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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: GOOD AFTERNOON. I WOULD LIKE TO CALL TO ORDER OUR APRIL 17, 2013 SPECIAL CITY COUNCIL MEETING. WE WILL START WITH A ROLL CALL PLEASE.

ROLL CALL

[Time: 00:00:11]

City Clerk Carolyn Jagger: THANK YOU YOUR HONOR. MAYOR JIM LANE

Mayor Lane: PRESENT.

Carolyn Jagger: VICE MAYOR SUZANNE KLAPP

Vice Mayor Klapp: HERE.

Carolyn Jagger: COUNCILMEMBERS VIRGINIA KORTE

Councilmember Virginia Korte: HERE.

Carolyn Jagger: BOB LITTLEFIELD. ABSENT. (Councilman Littlefield arrived 3 minutes into the meeting)

Carolyn Jagger: LINDA MILHAVEN

Councilmember Linda Milhaven: HERE.

Carolyn Jagger: GUY PHILLIPS

Councilmember Guy Phillips: HERE.

Carolyn Jagger: DENNIS ROBBINS

Councilmember Dennis Robbins: HERE.

Carolyn Jagger: ACTING CITY MANAGER DAN WORTH

Acting City Manager Dan Worth: HERE.

Carolyn Jagger: DEPUTY CITY ATTORNEY STEVE BENNETT.

Deputy City Attorney Steve Bennett: HERE.

Carolyn Jagger: ACTING CITY TREASURER JUDY MCILROY

Acting City Treasurer Judy McIlroy: PRESENT.

Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

City Auditor Sharron Walker: HERE.

Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: THANK YOU. FIRST ORDER OF BUSINESS. WE DO HAVE CARDS IF YOU WOULD LIKE TO SPEAK ON ANY SUBJECT WE DO HAVE WHITE CARDS, THERE CLERK IS HOLDING OVER HER HEAD ON ANY ITEM THAT IS ON THE AGENDA. YELLOW CARDS FOR WRITTEN COMMENTS IF YOU HAVE ANYTHING ELSE YOU WOULD LIKE TO WRITE DOWN WE WILL HAVE COUNCIL READ THOSE DURING THE PROCEEDINGS. WE HAVE SCOTTSDALE OFFICERS HERE WITH US TODAY DIRECTLY IN FRONT OF ME IF YOU HAVE NEED FOR THEIR ASSISTANCE. THE AREAS BEHIND US ARE RESERVED FOR COUNCIL AND STAFF. WE HAVE FACILITIES OVER HERE FOR YOUR USE. I WOULD ASK THAT WE ALL STAND FOR THE PLEDGE OF ALLEGIANCE AND ASK COUNCILMEMBER GUY PHILIPS LEAD US IN THE PLEDGE.

PLEDGE OF ALLEGIANCE

[Time: 00:01:28]

Councilmember Phillips: I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA, AND TO THE REPUBLIC FOR WHICH IT STANDS ONE NATION UNDER GOD INDIVISIBLE WITH LIBERTY AND JUSTICE FOR ALL.

Mayor Lane: THANK YOU COUNCILMAN.

INVOCATION

Mayor Lane: THIS EVENING WE WILL TAKE MOMENT TO CONSIDER SOME THOUGHTS AND PRAYERS FOR THOSE VICTIMS AND SURVIVORS OF THE BOSTON TRAGEDY. THANK YOU. I HAVE NO ADDITION REPORT AND THE CITY MANAGER HAS NO ADDITION REPORT AT THIS TIME.

Acting City Manager Dan Worth: CORRECT MAYOR.

Mayor Lane: LET IT BE NOTED THAT COUNCILMAN LITTLEFIELD HAS JOINED US. NO PRESENTATIONS. I HAVE NO PUBLIC COMMENT CARDS. THERE WILL BE TIME AT THE END IF CARDS ARE PRESENTED.

ITEM 1 – REVIEW PROPOSED FISCAL YEAR 2013/14 BUDGET BY DIVISION

[Time: 00:03:07]

Mayor Lane: YESTERDAY EVENING WE WERE ABLE TO COMPLETE MOST OF THE ITEMS THAT WERE ON OUR REVIEW OF THE BUDGET ITEMS WITH THE EXCEPTION OF ITEMS G AND H UNDER WHAT WAS THEN ITEM 8 IT IS NOW ITEM 1 THE ONLY ITEM ON THIS SPECIAL MEETING. WE WILL THEN GO AHEAD AND PROCEED. MR. WORTH IF YOU WOULD LIKE TO OPEN THIS. AND OF COURSE YOU CAN START WITH ITEM G.

ITEM 1 – G. COMMUNITY AND ECONOMIC DEVELOPMENT

Acting City Manager Dan Worth: MAYOR I WILL SPARE YOU WITH ANY INTRODUCTORY COMMENTS AND TURN IT OVER TO PAUL KATSENES. HE WILL PROCEED WITH THE COMMUNITY AND ECONOMIC DEVELOPMENT BUDGET.

Mayor Lane: VERY GOOD. WE DID JUST GET ONE CARD. IT IS NOT PUBLIC COMMENT BUT IT IS TO THE ONLY ITEMS WE HAVE ON HERE AND IF WE FOLLOW THE PROCESS WE HAD LAST NIGHT WE WILL GO AHEAD AND HEAR FROM BARBARA FENSTER ON THE BUDGET. IF YOU WOULD LIKE TO COME FORWARD.

[Time: 00:04:14]

Barbara Fenster: I GREATLY APPRECIATE THE OPPORTUNITY TO TALK TO YOU. MY NAME IS BARBARA FENSTER I'M THE EXECUTIVE DIRECTOR OF ORGANIZATION CALLED FREE ARTS FOR ABUSED CHILDREN. WE USE ART THERE THERAPEUTICALLY TO HELP ABUSED OR HOMELESS CHILDREN. ALL OUR KIDS LIVE IN POVERTY, FOSTER CARE, GROUP HOMES, DOMESTIC VIOLENCE OR HOMELESS SHELTERS. ONE BOY WHO LIVES NOT TOO FAR FROM HERE 16 YEAR OLD GOT VERY MUCH INTO POETRY. BOYS REALLY LIKE POETRY. HE STARTED A POEM HE WROTE ABOUT HIS LIFE BY SAYING I WAS A BABY LEFT IN A CARDBOARD BOX LEFT IN THE RAIN, THE HAIL, THE COLD I WAS LEFT BESIDE THE FREEWAY. THESE CHILDREN LIVE INDESCRIBABLE LIVES AND THEY HAVE LITTLE IN THE WAY OF MENTAL HEALTH HELP. WE OFFER THAT THROUGH THE ARTS. WE HAVE A GREAT DEAL OF SCIENTIFIC RESEARCH THAT SHOWS HOW EFFECTIVE IT IS WORKING WITH THESE CHILDREN. WE ARE VERY EFFICIENT THERE ARE 16,000 CHILDREN IN FOSTER CARE IN ARIZONA THIS COUNTY WE SERVE 6,000. WE HAVE A STAFF OF 10, 7

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WHO ARE FULL TIME. WE HAVE MORE THAN 550 VOLUNTEERS BUT WE COULD NOT DO OUR WORK WITHOUT AGENCIES LIKE THE CITY OF SCOTTSDALE. WE HAVE PARTNERED WITH YOU FOR 16 YEARS TO PROVIDE PROGRAMS FOR THESE CHILDREN. WE DO ONE THIS COMING SEPTEMBER. WE WORK WITH A PROFESSIONAL DANCE TROOP WHERE CHILDREN ARE INVITED IN, THEY PARTICIPATE IN THE DANCE. THEY LEARN ABOUT THEATER AND WE PROVIDE THERAPY FOR THEM. IT IS A GREAT COMBINATION. THEY THINK THEY ARE HAVING A GOOD TIME. WE'RE GIVING THEM MENTAL HEALTH. WE COULDN'T DO IT WITHOUT YOU. I WANT TO SAY THANK YOU FOR THAT AND I HOPE YOU WILL CONSIDER THE INCREASE IN BUDGET BECAUSE THOSE OF US WHO ARE ABLE TO LEVERAGE THOSE DOLLARS DO SO WITH KNOWING HOW VALUABLE EACH DOLLAR IT IS TO THOSE KIDS. BRIAN ENDED THE POEM BY SAYING I WAS HEARD ABOVE THE THUNDER, I AM A WONDER. THANK YOU.

Mayor Lane: THANK YOU MS. FENSTER THAT IS THE ONLY SPEAKER ON TONIGHT'S AGENDA SO MR. KATSENES IF YOU WANT TO GO AHEAD AND PROCEED.

[Time: 00:07:09]

Executive Director Community and Economic Development Paul Katsenes: MAYOR, COUNCIL, IT IS GOOD TO BE HERE. WE ARE HERE TO REVIEW THE COMMUNITY AND ECONOMIC DEVELOPMENT BUDGET PRESENTATION AND LET ME SUGGEST TO YOU THAT THREE OF OUR GOALS ARE AT THE END OF THIS TO HAVE DISCUSSED WITH YOU THE FACT THAT OUR COMBINED BUDGET IS LESS THAN 1%. A REQUEST FOR COMBINED BUDGET GOING FORWARD IS LESS THAN 1% FROM WHERE WE ARE AND NOW AND WE ARE ASKING FOR ONLY ONE FULL TIME ADDITION IN THE COMING YEAR AND NUMBER 3 WE ARE HOPEFULLY GOING TO HAVE A DISCUSSION TO SHOW YOU HOW WE ARE PROJECTING A POSSIBLE 5 MILLION INCREASE REVENUE TO THE CITY. WE HOPE IT IS ENOUGH TO GET YOUR INTEREST. JUST TO REMIND YOU AND SET THE STAGE FOR THOSE WHO ARE NOT AWARE THE COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT IS FOUR DIVISIONS. IT COMBINES THE AVIATION DEPARTMENT, ECONOMIC DEVELOPMENT DEPARTMENT, PLANNING AND NEIGHBORHOOD TRANSPORTATION AND WESTWORLD. HERE ARE THE LINE ITEMS BUDGETS THAT WERE APPROVED THE APPROVED BUDGETS COMBINED FOR 43.3 MILLION. THE PROPOSED BUDGET THAT WE ARE SUGGESTING IS 43.6 MILLION FOR \$300,000 COMBINED CHANGE AND THAT IS HOW AT THE POINT 8% SUGGEST IF WE COMBINE EACH OF THOSE INTO A TOTAL THAT WE ARE PROPOSING, LESS THAN A 1% INCREASE. CLEARLY SOME ARE INCREASED A SLIGHTLY DIFFERENT WAY.

THE AVIATION BUDGET IS AN INCREASE OF \$200,000 COMPOSED OF ESSENTIALLY OF THE 105% MARKET, THE BENEFITS THAT ARE INCREASED THIS YEAR AND SOME COMPONENTS OF INTERGOVERNMENTAL PAYMENTS. SOME THINGS WE WILL GET INTO MORE DETAIL. THE TRANSPORTATION REDUCTION IS AS A RESULT OF OUR CONTRACTS WITH THE RPTA AND THE VALLEY METRO. IT TURNS OUT THAT THOSE FOLKS HAVE FOUND NEW GRANTS AND NEW SOURCES OF FUNDS TO MAINTAIN AND DO PREVENTATIVE MAINTENANCE AND REGULAR MAINTENANCE SO WHAT THEY BILL US IS LOWER THIS YEAR THAN TWO YEARS AGO OR WHAT THEY WILL BILL US IN THIS NEW BUDGET. SO THERE'S A POTENTIAL FOR \$300,000 REDUCTION IN PLANNING BUDGET AS A RESULT. ECONOMIC DEVELOPMENT HAS A SLIGHT INCREASE. THAT IS RELATED TO THE INCREASE IN BED TAXES THAT WE PROJECT WILL COME FORWARD AS THE RESULT OF THE ECONOMY. 105% IN SOME OF THOSE EMPLOYEE BENEFITS AND WESTWORLD HAS A SLIGHT REDUCTION IN ITS BUDGET FROM THIS TO NEXT YEAR. WE HAVE BROUGHT FORWARD TODAY YOU SOME IMPROVEMENTS OVER TIME THIS LAST YEAR AND YEAR BEFORE FOR THE TOURNAMENT PLAYERS COURSE AND THE MCDOWELL MOUNTAIN RANCH

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GOLF COURSE. WE HAVE NONE OF THOSE IN THIS GOING FORWARD BUDGET SO THERE'S A SLIGHT DECREASE IN THE BUDGET THERE THAT WE ARE PROJECTING FOR WESTWORLD. OUR FULL TIME EQUIVALENT COUNT CONTINUES TO REMAIN STEADY BUT HERE WE ARE SHOWING HOW IT HAS TRENDED FROM 2010 AND 2011 COMBINED TOTAL GOING ON UNTIL WE SIT TODAY AT 228.5. WE SIT TODAY AT 189.5 AND NEXT YEAR 190.5 SO WE'RE CALLING YOUR ATTENTION TO THE REQUEST FOR THAT ONE ADDITIONAL POSITION. WE'RE GOING TO DIVE INTO EACH OF THE DIVISIONS AND GIVE YOU BOTH HIGHLIGHTS AND DETAILS AND WE'RE AVAILABLE FOR QUESTION AND ANSWER AT THE END OF THIS PRESENTATION AND WE'RE AVAILABLE FOR PHONE CALLS AND E MAILS AT ANY TIME AS YOU WELL KNOW.

[Time: 00:11:52]

WE ARE TALKING ABOUT THE ECONOMIC DEVELOPMENT DEPARTMENT HERE AND SOME OF THE HIGHLIGHTS ARE THE UNIT CALLED THE BREAD TEAM. IT STANDS FOR BUSINESS, RETENTION, EXPANSION, AND DEVELOPMENT TEAM. AND HE DOES OUTREACH VISITS TO EXISTING COMPANIES IN OUR CITY IN ORDER TO UNDERSTAND THEIR EXPANSION POSSIBILITIES KEEP THEM HERE AND HELP THEM EXPAND SO THEY INTEGRATE THAT KNOWLEDGE INTO THE PLANNING DEPARTMENT AND MAKE SURE WE ARE ATTEMPTING TO KEEP OUR BUSINESS COMMUNITY GROWING, HEALTHY, AND HAPPY IN OUR CITY. WE HAVE A RETAIL ATTRACTION STATEMENT. THIS IS THE FIRST MOMENT THAT WE WILL TALK ABOUT NEW REVENUES TO THE CITY. IT FALLS UNDER THE CATEGORY OF RETAIL ATTRACTION BUT MORE SPECIFIC IT FALLS UNDER TWO BRAND NEW AUTOMOBILE DEALERSHIPS. YOU ARE AWARE BECAUSE YOU HAVE BEEN CALLED IN THE DISCUSSIONS AND HELPED WITH THE DECISIONS TO HELP THESE ATTRACTIONS MADE. WE ARE CALLING YOUR ATTENTION TO BELL LEXUS NORTH SCOTTSDALE. IT IS UNIQUE BECAUSE IT IS AN EXISTING AUTOMOBILE DEALERSHIP COMING OUT OF PHOENIX INTO OUR COMMUNITY. AND IT IS THE FIRST COMMERCIAL SALE OF ARIZONA STATE LAND THAT HAS OCCURRED IN A LONG TIME OTHER THAN OUR PRESERVE WE PURCHASED ON A SYSTEMATIC BASIS. THIS IS THE FIRST SALE OF ARIZONA LAND. IT OCCURRED BECAUSE OF THE RELATIONSHIPS WE HAVE WITH CITY STAFF AND AT ARIZONA STATE DEPARTMENT OF LAND AND THEY THEIR WILLINGNESS TO COLLABORATE WITH US AND PARTNER WITH US. THEY TYPICALLY WANT TO SALE PROPERTY, I'M SORRY, THEY TYPICALLY WANT TO LEASE PROPERTY NOT SELL IT. THEY PREFER DOING 99 YEAR LEASES. THIS WAS A SALE TESTIMONY WAS IMPORTANT BECAUSE AUTOMOBILE DEALERSHIPS AS A BUSINESS TYPE FIND IT VERY, VERY DIFFICULT TO LOCATE ON LEASED PROPERTY. THEY WOULD NOT HAVE COME TO THAT PIECE OF PROPERTY IF IT WAS A LEASED ARRANGEMENT. SO BASED ON THE STRENGTH OF THAT RELATIONSHIP AND OUR HISTORY AS A COMMUNITY WITH THE STATE LAND DEPARTMENT THEY WERE PERSUADED TO MAKE A SALE. SO THERE WAS A 30-ACRE PURCHASE. LEXUS IS NOW UNDER CONSTRUCTION. IT SHOULD OPEN IN JULY 20 OF THIS YEAR AND IT HAS 12-ACRES LEFT OVER FOR COMMERCIAL DEVELOPMENT SO WE ARE EXCITED ABOUT THE POSSIBILITY OF ADDITIONAL DEVELOPMENT AROUND THAT PROJECT. NUMBER TWO; THE BENZ DEALERSHIP AS YOU KNOW IS NOW LOCATED ACROSS FROM SCOTTSDALE FASHION CENTER ON SCOTTSDALE ROAD AND ACROSS FROM WHERE THE COCO'S CURRENTLY EXIST. WE ARE EXPECTING THEM TO OPEN THIS YEAR TOO. SO THE COMBINED OF THOSE DEALERSHIPS EACH ARE PROJECTING APPROXIMATELY \$100 MILLION WORTH OF SALES ANNUALLY NEW AND USED CARS SALES AND SALES AND SERVICE, WHICH IS PROJECTING \$1,650,000 EACH OF NEW REVENUES TO THE CITY. ROUGHLY MORE THAN 3 MILLION DOLLARS IF THEY HIT THEIR PROJECT EXISTINGS AND IF THEY DO WHAT THEY ARE CAPABLE OF DOING. THESE ARE BOTH VERY EXPERIENCED AUTOMOBILE DEALER OWNERS SO WE EXPECT THEM TO HIT THEIR NUMBERS AND WE EXPECT THAT NEW REVENUE COMING TO THE CITY.

