

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 Thursday, June 14,2007 at 7:07 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 |
| Matt Orlando | Councilmember |
| (telephonically) Martin Sepulveda | Councilmember |
| Jeff Weningen | 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 |

PUBLIC HEARING:

P.H. #1 2007-08 Property Tax Levy, 2007-08 Final Budget and 2007-2012 Capital Improvement Program

Mayor Dunn opened the public hearing at 7:08 p.m.

BUDGET MANAGER DENNIS STRACHOTA presented the 2007-08 budget in the amount of \$1,159,274,204.00. He explained the proposed property tax rate is \$1.20 per \$100 of assessed value that is a reduction from \$1.25. The proposed rate includes a 36-cent primary rate and an 84-cent secondary rate. The proposed reduction is a 2-cent reduction on the primary rate and a 3-cent reduction on the secondary rate. The primary rate is used to pay for ongoing maintenance and operation costs while the secondary rate is used for paying debt service or principal and interest on bonds or capital projects. Mr. Strachota said it was important to note for the past twelve years, the City's bond and property tax rate has either remained the same or has been reduced. The 2007-2012 capital improvement program \$981,197,628.00.

MAYOR DUNN noted that this was Mr. Strachota's first year as budget manager and complimented the work of he and his employees. Mayor Dunn said it was important to note that the City is still progressing as a city by continuing to hire people, keeping an emergency fund available and having adopted one of the larger budgets mainly because of the capital projects needing to be built, but while reducing the property tax rate for the citizens.

1. 2007-08 BUDGET/CAPITAL IMPROVEMENT PROGRAM Res. #4074

ADOPTED Resolution No. 4074 adopting the 2007-08 Budget of \$1,159,274,204.00 and the 2007-2012 Capital Improvement Program of \$981,197,628.00.

The property tax levy included in the budget, which will produce a combined property tax rate of \$1.20, is scheduled for adoption on June 28, 2007.

The amended 2007-08 Annual Budget totals \$1,159,274,204.00 and includes an operating budget of \$257,926,051.00, capital expenses (non-grant: of \$654,236,182.00 funding for Debt Service of \$50,294,497.00, interfund charges for capital replacement of \$4,240,539.00. grant expenses of \$49,967,156.00, plus a contingency and reserve in the amount of \$142,609,779.00. Included in the projected operating revenues of \$376,556,563.00 is a property tax levy based on the rate of \$1.20 per \$100.00 assessed property value.

City Charter requires that the City Council present a Five-Year Capital Improvement Program (CIP) for the City of Chandler before June 15th of the current fiscal year. The 2007-2012 Capital Improvement Program, which totals \$981,197,628.00 was prepared taking into consideration direction from Council for projects that are proposed to be undertaken during the next five years. Appropriate supporting was presented at the Budget Briefing on May 9, 2007.

MOVED BY COUNCILMEMBER ORLANDO, SECONDED BY COUNCILMEMBER CACCAMO, TO ADOPT RESOLUTION NO. 4074 ADOPTING THE 2007-08 BUDGET OF \$1,159,274,204.00 AND THE 2007-2012 CAPITAL IMPROVEMENT PROGRAM OF \$981,197,628.00.

MOTION CARRIED UNANIMOUSLY (7-0).

Adjournment: The meeting was adjourned at approximately 7:13 p.m.

ATTEST: _____
City Clerk

Mayor

Approved: June 28, 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 14th day of June 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