

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers in the Chandler Library, 22 S. Delaware, on Monday, May 21, 2007 at 8:20 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR BOYD W. DUNN.

The following members answered roll call:

Boyd W. Dunn	Mayor
Lowell Huggins	Vice-Mayor
Bob Caccamo	Councilmember
Trinity Donovan	Councilmember
(TELEPHONICALLY) Matt Orlando	Councilmember
Martin Sepulveda	Councilmember
Jeff Weninger	Councilmember

Also in attendance:

W. Mark Pentz	City Manager
Rich Dlugas	Assistant City Manager
Pat McDermott	Assistant City Manager
Michael D. House	City Attorney
Marla Paddock	City Clerk

CONSENT:

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY VICE-MAYOR HUGGINS, to approve the Consent Agenda as presented. Motion carried unanimously (7-0).

COUNCILMEMBER ORLANDO asked if the City is rezoning these properties to AG-1 and if someone wanted to do an improvement, would they have to come back for a second rezoning. PLANNER KEVIN MAYO said that the properties are not being rezoned, but establishing a City zoning as a follow up to annexation. If someone wished to develop the property other than AG-1, it would take a separate rezoning approval.

1. INITIAL CITY ZONING: SEC Chandler Heights / McQueen Ord. #3927

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3927, DVR07-0016 Southeast Corner of Chandler Heights and McQueen road, for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 23-acre site at the SEC of Chandler Heights and McQueen roads. (Applicant: City of Chandler; Owner: The Reserve at Chandler Heights, LLC, Jackson Skousen.)

Adoption of an annexation ordinance authorizes the City to initiate a zoning action as required by State Statutes to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to simply establish the site with a zoning designation of Agricultural District (AG-1), which is most comparable to the site's previous county zoning designation of Rural-43. The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed in accordance with the Chandler Zoning Code. Staff has received no correspondence from residents regarding this action.

2. INITIAL CITY ZONING: NWC Lindsay / Ocotillo Ord. #3928

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3928, DVR07-0017 Northwest Corner of Lindsay and Ocotillo Roads, for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 42-acre site at the NWC of Lindsay and Ocotillo roads. (Applicant: City of Chandler; Owner: The Reserve at Ocotillo, LLC, Jackson Skousen)

Adoption of an annexation ordinance authorizes the City to initiate a zoning action as required by State Statutes to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to simply establish the site with a zoning designation of Agricultural District (AG-1), which is most comparable to the site's previous county zoning designation of Rural-43. The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed in accordance with the Chandler Zoning Code. Staff has received no correspondence from residents regarding this action.

3. INITIAL CITY ZONING: North of NWC Germann / Union Pacific RR Ord. #3929

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3929, DVR07-0018 North of the Northwest Corner of Germann Road and the Union Pacific Railroad, for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 3.5-acre site located north of the NWC of Germann Road and the Union Pacific Railroad. (Applicant: City of Chandler; Owner: Adobe Development Partners Arizona, L.L.C., Dave Sutherland.)

Adoption of an annexation ordinance authorizes the City to initiate a zoning action as required by State Statutes to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to simply establish the site with a zoning designation of Agricultural District (AG-1), which is most comparable to the site's previous county zoning designation of Rural-43. The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed in accordance with the Chandler Zoning Code. Staff has received no correspondence from residents regarding this action.

4. INITIAL CITY ZONING: South of SWC Cooper / Queen Creek Ord. #3930

INTRODUCED AND TENTATIVELY APPROVED Ordinance No. 3930, DVR07-0019 South of the Southwest Corner of Cooper and Queen Creek Roads for the establishment of initial City zoning of Agricultural District (AG-1) on an approximately 10-acre site south of the SWC of Cooper and Queen Creek roads. (Applicant: City of Chandler; Owner: The Roman Catholic Church of Phoenix, John Minieri)

Adoption of an annexation ordinance authorizes the City to initiate a zoning action as required by State Statutes to adopt and establish an initial City zoning classification upon the newly annexed property. This request, initiated by Staff, serves to simply establish the site with a zoning designation of Agricultural District (AG-1), which is most comparable to the site's previous county zoning designation of Rural-43. The approval of this zoning action insures that any future development on the site shall occur in conformance with City standards.

This request was noticed in accordance with the Chandler Zoning Code. Staff has received no correspondence from residents regarding this action.

ACTION:

5. PROPOSED 2007-2008 Tentative Budget Amendments

MAYOR DUNN explained that there is \$200,000 available in on-going funds and \$650,000 of one-time funds. There are more requests for on-going funds than funds available; however, there are more one-time funds available than requests.