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WE ALSO HAVE BEEN BUSY AND YOU HELPED US EXTREMELY WELL, YOUR IDEA IN FACT SCOTTSDALE MUSEUM OF THE WEST. YOU SHOULD ALL CONGRATULATE YOURSELVES FOR THE DECISION THAT'S WERE MADE AT YOUR ECONOMIC DEVELOPMENT DEPARTMENT, CITY MANAGER, CITY TREASURER AND LAW DEPARTMENT ALL HELPED TO BRING THAT PROJECT TO FRUITION AND YOU HELPED WITH THE DECISIONS TO PUSH IT FORWARD WE HAVE A COMBINED OPPORTUNITY TO ADD TO THE CULTURAL EVENTS OF OUR CITY AND LASTLY I CALL YOUR ATTENTION TO WHAT EACH OF YOU WERE INVOLVED WITH IN VARYING WAYS WHICH IS OUR 5 YEAR TOURISM DEVELOPMENT MARKETING PLAN OUR FIVE YEAR STRATEGIC PLAN. JUST TO REMIND YOU, OUR ORDINANCE REQUIREMENTS AN UPDATE EVERY 5 YEARS THIS WAS THE TIME. WE STARTED IN NOVEMBER AND DECEMBER. WE HAVE PHASE ONE COMPLETED AND WE ARE GOING INTO PHASE TWO. WE ARE COMING BACK IN THREE WEEKS WITH AN IMPLEMENTATION PROGRAM AND FINANCING SCHEDULE AND A SERIES OF STUFF SCHEDULED THAT WE'LL TAKE OUT OVER THE NEXT FIVE YEARS TO SHOW YOU WHAT NEEDS TO BE DONE ANED HOW WE ARE PROPOSING TO DO IT FOR YOUR CONSIDERATION.

[Time: 00:17:29]

ECONOMIC DEVELOPMENT HAS AN IMPORTANT MISSION OF CONTRACT ADMINISTRATION. YOU ALL KNOW THIS INTIMATELY. ONE OF THE VERY IMPORTANT, BUT NOT THE ONLY VERY IMPORTANT CONTRACT THAT WE ADMINISTER IN THAT DIVISION IS THE SCOTTSDALE CONVENTION AND VISITORS BUREAU. AS YOU ALL ARE FAMILIAR WITH, OUR ORDINANCE, WHEN IT CHANGED TO 50% BED TAX COLLECTED MUST GO TO MARKETING. EVERY YEAR YOU MAKE A DECISION AND CHOOSE A MARKETING SERVICES AND YOU HAVE BEEN CONSISTENT IN THAT SELECTION. IT IS NO SURPRISE BECAUSE OF THE SUCCESS THEY HAVE PROVIDED FOR THIS COMMUNITY FOR YEARS AND YEARS. THEY CONTINUE TO DO THAT ENORMOUSLY IMPORTANT AND SUCCESSFUL JOB AND YOU CONTINUE TO PROVIDE THAT 50% OF THE BED TAX BUT IT IS THE PART THAT MANAGES THAT CONTRACT THAT PAYS THOSE BILL THAT'S SETS UP THE PERFORMANCE STANDARD THAT'S BETWEEN THE CONVENTION AND VISITOR'S BUREAU AND THE CITY WE IMPLEMENT YOUR DIRECTIONS AND WE MONITOR AND MANAGE THAT RELATIONSHIP ON A DAILY BASIS THROUGH THE ECONOMIC DEVELOPMENT DEPARTMENT. WE ARE BRIEFLY LOOKING AT SOME OF THE NEW AND EXISTING DEVELOPMENT. WE HAVE THREE DIFFERENT PROGRAMS TO PROVIDE COMMUNITY EVENTS, SPECIAL EVENTS, SUPPORT FUND AND MULTI-YEAR CONTRACTUAL EVENTS AND NEW EVENT FUNDING SUPPORT. YEAR-ROUND THERE ARE EVENTS THAT'S OCCUR IN A VARIETY OF PLACES FROM THE LAWN RIGHT OUT HERE ALL THE WAY UP TO WESTWORLD AND IS THE CITY PORTION OF THE BED TAX THAT HELPS TO MAKE THAT HAPPEN ALONG WITH THE TOURISM DEVELOPMENT COMMISSION THAT PROVIDES RECOMMENDATIONS TO YOU ABOUT THOSE EVENTS. A COUPLE OF OTHER CONTRACTS I WILL ASK FOR SOME SUPPORT ON ONE OF THESE. FROM THE GREATER PHOENIX ECONOMIC COUNCIL WE RECEIVE TREMENDOUS SUPPORT FOR BUSINESS ATTRACTION AND INCLUDES SCOTTSDALE IN ITS MARKETING, EVERYWHERE ELSE AND ON AN INTERNATIONAL BASIS ON OUR BEHALF. THEY DO THE MARKETING FOR THE COMMUNITIES IN MARICOPA COUNTY AND WE ARE A MEMBER AND BENEFIT FROM THAT STAFF RELATIONSHIP AND THAT MARKETING RELATIONSHIP THROUGHOUT THE UNITED STATES AND THROUGHOUT THE WORLD.

THEN I WOULD LIKE TO HIGHLIGHT THE SCOTTSDALE CULTURAL COUNCIL. YOU HAVE INITIATED A TEN YEAR CONTRACT. IT STARTED IN 2008, YOU HAVE COMMITTED TO THEM A DOLLAR AMOUNT EACH YEAR. THE CONTRACT INCLUDES A COMMITMENT OF 3% INCREASE EACH YEAR. DURING THE YEARS

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WHERE ALL OF THE ECONOMY WAS HAVING BUDGET DIFFICULTIES, ONE YEAR THE ECONOMY WAS SUCH THAT THEY WILLINGLY ACKNOWLEDGED A DECREASE OF THE BASE COMMITMENT. SO NOW THE ECONOMY IS TURNING AROUND THERE IS A REQUEST TO PICK UP THE 3% THAT IS PART OF THAT CONTRACT AND I INVITE MR. BANCHS TO COME FORWARD FOR JUST A FEW COMMENTS IF HE MAY MAYOR.

[Time: 00:21:27]

Scottsdale Cultural Council President and CEO Bill Banchs: MAYOR LANE, MEMBERS OF THE CITY COUNCIL. MR. KATSENES THANK YOU VERY, VERY MUCH. I MADE A COMMENT YESTERDAY AND I WON'T REPEAT WHAT I SAID BUT I WANT TO HIGHLIGHT A COUPLE OF POINTS ABOUT THAT PUBLIC COMMENT. THE FIRST ONE IS THAT WHEN WE CUT OUR BUCKET FROM 11 MILLION TO 9 MILLION IN 2009/10 THAT 17% CUT CREATED A VERY EFFICIENT ORGANIZATION BUT IT CREATED AN EXTREMELY TIGHT BUDGET. WE MAINTAINED THE NUMBER OF PERFORMANCES, THE NUMBER OF FREE EVENTS INCREASED ACTUALLY WHILE STILL CUTTING THE BUDGET AND EVERY ASPECT OF THIS ORGANIZATION. WHAT THAT MEANS IS THAT IS WHEN WE RECEIVED THE 5% CUT FROM THE CITY, LAST FISCAL YEAR 2012 WE ENDED THE YEAR WITH \$177,000 DEFICIT, THE FIRST ONE SINCE I BEEN HERE IN THE VALLEY. THE REASON FOR THAT IS THAT THE BUDGET IS SO TIGHT THAT WE NEVER MADE UP THE GAP AND IT WAS A CHALLENGING YEAR FOR FUND RAISING IT WAS THE HEIGHT OF THE RECESSION AND THAT LEVEL IS STILL CUT. WE ARE HAVING A STRONGER YEAR IN TERMS OF TICKET SALES AND FUND RAISING SO WE ARE ENCOURAGED BY THAT SO WE THINK WE WILL MEET OUR BUDGET THIS YEAR BUT MOVING FORWARD TO THE FUTURE ALL THOSE EXPENSES I OUTLINED LAST NIGHT AMOUNT TO ABOUT \$300,000 TO \$400,000 INCREASE PER YEAR. OUR EARNED REVENUE WILL BE TOPPED OUT THIS YEAR. THEY WILL ALWAYS BE STRONG BUT NOT PROJECTED TO INCREASE A GREAT DEAL WITH A THEATER WITH ONLY 800 SEATS AND ONLY A CERTAIN NUMBER OF FRIDAY AND SATURDAY NIGHTS A YEAR. SO THAT LEAVES ONLY APPROPRIATION FROM THE CITY AND THE FUND RAISING ELEMENT IN OUR ORGANIZATION AND I THINK THE FUND RAISING IS STARTING TO PICK UP SIGNIFICANTLY AND DOING IT'S PART TO EXPECT IT TO GO FROM \$2 MILLION TO 2.4 TO 2.8. THAT'S ABOUT 20% INCREASE PER YEAR THAT'S NOT REALLY REALISTIC. SO THAT'S ONE OF THE MAIN REASONS WE ASK YOU SERIOUSLY TO CONSIDER INCREASING THIS YEAR. THERE HAS BEEN AN INCREASED LEVEL OF COMPETITION FROM OTHER CULTURAL CENTERS. WHAT THAT MEANS SO YOU UNDERSTAND IN MESA, THERE'S TALK ABOUT A NEW CONCERT HALL AND A CONSERVATORY OF MUSIC. THEY ARE STARTING TO PRESENT AND PRODUCE CULTURAL EVENTS BECAUSE THEY ARE LOOKING TO CAPTURE A GREATER PART OF THE AUDIENCE IN THE VALLEY. WHAT YOUR APPROPRIATION DOES TO THIS ORGANIZATION WITH OUR WONDERFUL STATE-OF-THE-ART THEATER THAT PEOPLE HAVE GROWN TO LOVE IS THAT IT ENABLES US TO MAINTAIN COMPETITIVE TICKET PRICING WHILE STILL PRESENTING WORLD CLASS ARTISTS. THAT'S AN EXTREMELY IMPORTANT ELEMENT FOR YOU TO UNDERSTAND THE IMPORTANCE OF YOUR SUPPORT AND YOUR APPROPRIATION AND MAINTAINING THAT LEVEL OF PROGRAMMING WHICH IS REALLY CONSISTENT WITH SCOTTSDALE AND THE BRAND OF THE CITY OF SCOTTSDALE. AS YOU HEARD EARLIER FROM BARBARA FROM FREE ARTS, THE OTHER PART THAT IS SO IMPORTANT FOR YOUR APPROPRIATION IS IT ENABLES NON-REVENUE PRODUCING PROGRAMS LIKE THE DETOUR THEATER WHICH HELPS ADULTS WITH DEVELOPMENTAL CHALLENGES, YOU HEARD ABOUT THE ABUSED CHILDREN. WE WANT TO INCREASE THESE THINGS. WHEN WE SAY WE INCREASED OUR EVENTS TO 1800 THAT WAS LARGELY A NUMBER OF FREE EVENTS. YOU NEED TO REALLY REMEMBER THAT. IN CLOSING I JUST WANT TO POINT OUT THAT I HEARD YESTERDAY IN THE PRESENTATION AND THEN IT WAS POINTED OUT TO ME BY A COUPLE OF PEOPLE IN THE CITY THAT OBVIOUSLY WE WOULD

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LOVE TO HAVE THIS INCREASE BE PART THE CITY BUDGET AND HAVE IT BE HANDLED THE WAY IT ALWAYS HAS BEEN THROUGHOUT THE HISTORY OF THE PARTNERSHIP BETWEEN THE CULTURAL COUNCIL AND THE CITY BUT ANOTHER OPTION MIGHT BE FOR YOU TO TAKE SOME THE UNRESERVED FUNDS LEFT FROM THIS YEAR WHICH I UNDERSTAND FROM YESTERDAY'S PRESENTATION IS \$4 MILLION MAYBE IT COME FROM THAT WHICH IS ALLOCATED FOR ONE-TIME USES. CERTAINLY THE COUNCIL HAS MANY ONE TIME EXPENSES AND THAT WOULD BE ONE WAY OF DOING. I'M SUGGESTING IT AS A POSSIBILITY NOT EVEN KNOWING IF IT IS POSSIBLE WITHIN THE REALM OF FINANCE WITHIN THE CITY. I WOULD LIKE TO MAKE THAT SUGGESTION AND AGAIN SAY THANK YOU TO YOU ALL FOR ALL THE HELP YOU HAVE PROVIDED AND FOR MAKEING THIS ORGANIZATION SUCH A SPECIAL ORGANIZATION. THANK YOU.

[Time: 00:26:57]

Paul Katsenes: THANK YOU MR. BANCHS, COUNCIL I WOULD LIKE TO TAKE YOU TO OUR NEXT DIVISION. PLANNING NEIGHBORHOOD AND TRANSPORTATION. YOU ALL ARE VERY FAMILIAR WITH THIS. YOU RECOGNIZE THAT MANY OF OUR ORDINANCES ORIGINATED IN THE 1960 AND EACH OF YOU IN YOUR OWN WAY ASKED US TO MAKE THIS PROCESS MORE EFFICIENT, MORE EFFECTIVE LESS REGULATORY WITHOUT COMPROMISING STANDARDS AND WE HAVE BEEN DOING THAT. THE FINAL DECISION IS YOURS IN CHANGING ORDINANCES AND SINCE 2009/10 BUDGET YEAR WE HAVE BROUGHT FORWARD 38 TEXT AMENDMENTS AND FULLY DISCUSSED THEM HERE IN THIS ROOM AND YOU HAVE APPROVED THOSE TEXT AMENDMENTS TO SIMPLIFY AND CLARIFY THE WAY DEVELOPMENT IS DONE IN THIS COMMUNITY. YOU CONTINUE TO TELL US THIS IS AN IMPORTANT PROCESS. YOU WANT US TO CONTINUE DOING THAT. WE ARE CONTINUING TO DO THAT. WE ARE MAKING THAT STATEMENT TO YOU NOW SO YOU SHOULD EXPECT CONTINUOUS TEXT AMENDMENTS FOR YOUR CONSIDERATION, DISCUSSION AND DEBATE.

THE NEXT TOPIC IS THE GENERAL PLAN. EACH OF ARE YOU FAMILIAR WITH THIS. YOU HAVE BEEN INVOLVED EITHER AS COUNCILMEMBER OR COMMUNITY LEADERS IN THE GENERAL PLAN. THE VOTE AND THE REORGANIZING OF THE EFFORT AS IT WAS CONDUCTED IN THIS ROOM, STARTED WITH THE COUNCIL APPOINTED TASK FORCE AND WE MOVED THROUGH THAT TO WITH BROAD OUTREACH THROUGH PLANNING NEIGHBORHOOD TRANSPORTATION STAFF AND THE COMMUNITY WORKSHOPS AND COMMUNITY EVENTS. WE AS A COMMUNITY HAS A NECESSITY TO MEET THE STATUTORY REQUIREMENTS FOR TIMELINESS FOR CHANGE AND WE ARE SCHEDULED TO DO THAT TOGETHER. IT DOES REQUIRE A REQUEST WE BRING TO YOU IN THIS PRESENTATION FOR THE FUNDS TO CONTINUE TO DO THAT. CHARACTER AREA PLANS ARE SUBSET OF THE GENERAL PLAN AND THESE ARE THE 3 OF THEM THAT OVER TIME INCLUDE IMPLEMENTATION STEPS, SINCE THEY CAN'T BE IMPLEMENTED ALL AT ONCE THERE ARE IMPLEMENTATION STEPS THAT STAFF ARE IMPLEMENTING OVER TIME EACH YEAR AND WE WANT YOU TO KNOW TWO THINGS, A, THAT WE HAVE IDENTIFIED THOSE STEPS AND B, THAT WE'RE GOING TO PAY ATTENTION AND WORK ON THESE CHARACTER AREA PLANS AND GROWTH AREA PLANS THIS YEAR AT THE STAFF LEVEL TOO.

