGIANCE: Councilmember Donovan led the Pledge of Allegiance.

SCHEDULED PUBLIC APPEARANCES:

1. CPR Lifesaving Award:

Fire Chief Jeff Clark awarded the Heart Saver Hero Award to Mr. Jaden Ray for his CPR actions he performed on Mr. Larry Tucker on November 14, 2013. Mr. Tucker expressed his appreciation to Mr. Ray and the fire/paramedics.

2. Sister Cities International Art and Author Showcase Winners:

Mayor Tibshraeny introduced Ellen Harrington, President of Tullamore Sister Cities. Ms. Harrington, assisted by Barbara Olivieri, recognized the following students: First Place Essay winner, Ryan Meyer, Seton Catholic Preparatory High School; First Place Art winner Elizabeth Hopwood, Seton Catholic High School is the and was one of 10 entries across the United States receiving a national finalist art award; and Rachel Beglin, Hamilton High School was awarded first place poetry Grand Prize winner.

CONSENT:

MOVED BY COUNCILMEMBER DONOVAN TO APPROVE THE CONSENT AGENDA AS PRESENTED. THE MOTION WAS SECONDED BY COUNCILMEMBER HARTKE.

Councilmember Hartke declared his nay vote on Item 3 (Council compensation)

MOTION CARRIED UNANIMOUSLY (7-0) WITH THE EXCEPTION NOTED.

1. MINUTES:

The following City Council Minutes were approved:

- 1a. Special (Review Growth) Meeting of October 21, 2013.
- 1b. Regular Meeting of December 9, 2013.
- 1c. Special Meeting of December 12, 2013.
- 1d. Regular Meeting of December 12, 2013.

2. CITY CODE AMENDMENT: Chapter 43 Ord. #4515

ADOPTED Ordinance No. 4515 amending Chandler City Code, Chapter 43, Section 43-4.5, Subsections 43-4.5.A, 43-4.5.B, 43-4.5.D, 43-4.5.E, 43-4.5.F and 43-4.5.I, adopting updated versions of existing design and construction standards.

3. CITY CODE AMENDMENT: Chapter 2 Ord. #4517

COUNCILMEMBER HARTKE VOTED NAY.

ADOPTED (6-1) Ordinance No. 4517 amending Chandler City Code Chapter 2, Section 2-2, relating to compensation of Mayor, Vice Mayor and Council Members.

4. CITY CODE AMENDMENT: Chapter 15 Ord. #4473

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 4473 amending Chandler City Code, Chapter 15, Section 1, to exclude certain transactions of wireless service providers from the definition of Secondhand Dealers.

BACKGROUND

Chapter 15 of the City Code defines a Secondhand Dealer as any person engaged in conducting, managing, or carrying on an ongoing business of buying, selling, trading, exchanging, consigning or otherwise dealing in secondhand goods and antiques. Those that meet this definition are required to obtain finger print clearance of every manager and assistant manager at the establishment, apply and pay for the additional licensing, report all defined transactions to the Police Department daily and hold items received for a period no less than 10 days.

While the provisions of the code are created to remove valid concerns of citizens and the pawnbroker/secondhand dealer business community, the current business practice of many of the wireless service providers to allow for a credit or discount on the purchase of a new mobile

device with the trade-in of an existing device is outside of the intent of this code provision, but these transactions meet the technical definition of the code.

The purpose of the requested change is to exclude certain transactions of wireless service providers from the provisions of the special regulatory license, specifically exempting transactions involving the trade-in of a customer's old mobile device on an established customer account for an account credit or discount on the purchase of a new mobile device from meeting the definition of secondhand dealer.

These transactions deal with customers that have a business relationship with the vendor. The risk of stolen or ill-gotten goods being used in traceable transactions such as these is significantly reduced due to the relationship created. The practice of trading in one's old mobile device for a credit or discount on a new device is becoming the everyday business process for the majority of wireless service providers, and the extra requirements under this code section adds little benefit or security to these specific types of transactions. This change will make it easier for wireless service providers to operate in the City of Chandler while not increasing the type of behavior meant to be curtailed by the code.

5. LIQUOR LICENSE: Sun Chinese Dining

APPROVED a Series 12 Restaurant Liquor License (Chandler #150385 L12) for Yeong Sil Kim, Agent, Song San Corporation, dba Sun Chinese Dining, 1381 N. Alma School Road. A recommendation for approval of State Liquor License #12079700 will be forwarded to the State Department of Liquor Licenses and Control. The Police Department reports no objections to the issuance of this license and no written protests have been received. All licenses, permits and fees have been paid and the applicant is in compliance with the City's Tax Code. This application reflects a change in ownership. Transportation and Development advises that a new Use Permit is not required since this will be a continuation of the location's previous use as Sun Chinese Dining.