1. Senior Nutrition Program - \$20,706.00 one-time funds:

COMMUNITY SERVICES DIRECTOR MARK EYNATTEN noted that Community Services of Arizona has advised that they have experienced a 35% increase in meal home delivery. They are implementing a second delivery to meet the demand, which is the major reason for the request. One-time funding is requested rather than on-going because the needs vary from year to year. Previously, Council added \$22,000.00 in on-going funds for this program in the budget. This request is in addition to those funds.

MOVED BY COUNCILMEMBER CACCAMO, SECONDED BY VICE-MAYOR HUGGINS, TO APPROVE THE ADDITIONAL ONE-TIME FUNDING OF \$20,706.00 FOR THE SENIOR NUTRITION PROGRAM.

MOTION CARRIED UNANIMOUSLY (7-0).

MAYOR DUNN said that one-time funds available are now reduced to \$629,294,000.

2. Chandler Community Action Program (CAP) - \$84,731.00 one-time funds:

MR. EYNATTEN explained that this is a \$30,877.00 increase over what was allocated last year to the CAP program, which was also one-time funding. Monies received would be used for assisting in funding programs related to basic family needs. Additional funding being requested will support the mortgage, principal and interest costs, increases seen in with their new facility, as well as making up shortfalls from requests made from CDBG and SSF funds. There are currently no on-going funds in our budget for CAP. MAYOR DUNN asked which residents would be served by these funds. Mr. Eynatten responded that it would serve solely Chandler residents.

COUNCILMEMBER DONOVAN clarified that there are currently CDBG and SSF funds available and this request is in addition to those funds. Mr. Eynatten concurred.

MOVED BY VICE-MAYOR HUGGINS, SECONDED BY COUNCILMEMBER ORLANDO, TO APPROVE ONE-TIME FUNDING IN THE AMOUNT OF \$84,731.00 FOR THE CHANDLER COMMUNITY ACTION PROGRAM (CAP).

COUNCILMEMBER WENINGER asked for clarification on what one-time funds are and if they were to be requested yearly, why not consider inclusion of the costs in the budget. Mr. Eynatten explained that it comes forward yearly as one-time funds, but could be considered for a GAP next year to request a base amount and only request what their increase may be on a one-time basis. COUNCILMEMBER WENINGER said that might be more prudent in the future.

MOTION CARRIED UNANIMOUSLY (7-0).

3. Chandler Symphony Orchestra: \$42,000 one-time funds:

MR. EYNATTEN said that last year, the Chandler Symphony Orchestra requested \$42,000.00 in financial support and are requesting the same amount this year. Funds are used to support salaries of their two paid staff members, to maintain safety standards at concerts, fund a small stipend for musicians to perform at various events and promote music competition in the upcoming season.

COUNCILMEMBER WENINGER commented that the concerts are a boost to the community and he supports the request.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER CACCAMO, TO APPROVE ONE-TIME FUNDING OF \$42,000.00 FOR THE CHANDLER SYMPHONY ORCHESTRA.

MAYOR DUNN stated that he has been impressed with the outreach program of the orchestra to the school district by providing educational opportunities. They are not charging a fee to attend their concerts and do fund raisers to cover their expenses.

MOTION CARRIED UNANIMOUSLY (7-0).

MAYOR DUNN said that available one-time funds are now reduced to \$502,563.00.

4. Chandler Education Foundation: \$66,160.00 one-time funds: No Action

Budget Manager Dennis Strachota explained that these funds will be used for software training and support to create a database to manage and track all alumni in a relationship building software to enhance communications for invitations to events such as Chandler's 100th Anniversary Celebration.

COUNCILMEMBER WENINGER said that he talked to the director because it is being presented as fundraising software and does not feel it is a prudent use of taxpayer dollars. There was talk that this would be shared with other non-profits and asked the status on that discussion. Mr. Strachota said he was not aware of those discussions. MAYOR DUNN AND COUNCILMEMBER SEPULVEDA, both being board members of the Foundation, stated they were not aware of the discussions.

COUNCILMEMBER SEPULVEDA asked if there is any software application that the City may be able to use. Mr. Strachota responded that it might be adaptable.

COUNCILMEMBER SEPULVEDA asked Mr. Pentz that if this is approved, could Staff research and see if this software could be used for invitations to various City functions. He agreed with COUNCILMEMBER WENINGER'S earlier comment about the prudent use of taxpayer dollars to fund something only beneficial to one group. Mr. Pentz said it could be researched, but he is not aware of the City being involved any fundraising efforts. He noted that licensing costs/fees would also have to be investigated.

COUNCILMEMBER ORLANDO asked if the software could be used for the museum, arts or other non-profits requesting funds. If so, it could help reduce the reliance on taxpayer dollars by doing fundraising.