IT IS APPROPRIATE AT THIS MOMENT TO IDENTIFY AS YOU SAW GOING BACK TO ONE OF THE FIRST SLIDES, THE CHANGE IN OUR FULL TIME EQUIVALENTS. THEY HAVE DECLINED OVER TIME WITH THE BUDGET AND THEY HAVE MAINTAINED WHERE WE ARE THIS YEAR 189.5 AND AT THE END OF THIS OUR BUDGET INCLUDE THAT'S ONE TIME FULL EQUIVALENT BUT WE WENT FROM 228 DOWN TO 189. EXACTLY THE 31 POSITIONS WE OUTLINED HERE FOR YOU HERE, A STAFF REDUCTION OVER 3 YEARS

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OF 17%, THROUGH REDUCTIONS THROUGH ATTRITION. YOU HEARD LAST NIGHT AND ADDRESSED THE ISSUES OF ATTRITION AND RETENTION. I THINK WHAT YOU HAVE DONE IS VERY INSIGHT FULL WHEN YOU SAID LET'S GO FORWARD AND YOU MADE A DECISION TO GO TO 105% OF MARKET. THAT HAS MADE AN IMPACT WITH OUR STAFF. YOU HAVE MADE A DECISION TO INCLUDE AND CONSIDER DEEPLY THE POSSIBILITY OF MERIT INCREASE AND THAT AFFECTS IN A VERY POSITIVE WAY OUR STAFF. SO I CAN TELL YOU IN THESE FOUR DEPARTMENTS, AT LEAST, SINCE I KNOW THE ACTIVITIES AND THE STAFF INTIMATELY, THAT THE STAFF IS VERY ENCOURAGED BY THOSE TWO STEPS AND I JOIN THEM AND COLLECTIVELY JOIN THEM IN THANK YOU FOR YOUR LEADERSHIP AND WISDOM IN THAT DECISION. WE THINK THAT GOES A LONG WAY INTO THE RETENTION OF GOOD FOLKS WHOSE ENJOY WORKING HERE IN THIS COMMUNITY. AND NUMBER B, WE ARE TELLING YOU THAT OUR ACTIVITY HAS INCREASED SO DEVELOPMENT IS INCREASING AND IT INCREASES BEFORE IT EVER GETS TO BECOME A FILED APPLICATION REQUEST FOR PRE-APPLICATION VISITS SO THAT A DEVELOPER OR BUSINESS OWNER OR PROPERTY OWNER OR INVESTOR DEPENDING ON THE PROPERTY AND KIND OF ACTIVITY IS ABLE TO COME IN AND MEET WITH A PROFESSIONAL STAFF AND SAY, HOW CAN WE DEVELOP THIS WITHIN THE PARAMETERS AND WHAT IS THE MOST EFFICIENT WAY AND TIME TO DO THAT. THAT'S A PRE-APPLICATION MEETING DOES. IT ACCEPTS UP AN UNDERSTANDING.

[Time: 00:32:44]

THE ECONOMY IS SHIFTING IN A POSITIVE DIRECTION. AS A RESULT WE ARE SEEING CONSTRUCTION INSPECTIONS INCREASING BY 11% OVER THE LAST 2 YEARS. AS A RESULT OF THE INCREASE THE LAST ITEM WE ARE SHOWING AN INCREASE IN CODE ENFORCEMENT INSPECTIONS THAT ARE OCCURRING IN OUR COMMUNITY. THEY ARE INCREASING BY 18% AND I WOULD SUGGEST TO YOU AS A MEASURE OF THIS COMMUNITY AND YOUR STAFF, THE INTERNATIONAL CITY MANAGERS ASSOCIATION, SAYS A COMMUNITY IS DOING WELL IF THEY REACH A 50% STAFF INITIATED NEIGHBORHOOD ENFORCEMENT LEVEL AND WE WOULD LIKE YOU TO KNOW THAT YOUR STAFF, HERE IN THIS COMMUNITY IS AT A 65% LEVEL SO THEY ARE EXCEEDING THE HIGH MARK THAT'S ARE SET BY THE ICMA, SO TAKE COMFORT THAT YOUR STAFF IS REALLY DEDICATED IN DOING THESE KIND OF THINGS. I THINK THERE'S A SECOND POINT ABOUT THE REVENUE THAT I WILL BRING YOU. LAST YEAR REVENUES FROM THESE ACTIVITIES REACHED \$8,420,000, THIS YEAR OUR 9 MONTHS SUGGESTS THAT WE A PACE TO GENERATE \$10,400,000 THIS YEAR, SO WE ARE PROPOSING TO YOU THAT THERE'S A POSSIBILITY OF AN ADDITIONAL \$2 MILLION OF REVENUE COMING OUT OF THESE ACTIVITIES WHILE WE HOLD THE BUDGETS STEADY. WE ARE SUGGESTING THAT WE ARE SHOWING VERY VISIBLE SIGNS OF AN ECONOMY THAT IS AFFECTING THIS COMMUNITY IN A POSITIVE WAY.

LET ME TAKE YOU THEN TO REVIEW OUR PLANNING NEIGHBORHOOD AND TRANSPORTATION DEPARTMENT AND WE ARE IN THAT DEPARTMENT DOWN TO APPROVE FOR THIS YEAR THE THIRD BOX FROM THE LEFT TO THE RIGHT, 2012/13, 148.5 EMPLOYEES WE WOULD LIKE TO REQUEST TO BUMP THAT BY 1 TO 149.5 AND WE WOULD LIKE TO ASK YOU FOR A FINANCIAL ANALYST AND HERE ARE THE REASONS FOR THAT REQUEST. NUMBER ONE, TRANSPORTATION IS AN IMPORTANT CATEGORY FOR THAT DIVISION AND THAT BUDGET SITS AT 60 AND IS LIKELY TO GO TO 20, ALMOST \$80 MILLION FROM GRANTS AND OPPORTUNITIES IN CONSTRUCTION OVER THE VERY NEAR FUTURE. NUMBER TWO THERE ARE A VARIETY OF EXISTING FUNDING SOURCES. ARE YOU FAMILIAR WITH THEM? YOU SEEN THEM BOTH THROUGH CIP, AND CPN PROJECTS FROM THE TRANSPORTATION STANDPOINT THERE'S HIGHWAY USER FUND, TRANSPORTATION PRIVILEGE TAX, PROP 400 A VARIETY OF SOURCES THAT ALL NEED TO BE PAID ATTENTION TO. WITH THIS SIGNIFICANT POTENTIAL FOR INCREASE BOTH FOR NEW

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GRANTS AND NEW JOBS THE COMMUNITY WILL BE DEMANDING AND PROJECTING WE WOULD LIKE TO PROJECT AND MAKE THE REQUEST OF ADDING THAT ANALYST. WE HAD TWO ANALYSTS THREE YEARS AGO DOING THIS WORK. WE WOULD LIKE TO ADD ONE BACK IN. AFTER THREE YEARS WE FOUND THE EXISTING STAFF ARE RUNNING MORE THAN A BIT BREATHLESS. THEY WERE KEEPING TRACK OF THE PROJECTS COMING THROUGH FROM FINANCING AND REPORTING STANDPOINT COMING THROUGH THE TRANSPORTATION DEPARTMENT THIS IS ROUGHLY ABOUT 80,000 WITH BENEFITS POSITION. WE THINK THE TRANSPORTATION FUND CAN SUPPORT IT AND WE HOPE WILL YOU GIVE IT SOME CONSIDERATION AS WE MARCH THROUGH THIS BUDGET DISCUSSION.

[Time: 00:37:05]

NUMBER TWO I'M BRINGING FORWARD THE BUDGET FOR THE GENERAL PLAN UPDATE OF \$100,000. YOU SAW THAT DESCRIPTION OF WHERE WE ARE ALMOST AND NUMBER THREE I'M BRINGING FORWARD COMBINED FROM CITY MANAGER AND STAFF OFFICE A REQUEST THAT SOME OF YOU HAVE SHOWN PARTICULAR INTEREST IN FOR NEIGHBORHOOD ENHANCEMENT PARTNERSHIP PROJECTS WE ARE ASKING YOU TO INCLUDE \$50,000 IN OUR BUDGET. IT HAS BEEN HISTORICALLY AS HIGH AS 75,000. IT HAS BEEN HISTORICALLY USED TO DO LANDSCAPE CONVERSIONS, MOVING HIGH WATER USE PLANTS CONVERTED TO XERISCAPE. IF THAT'S NOT AWKWARD OR UNGRAMMATICAL, I APOLOGIZE IF IT IS AND SECURITY LIGHTS FOR HOA AND CONDOS AND NEIGHBORHOOD IDENTIFICATION FEATURES MONUMENTS AND SIGNS. THOSE ARE SOME USES. THE MOST RECENT USE WAS THE R17 REEP PROGRAM AND THE NEIGHBORHOOD ADVISORY COMMISSION SAID YOU GAVE US MONEY, WE SET UP THAT PROGRAM, BUT AS WE IMPLEMENTED THAT PROGRAM IT TURNED OUT WE WEREN'T WILD ABOUT IT BECAUSE IT IS NOT MEANS TESTED SO ANYONE THAT CAME FORWARD WITH AN UPDATE IN THEIR HOME WE WERE ALMOST OBLIGATED TO ACCEPT THAT SO WE WOULD LIKE TO REFUND THAT, THAT'S OUR REQUEST TO YOU BUT WE WOULD LIKE TO HAVE THE FLEXIBILITY TO CREATE A PROGRAM AND BRING IT BACK TO YOU BASED ON OUR DISCUSSIONS WITH YOU AND WHERE YOU THINK THE HIGHEST NEEDS ARE. SO WE ARE ASKING FOR THE FUNDS BUT NOT SUGGESTING HOW THEY SHOULD BE USED AT THIS MOMENT BUT WE THINK YOU MAY HAVE NEEDS WE WOULD LIKE TO LISTEN TO.

AVIATION DEPARTMENT VERY QUICKLY, YOU SAW AND HELPED US IMPLEMENT DEVELOPMENT REGULATIONS TO PROTECT THE SCOTTSDALE AIRPORT FROM NOISE DEVELOPMENT AND ENCROACHMENT. NUMBER TWO WE HAD THE AIRPORT EMERGENCY DRILL. AND NUMBER 3 WE INITIATED A PARTNERSHIP WITH ECONOMIC DEVELOPMENT THE CONVENTION AND VISITOR'S BUREAU, BARRETT--JACKSON AND THE AIRPORT STEAK HOLDERS, THIS IS NOT AN EXAMPLE OF A HOSTILE WORKFORCE BUT AN ENORMOUSLY COLLABORATIVE OPPORTUNITY WITH THESE FOLKS WORKING TOGETHER WITH OUR ECONOMIC DEVELOPMENT AND AVIATION DEPARTMENT. WE WENT TO THE NATIONAL BUSINESS AVIATION ASSOCIATION AND MADE AN ENORMOUS PRESENCE. BARRETT-JACKSON SUPPLIED A CAR THAT ATTRACTED HUNDREDS OF PEOPLE. IT ATTRACTED PILOTS AND OWNERS TO OUR AIRPORT AND IT ATTRACTED PILOTS AND OWNER WHOSE ARE BUSINESSES TO OUR COMMUNITY. SO WE EXPECT TO TRY AND DO THAT AND ATTRACTED THEM FOR TOURISM. SO IT HIT THREE BUTTONS. AIRPORT USE, BUSINESS ATTRACTION AND AIRPORT ATTRACTION. WE THINK IT IS WORTHY OF CONTINUING. WE ARE GOING TO TAKE A LOOK AT THAT AGAIN IN THE COMING YEAR. THE AIRPORT IS AN AVIATION ENTERPRISE FUND, YOU KNOW THE ENTERPRISE FUND IS OBLIGATED TO BALANCE ITS BUDGET AND CREATE THE REVENUES FOR ALL IT'S EXPENSES AND THERE IS A MODEST \$200,000 INCREASE PROJECTED HERE. WE HAVE FUNDAMENTALLY, -SOME OF YOU HAVE HEARD THIS

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ALREADY , WE ARE REQUESTING U.S. CUSTOMS TO INCREASE THE AVAILABILITY OF STAFF DURING OUR PEAK SEASONS TO 7 DAYS A WEEK. THEY ARE CONSIDERING IT. THERE'S ALMOST \$60,000 TO PAY FOR THOSE SERVICES AND TO UPGRADE SOME SOFTWARE AND EQUIPMENT THAT ARE NECESSARY TO INCREASE THOSE SERVICES. NUMBER TWO WE HAVE A CAPITAL OUTLAY OF \$85,000 WHICH ESSENTIALLY IS SOME FURNITURE COMING OUT OF OUR UP CENTER. PREDOMINANTLY A NEW VEHICLE THAT IS A SWEEPER FOR THE RUNWAY. TO KEEP IT FREE OF DEBRIS AND KEEP THAT RUN WAY GOING AND TO KEEP IT FOR THOSE VERY EXPENSIVE JET THAT'S PEOPLE FLY IN ON THEIR OWN ACCOUNT AND WE HAVE A MODEST \$15,000 FOR CONSULTANTS. SO WE ARE ASKING FOR YOUR SUPPORT THERE. I TOUCHED ON THIS SO I WON'T, THIS IS THE U.S. CUSTOMS SERVICE CONVERSATION I JUST WENT OVER.

[Time: 00:42:11]

SO WE WILL GO TO WESTWORLD. WE HAD THE HIGHLIGHTS OF WESTWORLD IN THIS PAST YEAR, WE COMPLETED SOME BARN REPAIRS. ALL OF THEM ARE IN PRETTY GOOD SHAPE RIGHT NOW. OUR BARN, 20 OF THEM, REPRESENT 936 STALLS THAT WE RENT INDIVIDUALS FOR THE HORSE SHOWS AS A SOURCE OF REVENUE. WE HAVE ANOTHER 200 STALLS WE CAN SET UP OR TAKE DOWN DEPENDING ON THE SIZE OF THE SHOWS AND NEEDS. WE HAVE OVER 400 SPACES FOR RV RENTAL FOR INCOME AND WE'RE ABLE TO PARK ABOUT 15,000 DEPENDING ON THE SHOW. THE TONY NELSSON EQUESTRIAN CENTER IS MOVING TO COMPLETION WITH THE HELP OF OUR CAPITAL MANAGEMENT PROGRAM STAFF. WE EXPECT THAT TO FINISH DECEMBER OF THIS YEAR AND BE OPEN FOR BARRETT-JACKSON IN JANUARY. EQUESTRIAN AND SPECIAL EVENTS THESE ARE THE SHOW THAT'S YOU APPROVED. THESE ARE A MIX OF BOTH HORSE AND NON HORSE SHOWS AND THEY TOTAL \$556,000 AS YOU CAN SEE AT THE BOTTOM RIGHT HAND CORNER. THEY ARE A MIX AND THEY PLAY OUT OVER TIME INTO 2014 AND NOW I WILL CLOSE WITH THE BUDGET REQUEST THAT WE HAVE IN OUR BUDGET FOR WESTWORLD. WE HAVE A FEEDING AND BEDDING BUDGET WE'RE ASKING FOR \$30,000 OF FEEDING AND BEDDING, IN OTHER WORDS, THIS IS HAY AND BEDDING FOR SALE TO PEOPLE WHO COME AND PUT THEIR HORSES IN OUR STALLS AND WE THINK IF YOU GIVE US THE ABILITY TO SPEND \$30,000 THAT WE WILL SELL AND CREATE \$55,000 IN REVENUE. SO THERE'S SUBSTANTIAL, EXCUSE THE EXPRESSION, MARK UP OF REVENUE FOR THE CITY. NUMBER TWO OUR OVER-TIME \$6,708 IT IS PRECISE, THAT'S WHAT WE SPENT LAST YEAR. WE EXPECT TO HAVE THE SAME OVER-TIME. IT IS OVER-TIME THAT OCCURS DURING HOLIDAYS WHEN WE NEED PEOPLE BUT THEY ALREADY WORKED THEIR FORTY BUT WE HAVE TO SHOW THE DEMAND BY THIS MODEST \$6,708. THE NEXT \$50,000 REQUEST, THE MONEY IS IN AN ACCOUNT, THIS IS A PRE-AUTHORIZATION THAT APPLIES TO OTHER COMPONENTS OF THE CITY BUDGET. THIS IS A \$50,000 PRE-AUTHORIZATION SO THAT WE ONLY SPEND IT WITHIN THE PERIMETERS OF OUR CONTRACT WITH THE BUREAU OF RECLAMATION AND ONLY MONEY TO BE SET ASIDE JUST FOR THIS IS BASICALLY FOR AUTHORIZES USES FOR A CONTRACT. ITEMS NOT IN THE BUDGET, THE SECOND HALF ARE, THIS IS LIKE AN EARLY NOTICE OF WHAT WE EXPECT TO POTENTIALLY COME BACK TO YOU NOTICE NEXT YEAR AS ADDITION OF SHOWS COME FORWARD WE THINK THERE MAY BE A NEED TO LEASE OR PURCHASE A LOADER, TENANT SWEEPERS, MAN LIFTS AND CONTRACT WORKER, WE MAY NEED TO ADD CONTRACT WORKER LABOR AND MAN YOU'RE HALL OFF IN THE COMING YEAR. WE ALREADY HAVE THE LAST TWO ITEMS IN THE CURRENT BUDGET THERE IS A NEED THAT WE MAY NEED TO INCREASE THOSE IN THE COMING YEAR. THAT COMPLETES MY PRESENTATION TO YOU. THE \$5 MILLION WE HOPE WE ARTICULATE TODAY YOU AND THE ONE POSITION AND THE BUDGET FTE'S AND BUDGET DOLLAR AMOUNTS. I WILL REMAIN HERE FOR QUESTIONS. I'M HAPPY TO ACCEPT QUESTIONS AT ANY TIME AS THEY OCCUR TO YOU.

