Approved as Amended March 6, 2025

CITY OF SCOTTSDALE
McDOWELL SONORAN PRESERVE COMMISSION
WORK STUDY SESSION – MINUTES
Thursday, January 30, 2025
Granite Reef Senior Center - Room 1
1700 N. Granite Reef Road
Scottsdale, AZ 85251

PRESENT: Chairperson Steve Coluccio, Vice-Chair Kerry Olsson, Commissioners Savannah Engelking (MS Teams, arrived at 5:28 p.m.), Robert Hallagan, Susan Hirschmann, Pruitt Layton, and Ryan Rybarczyk

STAFF: Kroy Ekblaw, Preserve Director; Scott Hamilton, Preserve Manager; Sonia Andrews, City Treasurer

1. CALL TO ORDER

Chair Coluccio called the meeting to order at 5:04 p.m.

Chair Coluccio welcomed Commissioner Pruitt Layton to the Commission.

2. ROLL CALL

Members present as listed above.

3. PUBLIC COMMENT

There were no members of the public who wished to speak.

4. PRESERVE FY 2025/26 BUDGET PROCESS UPDATE

Staff provided an update on the 2025/26 Preserve budget related to Proposition 490 funding. Kroy Ekblaw, Preserve Director, gave an overview of the history leading up to November's successful vote on Proposition 490 and the budget process timeline.

Sonia Andrews, City Treasurer, said that that the budget that the McDowell Sonoran Preserve Commission approves will go first to the newly appointed Budget Commission and then will be forwarded to City Council as a package with budget proposals from other City departments. She reviewed the 0.15 percent Park and Preserve Sales Tax,18 percent allocation preliminary draft, noting that the fund created for the Preserve portion of the Proposition 490 tax has been labeled "Fund 257." Ms. Andrews said that the estimated revenue from the 0.15 percent tax is approximately $25 million, with 18 percent ($4.4 million) allocated to the Preserve. A portion of the tax will also fund debt service for WestWorld drainage improvements. Debt service payments take priority, and the remainder of Fund 257 will be allocated to the Preserve, park improvements, and park maintenance, with additional allocations going to park rangers, fire mitigation, and technical rescue.

Ms. Andrews' presentation included an outline of the budget review process and associated timeline; an outline of the fund reserves and stability measures; and the next steps in the process. The McDowell Sonoran Preserve Commission will be asked to reach consensus on the budget recommendation during the February 2025 meeting in order to prepare a budget presentation for the May City Council meeting. Per City Charter, City budget approval must occur during the first City Council meeting in June.

Commissioners asked questions throughout the presentation. Ms. Andrews explained that the Budget Commission will be provided with a summary of the Commission's recommendation, including line-item detail. She noted that the budget will follow a "sources and uses" framework, rather than traditional "revenues and expenses" terminology. In the first year the entire $4.4 million will not be spent in order to build reserves. Ms. Andrews explained the reason for having "stabilization reserves" and "contingency reserves" and the volatility of the fund. She noted that the City follows a policy of maintaining a 20 percent stabilization reserve and a 5 percent emergency reserve. The City Treasurer's office will be recommending that the City Council adopt the same reserves for Fund 257.

Ms. Andrews said that the Preserve will no longer receive General Fund dollars, because the 18 percent allocation is estimated to be approximately $4.4 million, which is significantly more. Parks will continue receiving General Funds, because their allocation is 14 percent, which is significantly less than the Parks and Recreation department's $27 million budget. Discussion ensued regarding possible uses for the stabilization fund and the contingency fund, as well as the requirements to refund the accounts within two years when they are used. It was noted that the City Council has the authority with a super majority vote, to reallocate reserve funds as long as the money stays within Fund 257. Brief discussion ensued regarding the 2004 tax, which is projected to sunset in 2027/28.

Ms. Andrews shared the Tourism Development Commission's development fund budget. The same outline will be used by Preserve staff for presentation of the Preserve budget. Mr. Ekblaw assured Commissioners that they will receive updates relative to specific areas of the budget throughout the year. The Commission will review and approve the budget no later than February each year.

Scott Hamilton, Preserve Manager, presented the anticipated expenditures for each Cost Center:

- Sonoran Desert Education and Awareness
    - Purpose is to promote education about the natural and cultural resources of the Preserve.
    - The budget allocation is $75,000. ($54,000 for educational outings and events and $9,000 for program materials.)
- Sonoran Desert Preservation (ERP)
    - Purpose is to advance scientific knowledge for long-term biodiversity and maintenance of the Preserve.
    - The budget allocation is $500,000, which will be used primarily for contractual services.
- Habitat Protection - Invasive Plant Management
    - The budget allocation is $300,000. ($142,000 for contractual services and $158,000 for commodities)
    - Mr. Hamilton explained the map indicating where chemicals will be applied.

- The recently awarded Department of Forestry and Fire Management grant will be presented to the City Council for approval in March.
- Areas will be prioritized based on topography and fire risk. Work will be completed using staff, volunteers, and contractual services, depending upon the difficulty level of reaching each location.

- Habitat Protection - Wildland Fire Management
  - The budget allocation is $300,000 for contractual services to conduct vegetation thinning projects at the estimated cost of $4,000 to $5,000 per acre for 50 to 60 acres per year.
  - Mr. Hamilton explained that treatment costs range from $4,000 to $5,000 per acre, depending on the terrain and survey methods used.
  - Mr. Hamilton said that ongoing collaboration with the fire department and other state agencies is essential.
- Cultural History Protection
  - The budget allocation is $70,000, which will be used to survey approximately 2,700 acres of unsurveyed areas within the Preserve boundary.
  - Costs are estimated at approximately $80 per acre but will increase if artifacts are discovered.
  - Mr. Hamilton noted that it is anticipated that surveying will be a multi-year effort. It could be necessary to prioritize areas to be surveyed.

Mr. Ekblaw noted that the February 6th meeting will focus on finalizing expenditure details and requesting that Commissioners make a recommendation to be forwarded to the Budget Commission. He said that moving forward, ongoing conversations about the cost centers will be held throughout the year. Staff's goal is to be prepared to present the Commission with a draft budget recommendation each November, and to agendize the final budget recommendation in February of each year.

5. UPCOMING MEETING DATES, LOCATIONS AND AGENDA ITEMS

All Dates listed are Tentative and subject to amendment:

- Regular Meetings – February 6th; March 6th; April 3rd (possible 10th); May 1st; June 5th

Mr. Hamilton noted that the McDowell Sonoran Conservancy award banquet is scheduled for April 3, 2025.

6. ADJOURNMENT

COMMISSIONER LAYTON MOVED TO ADJOURN THE MEETING. COMMISSIONER RYBARCZYK SECONDED THE MOTION, WHICH CARRIED SEVEN (7) TO ZERO (0) BY ROLL CALL VOTE. CHAIR COLUCCIO, VICE-CHAIR OLSSON, COMMISSIONERS ENGELKING, HALLAGAN HIRSCHMANN, LAYTON, AND RYBARCZYK VOTED IN THE AFFIRMATIVE. THERE WERE NO DISSENTING VOTES.

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:01 p.m.

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