COUNCILMEMBER WENINGER concurred with COUNCILMEMBER ORLANDO. There are one-time funds available and it may be prudent to have this come back and have someone from the organization present to answer these questions. It is key that the software be shared by other non-profits. COUNCILMEMBER ORLANDO agreed.

ASST. CITY MANAGER MCDERMOTT said that IT staff could look at the application and determine if there could be multiple databases and multiple access and report back to Council in two weeks.

MAYOR DUNN agreed that he feels the Chandler Education Foundation would be supportive of that suggestion. He expressed concern with licensing issues and that there is some shared contribution by the Foundation in the amount of \$16,000.00.

COUNCILMEMBER CACCAMO asked what the total cost of the software is and if the participating school districts are contributing toward the software. MAYOR DUNN said that from the information he has, there is an estimated first year cost and a continuing second year cost of \$81,960 indicating that the Chandler Education Foundation would pay \$15,800.00 of the first year cost leaving a balance of \$66,160.00 requested from the City which could indicate there is not contribution coming from the school districts. Mr. Strachota said there is no indication in the letter that there is money coming from the school districts.

COUNCILMEMBER DONOVAN said that caution should be taken if we are looking at non-profits sharing this and assuming they would want the same software that the Chandler Education Foundation wants. The software would be based on strategic plans of all non-profits and how they do their fundraising. The Housing and Human Services Commission utilized extra CDBG funds by bringing other non-profits together to find out how to spend it instead of deciding themselves what would be best for the non-profits.

MAYOR DUNN said that bringing this item back and having a representative from the Chandler Education Foundation present would allow Council to make a more informed decision.

5. Chandler Non-Profit Coalition: \$30,000.00 in one-time funds:

COUNCILMEMBER DONOVAN declared a conflict of interest on this item and would not be participating in discussion or voting on this item.

Mr. Strachota said that the Coalition indicated that they would use the funds for a consultant to report on the effectiveness of its programs and report back to Council.

COUNCILMEMBER WENINGER inquired about the use of the funds. Mr. Strachota responded that the intent was to evaluate whether or not they are accomplishing the intended goals and to produce and disseminate the report to the community.

Community Development Coordinator PAT TYRRELL added that the request is also to facilitate a study on their effectiveness and to plan the future of the Coalition.

COUNCILMEMBER WENINGER reiterated that he felt this request is a misuse of taxpayer money. Mr. Tyrrell said that a human services needs assessment will begin in June and this could be the Coalition's portion. Staff is in pre-proposal conferences at this time. COUNCILMEMBER WENINGER said that he would like to have someone from the Coalition make their presentation.

MAYOR DUNN explained that this organization that the City and Council have encouraged to get the non-profits in Chandler to work together and identify and address needs of the citizens that is loosely organized. There is no funding budgeted for the Coalition; it has always been funded by one-time funds. He supported \$35,000.00 in funding last year to be used for different purposes and there is no carry-over. MAYOR DUNN continued that he feels there is some degree of responsibility for the Coalition in terms of allowing them to proceed with their mission in determining the needs of the community from the non-profits.

COUNCILMEMBER ORLANDO asked if these amendments are included in the "ceiling" in the budget. Mr. Strachota said it is. COUNCILMEMBER ORLANDO said that he supports the request. It is a new organization that has been encouraged by Council and proper funding is essential.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER SEPULVEDA, TO APPROVE ONE-TIME FUNDING FOR THE CHANDLER NON-PROFIT COALITION IN THE AMOUNT OF \$30,000.00.

COUNCILMEMBER SEPULVEDA clarified that part of the funds will be for a needs assessment and visioning. Mr. Tyrrell responded that it is his understanding from speaking with a Coalition representative, that it is for a needs assessment and future planning and best-practices model.

COUNCILMEMBER WENINGER asked about the process used in selecting a consultant. Mr. Tyrrell said that he does not believe a consultant has been chosen, but the Coalition does have some preferences.

MOTION CARRIED BY MAJORITY (5-1) WITH COUNCILMEMBER WENINGER VOTING NAY.

MAYOR DUNN said the one-time funds balance is now \$472,563.00.

6. Two Traffic Calming Speed Signs: \$10,000.00 in one-time funds:

COUNCILMEMBER CACCAMO said that he has had calls from residents in Springfield and Sunbird complaining about them not being able to exit their communities due to speeds of cars on Hunt Highway. They originally asked for stop signs to slow traffic down, but the Streets Division said that was not feasible. Speed message signs are being purchased for other locations and he is recommending an addition \$10,000.00 be spent to have signs purchased to be placed on either side of Championship.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER WENINGER, TO APPROVED ONE-TIME FUNDS IN THE AMOUNT OF \$10,000.00 FOR TWO TRAFFIC CALMING SPEED SIGNS ON HUNT HIGHWAY AT CHAMPIONSHIP.