Mayor Lane: THANK YOU MR. KATSENES THAT'S AN EXCELLENT REPORT. APPRECIATE ALL THAT INFORMATION. WE DO HAVE SOME QUESTIONS STARTING WITH COUNCILMAN ROBBINS.

[Time: 00:46:49]

Councilman Robbins: THANK YOU MAYOR. LET ME START WITH WESTWORLD AND ASK ABOUT WHEN WE APPROVE THE EXPANSION FOR THE EQUIDOME WE ALSO INCLUDED A REQUEST FOR A MARKETING POSITION, WHERE ARE WE ON THAT ON FINDING A PROMOTER OR MARKETER FOR WESTWORLD?

Paul Katsenes: WE TOOK YOUR REQUEST SERIOUSLY WENT TO THE PURCHASE DEPARTMENT WE CREATED AN RFP WE SENT IT OUT CREATED A PANEL GOT TWO RESPONSES. THE PANEL CHOSE TO INTERVIEW ONE GROUP THEY DID NOT GIVE US A RECOMMENDATION ON THAT GROUP AND SO WE HAVE BEEN ENTERTAINING OPPORTUNITIES AND HAVING DISCUSSIONS THE CITY MANAGER AND MR. WASHBURN AND MR. SMITH ON BRINGING YOU AN ALTERNATIVE WE THINK WE ALMOST HAVE IT SHAPED WE EXPECT TO BRING YOU AN ALTERNATIVE TO PROVIDE THOSE SERVICES IN ABOUT THREE WEEKS AT THE MOST.

Councilman Robbins: SO THAT'S STILL IN THE BUDGET FOR THIS COMING YEAR.

Paul Katsenes: YES.

Councilman Robbins: AND THEN IF WE'RE EXPANDING WESTWORLD AND IT LOOKS LIKE I NEED TO UNDERSTAND HOW THE DECREASE IN THE BUDGET IS GOING TO EFFECT AN INCREASING BUSINESS. HOW DO WE DECREASE THE BUDGET AT WESTWORLD AND STILL HAVE A VIBRANT EXPANDING BUSINESS?

Paul Katsenes: THE DECREASE IN THE BUDGET WAS NOT DIRECTLY RELATED TO WES WORLD, IT WAS RELATED TO SOME OF THE THINGS THAT WERE INSERTED IN WESTWORLD'S BUDGET, SOME OF THE THINGS INSERTED ARE THE TOURNAMENT PLAYERS CLUB (TPC), BECAUSE IT IS IN EFFECT OUR GUIDING FACILITY FOR THE REACH AND THE BUREAU OF RECLAMATION SO THE TPC COMPONENTS FLOW THROUGH WESTWORLD'S BUDGET. THE McDONALD MOUNTAIN GOLF COURSE FLOWS THROUGH THE WESTWORLD BUDGET AND THE DEBT SERVICE FOR THE 80-ACRES APPEARS IN WESTWORLD'S BUDGET. SO THE OPERATIONAL, THE BUDGET WAS REDUCED BUT NOT AT THE OPERATING LEVEL FOR WESTWORLD. THIS IS \$100,000 REDUCTION BECAUSE THERE'S NOT A TPC OR McDOWELL MOUNTAIN NEED AS THERE WAS LAST YEAR IN THE BUDGET.

Councilman Robbins: OKAY. BUT WE ADDED INFRASTRUCTURE TO BOTH THOSE FACILITIES TPC AND MCDOWELL MOUNTAIN RANCH GOLF COURSE, SO DIDN'T THOSE EXPAND OR INCREASE AS WELL?

Paul Katsenes: DO YOU MEAN DO THEY HAVE BUDGET EXPENSE IMPACTS.

Councilman Robbins: YES.

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Paul Katsenes: YEAH WE DO NOT. WE HAVE LEASES WITH EACH OF THOSE AND THE AGREEMENTS WE BROUGHT TO YOU FOR THE IMPROVEMENTS THAT THE TOURNAMENT PLAYERS COURSE AND THE GOLF COURSE ARE WHOLLY, IF YOU WILL, THEY ARE STAND ALONE AGREEMENTS THEY ARE DEBT SERVICE, RENTAL, INCOME AND EXPENSE. THEY ARE STAND ALONE DOCUMENTS THAT ARE NOT PART OF THE WESTWORLD OPERATING BUDGET.

Councilman Robbins: OKAY. AND THEN YOU HAD A COUPLE SLIDE THAT'S WERE NEW EVENTS FOR THIS YEAR AND NEXT YEAR AT WESTWORLD, THEY LOOK LIKE A LOST THE SAME EVENTS.

[Time: 00:50:20]

Paul Katsenes: THESE ARE BRAND NEW EVENTS. THERE WAS ONE THAT OCCURED THERE THAT WE TOOK OUT THAT WAS AN EXISTING EVENT THAT WAS GOING TO BE DROPPED BUT WAS TAKEN OVER BY A NEW PRODUCER AND SO OUR INITIAL LIST WAS IT INCLUDED BUT WE TOOK IT OUT. WHAT YOU MIGHT BE SEEING ARE SOME FAMILIAR NAMES ARE NEW OR SECONDARY SHOWS THAT ARE BEING DEVELOPED BY SOME OF OUR CURRENT PRODUCERS BUT THESE ARE BRAND NEW SHOWS.

Councilman Robbins: SO THE FESTIVAL OF THE WEST WE HAD FOR YEARS AND YEARS BUT IT SAYS NEW PRODUCER BUT IS REALLY THE SAME EVENT THAT WE HAVE IN THE PAST. OR THE POLO HORSES AND HORSE POWER, NEXT YEAR WILL BE OUR THIRD YEAR OF THAT.

Paul Katsenes: THAT IS A SUBSTANTIALLY EXPANDED SHOW A BRAND NEW SHOW. IT HAS GONE TO MULTIPLE DAYS IT IS AN INTERNATIONAL SHOW SO WE ARE CALLING THIS A COMPLETELY DIFFERENT SHOW. IT IS COMPARED TO A ONE DAY SHOW LAST YEAR THIS IS SAY MULTIPLE DAY SHOW.

Councilman Robbins: OKAY. MOVING ON TO THE ECONOMIC DEVELOPMENT QUESTIONS AT THE END OF OUR BUDGET BOOK YOU HAVE SOME OBJECTIVES. ONE IS IMPLEMENT STAFF OUTREACH PROGRAM DESIGNED TO ATTRACT NEW AND RETAINED EXISTING BUSINESSES. WHAT IS THAT AND HOW ARE WE MEASURING OUR EACH OUR EFFECTIVENESS ON THAT PROGRAM?

Paul Katsenes: YOU MAY HAVE REMEMBERED ONE OF THE VERY EARLY SLIDE. IT IS THE BREAD TEAM. BUSINESS RETENTION EXPANSION ATTRACTION AND DEVELOPMENT TEAM. THIS TEAM CALLS ON EXISTING BUSINESSES GOES TO SEE SENIOR MANAGEMENT IN EXISTING BUSINESSES. WE CALL THAT OUTREACH INSIDE THE DEPARTMENT WE CALL IT THE BREAD TEAM. THEY MEET WITH SENIOR MANAGEMENT TO FIND OUT, A, IS YOUR BUSINESS HEALTHY, B, ARE YOU EXPANDING, C, IF YOU ARE NOT HEADQUARTERED HERE WHO MAKES THE DECISIONS ABOUT EXPANSION POSSIBILITIES IN YOUR COMPANY NETWORK AND MIGHT THOSE EXPANSIONS COME TO OUR COMMUNITY. AND THOSE ARE THE BASIC BITS OF INFORMATION THEY COLLECT. BUT THAT IS ESSENTIALLY THE EFFORT WE DO. LAST YEAR THIS TEAM CALLED ON 250 COMPANIES HERE.

Councilman Robbins: SO YOUR OBJECTIVE IS TO ENHANCE THAT. IS THERE ANYTHING NEW WE ARE DOING? HOW ARE WE IMPROVING THAT PROGRAM THIS YEAR?

Paul Katsenes: WE ARE ATTEMPTING TO DO THIS IN CLUSTERS SO WE CAN LEVERAGE THE KIND OF INFORMATION WE DID FROM PARTICULAR COMPANIES AS WE CALL ON COMPANIES LIKE THEM BUT WE ARE NOT STRAIGHT JACKETING OURSELVES TO STAY WITHIN THESE WE ARE TAKING

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OPPORTUNITIES AS THEY APPEAR AND AS WE'RE TOLD ABOUT IN THE THIRD POINT WHERE IT SAYS COFFEE WITH ED. ECONOMIC DEVELOPMENT, THE COFFEE IS COMMERCIAL REAL ESTATE BROKERS. WE INVITE THEM IN AND WE TALK ABOUT THEIR PROSPECTS, THESE ARE COMMERCIAL REAL ESTATE BROKERS, WHAT COMPANIES ARE YOU WORKING WITH, FINE IF YOU CAN'T TELL US WHO THEY ARE BUT TELL US WHAT THEIR NEEDS ARE FROM A SQUARE FOOT STANDPOINT ARE THEY OFFICE. WHAT ARE YOU LOOKING FOR AND LET US TELL YOU THE FACILITIES WE HAVE AVAILABLE IN OUR COMMUNITY TO SEE IF YOU MIGHT PERSUADE THEM TO AT LEAST TAKE HEY LOOK AND POTENTIALLY LOCATE IN OUR COMMUNITY. THE END RESULT IS JOB CREATION IN OUR COMMUNITY.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMEMBER PHILLIPS.

[Time: 00:54:27]

Councilmember Phillips: THANK YOU MAYOR. MR. KATSENES THIS IS A SMALLER QUESTION I KNOW ON THE ECONOMIC DOWN TURN THE NEIGHBORHOOD ENHANCEMENT PROGRAM WENT AWAY AND IN THE INTERIM WE CAME UP WITH THE FIX IT PROGRAM AND IT IS SOUNDS LIKE YOU WANT TO BRING BACK THE NEIGHBORHOOD PROGRAM. I WAS WONDERING IF THE FIX IT PROGRAM HAS ANY MONEY LEFT IN IT THAT CAN BE PUT INTO THAT AND NET PROCEEDS WOULD GO INTO THE FIX IT PROGRAM. DO YOU KNOW ABOUT THAT?

Paul Katsenes: WE ARE REALLY LOOKING TO YOU FOR GUIDANCE TO STAFF ON THIS ISSUE. WE'RE ASKING YOU TO REACTIVATE BY REFUNDING THIS PROGRAM AND THEN TELL US WHERE YOU THINK, THROUGH THE COURSE OF THESE CONVERSATIONS AT THE BUDGET LEVEL AND THE COMMUNITY OUTREACH THAT COMES TO YOU AS DECISION MAKERS, TO IDENTIFY THE NEEDS THAT THE COMMUNITY TELLS YOU ABOUT ALONG WITH WHAT STAFF HEARS AND THE COMBINATION WE THINK WE'LL BE ABLE TO VERY QUICKLY COME BACK AND TELL YOU THIS IS WHAT WE'RE HEARING AND THIS IS WHERE THERE'S A NEED AND MEASURE THAT, CALCULATE THAT AND DO THE DUE DILIGENCE AGAINST THAT IS NECESSARY TO CREATE A PROCESS FOR THAT AND ASK YOU IF THIS IS SOME PLACE YOU WOULD LIKE US TO FOCUS AND IF SO WE WOULD GO BACK TO THE NEIGHBORHOOD ADVISORY COMMISSION AND CREATE A PROCESS THAT CAN BE REVIEWED AT THE COMMISSION LEVEL AND BROUGHT BACK TO YOU FOR DECISIONS.

Councilmember Phillips: THANK YOU.

Mayor Lane: MR. KATSENES IF I MIGHT JUST TO CLARIFY THAT POINT. OPERATION FIX IT DOESN'T HAVE ANYTHING TO DO WITH THIS \$50,000 THAT WAS THE R17 PROGRAM WHERE WE WERE TALKING ABOUT 5 THOUSAND DOLLARS FOR 10 PEOPLE WE WOULD DECIDE THE KIND OF NATURE OF UPGRADE THEY MIGHT DO TO THEIR PROPERTY. AS YOU SAID EARLIER THAT WAS SOMETHING THE NEIGHBORHOOD ADVISORY COMMISSION CAME TO THEIR OWN CONCLUSION ON. IT WAS NOT A WELL WORKING SITUATION. BUT OPERATE FIX IT IS A SUCCESSOR TO CODE CARES AND IT IS A SEPARATE PRIVATELY FUNDED THING ALTOGETHER. IT HAS ONLY PRIVATE FUNDS OTHER THAN SOME CODE ENFORCEMENT PARTICIPATION WITH IT. BUT IT IS NOT THE SAME MONEY AT ALL JUST SO COUNCILMEMBER PHILLIPS IS CLEAR ABOUT THAT. THIS \$50,000 IS STILL IN THE BUDGET AND I UNDERSTAND FROM THE WAY YOU GOT THIS HERE THAT THE NEIGHBORHOOD ADVISORY

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COMMISSION BY VIRTUE OF THE R17 PROGRAM STILL HAS THAT \$50,000 IN THEIR PROGRAM AND THERE IS TALK ABOUT TRANSFERRING INTO THE NEIGHBORHOOD ENHANCEMENT PARTNERSHIP AND USING IT THROUGH NEIGHBORHOOD ADVISORY COMMISSION FOR THOSE PROJECTS AS OUTLINED BEFORE. SO THIS IS SEPARATE MONEY BUT ONE OF THE THING THAT'S HAS BEEN CONSIDERED IS THAT THIS \$50,000 GO TO FUND THE MEALS ON WHEELS. THAT'S ONE OF THE OPTIONS CONSIDERED FOR THAT. IT BECAME FREED UP FROM THE PROGRAM WE TALKED ABOUT BEFORE BUT IF IT IS GETS ROUTED TO THE NEIGHBORHOOD ADVISORY COMMISSION IT WON'T BE AVAILABLE FOR THAT SO THAT OPTION WILL GO AWAY WITH MEALS ON WHEEL.

Paul Katsenes: WE ARE HIGHLY INTERESTED IN YOUR DIRECTION MAYOR AND COUNCIL.

Mayor Lane: PARDON ME FOR INTERJECTING. I JUST WANT TO MAKE SURE WE'RE CLEAR ON THOSE PROGRAMS. THANK YOU. VICE MAYOR KLAPP.

[Time: 00:58:11]

Vice Mayor Klapp: YOU MENTIONED THE TWO CAR DEALERSHIPS OPENING UP THIS YEAR, ONE IN JULY AND ONE IN NOVEMBER AND YOU SAID THE REVENUES GENERATED WOULD BE APPROXIMATELY \$1.65 MILLION PER DEALERSHIP. IS THAT CORRECT?

Paul Katsenes: YES.

Vice Mayor Klapp: WAS THAT SALES TAX REVENUE> WAS THAT INFORMATION GIVEN TO THE TREASURER'S OFFICE WHEN THEY WERE FIGURING OUT THE CALCULATIONS FOR THIS COMING YEAR? I DON'T KNOW IF I SHOULD ASK YOU THAT OR THE TREASURER'S OFFICE TO ANSWER THAT QUESTION. BECAUSE THAT'S A SIGNIFICANT AMOUNT OF MONEY THAT'S COMING FROM NEW BUSINESS AND IN LOOKING AT THE REVENUE PROJECTIONS FOR COMING YEAR IT IS PROJECTED TO BE 3.5%, WHICH IS LOWER THAN LAST YEAR SO IT IS CURIOUS HOW THAT WILL PLAY INTO THE SALES TAX REVENUE. WHAT DO WE FIGURE ON THE BUDGET?

Paul Katsenes: IF I MAY BEFORE I GET STARTED. THE ANSWER IS YES WE WORK INTERNALLY AS A TEAM BUT I DO WANT TO CAUTION. I MAY HAVE BEEN EXUBERANT BECAUSE I'M EXCITED ABOUT THESE PROJECTS BUT THEY WILL OCCUR OVER TIME.

Vice Mayor Klapp: I UNDERSTAND ONE YEAR FOR ONE DEALERSHIP AND HALF A YEAR FOR THE OTHER AND THAT. EVEN IF IT TAKES A LITTLE WHILE TO GET STARTED YOU COULD STILL BE TALKING ABOUT 2 MILLION NOT 3 AND A HALF BUT POSSIBLY 2 WHICH IS STILL A NICE PIECE OF CHANGE GOING INTO THE BUDGET THIS YEAR.

Paul Katsenes: MORE THAN CHANGE. IT IS SUBSTANTIAL AND COLLECTIVELY ALL OF US AGREE HOW IMPORTANT IT IS.