6. CONTINUE LIQUOR LICENSE: Talebu Coffee

CONTINUED TO JANUARY 23, 2014, a Series 12 Liquor License for Todd Macalady, Agent, Talebu LLC, dba Talebu Coffee and Wine Bar, 2905 N. Alma School Road, Suite 2, to allow the applicant time to complete the requirements for a new Use Permit.

ACTION:

7. ELECTION of Vice-Mayor for a one-year term from January 10, 2014 through January 8, 2015.

MAYOR TIBSHRAENY nominated Councilmember Rick Heumann to serve as Vice Mayor. The nomination was seconded by Councilmember Hartke.

THE MOTION CARRIED UNANIMOUSLY (7-0).

PUBLIC HEARING:

PH 1. 2013-2023 LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN

BACKGROUND:

In order to continue to collect System Development Fees after August 1, 2014, the City must comply with Arizona Revised Statute §9-463.05 and adopt Land Use Assumptions and an Infrastructure Improvements Plan (IIP). These items are incorporated into the System Development Fee Update report. This Public hearing is required prior to Council adoption of the Land Use Assumptions and IIP included in the report on February 13, 2014. *(Note: The report also includes preliminary changes to System Development Fees but changes to fees will not be finalized until after Council adopts the Land Use Assumptions and IIP. A Public Hearing on changes to the fees is planned for March 24, 2014.)*

The process of establishing Land Use Assumptions and an IIP was initiated by contracting with a consultant, as required by Arizona Revised Statutes, to prepare the System Development Fee Update. The Land Use Assumptions section of the report incorporates information provided by City Planners to establish current land use, projected land use in 10 years and projected land use at build-out. Single-family, multi-family, office, retail and commercial uses of land have been projected to establish the need for growth-related infrastructure.

The IIP section of the report identifies the exiting level of service for eligible categories of infrastructure (arterial streets, parks, fire, police, library, water, wastewater and reclaimed water) and identifies the anticipated cost of future infrastructure needed to support growth. The IIP also establishes a Service Area that each category of infrastructure supports, as required by State Statute. Management Services worked closely with Transportation and Development, as well as other impacted departments, to create the draft report. The draft report has been vetted with the Communications and Public Affairs, Information Technology and Management Services Council subcommittee and with individual Council Members during October and November 2013. The draft report was also provide to stakeholders representing single-family and multi-family developers, commercial builders, and others and a meeting was held to summarize the report and to hear and address any questions or concerns.

The draft report was posted on the City's web site on November 7, 2013, to provide interested parties with a minimum of 60 days advance notice of the planned Public Hearing and a link to the report was disseminated through social media. The report has continued to be updated for editorial corrections, clarifications and refinements to the capital plan in concert with development of the preliminary 2015-2024 Capital Improvement Program. As mentioned during the Council Subcommittee presentations, the fees shown in the draft report are a work in progress and have continued to be modified as projects are added or deleted from the plan. The fees shown in the attached version of the report are the most current projections, but may be further revised before the March 24th Public Hearing on the fees.

The Public Hearing process provides citizens and other stakeholders with the opportunity to address Council to either support or express concerns about the Land Use Assumptions and IIP. Again fees shown in the report are preliminary, pending Council approval of the Land Use

Assumptions and IIP and will be part of a separate Public Hearing process scheduled for March 24, 2014.

OPEN PUBLIC HEARING:

MAYOR TIBSHRAENY opened the public hearing at 7:25 p.m.

DISCUSSION:

MS. DAWN LANG, Management Services Director explained this Public Hearing was the next step in the update to the System Development Fees.

She explained Senate Bill 1525 was enacted during 2011 and became effective during FY2011-12. The System Development Fee statute was completely changed. She commented that Duncan Associates was hired to assist in updating the System Development Fee Plan.

MS. JULIE BUELT, Sr. Financial Analyst, stated the service area requirement was added as a new requirement as part of Senate Bill 1525, even though Chandler has always had a service area that its fees are charged in. She explained that arterial streets continue to be charged only in a subsection of the city; with a minor change of removing a portion of the downtown area. Ms. Buelt said the park fee is charged citywide; however, the city is divided into 3 service areas.

All other fee categories cover the entire city. She reviewed the Land Use assumptions are located on page 21 of the report. This is a new requirement, but Chandler as well as other cities, have always followed. She noted that projections must be made for a 10 year timeframe in addition to the time period between now and build-out.

In response to a question from Councilmember Weninger, Ms. Buelt explained that the public category would include facilities such as churches.

MR. GREG WESTRUM, Budget Manager explained the Infrastructure Improvement Plan (IIP) and that it differs from the Capital Improvement Plan (CIP) in that the IIP only includes growth related projects. Another key difference is this also incorporates loans from the General Fund or Bond monies to advance some of the growth projects. He stated another difference is the IIP does not assign specific years to the projects, as that is a function of the CIP.