COUNCILMEMBER WENINGER asked if there is there is any problem with the Gila River Community in having a sign going east. ACTING PUBLIC WORKS DIRECTOR DAN COOK said that there is space on the south side of Hunt Highway where a sign could be mounted.

MOTION CARRIED UNANIMOUSLY (7-0).

7. Historical Museum – Temporary Part Time Position (Public History Program): \$33,000.00 in one-time funds:

COUNCILMEMBER SEPULVEDA said that there is a need to try to get the stories of long-time Chandler residents about the history of Chandler. MR. EYNATTEN said that the current public history program has \$17,000.00 in on-going funds budgeted for the kiosk program, contract services for educational programs, children's programs related to the history of Chandler at the library, the traveling exhibit development, storytellers, and living history presentations. The McCullough-Price House is going to be dedicated and would be open to the public. It not only represents the history of Chandler, but will also be a visitor center for the City. Since there has been Staff located in the house, there has been an increase in people wanting to go through the house and inquiring about availability.

The public history program is continuing the park-kiosk program with a goal of completing a kiosk in A. J. Chandler Park and at the Snedigar Complex. What has been done in the past either through volunteers or from contingency funds, in hiring part time staff to assist the Public History Coordinator in doing research to ensure the information provided to the public is accurate.

PUBLIC HISTORY COORDINATOR JEAN REYNOLDS said that she recently won a writing award through the Journal of Arizona History. The Public History Program has won awards related to both videos and the history kiosk program through the Arizona Parks Association.

COUNCILMEMBER WENINGER asked how much money is budgeted for the Historical Society. MR. EYNATTEN replied that \$17,000.00 is budgeted in on-going funds for public history. COUNCILMEMBER WENINGER asked about the additional \$30,000.00 being requested by the Historical Society in the next item. Mr. Eynatten said those funds would be used to prepare for moving from the old to new museum. The Public History Program would work in conjunction with the Historical Society for that move.

MAYOR DUNN clarified that there are two separate requests. Mr. Eynatten said that the one-time request for \$33,000.00 would be through the Community Services Department and would be assigned to the public history program to be administered through the Public History Coordinator for those programs and services associated with public history.

MOVED BY COUNCILMEMBER SEPULVEDA, SECONDED BY COUNCILMEMBER WENINGER, TO APPROVE ONE-TIME FUNDS OF \$33,000.00 FOR THE HISTORICAL MUSEUM – TEMPORARY PART TIME POSITION FOR THE PUBLIC HISTORY PROGRAM.

MOTION CARRIED UNANIMOUSLY (7-0).

MAYOR DUNN said there is now \$429,563.00 remaining in one-time funds.

8. Chandler Historical Society: \$30,000.00 in on-going funds:

MAYOR DUNN said the Historical Society presently receives \$75,000.00 from the City and it is his understanding that the additional funds would be used in conjunction with the new museum and for projects to be done in the next year. MR. EYNATTEN concurred. MAYOR DUNN

continued that if approved as on-going funds, the \$75,000.00 would be enhanced to \$105,000.00 in on-going funds each year. Mr. Eynatten concurred.

COUNCILMEMBER WENINGER asked if volunteers could do this. MR. EYNATTEN said that there are strict legal requirements regarding collections and would need someone with a specific expertise. The Society would like to do some grant writing and upgrade some buildings that house historical artifacts to preserve the artifacts.

COUNCILMEMBER WENINGER asked if a capital campaign had been conducted by the Society over the past year. MR. JIM RYAN said that the museum will be a City facility and not privately owned. The additional funds will be used to catalogue artifacts as the City would require for a properly run museum. As stipulated in the soon to be finalized Memorandum of Understanding between the City and the Historical Society, all of these artifacts will be given to the City. The Memorandum of Understanding also stipulates that all activities of the Historical Society will be directed to providing support for the City's operation of the museum. All funds raised through the annual Pioneer Luncheon or golf tournament have been committed to the operation of the new museum.

COUNCILMEMBER WENINGER said that according to the minutes of the March 1, 2004, Museum Planning Workshop, it was stated that the Historical Society agreed to provide 20% of the O & M of the museum through fundraising. MR. RYAN said that they need something to show people when raising funds and the present museum is not conducive to fundraising. They had to wait until a new museum was approved before beginning to think about major fundraisers.

COUNCILMEMBER SEPULVEDA asked why this is an on-going request instead of one-time. Mr. Eynatten said that it could be a one-time request.

MOVED BY COUNCILMEMBER SEPULVEDA, SECONDED BY VICE-MAYOR HUGGINS, TO APPROVE ONE-TIME FUNDS IN THE AMOUNT OF \$30,000.00 FOR THE CHANDLER HISTORICAL SOCIETY.