Vice Mayor Klapp: I'M CURIOUS IF THAT HAS BEEN FACTORED INTO THE SALES TAX REVENUE FIGURE.

Acting City Treasurer Judy McIlroy : MAYOR AND MEMBERS OF THE COUNCIL, YES WE ARE PROJECTING A 13% INCREASE IN AUTO SALES NEXT YEAR. 6% IS WHAT WE HAVE BEEN SEEING INCLUDED IN THE

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FORECAST PLUS WE DID INCLUDE AN ADDITION AMOUNT FOR THE TWO NEW DEALERSHIPS. I WOULD HAVE TO GO BACK AND CALCULATE THAT DOLLAR AMOUNT. IT SEEMS HIGH TO ME BUT I COULD VERIFY THE AMOUNT FOR YOU.

Vice Mayor Klapp: THAT WOULD BE HELPFUL, JUST IN DETERMINING WHETHER OR NOT WE ARE REALLY PROJECTING ENOUGH MONEY IN THE SALES TAX REVENUE SLOT FOR NEXT YEAR. THANK YOU. THAT'S MY ONLY QUESTION ABOUT THAT. IT IS GOOD TO SEE WE HAVE TWO NEW DEALERSHIPS OPENING. I HOPE THEY DO EVEN BETTER THAN PROJECTED.

Paul Katsenes: IT IS A REAL COLLECTIVE EFFORT.

Mayor Lane: THANK YOU VICE MAYOR. COUNCILWOMAN MILHAVEN.

[Time: 01:01:11]

Councilwoman Milhaven: THANK YOU I WANT TO GO BACK TO WESTWORLD AND AS A MATTER OF FORM GIVEN THE SIGNIFICANCE INVESTMENTS OF THE BUSINESS OPPORTUNITIES OF THE WESTWORLD, THE TPC AND McDOWELL GOLF COURSE AND THE OTHER GOLF COURSES ARE IN HERE IT MIGHT BEMAKE SENSE TO BREAK IT OUT SEPARATELY FOR WESTWORLD SO WE CAN SEE WHAT IS HAPPENING AT WESTWORLD. I SEE THE EXPENSES AT WESTWORLD INCREASED BY ABOUT \$800,000 YOU SAID IT IS RELATE TO THE GOLF COURSE BUT LATER YOU SAID IT IS MOSTLY FOR LEASES. CAN YOU EXPLAIN MORE WHAT IT COVERED IN THE CURRENT YEAR?

Paul Katsenes: WE HAVE ALLOCATION THAT'S ARE DEDICATE ADD CROSS THE CITY FACILITIES A COUPLE OF THOSE ARE THE FLEET, MAINTENANCE, UTILITIES, AND WE TOOK THOSE AMOUNTS AND PUT THEM INTO THE BUDGET THE SO WE CAN BE AS UP-TO- DATE IN THIS BUDGET AS POSSIBLE. AND SO, I'M NOT QUITE SURE WHAT YOU'RE LOOKING AT BUT I DON'T THINK WE SHOULD BE HAVING A \$800,000 DOLLARS ALLOCATION TO THE TPC OR THE MCDOWELL MOUNTAIN. I'M NOT SUGGESTING THAT IS WHAT YOU SAID BUT I THOUGHT THAT'S WHAT I HEARD.

Councilwoman Milhaven: WHAT I HEARD WAS THAT. WHAT I HEARD YOU SAY WAS THAT THERE WAS DECREASE IN THE REQUESTED BUDGET BECAUSE THERE WEREN'T GOING TO BE RECURRING EXPENSES FOR THE GOLF COURSES SO I'M SAYING ESSENTIALLY OVER HERE IT IS PRETTY CLOSE TO FLAT. IT'S A \$50,000 DIFFERENCE. BUT OVER LAST YEAR IT IS A \$800,000 INCREASE. IF YOU WERE NOT GOING TO RECUR THE EXPENSE THAN WHY IS IT FLAT. IT SHOULD BE DOWN MORE IF IT IS ONE \$800,000 FOR THE ONE TIME RENOVATION.

Paul Katsenes: IT IS FOR THE EXPANDED FACILITY AND WHAT IT TAKES TO OPERATE IT AT THOSE LEVELS.

Councilwoman Milhaven: YOU MEAN EXPANDED WESTWORLD.

Paul Katsenes: I THINK YOU ARE RIGHT. WE SHOULD BE BREAKING OUT THOSE GOLF COURSES AND THE AUDITOR MADE THIS POINT WHEN WE HAD A WESTWORLD AUDIT THAT THERE ARE SOME DISTINCTIONS THAT SHOULD BE MADE AS WE REPORT THE PURE OPERATING INCOME AND OTHER

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INCIDENTALS ASSIGNED TO THOSE FACILITIES. WE CAN PROVIDE THAT LEVEL OF DETAIL IN WRITING BACK TO YOU VERY QUICKLY.

Councilwoman Milhaven: I THINK AS WE MOVE FORWARD. GETTING A REGULAR UPDATE IN TERMS OF REVENUE AND EXPENSES I THINK IT WOULD BE VALUABLE IN BREAKING THIS OUT FROM THE OTHER ITEMS IN THERE. WHEN I LOOK AT SCHEDULE C, REVENUES FOR WESTWORLD IS THAT ALL THE REVENUES FOR WESTWORLD OR IS THAT JUST A SUBSET, WESTWORLD HORSE FEES? MAYBE THAT'S A QUESTION FOR JUDY.

Judy McIlroy: MAYOR AND MEMBERS OF THE COUNCIL IF YOU COULD REPEAT THE QUESTION. I WAS BASED ON YOUR LAST COMMENT WANTED TO MENTION WE HAVE STARTED INCLUDING IN OUR MONTHLY FINANCIAL REPORT A PNL FOR WESTWORLD SPECIFICALLY SO YOU DO HAVE THAT AS A REFERENCE ADDITIONALLY.

Councilwoman Milhaven: THANK YOU FOR POINTING THAT OUT. ON SCHEDULE C, SUMMARY OF FUND REVENUES. WESTWORLD EQUESTRIAN FACILITIES IS THAT ALL THE REVENUE FOR WESTWORLD IN THE BUDGET.

Judy McIlroy: MAYORS AND MEMBERS OF THE COUNCIL, YES IT IS.

Councilwoman Milhaven: SO THE REVENUES THEN IN THE COMING YEAR ONLY GOING UP \$438,000 BUT THE EXPENSES ARE UP OVER LAST YEAR FOR 8. SO I SURE HOPE WE DO A LOT BETTER THAN THAT WITH THE NEW SHOWS. MR. KATSENES YESTERDAY DURING THE CAPITAL IMPROVEMENT THEY TALKED ABOUT A 4 MILLION DOLLAR CAPITAL INVESTMENT IN WESTWORLD. CAN YOU GIVE US MORE DETAIL ON THAT? MR. EARLE DURING HIS PRESENTATION MENTIONED THERE IS A \$4.3 MILLION CAPITAL PROJECT FOR PARKING AT WESTWORLD. CAN YOU GIVE US MORE DETAIL AROUND WHAT THAT PROJECT IS? OKAY NEVER MIND.

Paul Katsenes: NO. NO. I WASN'T ACTUALLY. I APOLOGIZE. I WAS STARING INTO SPACE BECAUSE I WAS PICTURING WHERE I WAS WHEN YOU ASKED HIM YESTERDAY. SO THAT REALLY IS A CPM QUESTION I THINK. CAPITAL PROJECTS QUESTION TO THE LEVEL OF DETAIL YOU WOULD LIKE TO HAVE BUT WE WILL GET THAT FOR YOU AND WE'LL HAVE THAT TO YOU WITHIN 48 HOURS.

Councilwoman Milhaven: I KNOW I MADE THIS STATEMENT YESTERDAY BUT THINKING ABOUT IT MORE OVERNIGHT. WE HAVE MADE AWFUL LOT OF INVESTMENTS IN WESTWORLD AND THERE'S BEEN A LOT OF ADD ONS EVEN IN MY TIME SITTING HERE WE APPROVED FOR ELECTRICAL AND ADDITIONAL THING THAT'S WERE NOT PART OF THE BIGGER PACKAGE. I WOULD REALLY LIKE TO UNDERSTAND, I FEEL LIKE WE ARE PIECE MILLING IT, THE NUMBERS ARE A LOT BIGGER THAN 40 MILLION. I WOULD SURE LOVE TO GET AN OVER VIEW OF EVERYTHING WE HAVE INVESTED IN WESTWORLD OVER THE LAST 2 OR 3 YEARS. I'M VERY RELUCTANT TO INVEST ANOTHER \$4 MILLION GIVING ALL THE OTHER NEEDS IN THE COMMUNITY. SO UNDERSTANDING IT WILL HELP ME. I'M GLAD TO HEAR WE'RE GETTING THE WESTWORLD SEPARATELY. YEAH YOU HAD \$50,000 IN IMPROVEMENTS FOR WESTWORLD IN YOUR PRESENTATION FROM THE BASIN FUNDS. COULD YOU EXPLAIN WHAT THAT \$50,000 WILL IMPROVE?

Paul Katsenes: THE BASIN FUND IS POPULATED BY SOME TICKET FEES AND SOME PARKING REVENUE AND THEN HAS, THROUGH OUR CONTRACT WITH THE BUREAU OF RECLAMATION AVAILABLE USES

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FOR THOSE FUNDS. SOME OF THOSE FUNDS ARE USED FOR MODEST IMPROVEMENTS ON WESTWORLD. BEFORE DOING THOSE WE CHECKED WITH THE BUREAU OF RECLAMATION MORE THAN A COURTESY, THEY ARE OUR PARTNERS, OUR LANDLORDS FROM THAT STANDPOINT. SO OUR REQUEST FROM YOU IS TO APPROVE A \$50,000 ACKNOWLEDGE WE HAVE \$50,000 IN THE BUDGET TO SPEND ON WESTWORLD FOR A BUREAU OF BASIN MANAGEMENT FUNDS FOR USE THAT ARE IDENTIFIED IN THE CONTRACT.

Councilwoman Milhaven: AND WHAT MIGHT THOSE BE?

Paul Katsenes: WELL, SOME OF THOSE HAVE BEEN USED TO DO ELECTRICAL FACILITIES, SOME HAVE BEEN USED TO DO MODEST IMPROVEMENTS TO RECAP SOME OF THE BUILDINGS AND SOME HAVE BEEN USED TO HELP US DO SOME STUDIES AND PLANNING AND GENERAL IMPROVEMENT AT WESTWORLD OVER THE LAST 10 TO 15 YEARS.

Councilwoman Milhaven: I GUESS THAT \$50,000 GOES INTO THE SAME BIG BUCKET OF WE'RE SPENDING LOTS OF MONEY FROM HERE AND THERE AROUND WESTWORLD AND I'D REALLY LIKE TO HAVE A BROADER PERSPECTIVE. ON THE NOT INCLUDED SCHEDULE THAT YOU GAVE US ADDITIONAL EXPENSES FOR BEDDING AND ALL THOSE THINGS. I KNOW WE HAVE TO APPROVE THE EXPENSE EVEN IF THERE'S AN OFF-SETTING REVENUE BECAUSE IT IS THE TOTAL EXPENDITURE WE'RE APPROVING BUT ON THIS LIST FOR THE NOT INCLUDED IF IT WAS OFFSETTING REVENUE IT WOULD SAY NO IMPACT AND I HEARD YOU SAY THERE WILL BE OFFSETTING REVENUES THERE WOULD BE MORE REVENUE. WE WILL HAVE ADDITIONAL REVENUE. I'M WONDERING WHY IF THIS IS REQUEST FOR ADDITIONAL FUNDING WHY IT DOESN'T SAY NO IMPACT? YOU'RE SAYING ARE YOU NOT ASKING US FOR THIS YEAR ANYWAY, RIGHT.

Paul Katsenes: WE ARE.

Councilwoman Milhaven: I THOUGHT YOU SAID THIS IS A PREVIEW FOR NEXT YEAR'S BUDGET.

Paul Katsenes: WELL, YOU KNOW I PROBABLY TRIED TO DO TOO MUCH IN THAT SLIDE. IT IS REALLY TWO PARTS. THE TOP HALF, DOWN TO THE BUREAU OF RECLAMATION IS WHAT WE'RE REQUESTING IN THE BUDGET. THE FIRST LINE REQUEST IN THE BUDGET. THOSE ARE THE ITEMS WE'RE REQUESTING TO PUT IN THE BUDGET. THERE'S THE FEED AND BEDDING FOR RESALE OVER-TIME AND THERE'S THE \$50,000 WE JUST SPOKE OF. THE BOTTOM HALF IS NOT IN THE BUDGET AND THAT IS THE PREVIEW WE TALKED ABOUT. GET READY WE MAY TALK ABOUT THIS FOR THE END OF THE YEAR FOR NEXT YEAR.

Councilwoman Milhaven: OKAY SO THOSE ARE THE ITEMS I'M LOOKING AT HERE. SO WHAT DO YOU THINK THE REVENUE OFFSET WILL BE FOR THE FEED AND BEDDING?

Paul Katsenes: FEED AND BEDDING IF YOU GIVE US 30 WE WILL GIVE YOU 55.

Councilwoman Milhaven: OKAY THANK YOU.

Paul Katsenes: YES, MA'AM.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMEMBER KORTE.

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[Time: 01:10:52]

Councilmember Korte: THANK YOU MAYOR I WILL CONTINUE ON WESTWORLD A LITTLE BIT. I THINK I SHARE THE CONCERN AROUND WESTWORLD IN THAT IN JUST SEEMS TO BE A LACK OF A BUSINESS PLAN. I'M LOOKING AT THESE NEW EVENTS AND GOSH 75% OF THEM ARE HORSE RELATED. THOUGH I UNDERSTAND IN THE NEW NORTH HALL THERE PLANS TO BE CONCRETE POURED AS FOOTING WHICH IS NOT CONDUECIVE TO HORSE USE AND WOULD ADD AN ADDITIONAL EXPENSE TO ANY HORSE SHOW OR HORSE USER IN THAT HALL AND PROBABLY PRICE WESTWORLD OUT OF THEIR BUDGETS. SO I WOULD LIKE SOMEONE TO LOOK INTO THAT AND COME TO ME IT HAS COME TO ME IN A COUPLE DIFFERENT WAYS. I THINK WHILE WESTWORLD IS A GREAT POTENTIAL FOR THE CITY OF SCOTTSDALE, I BELIEVE THAT IT IS GOING TO BE A CHALLENGE FOR US TO BE ALL THINGS TO ALL ORGANIZATIONS AND I THINK WE NEED TO TAKE BETTER LOOK AT PROVIDING THE RESOURCES AND THE FACILITIES TO INDICATER TO THIS HORSE SHOWBIZ. BECAUSE I THINK IT IS BIGGER THAN WE'RE PUTTING DOLLARS ON. SO I WOULD LIKE THAT TO BE LOOKED INTO. IN THE REPORT IT SHOWS THE ED DEPARTMENT ESTIMATED A CREATION OF 1,700 JOBS. CAN YOU TELL ME WHERE THOSE ARE?

Paul Katsenes: SURE WE CAN ACTUALLY TOMORROW PROVIDE YOU A LIST BUT SOME OF THOSE ARE DOWNTOWN AND IN THE AIRPARK. LET ME PROVIDE YOU AND ALL THE COUNCILMEMBERS AN EXACT LIST. IT IS NOT IN MY NOTES BUT WE WOULD BE HAPPY TO GIVE YOU AN EXACT LISTING OF THEM.

Councilmember Korte: SO MOVING ON TO TRANSPORTATION. WHAT IS THE STATUS OF THE UPDATE OF OUR MASTER TRANSPORTATION PLAN.

Paul Katsenes: WE'RE IN THE PROCESS OF THAT. I THINK WE BROUGHT THAT. DAVE MEINHART CAN ANSWER THAT. HERE'S DAVE MEINHART.

Transportation Director Dave Meinhart: MAYOR LANE, COUNCILMEMBER KORTE, THE MASTER PLAN UPDATE WE HAVE BEEN WORKING ON WITH THE TRANSPORTATION COMMISSION ON THE STAFF DRIVEN EFFORT TO UPDATE THE PLAN. STAFF DID JUST RECENTLY TALK WITH THE TRANSPORTATION COMMISSION ABOUT SLOWING UP THAT PROCESS A LITTLE BIT BECAUSE OF NOT WANTING TO CONFUSE THE PUBLIC WHEN IT COMES TO PUBLIC OUTREACH WITH THE EFFORTS FOR THE GENERAL PLAN. SO WHAT WE'RE WORKING ON RIGHT NOW WITH THE PLAN IS. WE KIND OF GOT A LOT OF THE WRITING COMPLETED. WE ARE WORKING TO UPDATE OUR TRAVEL FORECAST FOR VARIOUS CORRIDORS, TRYING TO DETERMINE WHETHER THE PLANNED ONES ARE LARGER THAN THEY NEED TO BE. IN OUR LAST MASTER PLAN WE REDUCED OUR PLAN NUMBER OF LANE MILES OVER 70 SO THAT WAS A CONSIDERABLE EFFORT AS PART OF THAT PLAN. SO WE'RE LOOKING AT PUBLIC OUTREACH STARTING AROUND OCTOBER TIMEFRAME. IT IS STILL GOING FORWARD. WE JUST DIDN'T WANT PEOPLE TO GET CONFUSED BETWEEN OUTREACH AND TRANSPORTATION PLAN WHICH IS A SUB SET. IT IS SOMETHING GOING FORWARD AND CERTAINLY WE ENCOURAGE ANY OF THE COUNCILMEMBERS WHO WANT BRIEFINGS WE CAN SIT DOWN AND GO OVER WHERE WE ARE ON THAT.