Mr. Westrum reviewed the Arterial Streets IIP. He noted the one item that is unique for this list is the Prop 400 money that is received by Maricopa Association of Governments for these projects. That funding gets netted out from the money received from the Impact Fees.

Mr. Westrum noted the listing of neighborhood parks that are either under construction or have yet to be put into place. As previously noted, they are separated into three geographic areas. The fee will be a little different in each of those parts in the city based on the number of new parks going into those areas.

He stated there are no future projects for the Library IIP, only collection of past debt of \$1.29 million which was used to purchase the Sunset Library.

The two Fire projects are Station 1 relocation, currently in progress, and a plan for construction of an additional fire station in 6-7 years.

Police IIP includes repayments on outstanding debts. In response to a question from the Mayor, Mr. Westrum stated the funds were received from general fund, interfund loans, and in some cases from the sale of bond funds.

Mr. Westrum noted that the category of Public Buildings was no longer among approved categories for System Development Fees. There is an outstanding debt of \$3.9 million.

Mr. Westrum stated the large project for the Water IIP is the Joint Water Treatment Plant expansion. Water purchases is an increasingly important project at \$70,000,000. He noted the existing loan amounts for repayment.

Mr. Westrum noted the Water Reclamation Facility expansion was the largest project under the Wastewater IIP and the Reclaimed Water IIP included two projects.

MS. LANG noted the upcoming hearings and actions before Council in the next four months.

MAYOR TIBSHRAENY asked if building permit fees would be affected by these changes. Ms. Lang stated that the fees will increase slightly.

COUNCILMEMBER WENINGER asked if there were time stipulations as part of the development or building of projects. Ms. Lang stated that under the new process there is a time limit and it is different for each.

MR. CLANCY MULLEN, DUNCAN ASSOCIATES, stated the time limit from collecting to spending on the non-utility fee was 10 years. There is a 15 year time limit to spend the money for utility projects.

PUBLIC COMMENT:

MR. DOUG FROST, 813 N. Sicily Drive, spoke in support of the impact fees as they are an important way to spread the cost of development.

MAYOR TIBSHRAENY CLOSED THE PUBLIC HEARING AT 7:49 P.M.

UNSCHEDULED PUBLIC APPEARANCES:

None.

CURRENT EVENTS:

A. Mayor's Announcements

Mayor announced the 19th Annual Multi-Cultural Festival on January 18, 2014. Mayor noted a Naturalization Ceremony will also be held during the Festival. The mayor added the ASU – Chandler Innovation Center and TechShop grand opening on January 17, 2014.

The Mayor announced that Vice Mayor Sellers has been nominated to the State Transportation Board. He noted his involvement at the state level would be a benefit to the State with his

expertise as well as to Chandler to have a voice for local needs and wants.

Mayor Tibshraeny noted the new Police Chief Sean Duggan will begin January 13, 2014. In addition, the Mayor thanked Acting Chief Dave Neuman for his leadership during this time.

B. Councilmembers' Announcements

COUNCILMEMBER WENINGER expressed his congratulations to Councilmember Sellers for his appointment; to Councilmember Heumann for his election to Vice Mayor; and his appreciation to Pastor Sproul for his recent military service.

COUNCILMEMBER WENINGER congratulated his son Christian for his involvement in the Super Service Challenge. He created a video and won a \$5,000 donation to Childhelp.

VICE MAYOR SELLERS stated his congratulations to the new Vice Mayor. Mr. Sellers said he is honored and excited to be nominated by the Governor to serve.

COUNCILMEMBER DONOVAN congratulated Councilmember Heumann on his term as Vice Mayor.

COUNCILMEMBER HARTKE expressed his congratulations to Vice Mayor Sellers and to Christian Weninger.

COUNCILMEMBER ELLEN congratulated Vice Mayor Sellers for his term as Vice Mayor and his appointment. She also congratulated Christian Weninger. She added special congratulations to Councilmember Donovan on her pregnancy.

COUNCILMEMBER HEUMANN announced the Sci-Tech event on February 20-22, 2014. He thanked the Intel Corporation for being the lead sponsor of the event. He congratulated Vice Mayor Sellers and expressed his appreciation in being selected as incoming Vice Mayor. He added his congratulations to Councilmember Donovan.

C. City Manager's Announcements

City Manager Dlugas thanked Acting Police Chief Neuman for his leadership and guidance and noted this was the second time serving as Acting Chief.

Adjournment: The meeting was adjourned at approximately 8:01 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: January 23, 2014

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Chandler, Arizona, held on the 9th day of January 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of January, 2014.

City Clerk