COUNCILMEMBER WENINGER said he would support the request and suggested the Society start looking at ways to provide their share of the O & M costs.

MOTION CARRIED UNANIMOUSLY (7-0).

MAYOR DUNN said one-time available funds are now reduced to \$399,563.00.

9. Lion's Club July 4th Event: \$35,000.00 in on-going funds:

MR. EYNATTEN explained that in FY 2004/05, the July 4th Event was moved to Tumbleweed Park incurring additional costs to the Lion's Club including fence rentals, additional security, extra restrooms, parking attendance, trash and dust control. It is estimated that the event accommodates approximately 100,000 people. The Lion's Club is committed to keep the event free for admittance and is requesting additional funds to help offset the costs. This is the same request funded in FY 2006/07 that was funded by the Council. Special Events Staff have reviewed the event and it would cost \$83,000.00 for the City to take over the event.

MAYOR DUNN clarified that these funds will be on-going until there is a recommendation for an increase. MR. EYNATTEN said that the request has been a one-time request each year in the

past to allow for adjustments if there should be a need for adjustments. It has stabilized at \$35,000.00 which is why that amount is being requested.

COUNCILMEMBER WENINGER said that it is a great event and other non-profits are allowed to participate and a donation is made back to that organization for their participation.

COUNCILMEMBER DONOVAN asked if the Lion's Club also receives funding from the City's Special Events fund for this even. MR. EYNATTEN responded that they do not. COUNCILMEMBER DONOVAN asked if it would qualify. MR. EYNATTEN said he did not believe it would because of the other funding they receive.

MOVED BY COUNCILMEMBER CACCAMO, SECONDED BY COUNCILMEMBER WENINGER to APPROVE \$35,000.00 in on-going funds to the Lion's Club for the July 4th Event.

MOTION CARRIED UNANIMOUSLY (7-0).

10. East Valley Retired & Senior Volunteer Program: Withdrawn :

MAYOR DUNN said that this request has been withdrawn as funds have been obtained elsewhere.

MAYOR DUNN said that remaining on-going funds are \$165,000.00 and one-time funds of \$399,563.00.

11. COPLINK: \$67,136.00 in on-going funds and \$56,400.00 in one-time funds:

CHIEF SHERRY KIYLER explained that COPLINK is an information-sharing system allowing police agencies to share information out of their reporting systems with each other. If Chandler was looking for a specific suspect, there is an internal database system that would allow for a search. There is no existing system that would allow the search to be done including Mesa, Tempe, Gilbert or any valley city. COPLINK will allow for the search of other agencies. Phoenix and Tucson both have COPLINK nodes.

It was originally felt that 3 nodes within the State of Arizona would be sufficient. The more information put in and the more people have access, the more difficult it becomes to get information. Mesa recently funded a \$500,000.00 system and has offered a partnership with all of the east valley agencies for an east valley node of COPLINK. That node will ultimately be connected to the LA and southern California node and the Phoenix node. The east valley node would be searched first. If there are no hits, an expanded search can be conducted.

The one-time funds are primarily for the database and hook-up charges to the vendor. The on-going funds are for Chandler's share of running the system. It will be housed in Mesa who will provide the IT people and the space and other cities will partner to share expenses based on the percentage of sworn personnel in each participating agency. Since the document was created there have been other agencies indicating they may wish to participate, which would reduce the amount in on-going funds.

COUNCILMEMBER SEPULVEDA asked about the costs and/or savings to the City of Tucson. CHIEF KIYLER said that Tucson believes they have saved the equivalent of 130 FTE's for a savings of \$7 million.

MOVED BY COUNCILMEMBER SEPULVEDA, SECONDED BY VICE-MAYOR HUGGINS, TO APPROVE \$67,136.00 IN ON-GOING FUNDS AND \$56,400.00 IN ONE-TIME FUNDS FOR COPLINK.

MOTION CARRIED UNANIMOUSLY (7-0).

MAYOR DUNN said the balance of on-going funds is \$97,864.00 and one-time funds of \$343,163.00.

12. Assistant City Attorney: \$147,898.00 in on-going funds and \$2,600.00 in one-time funds: No Action

COUNCILMEMBER SEPULVEDA said that this position would not be filled for 4-6 months and would not have a full year's salary and consideration should be made in reducing the on-going funds to \$74,000.00.

CITY ATTORNEY HOUSE explained that this position would work with the Mayor and Council and various City departments, neighborhood organizations to devise and implement comprehensive strategies for combating blight and crime by revitalizing the older neighborhoods.

ASSISTANT CITY MANAGER RICH DLUGAS said that Staff met with members of the Silk Stocking neighborhood to discuss some code enforcement issues. They explained the GAP requests that had been presented by Staff including the two packages for code enforcement specialists. There was also an unsafe building package submitted through Planning and Development that included a building specialist, code specialist and administrative assistance and additional funds for demolition.