Councilmember Korte: THANK YOU. THERE'S BEEN SOME CONCERN AROUND OUR AGING TROLLEYS. THE TROLLEYS HAVE BEEN CORE TO OUR TRANSPORTATION HERE IN THE CITY NOT ONLY TO OUR VISITORS BUT TO MANY OF OUR RESIDENTS AND KIDS GOING TO SCHOOL. THEY ARE RELYING ON OUR

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TROLLEYS TO GET TO AND FROM THEIR HOMES TO WHEREVER THEY NEED TO BE IN THE CITY. WHAT ARE THE SPECIFIC PLANS FOR THE TROLLEYS IN THE BUDGET COMING UP THIS YEAR?

Dave Meinhart: MAYOR LANE COUNCILMEMBER KORTE I WOULD BE HAPPY TO ANSWER THAT. THE TROLLEY REPLACEMENT PROGRAM IS UNDER WAY. THE PROCUREMENT PROCESS TO BRING IN THE FIRST ROUND OF 13 NEW TROLLEYS STARTING LATER IN THIS CALENDAR YEAR AND THEN WE'LL FOLLOW THAT UP IN 18 MONTHS WITH ANOTHER 6 TROLLEYS SO WE ARE ALREADY WORKING ON A FULL REPLACEMENT OF OUR EXISTING TROLLEY FLEET AND PRODUCTION HAS STARTED ON THE FIRST VEHICLES, IT DOESN'T SHOW UP IN OUR BUDGET BECAUSE ALL OF THE FUNDS ARE COMING FROM A COMBINATION OF FEDERAL GRANTS AND PROPOSITION 400 FUNDS THAT'S WOULD GET SENT TO US FROM VALLEY METRO AND WE SEND THEM BACK TO THEM TO BUILD AND MANAGE THE CONTRACT. THIS COUNCIL AUTHORIZED AN AGREEMENT WITH VALLEY METRO LATE LAST YEAR TO LET VALLEY METRO SERVE AS THE LEAD ON CONTRACTING FOR THE PROCUREMENT. THEY HAD WAYS TO PIGGY BACK ON CONTRACTS FROM OTHER PARTS OF THE COUNTRY. WE ARE MOVING FORWARD WITH THEM BUT IT DOESN'T SHOW UP ON THE BUDGET BECAUSE THE CASH FOR ACQUISITION DOESN'T COME THROUGH THE CITY.

Councilmember Korte: THANK YOU AS A FOLLOW UP TO THAT. IS THAT SUPPLANTING EXISTING TROLLEYS SO WE MAINTAIN THE SAME NUMBER OF TROLLEYS AND ROUTES OR IS THERE PLANS TO ENHANCE OUR INTERNAL PUBLIC TRANSPORTATION PROGRAM?

Dave Meinhart: THAT TIES INTO THE PREVIOUS QUESTION. WE CERTAINLY ARE LOOKING FOR POTENTIAL TROLLEY ROUTES IN THE FUTURE. POSSIBLY FROM THE MAIN TRANSIT LINES THAT COME IN HOWEVER FUNDING FOR THE OPERATIONS OF ADDITIONAL ROUTES IS SOMETHING WE THINK WE ARE A COUPLE YEARS AWAY FROM SO WE HAVEN'T STARTED PLANNING IN THE CAPITAL SIDE FOR EXPANDING BEYOND THE VEHICLES WITH HE ARE CURRENTLY USING. CERTAINLY IT COULD BE PART OF THE FUTURE BUT NOT PART OF OUR PLAN RIGHT NOW. AS YOU KNOW WE HAD EXPANDED SERVICES QUITE A BIT IN THE MIDDLE PART OF THE FIRST DECADE OF THIS CENTURY AND WE ENDED UP PULLING BACK FROM THAT SERVICE AND ELIMINATING SOME ROUTES. WE ARE TRENDING PRETTY CAUTIOUSLY. WE WANT TO FORECAST OUR REVENUE AND SPEND TIME ON THAT AND WE HAVE DEVELOPED AN UNRESERVED FUND BALANCE THAT IS SIZABLE OVER THE LAST COUPLE YEAR. BUT I WOULD SAY WE ARE A COUPLE YEARS AWAY FROM LOOKING AT EXPANSION OF ROUTES BUT WE WILL CERTAINLY DISCUSS IT WITH COUNCIL.

Councilmember Korte: THANK YOU. ON TO NEIGHBORHOODS MR. KATSENES, WHAT OTHER PLANS ARE FOR NEIGHBORHOOD ENHANCEMENT?

Paul Katsenes: WE MET TOGETHER AND TALKED ABOUT SOME OF THE STREET IMPROVEMENTS FROM A TRANSPORTATION IMPROVEMENT STANDPOINT FROM OUR INNER SECTION ROUNABOUT KIND OF TREATMENTS STANDPOINT SO MAKE SURE THEY ARE KEEPING UP WITH THE MAINTENANCE.

Dave Meinhart: WE HAVE OUR NEIGHBORHOOD TRAFFIC PROGRAM WHICH NEIGHBORHOOD CAN GO THROUGH A PROCESS TO GET CALMING IN THEIR NEIGHBORHOODS. WE DO SOME LEVEL ON IMPROVEMENTS VARIOUS INTERSECTIONS AND ROADWAYS. OUR FOCUS IS ON OUR MAJOR COLLECTORS. WE HAVE STREETScape PROJECTS WHERE WE ADD BIKE LANES AND IMPROVE SIDEWALKS. THOMAS ROAD IS THE NEXT ONE LATER THIS YEAR. THAT'S WHAT WE HAVE PLANNED. OUR CAPITAL BUDGET IS FOCUSED ON MAJOR ROADWAYS. IT'S BEEN SHRINKING OVER THE YEARS.

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MOST OF OUR FUNDING COMES FROM PROP 400 AND FEDERAL GRANTS. WE ARE VERY HOPEFUL THAT THE BOND PROGRAM PASSES BECAUSE WE HAVE A LONG LIST OF PROJECTS THAT HAVE BEEN IDENTIFIED.

Councilmember Korte: WE DON'T HAVE THE FUNDING. THANK YOU.

[Time: 01:23:00]

Mayor Lane: THANK YOU COUNCILWOMAN. ON THE TROLLEYS, WHO IS RESPONSIBLE FOR THE MAINTENANCE OF THE TROLLEYS?

Dave Meinhart: THROUGH THE CONTRACT WE HAVE THE OPERATOR THEY HAVE THE RESPONSIBILITY FOR THE MAINTENANCE. WE DO OVERSIGHT TO MAKE SURE THEY KEEP UP WITH THE MAINTENANCE.

Mayor Lane: SO ANY SAVINGS OF NEW VERSUS OLD IS NOT GOING TO BE RECOGNIZED IN YOUR BUDGET?

Dave Meinhart: OUR STAFF IS WORKING ON REPROCURING THE CONTRACT PART OF THAT WILL BE THE SHARED KNOWLEDGE. WE WILL EXPECT BIDDING ON THAT AS ANTICIPATION THAT THEY ARE WORKING WITH PRIMARILY NEW VEHICLES RATHER THAN 10 OR 12 YEAR OLD VEHICLES. AND WE DIRECTLY PROVIDE THE FUEL SO THAT COST COMES 100% TO THE CITY.

Mayor Lane: WHEN DOES THAT TAKE PLACE THIS FISCAL YEAR?

Dave Meinhart: THE PROCUREMENT WORK THE CONTRACT STAFF HAS BEEN WORKING ON THAT WILL HOPEFULLY GO INTO THE PUBLIC WITHIN THE NEXT FEW MONTHS. SO WE MIGHT SEE SOME SAVINGS POSSIBLY WITHIN THE FISCAL 14 BUDGET. RIGHT NOW WE ANTICIPATE FLAT GROWTH IN THE COST FOR THE TROLLEY PROGRAM BECAUSE WE APPLY FOR THE REPROCUREMENT CONTRACT ABOUT WHICH WE ARE DUE FOR UNDER CURRENT CONTRACT.

Mayor Lane: GOING TO A POINT I WILL DIRECT TO YOURSELF AND TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, ON THE ORDER OF DEALERSHIPS, WHEN WE WERE TALKING ABOUT THIS BEFORE. IT IS OF CONSTRUCTION SALES SINCE BOTH THOSE PROJECTS ARE SCHEDULED TO BE COMPLETED AND OCCUPIED WITHIN THIS FISCAL YEAR AS I UNDERSTAND IT NOW, JULY AND NOVEMBER, SO WE GOT THE CONSTRUCTION SALES TAX HOPEFULLY IF IT STAYS IN IT'S PRESENT FORM WE WILL HAVE THAT TO RECORD. THE OTHER IS WHATEVER REMAINING PORTION OF THE RETAIL SALE THAT'S MIGHT TAKE PLACE IN THE FISCAL YEAR. ALONG WITH THAT ONE OF THE THINGS YOU THINK FROM THE STANDPOINT OF ACCOLADES FOR THE CITY AND THIS COUNCIL. THE WORK OF THE ECONOMIC DEVELOPMENT DEPARTMENT IS THE FACT WE HAVE HAD REINVESTMENT IN A NEW CAR DEALERSHIP ON McDOWELL IN THE LAST 18 MONTHS. A HIGH END SLIGHTLY USED DEALERSHIP THAT CAME BACK TO US AND THEN OF COURSE THE MERCEDES BENZ AND THE LEXUS DEALERSHIP WHICH WILL BE OPENING THIS CURRENT YEAR, ALL WITHOUT BECAUSE OF REFORMS AND CHANGES TO OUR CHARTER ALL WITHOUT THE BENEFIT OF SOMEONE WHO IS TRYING TO ATTRACT SUBSIDIES. WE HAVEN'T MORTGAGES THE MONIES BACK TO THE PROJECT. THESE ARE WITHOUT SUBSIDY, MEANING ALL OF THE INCOME AND SALES TAX SHOULD BE COMING TO THE CITY ENTIRELY. THAT IS A MATTER OF POLICY AND CHARTER REFORM. THAT IS AN ELEMENT THAT FRANKLY WAS NOT AVAILABLE AND

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YOU ALL WORKED IT WITHOUT THE, AS I SAY IN SOME CIRCLES OF ECONOMIC DEVELOPMENT, OF ANY BENEFIT OF THAT SWEETENING OF A DEAL. IN ANY CASE, I JUST WANTED TO GIVE AN ACCOLADE MOST ECONOMIC DEVELOPMENT DEPARTMENTS AND AGENCIES WITHIN THE VARIOUS COMMUNITIES THAT SURROUND US DO HAVE THAT ELEMENT. WE WORK WITHOUT IT AND WE'RE ABLE TO PUT TOGETHER ON A CAN DO BASIS IN A POSITIVE WAY SOME GREAT TRANSACTIONS AS IT RELATES TO THE ECONOMICS OF THE CITY AND I CONGRATULATE YOU AND YOUR TEAM. THAT SHOULDN'T GO WITHOUT SOME NOTE. THAT IS AN ADDITIONAL ACCOMPLISHMENT. AND THE BREAD PROGRAM THAT IS SOMETHING THAT IS ESSENTIAL VISITING WITH THE CITIES JUST TO MAKE SURE WE WERE WITH THEM BUT ALSO TO ENLIST THEM AS AMBASSADORS FOR THE CITY. THAT HAS HAD SUBTLED AROUND POSITIVE RAMIFICATIONS. IT HAS BEEN CONTINUED AND IS A GOOD THING. ALONG WITH COFFEE WITH ED WHICH REALLY TIED TOGETHER SOMETIMES NEEDS WITH THE OPPORTUNITIES. THE ONLY OTHER THING I WANTED TO MENTION ACTUALLY I WILL RESERVE THAT, IS THE BUREAU OF RECLAMATION AND BASIN FUNDS. FOR THE FIRST TIME IN THE CITY'S HISTORY EVEN THOUGH THERE'S AN ACCUMULATION OF FUNDS FOR CAPITAL PROJECTS COMING OFF OUR LEASES AND EVENTS ALL COMING TO A FUND ACCUMULATED IS FRANKLY BEING LEFT TO THE DESIGNS OF WHATEVER THE BUREAU MIGHT CONSIDER. MORE RECENTLY WE HAVE USED THOSE FOR CAPITAL IMPROVEMENTS ON THOSE PROPERTIES WE LEASE FROM THE BUREAU. IT HAS BEEN A POSITIVE NEW DEVELOPMENT. I WOULD LIKE TO EXTEND ACCOLADES TO THE CITY MANAGER AND CHARTER OFFICER AND STAFF FOR WORKING ON THIS. IF YOU MAY OR MAY NOT KNOW THE BUREAU FOLKS HAVE BEEN A LITTLE HESITANT TO VENTURE INTO NEW TERRITORIES BUT IT HAS WORKED VERY WELL AND IT HAS HELPED THE CITY TO MAINTAIN IN THE HIGHEST OF ORDER AND CAPITAL IMPROVEMENTS SOME OF THOSE PROPERTIES AND THERE ARE FOUR BASIN FUND THAT'S SPREAD ACROSS THE LAND THAT WE LEASE. IT HAS BEEN A GOOD THING AND IS A CREDIT TO YOUR DEPARTMENT AND YOURSELVES AND THE CITY MANAGER. THE ONLY OTHER THING I WANT TO MENTION THE NEIGHBORHOOD ENHANCEMENT PARTNERSHIP AND THE USE OF THOSE MONIES. THAT WAS SOMETHING THAT WAS AT LEAST BEING CONTEMPLATED FOR FUNDS ON MEALS ON WHEELS BUT I THINK WE DEFINITELY HAVE A VIABLE SOLUTION IN THE SHORT RUN WITH A LONG TERM SOLUTIONS COMING AS WELL. I DON'T KNOW IF WHETHER AT THIS POINT IN TIME THE SCOTTSDALE CULTURAL COUNCIL AND THEIR 3% OR WHERE THERE IS A THOUGHT AS TO WHETHER OR NOT WITHIN THE CONTRACT. I DON'T KNOW WHETHER IT IS UP TO 3% OR WHETHER IT IS 3% OR NOTHING SO I DON'T I JUST WANTED TO ASK THE QUESTION AS TO WHETHER OR NOT LEGALLY THERE IS SOMETHING IN BETWEEN OR OTHER WISE THAT MIGHT COMPENSATE FOR SOME OF THE THING THAT'S I THINK IT HAS TAKEN ON POSITIVE DEVELOPMENT AND ARTS AND CULTURAL ASPECTS TO THE CITY, ONE OF THEM IS THE SCOTTSDALE PHILHARMONIC GREAT ADDITION. THEY HAVE BEEN ACCOMMODATING THAT WITHIN THEIR EXISTING BUDGET. IF I CAN GET AN ANSWER ON THAT IT MIGHT BE A COMPONENT PART OF SOME FURTHER DISCUSSION ON THAT ELEMENT.

[Time: 01:31:39]

Paul Katsenes: SURE. IT IS A CONTRACT ANSWER MAYOR, WE WOULD LIKE TO BE RIGHT. SO WE'LL PULL THE CONTRACT AND COMMUNICATE TO ALL OF YOU. I GOT SOME BREAK OUT OF THE LANGUAGE BUT I DON'T HAVE BEFORE AND AFTER THE LANGUAGE SO WE WOULD LIKE TO BE COMPLETELY ACCURATE TO YOU.

Mayor Lane: OKAY AND WHEN ALL THE REST OF THAT I SUPPOSE IT IS JUST A NOTE FOR YOU.

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Paul Katsenes: I WOULD LIKE TO RESPOND BACK AND SAY TO YOU AND EACH MEMBER OF THE COUNCIL THAT WE ARE GRATEFUL THE WAY EACH OF YOU HAVE SUPPORTED ACTIVITIES IN THESE FOUR DEPARTMENTS AND PROVIDED THE KIND OF LEADERSHIP THAT HELPS US ENJOY WORKING HERE AND ACROSS THE BOARD IN ALL THESE DEPARTMENTS AND THANK YOU FOR THAT LEADERSHIP AND THOSE ACCOLADES AND FOR YOUR SUPPORT AS WE MARCH THROUGH THESE PROGRAMS, BOTH GUIDANCE AND AT OUR SIDE AS WE GO OUT AND IMPLEMENT THEM BECAUSE EACH OF YOU HAVE BEEN WITH US. THANK YOU.

Mayor Lane: CERTAINLY I SPEAK FOR ALL YOU'RE WELCOME. IT IS PART OF OUR JOB TOO. BUT NEVERTHELESS I APPRECIATE THE RECOGNITION. MY ACCOLADES TO YOU ARE PART OF YOUR JOB BUT THANK YOU AS WELL. AND THAT IS IT FOR ME RIGHT NOW. COUNCILMAN LITTLEFIELD.

[Time: 01:33:00]

Councilman Littlefield: WELL, IT IS INTERESTING, EVERY TIME WE START TALKING ABOUT WESTWORLD, THE QUESTION ARISES WHY ARE WE DOING THIS, THE ANSWER IS SIMPLE, WESTWORLD HOSTS THE MAJORITY OF THE LARGEST TOURISTS EVENTS. EVERY ONE OF US PROMISED THE VOTERS WE WOULD DO SOMETHING TO INCREASE ECONOMIC ACTIVITIES. IN SCOTTSDALE TOURISM IS OUR NUMBER ECONOMIC ACTIVITY. THERE'S NO QUESTION THAT'S WHAT THIS IS ALL ABOUT. WESTWORLD GENERATES MONEY. IT BRINGS PEOPLE IN WHO GO TO THE HOTELS AND SPEND MONEY AND BUY STUFF. THAT'S WHY WE ARE DOING IT NOT BECAUSE WE HAVE LOVE FOR WESTWORLD IT'S JUST THAT'S WHAT WE PROMISED THE VOTER WE WOULD DO GENERATE REVENUE. IT IS REALLY THAT SIMPLE. WE CAN ARGUE ABOUT THE DETAILS ABOUT WHAT WE SHOULD SPEND BUT THE GENERAL IDEAS THAT WE ARE SPENDING MONEY IN TO BRING IN MORE TOURIST DOLLARS, I DON'T THINK IT IS CONTROVERSIAL.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN KORTE

Councilmember Korte: THANK YOU MAYOR SINCE YOU BROUGHT UP THE 3% SCOTTSDALE CULTURAL COUNCIL, I DON'T THINK ANY OF US HAVE TALKED ABOUT WHETHER WE SUPPORT THAT OR NOT. I WOULD LIKE TO BE PUBLIC AND DISCLOSE THAT I AM IN FULL SUPPORT OF THE FULL 3% INCLUSION IN THE BUDGET FOR THE SCOTTSDALE CULTURAL COUNCIL.

Mayor Lane: THANK YOU COUNCILMEMBER. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: IN TERMS OF WESTWORLD IT IS A GOOD THING. THE EVENTS HAPPENING THIS ARE FINE BUT IF WE ARE GOING TO SPEND 40 OR 50 MILLION FOR WHAT WE ALREADY HAVE THAN WE ARE NOT GOING BEING GOOD STEWARDS OF THE CITY'S MONEY.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: JUST IN RESPONSE TO WHAT COUNCILMEMBER KORTE SAID ABOUT THE 3% INCREASE FOR THE CULTURAL COUNCIL. IT IS INTERESTING, WE HAVE A BUDGET AND AS SOON AS WE THE CITY MANAGER PRESENTED THE BUDGET THE ACTING CITY MANAGER, THE TREASURER, WE THEN FOLLOWED UP WITH A BUNCH OF PRESENTATIONS FROM DIVISIONS ALMOST EVERYONE OF WHICH HAS SOME REQUEST FOR SOMETHING MORE THAN WHAT IS IN THE BUDGET. ON TOP OF THAT WE

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ARE CANCELING LUNCHES FOR OLD PEOPLE AND WE HAVE TO FIND SOME PAY FOR THAT AND THE IDEA WE WOULD GIVE THAT CULTURAL COUNCIL 3% MORE IT SEEMS BIZARRE BAD PRIORITIES. I WOULDN'T SUPPORT GIVING THEM MORE. I THINK WE GIVE THEM TOO MUCH NOW AND THE IDEA WE WOULD GIVE THEM MORE MONEY WITH ALL THESE OTHER THINGS GOING ON AND THAT DOESN'T COUNT WHAT THE POLICE WERE SAYING ABOUT THEIR INABILITY TO RECRUIT AND RETAIN DISPATCHERS AND POLICE. WE HAVEN'T EVEN ADDRESSED THAT ISSUE YET. CLEARLY THAT IS A PROBLEM SO THE IDEA WE WILL BE GIVING MONEY TO THE CULTURAL COUNCIL WHILE ALL THESE OTHER NEEDS ARE NOT MET THAT'S BAD PRIORITIZATION AND I WOULDN'T SUPPORT THAT.

Mayor Lane: THANK YOU COUNCILMAN. I GUESS THAT SUM IT'S UP. WE HAVE NO FURTHER COMMENTS. I HOPE SOMEONE WAS TAKING NOTES.

Paul Katsenes: WE WILL REVIEW THE TAPE MAYOR AND WILL RESPOND.

Mayor Lane: I KNOW THERE ARE SOME SPECIFICS YOU INDICATED YOU WILL RETURN BACK TO US.

Paul Katsenes: THANK YOU ALL FOR YOUR HELP AND SUPPORT.

Mayor Lane: THANK YOU PAUL.

ITEM 1 – H. ADMINISTRATIVE SERVICES

[Time: 01:37:32]

Mayor Lane: WE ARE ON ITEM 1H, THE ADMINISTRATIVE SERVICES. WE HAVE BRAD HARTIG HERE WHO WE SEE FROM TIME TO TIME WHEN THERE IS A PROBLEM.

Executive Director CIO Brad Hartig: GOOD EVENING MAYOR AND COUNCIL MY NAME IS BRAD HARTIG I'M THE CIO HERE AND I HAVE THE HONOR AND PRIVILEGE TO REPRESENT THE ADMINISTRATIVE DIVISION SERVICES THIS EVENING. THEY ARE THE COMBINATION OF INFORMATION TECHNOLOGY, HUMAN RESOURCES, COMMUNICATION AND PUBLIC AFFAIRS AND PURCHASING. WE HAVE BROKEN THE PRESENTATION DOWN IT INTO THREE GENERAL THEMES USING RESOURCES WISELY, MINIMIZING RISK TO THE ORGANIZATION AND INVESTING IN OUR PEOPLE. SINCE THERE ARE SEVERAL POSITIONS THAT ARE BEING ASKED FOR AS PART OF THIS PRESENTATION, I WANTED TO START WITH A COUPLE OF SLIDES. THEY SET THE LANDSCAPE FOR THIS FROM A HISTORICAL PERSPECTIVE. ADMINISTRATIVE SERVICES IS 125 FTE, WHICH IS 5% OF THE CITY'S TOTAL FTE, DURING THE BUDGET DOWN TURN WE FROM AN INTERNAL SERVICES STANDPOINT TOOK 11% OF THE OVERALL REDUCTIONS FOR THE CITY. AS A DIVISION, WE WERE DOWN 42 FTE'S OR 25% AND THAT WAS REALLY BASED ON A CITY PHILOSOPHY AND COUNCIL PHILOSOPHY ABOUT IMPACTING THE CITIZENS AND SERVICES LAST AND LEAST AND SO THEY REALLY DID LOOK TO THE INTERNAL SERVICES TO BEAR A LOT OF THAT BURDEN. TO LOOK AT IT IN A SLIGHTLY DIFFERENT WAY, THESE ARE CONCENTRIC BUBBLES BASED ON SIZE THAT ARE ACCURATE BUT IT, IS THE LARGEST OF THE GROUP. WE ARE 70 FTE'S WE TOOK A 20% REDUCTION SINCE 2008-09. PURCHASING 23 FTE'S DOWN 23%. COMMUNICATIONS 8FTE'S DOWN 37% AND HUMAN RESOURCES DOWN 36%. AS FAR AS USING OUR RESOURCES WISELY, WE ARE ASKING FOR 1 ADDITIONAL FTE THAT WOULD BE A MAIL ROOM AND WAREHOUSE SHARED POSITION. THE POSITION WAS MADE POSSIBLE THROUGH A RECENT RESTRUCTURE WHERE PURCHASING DIRECTOR RETIRED

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AND THE PURCHASING MANAGER WAS PROMOTED AND MANAGER POSITION WAS RECLASSIFIED TO MAKE TWO POSITIONS. THE BUYERS AIDE HAS BEEN COMPLETED. WHAT WE'RE ASKING FOR IS THE BODY TO BE ABLE TO FILL THE OTHER PORTION OF THE MAIL ROOM AND WAREHOUSE TECHNICIAN. WE'RE TAKING SOMETHING THAT WAS IN A MANAGEMENT ROLE AND PUTTING IT INTO A FRONT LINE SERVICE WE THINK IT IS A VERY PRUDENT THING TO DO. THE POSITION WOULD BE COST NEUTRAL OVERALL BECAUSE THE TWO POSITIONS EQUAL OUT TO THE COST OF THE MANAGER POSITION. WE'RE ALSO ASKING FOR A NEW POSTAGE METER. A \$36,000 ONE TIME FUND TO REPLACE THE ONLY METER. THE EXISTING EQUIPMENT REACHES END OF LIFE JANUARY 2014 AND CANNOT BE UPGRADED. IT IS USED ON A DAILY BASIS WHICH ALLOWS THE CITY TO QUALIFY FOR PRESORTED DISCOUNTED RATES. TO PUT IT IN PERSPECTIVE IF WE HAD STANDARD POSTAGE IT WOULD COST THE CITY APPROXIMATELY \$137,000 A YEAR. IT IS EQUAL TO \$100,000 FIRST YEAR ROI.

THE FIRST UNFUNDED REQUEST IS A JOINT PROJECT BETWEEN CAP AND IT, FOR PHOTO MANAGEMENT SOFTWARE TO ORGANIZE SHARED PHOTOS TAKEN BY STAFF AND CITIZENS. THE CITY CURRENTLY HAS OVER HALF MILLION PHOTOS STORED ON THE CITY'S NETWORK. EXISTING PHOTOS ARE NOT MANAGED SEARCHABLE OR EASILY SHARED AND GREATLY UNDER UTILIZED. WITH THE SMART PHONES STAFF ONLY SEES THE MANAGEMENT OF PHOTO ASSETS GETTING WORSE. THIS SOLUTION WILL ALLOW THE PHOTOS TO BE STORED ON THE INTERNET. AS A SOFTWARE SERVICE AND PROVIDE SECURE ACCESS FROM ANY. IT IS AN INTERNET BASED APPROACH IT WOULD BE AN ANNUAL SUBSCRIPTION THAT WOULD COST \$7,500 A YEAR. THE SECOND NON FUNDED REQUEST IS SPEAK UP SCOTTSDALE. AN ONLINE ENGAGEMENT SITE LAUNCHED IN SEPTEMBER OF 2012 THAT WAS FUNDED THROUGH THE BOND TASK FORCE PUBLIC OUTREACH PROGRAM. SUCCESSIVE OUTREACH EFFORTS HAVE BEEN SPORADIC. TO DATE THERE'S BEEN ABOUT 250 REGISTERED USERS ON THE WEBSITE THAT GENERATED 35 UNSOLICITED IDEAS AND 200 USERS VOTED. THE CITY ALSO USES THE WEBSITE USING 13 DIFFERENT SURVEYS AND DISCUSSION FORUMS. RESPONSE TO DATE IS DISAPPOINTING, ONLY ABOUT 30 PUBLIC COMMENTS GENERATED FROM THAT EFFORT. FUNDING WAS REQUESTED TO CONTINUE BUT NOT RECOMMENDED AS PART OF THIS YEAR'S FUNDING PROCESS. STAFF WILL CONTINUE TO EXPLORE IDEAS TO IMPROVE ONLINE ENGAGEMENT USING LOWER COST TOOLS AND SYSTEMS WE ALREADY OWN SUCH AS OUR CONTENT MANAGEMENT SYSTEM.

THIS IS A GRAPH TALKING WITH THE IMPACT OR NEED FOR THE TWO POSITIONS IN PURCHASING. AS I MENTIONED THE STAFF IS DOWN BY 23% SINCE 08-09 AND THE WORK LOAD WENT UP 12%. IF YOU THINK ABOUT IT THESE TWO POSITIONS A MAIL ROOM AND A WAREHOUSE TECH. SO THE MAIL ROOM ON THE FRONT END EXCUSE ME YOU HAVE THE BUYERS AIDE ON THE FRONT END OF THE PROCESS HELPING THE BUYERS AIDE AND THEMSELVES MORE EFFICIENTLY MANAGE THE FRONT END OF THE PROCESS AND THEN THE RECEIVING END WITH THE WAREHOUSE AND MAIL ROOM TECHNICIAN, THEY ARE HELPING ON THE RECEIVING AND THE OTHER ON THE BUYING PORTION OF IT. THE NEXT AREA I WOULD LIKE TO TALK ABOUT. THERE'S TWO FUNDED REQUESTS HERE THAT'S MINIMIZES RISK TO THE ORGANIZATION. I AM ASKING FOR 1 FTE FOR ONE AN ENTERPRISE COMMUNICATIONS ENGINEER TO PROVIDE SUPPORT FOR THE CITY'S NETWORK INFRASTRUCTURE. THERE'S CURRENTLY ONLY ONE PERSON PERFORMING THIS ROLE. WE HAD LIMITED BACK UP SUPPORT PROVIDED BY THE CITY'S SECURITY ENGINEER. THEY WERE HERE 25 YEARS, GREW UP IN THE CITY, KNEW A LOT ABOUT THE SYSTEM AND HE HAD A UNIQUE SET OF TALENTS. WE HAVE BEEN RECRUITING FOR JUST THE REQUIREMENTS OF THE NETWORK SECURITY ENGINEER SINCE OCTOBER AND HAVE NO QUALIFIED CANDIDATES THAT HAVE BEEN FOUND WITH NETWORK EXPERIENCE LET ALONE THE SECURITY EXPERIENCE WE HAVE LOOKING FOR. THE CITY'S TECHNOLOGY INFRASTRUCTURE IS HIGHLY

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DEPENDENT ON THIS NETWORK OF COMMUNICATIONS. IT SUPPORTS COMPUTERS, PHONES AND HVAC, WATER, TELEMETRY, INTELLIGENT TRANSPORTATION SYSTEMS, AND PUBLIC SAFETY RADIO AND COMMUNICATION NETWORKS. THAT'S JUST A SMALL SAMPLING OF THE THINGS IT SUPPORT. THE RAMIFICATIONS OF A NETWORK OUTAGE COULD VARY GREATLY. AN OUTAGE COULD IMPACT ANYTHING FROM A SMALL BUSINESS OR PARK TO A LARGE SIGNIFICANT PORTION OF THE CITY. I HAVE A SLIDE HERE I'M COMING UP WHERE I TALK MORE ABOUT THAT AND SHOW THE SIZE AND COMPLEXITY OF THE NETWORK ITSELF AND GIVE YOU AN IDEA OF WHAT I WAS TALKING ABOUT RIGHT THERE.

[Time: 01:46:44]

WE ARE ALSO ASKING FOR A BUSINESS CONTINUITY CONSULTANT. PRIOR TO THIS YEAR THE CITY HAD ITS DATA FROM THE CITY'S PRIMARY DATA CENTER TO A SMALL DATA CENTER IN THE PUBLIC SAFETY ADMINISTRATION BUILDING. INITIAL PLAN WAS TO PROVIDE A FULL SITE. WITH THE DOWN TURN IN THE ECONOMY FUNDING WAS UNAVAILABLE TO COMPLETE. THE REQUEST IS \$200,000 IN ONE TIME FUNDS TO HIRE A CONSULTANT TO ANALYZE. WE HAVE ONE PRIMARY DATA CENTER BUT SOME SMALLER SATELLITE DATA CENTERS WE WOULD LIKE TO BUILD INTO THAT BUSINESS PLAN. WHAT WE HAVE HERE IS A HIGH LEVEL REPRESENTATION OF THE CITY'S NETWORK. ONE INDIVIDUAL IS SUPPORTING THIS ENVIRONMENT RIGHT NOW. YOU CAN SEE FROM THE HUB IN THE SPOKE ASPECT OF IT. YOU CAN HAVE ANYTHING FROM A VERY SMALL AREA DOWN HERE IN THE CORNER TO A VERY LARGE AREA, DEPENDING ON WHERE THAT OUTAGE IS. WILL YOU HAVE MUCH MORE SIGNIFICANT IMPACT? WE DID HAVE AN IMPACT OR AN OUTAGE EARLIER IN THE DATA CENTER ITSELF, IT WAS EARLIER THIS YEAR AND IT BASICALLY HAD SIGNIFICANT IMPACT TO VIRTUALLY ALL OF THE CITY OPERATIONS. WE WERE FORTUNATE THE INDIVIDUAL WAS THERE AT THE TIME AND WE WERE ABLE TO GET UP IN ABOUT 45 TO 50 MINUTES.