COUNCILMEMBER SEPULVEDA said there were three neighborhoods involved in the discussions - Silk Stocking, Galveston and Park Manor. The discussions included getting this in place incrementally, but inquired if the Assistant City Attorney position is the right person to assess the policy discussions in the past and now and move forward with a program.

BRIAN BOSSHARDT said that the older neighborhoods are seeing some improvement, but are frustrated with the amount of time it is taking. COUNCILMEMBER SEPULVEDA said that even if this position were approved, it would still take time to get the program in place.

MAYOR DUNN clarified that COUNCILMEMBER SEPULVEDA would like to partially fund the Assistant City Attorney and not hire a Building Code Specialist. Mayor noted that a Building Code Specialist could be hired with the available funds in on-going.

COUNCILMEMBER SEPULVEDA concurred. Based on discussions with the neighborhoods and Staff, the positions are all critical, but the legal aspects should be taken care of first.

COUNCILMEMBER WENINGER said that everyone wants the same result, but disagree on how to accomplish it. He asked if a policy was in place. The memo refers to an Unsafe Building Inspections Program was instituted in 1998/99 with positions allocated and asked if it was the same thing.

PLANNING DIRECTOR DOUG BALLARD said that it was a different program that was fully implemented. An unsafe program can have different components. One would be to inspect

unsafe buildings with the intent of getting them improved and safe. The second is that, upon inspection, demolition is ordered because the building cannot be made safe. If the owner does not show they intend to repair the building, it is ordered demolished. There is a legal process that has to be followed. Thirdly, if demolition is ordered and the owner does not comply, does the City decide to pay for the demolition and lien the property. The fourth component is would the City consider possibly providing relocation assistance to any families that may have to be moved out of an unsafe building. The 1998/99 program was different and less time consuming. It was a voluntary demolition program whereby the City provided funds to help people demolish unsafe buildings. We were not liening the property or proactively enforcing the code, but offered to demolish the building. There were two building inspectors budgeted for. One was hired as an unsafe building inspector and the other was an administrative support person. There were legal concerns that what the City was doing could be considered gifting where City money was being used to improve the value of someone's property by removing an unsafe structure and the program was stopped. The administrative support position was transferred to special inspections for Intel and the unsafe inspector is still doing code compliance, but not the demolition program. There were 30-35 units demolished during this period. Some of the funding for the program was returned to the general fund and the original amount budgeted for demolitions has also been reduced.

CITY ATTORNEY HOUSE said that the current level of enforcement could be accomplished with the current attorney staff, but there is not staff available to devote to an additional program.

COUNCILMEMBER WENINGER said that he feels a policy should be developed and defined before funds are allocated for an Assistant City Attorney.

COUNCILMEMBER SEPULVEDA said that the Assistant City Attorney would help develop the policy. He said that former Councilmember Stephanie Serrano had attended the neighborhood meeting and recalled having the same discussions when she was on the Council over 20 years ago. The earlier program did not get off the ground and did not accomplish the intent.

MAYOR DUNN pointed out that everyone is in favor of the same result. He was on Council when other programs to deal with substandard housing were tried. There needs to be sufficient funding to buy land and relocate displaced renters. It would be his preference to bring on the Building Code Specialist to deal with the on-going issues. Council needs to have discussions regarding a policy, funding and enforceability.

COUNCILMEMBER ORLANDO asked if the position could be a paralegal or someone else with expertise in this area and not an attorney. MR. HOUSE responded that because of the responsibilities, only an attorney could fill it. COUNCILMEMBER ORLANDO proposed looking at a one-time outsource allocation to do some of the ground work, review it for a year and see if the position is needed next year. MR. PENTZ said that a consultant could be hired to work with Staff; however, as we look at developing the program, he sees this individual taking the lead along with the Neighborhood Programs Director that we are currently recruiting for. It is important that as the program is developed, that it becomes our program and not have a consultant come in and tell us how to do it.

MR. HOUSE said that the development of the strategy for combating blight and revitalizing the older neighborhoods should be done internally as indicated by Mr. Pentz. He is not aware of private attorneys working in this field.

COUNCILMEMBER ORLANDO added that the legal advice would usurp the Neighborhood Coordinator, but it is a key component. There must be an attorney willing to accept the City as a client and offer advise on establishing a policy.

COUNCILMEMBER WENINGER asked the City Attorney if his current staff would be able to work with neighborhoods in developing a policy. Mr. House said that could be done. COUNCILMEMBER WENINGER suggested developing a policy and then moving forward with the enforcement and hiring someone for enforcement. Then Council can decide how fast they want to "ramp it up".

COUNCILMEMBER ORLANDO asked for clarification from Mr. House on exactly what his current staff could handle. Mr. House responded that he was referring to assisting with development of a strategy but not accomplishing all of the tasks listed in COUNCILMEMBER SEPULVEDA'S memo. Drafting inspection protocols, etc. is implementation and not policy development. He does not have the staffing to do all of the functions but could assist in working with the City Manager and new Neighborhood Specialist and others to devise a program for future implementation.

COUNCILMEMBER ORLANDO asked Mr. Pentz when a Neighborhood Coordinator would be hired. MR. PENTZ responded that interviews have been conducted and should have someone on board in 30-60 days. A policy could possibly be in place by the end of this year with implementation early next year. COUNCILMEMBER ORLANDO commented that a new attorney would not be needed until implementation in early 2008. Mr. Pentz concurred. The Building Code Specialist would also not be needed until early 2008.

MAYOR DUNN summarized the need to proceed with developing the policy and Council's decision on how aggressive it should be. In addition, having the City Attorney's office assist in developing the policy and bringing on the Neighborhood Specialist. This criteria would be available when hiring a new City Attorney later this year and aid in deciding what personnel, costs and funding are necessary to be as aggressive as Council decides.

COUNCILMEMBER ORLANDO asked the City Manager if a consultant is needed now. Mr. Pentz responded no.

COUNCILMEMBER SEPULVEDA commented that it has been a good discussion and the issue has always been the legal component in establishing a policy. If everything short of the execution and implementation can be developed, we are on the right track. He withdrew his request for funding.

VICE-MAYOR HUGGINS said that Council should give specific direction regarding a time line. COUNCILMEMBER SEPULVEDA agreed and said that what he has heard that the policy could be developed by the first of January. MR. PENTZ concurred that January 1, 2008 is a reasonable goal.

THE MEETING RECESSED AT 10:21 p.m. and reconvened at 10:28 p.m.

MAYOR DUNN said that there are two additional amendments proposed.

COMMERCIAL REVITALIZATION PROGRAM:

COUNCILMEMBER WENINGER said that judging from the Council retreat and that it has also been a vision of his, that in reviewing the proposed budget, he learned that the operational costs related to some projects have been budgeted for the entire fiscal year rather than prorated for when the projects actually come on line. The Economic Development Division has carried forward \$1,151,100.00 of unencumbered funds for strategic economic development opportunities and the Division has not identified any use for the funds at this time. Since there are other funds available for this purpose, Councilmember Weninger said a more significant impact could be made by shifting the money to the Commercial Revitalization program. With the help of staff, a policy could be developed for this use.

COUNCILMEMBER ORLANDO asked if there would be problems with utilizing City funds for private property development.

MR. PENTZ clarified that two sources of funding would be looked at for his proposal including the \$1,151,100.00 carry forward money in the account for the Strategic Economic Development Initiatives plus the money not being spent this year, which will be treated as one-time money because it will be needed next year. COUNCILMEMBER WENINGER said that \$646,286.00 transferring the O & M savings from prorated appropriations and the appropriations would be there next year as it is one-time. The sum of the two funds is \$1,797,386.00.

MAYOR DUNN said that his understanding is that by using the \$1.1 million of unencumbered funds which were carried forward from last year, that this does not affect what we are presently funding for strategic economic development. MR. PENTZ said it does not as this is money from the previous reduction in contingency where money was set aside for neighborhoods, parks and economic development. He stated the challenge would be to develop an enhanced commercial revitalization program or something more comprehensive. He stated the idea of some areas of commercial perhaps being needed demolishing and redeveloped and this would provide an amount of seed money.

With regard to Councilmember Orlando's question and Councilmember Caccamo's comment, Mr. Pentz stated this would be similar to some of the current programs in place which is the commercial revitalization program where we are using funds to incent revitalization projects. We also use funds in the downtown to incent façade improvements or help with tenant improvements.

MR. HOUSE explained that any program of this type has to be gauged against the gift clause of the Arizona Constitution, Article 9, Section 7, which prohibits the City from giving its resources to private entities. The test is whether or not the expenditure is for a public purpose and whether the City receives fair consideration for the expenditure. It would depend on the exact nature of the program and the City Attorney's office would assist in structuring the program so it did not constitute a gift.

COUNCILMEMBER SEPULVEDA said that it would give the City the potential to have a "pot of money" to incent developers to consider an area that has not been a mixed-use development. He recognized the coordination needed in working with various departments to ensure we have these redevelopment projects and they are the best use now and in the future. MR. PENTZ added that this is directly in line with goals that have been developed for the next two years. MAYOR DUNN said that this provides an opportunity for public/private redevelopment.

MOVED BY COUNCILMEMBER WENINGER, SECONDED BY COUNCILMEMBER SEPULVEDA, TO AMEND THE TENTATIVE BUDGET BY TRANSFERRING O & M SAVINGS FROM PRORATED APPROPRIATIONS BASED ON REVISED TIME LINES FOR NEW

CAPITAL PROJECTS COMING ONLINE DURING FISCAL YEAR 2007/08 FROM THE POLICE DEPARTMENT IN THE AMOUNT OF \$13,763.00; FIRE DEPARTMENT IN THE AMOUNT OF \$46,761.00; COMMUNITY SERVICES IN THE AMOUNT OF \$479,366.00, PUBLIC WORKS IN THE AMOUNT OF \$106,396.00 FOR A TOTAL OF \$646,286.00 AND UNENCUMBERED STRATEGIC ECONOMIC DEVELOPMENT FUNDS OF \$1,151,100.00 FOR A GRAND TOTAL OF \$1,797,386.00 TO THE COMMERCIAL REVITALIZATION PROGRAM. THIS WILL HELP IMPROVE OUR REDEVELOPMENT EFFORTS BY TARGETING AGING OR UNDER-UTILIZED COMMERCIAL AREAS.

COUNCILMEMBER ORLANDO asked what would have the \$646,286.00 been used for. Mr. Pentz responded that it would remain in the general fund. We have operating expenditures associated with CIP projects, which may not be completed until later in the year, and those expenditures remain in the general funds until they are needed. It is important that this program be considered one-time funds. COUNCILMEMBER ORLANDO clarified that the department heads understand the program and their programs will not be shorted.

MOTION CARRIED UNANIMOUSLY (7-0).

PROPERTY TAX RATE DECREASE:

MAYOR DUNN addressed another proposed amendment dealing with property tax rates. With the increase in assessed valuation and the refunding of bonds, there is an opportunity to begin to lower the property tax rates without negatively impacting our aggressive schedule for construction of critical capital projects. He proposed a reduction of the secondary property tax rate of at least three cents along with the already recommended and State directed two cent of the primary for a total five-cent reduction.

COUNCILMEMBER ORLANDO asked if Staff supports the reduction. MR. PENTZ said that it has never been Staff's position to recommend a reduction, but a three-cent reduction in secondary property tax levy would still allow the city to meet current and future obligations.

COUNCILMEMBER DONOVAN asked how this would impact future budget deficits. MR. PENTZ responded that there has been considerable savings in our debt through refinancing. When the bond projections were done, the Finance Director used a projection of a growth in assessed valuation of 25%, but it was actually 40%. The assessed valuation of the City significantly exceeded the projections. Based upon that information, there is an adequate revenue stream to offset the tax reduction.

VICE-MAYOR HUGGINS asked if this would impact bond ratings. MR. PENTZ said it would not.

MAYOR DUNN said that Chandler has always been conservative and this will return some of the money back to taxpayers to show that the City recognizes how the increase in assessed value is affecting the over all property tax.

COUNCILMEMBER WENINGER said that this is needed and prudent in giving some relief to our taxpayers due to the increase in values.

COUNCILMEMBER SEPULVEDA asked if we would be OK assuming the assessed valuations continue to increase, the bond market and rating remain favorable, savings due to refinancing bonds for a more favorable rate given the CIP projects we currently have. BUDGET MANAGER Dennis Strachota responded that the assumptions made when the original rate was proposed,

the assessed value was lower than it actually came in from the County. There was also a refunding savings that resulted from a refunding less than a month ago that was not included in the rate. There was also a lower interest rate in our bond sale than we had budgeted for. These three factors allow for a reduction in rate. While we want to be as conservative as possible with projections and do not see a problem with the three-cent reduction.

COUNCILMEMBER SEPULVEDA asked how we would be impacted if a large capital project needed to be completed. MR. STRACHOTA said that if it were a project not included in the five-year plan, we would have to possibly make changes to the plan by moving some projects to accommodate the new one. Before a bond sale is initiated, re-estimates are done taking into consideration things that have changed. Worst-case scenario would be that we would be selling less bonds than expected. Debt restructuring can also be done to extend the length of the bonds to accommodate additional bonds sales within the available tax rate.

MOVED BY MAYOR DUNN, SECONDED BY VICE-MAYOR HUGGINS, to amend the current budget to approve a three-cent reduction in the secondary property tax along with a mandated two-cent reduction of the primary tax.

MOTION CARRIED UNANIMOUSLY (7-0).

Adjournment: The meeting was adjourned at approximately 11:00 p.m.

ATTEST: _____
City Clerk

MAYOR

Approved: June 14,2007

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of Chandler, Arizona, held on the 21st day of May 2007. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of _____, 2007.

City Clerk