THE NEXT THING I'D LIKE TO TALK ABOUT IS INVESTING IN OUR PEOPLE. A REQUEST FROM HUMAN RESOURCES THERE'S 1 FUNDED AND 5 UNFUNDED POSITIONS. AS I MENTIONED AT THE BEGINNING, HUMAN RESOURCES SAW A 36% REDUCTION IN STAFF IN 08/09 WHILE THEIR WORK LOAD HAS ACTUALLY INCREASED. APPLICANTS SEEKING EMPLOYMENT INCREASED 100% FROM FISCAL YEAR 10/11 TO 13 THE NUMBER OF EMPLOYEES TRIPLED FROM 10 TO 13 AND THE CITY WIDE TURN OVER INCREASED FROM 7.3 TO 8.1% BEGINNING BETWEEN FISCAL YEAR 10/11 AND 12/13. SO THE FIRST REQUEST COMING THROUGH IS FOR A FUNDED POSITION AND THIS IS FOR ONE ADDITIONAL FTE AS A SENIOR HR ANALYST TO PROVIDE ONGOING SUPPORT. I HAVE AN ADDITIONAL SLIDE I WILL TALK ABOUT THIS IN MORE DETAIL. I WILL GO OVER UNFUNDED POSITIONS. 1 UNFUNDED FTE, ONE SENIOR ANALYST HAS BEEN FUNDED. THIS WAS A LOWER LEVEL POSITION FOR ADMINISTRATIVE SUPPORT. ONE OF THE CHALLENGES WE HAVE SEEN THROUGH THIS PROCESS. IT HAS CONSUMED STAFF AND WILL CONTINUE TO DO SO. WE WILL HIT ON THAT AGAIN IN A SLIDE. WHEN WE DON'T RESPOND TO EITHER NATIONAL SURVEY'S IS WHEN WE DON'T GET THE RESULT. TWO IF WE DON'T RESPOND THE OTHER AGENCIES DON'T RECIPROCATATE THAT RETURN THE FAVOR. THIS POSITION IT WILL HELP IN THAT OVERALL PROCESS. IT WILL BE USED FOR QUALITY CONTROL AND CLEAN UP AND TOTAL COMPENSATION RESEARCH RELATED TO NOT ONLY COMPENSATION BENEFITS AND SALARY. WE ARE ASKING FOR ONE FTE TO SUPPORT THE WORKFORCE DEVELOPMENT AND TRAINING PROGRAM. IT IS RECLASSIFIED TO A TRAINING ANALYST AND CURRENTLY THE ONLY INDIVIDUAL ASSIGNED TO THIS PROGRAM. THE NEXT FTE THAT THEY ARE ASKING FOR WOULD PROVIDE CENTRAL HR SUPPORT FOR PUBLIC RECORDS REQUEST, DEPARTMENTAL RECORDS MANAGEMENT AND SPECIAL PROJECTS. HR IS

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EXPERIENCING A BACKLOG AND DELAYS IN MEETING CURRENT REQUESTS IT DOES NOT HAVE THE STAFF TO ADDRESS THE VOID. ANOTHER FUNDED REQUEST WAS FOR A NEW CITYWIDE AUTOMATED PERFORMANCE MANAGEMENT SOFTWARE SYSTEM. IT WOULD BE A \$50,000 INVESTMENT. WE WOULD HAVE TO PAY THE AMOUNT EVERY YEAR TOWARDS THAT. THE LAST TWO ITEMS ARE THE REINSTATEMENT OF TUITION REIMBURSEMENT AND SUPERIOR PERFORMANCE PROGRAMS. THERE HAS BEEN A SIGNIFICANT AMOUNT OF WORK PUT INTO THE COMPENSATION PROGRAM. THE JOB DESCRIPTIONS HAVE BEEN UPDATED AND MARKET STUDIES HAVE BEEN PERFORMED. THE OVERALL CLASS STRUCTURE AND PAY TABLE HAS BEEN COMPLETED.

[Time: 01:53:31]

HERE'S A GRAPHICAL DESCRIPTION OF WHERE WE ARE AT IN THE PROCESS HERE. YOU HAVE THE LIGHT BLUE AREA OF THE GRAPH WHICH REPRESENTS THE AD HOC WORK PERFORMED IN THE ROUTINE ACTIVITIES. YOU CAN SEE IT'S VERY DYNAMIC IN NATURE. THE POSITIONS OR NOT ALL STUDIED IT WAS JUST WHATEVER CAME UP AT ANY GIVEN TIME. SOME POSITIONS HAD NOT BEEN STUDIED FOR MANY, ANY YEARS. SOME NOT FOR 10 YEARS WHILE OTHERS JUST HAPPEN TO BE PART OF THE RESTRUCTURED IT WAS VERY UNPREDICTABLE IN NATURE AND IT WAS NOT CONSISTENT IN BASIS.

THE GREEN AREA OF THE GRAPH REPRESENTS THE WORK ASSOCIATED WITH THE NEW COMPENSATION PROGRAM INITIATIVE. YOU SEE THE LARGE SPIKE IN 11/12 WITH THE CITY DEVELOPED A FRAMEWORK OF THE PROGRAM USING EXISTING CITY STAFF AND SEVEN CONTRACT WORKERS. YOU ALSO SEE THEN AND 13, 14, 15/16 WHILE THE ROUTINE WORK IS MORE STABILIZING, YOU ARE STILL GOING TO HAVE THE WORK ASSOCIATED WITH LOOKING AT ONE THIRD OF ALL THESE POSITIONS EVERY YEAR AND THAT'S THE GOAL OF HUMAN USE RESOURCES.

WORKLOADS IS EXPECTED TO STABILIZE, THE OVER WALL WHILE THE WORKLOAD IS EXPECTED TO STABILIZE THE OVERALL WORKLOAD IS EXPECTED TO INCREASE DUE TO ITEMS THAT PREVIOUSLY DISCUSSED WHICH IS THE ANNUAL REVIEW OF THE CLASSIFICATIONS OF THE JOB STUDIES RELATED TO STRUCTURAL CHANGES IN THE PROACTIVE TOTAL COMPENSATION RESEARCH. THAT IS THE END OF MY PRESENTATION AND IT WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

Mayor Lane: THANK YOU, VERY MUCH. THAT WAS WELL DONE. AND I DON'T KNOW THAT WE HAVE ANY PARTICULAR QUESTIONS. I DO NOT. SO I WILL LEAVE IT AT THAT. I'M SORRY, THEN THEY ARE STARTING TO APPEAR. LET'S START WITH COUNCILMEMBER KORTE.

[Time: 01:55:39]

Councilmember Korte: WE COULDN'T LET YOU GET OFF THAT EASY, BRAD. CERTAINLY THE HR DEPARTMENT HAS BEEN CHALLENGED THIS YEAR AND WITH YOUR PRESENTATION IT HAS REALLY GIVEN ME A BETTER FEEL FOR YOUR CHALLENGES. I LOOK FORWARD TO SOME IMPROVEMENTS THERE AND I THINK WE ARE GOING TO GET THERE. WE WILL GET THEIR WITH SOME THE LEADERSHIP ETC., ETC. I JUST HAD A COUPLE SMALL LITTLE THINGS THAT ARE QUITE HONESTLY PET PEEVES OF MINE AROUND THE WEBSITE. SO WE'RE GOING INTO IT AND I HAVE FOR YEARS WANTED A STAFF DIRECTORY THAT EASILY ACCESSIBLE AND IT ALL SPEAKS TO IS THERE OR ARE THERE ANY PLANS TO UPDATE THE WEBSITE OR THE WEBPAGE OR CREATE A MOBILE APP. IT IS ESTIMATED THAT 30% OF

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INDIVIDUALS ACCESS THE WEB ON THERE MOBILE DEVICE NOW, SO MOBILE APPS ARE CRITICAL. IS THERE ANY PLANNING FOR THAT?

Brad Hartig: COUNCILMEMBER KORTE, MEMBERS OF THE COUNCIL, WE HAD A SMALL TASK FORCE THAT MET TWO WEEKS AGO. WE ARE LOOKING AT ALL ASPECTS OF IT, THE WEBSITE ITSELF, AND REDESIGNING THAT, MAKING THE WEBSITE ITSELF MORE MOBILE FRIENDLY WHETHER YOU HAVE A STANDARD WEBSITE AND THEN IT CAN DETECT WHETHER YOU ARE A MOBILE DEVICE OR NOT AND FOLLOW-UP PAGES AROUND THAT LOOKS A LITTLE BIT EASIER TO USE ON A FORM OR SMALLER FORM FACTOR. IN ADDITION, WE ARE LOOKING TO DEVELOP OR LOOK TOWARDS MOBILE APPLICATIONS. ONE OF THE CHALLENGES WE HAVE RIGHT NOW SAY IN OUR GIS ENVIRONMENT IS THAT IT REQUIRES A PLUG-IN FROM MAP GUIDE. THE APPLE ENVIRONMENT AND IS A MATTER OF FACT I DON'T OF THE ANDROID ENVIRONMENT SUPPORTS THAT, THAT TEAM IS VERY WELL ON THEIR WAY TO REWRITING THAT APPLICATION. THEY ARE DOING SOME ROLLOUT INTERNALLY ALREADY AND WE LOOK TO LEVERAGE THAT SAME WORK IN PROCESS FOR OUR CITIZENS.

Mayor Lane: THANK YOU, COUNCILWOMAN. VICE MAYOR KLAPP.

Vice Mayor Klapp: I WANTED TO ADDRESS THE SLIDE ABOUT INVESTING IN OUR PEOPLE. I BELIEVE THAT HUMAN RESOURCES BUDGET HAS BEEN CUT DRAMATICALLY TO THE DETRIMENT OF SOME OF THE PROBABLY THE ENTIRE TEAM THAT WE HAVE IN THE CITY OF SCOTTSDALE. A COUPLE OF THE THINGS YOU HAVE LISTED UNDER UNFUNDED, I DON'T EVEN KNOW HOW YOU CAN OPERATE WITHOUT THEM. FIRST OF ALL THE HR MANAGEMENT SYSTEM BEING MANUAL AND NOT ELECTRONIC I DON'T KNOW WHAT THE NEW MANAGEMENT SYSTEM WOULD BE BUT IF WE'VE CUT OUT THAT MANY PEOPLE IN HR AND WE ARE STILL DOING THIS MANUALLY, THEN PERHAPS IF WE HAD THE NEW SYSTEM WHICH YOU SAID IS \$50,000 THAT IT WOULD SEEM TO ME THAT YOU COULD MORE EFFICIENTLY RUN THE DEPARTMENT WITH LESS PEOPLE. I CAN'T IMAGINE HOW MANY PEOPLE RIGHT NOW ARE MAINTAINING ALL THESE MANUAL RECORDS. NEVERTHELESS I THINK YOU'RE GETTING TO THE POINT WHERE YOU ABSOLUTELY HAVE TO HAVE A NEW SYSTEM BASED ON THE NUMBER OF PEOPLE THAT HAVE BEEN CUT FROM THE DEPARTMENT. THAT WOULD BE MY ONE OBSERVATION. I REALIZE IT'S \$50,000 I DON'T KNOW WHERE WE WILL GET THE MONEY BUT MY PERSONAL OPINION IS THIS IS NECESSARY.

ALSO, IN INVESTING IN PEOPLE WE HAVE NOT HAD A TUITION REIMBURSEMENT PROGRAM FOR FOUR OR FIVE YEARS NOW AND IT IS IMPORTANT THAT WE DO ENCOURAGE PEOPLE TO CONTINUALLY IMPROVE AND GET CERTAIN EDUCATIONAL REQUIREMENTS THEY NEED FOR NOT ONLY THERE CURRENT JOB BUT OTHER POSITIONS WITHIN THE CITY. I KNOW THAT IN THE PAST THE TUITION REIMBURSEMENT PROGRAM HAS BEEN WHEN SOMEONE TAKES A CLASS THEY GET FULL REIMBURSEMENT FOR IT. AND I DON'T KNOW WHAT THE COST WOULD BE BUT I CERTAINLY WOULD LIKE TO HAVE SOME ANALYSIS OF THE COST IF WE WOULD HAVE A TUITION REIMBURSEMENT PROGRAM WHERE THERE WOULD BE A 50/50 MATCH UP WITH THE CITY PAID HALF AND THE PERSON TAKING THE COURSE WOULD TAKE HALF. IF YOU THINK THAT WOULD HELP PEOPLE MAKE THE DECISION TO TAKE SOME CLASSES. THEY CAN'T GET ALL OF THE MONEY THEY USE TO GET BUT STILL WITH COLLEGE COURSES BEING AS EXPENSIVE AS THEY ARE IT WOULD HELP THE WORKFORCE TO TAKE CLASSES AND WE CAN WORK ON CONTINUOUS IMPROVEMENT AND IF THE WORKFORCE WE HAVE TO SET THAT AS THE GOAL THAT WE HAVE CUT PEOPLE, WE'VE ASKED THEM TO DO MORE WORK, AND IT IS ADMIRABLE THE AMOUNT OF WORK THAT'S GETTING DOWN WITH THE NUMBER OF PEOPLE THAT

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WE HAVE TODAY, PARTICULARLY IN YOUR AREA, YOU'VE REALLY TAKEN THE BRUNT OF THIS. I DON'T KNOW WHAT THE COST WOULD BE TO CONSIDER A 50/50 MATCH TUITION REIMBURSEMENT PROGRAM, PERHAPS WE JUST PUT A CAP ON HOW MUCH MONEY WE HAVE AND FIRST COME FIRST SERVE GET THAT. NEVERTHELESS, IT WOULD BE A STEP FORWARD.

THE FINAL THING IS THE PERFORMANCE PROGRAM THAT'S IN THE BUDGET. I BELIEVE THE CITY MANAGER NOTED THAT MONIES CAN BE DISTRIBUTED THE WAY THE DEPARTMENT HEADS WANT TO DISTRIBUTE THEM, THE MONEY SO THAT IF THEY HAVE A REALLY SUPERIOR PERFORMER IN THEIR DEPARTMENT THAT SOME OF THAT MONEY THERE CAN BE IN AN ADDITIONAL AMOUNT PROVIDED TO A HIGH PERFORMER AND I WOULD ENCOURAGE THAT IN THE DEPARTMENTS. AGAIN, WE HAVE TO RECOGNIZE THAT WE WANT TO ENCOURAGE THE PEOPLE THAT ARE HERE TO WORK SMART, TO WORK BETTER, TO LEARN MORE, AND TO PERFORM EVEN ABOVE THE RELATIVE PERFORMING TODAY . SUPERIOR PERFORMANCE AWARD PROGRAM DOES NOT COST US ANYTHING MORE BECAUSE IT IS ALREADY KIND OF WORK INTO THE BUDGET BY THE WAY WE ARE DISTRIBUTING THE BUDGET AMONG THE DEPARTMENT HEADS. I HOPE YOU CAN FIND SOME KIND OF MONIES FOR TUITION REIMBURSEMENT, EVEN SMALL AMOUNTS AND ALSO FOR YOU TO BE ABLE TO HAVE A BETTER HR MANAGEMENT SYSTEM. THAT WOULD BE THE THINGS THAT I FEEL WOULD BE HELPFUL IN YOUR AREA. I KNOW THERE ARE OTHER THINGS THAT YOU'RE ASKING FOR THAT PERHAPS ARE, IN YOUR MIND, MORE IMPORTANT THAT THEY APPEAR TO BE ITEMS THAT WOULD HELP THIS DEPARTMENT WHO IS REALLY TAKEN MASSIVE CUTS IN THE DEPARTMENT. THAT'S MY FEELING ABOUT THOSE ITEMS.

[Time: 02:02:45]

Brad Hartig: VICE MAYOR KLAPP, MEMBERS OF COUNCIL, I WOULD LIKE TO RESPOND TO A COUPLE OF THOSE. AS FAR AS TUITION REIMBURSEMENT, IT IS SOMETHING THAT WE CAN LOOK AT THE PREVIOUS PROGRAM AND SEE WHERE WAS FUNDED AND SEE WHERE THE IMPACTS AND HALF OF THAT WOULD BE AND POTENTIALLY BRING THAT BACK FOR ANY CONSIDERATION, WHERE IT WOULD BE JUST SOMETHING YOU KNOW WE'RE FURTHER EXPLORE. THE OTHER POINT I WOULD LIKE TO VERIFY FOR THE HR MANAGEMENT SYSTEM, WE HAVE A BOND PROPOSAL OUT FOR FINANCIAL SERVICES HR PURCHASING REPLACEMENT. THAT IS A HOLISTIC SYSTEM FOR THOSE PARTICULAR AREAS. THE ITEMS THAT WE ARE TALKING ABOUT THAT WOULD BE FOR \$50,000 IS FOR THE EVALUATION PROCESS ONLY. SO THE EMPLOYEE EVALUATIONS, WITH THAT SAID IF YOU THINK ABOUT A VERY IMPORTANT ASSET TO THE CITY IS OUR PEOPLE AND THE ABILITY TO FAIRLY AND ACCURATELY RATE THEM FROM A YEAR-TO-YEAR BASIS. THIS GIVES THE CITY, THE MANAGERS, THE SUPERVISORS, AND THE EXECUTIVE DIRECTORS A COMMON PLATFORM THAT THEY CAN USE SO THERE IS MUCH MORE CONSISTENCY AND ALSO MUCH MORE EFFICIENCY IN THE PROCESS. I DID WANT TO CLARIFY THAT.

Vice Mayor Klapp: I DID UNDERSTAND WHEN YOU MENTIONED THAT IT WAS FOR EVALUATIONS. WE BEEN EMPHASIZING I BELIEVE OVER THE LAST FEW YEARS THAT WE MUST DO EVALUATIONS. THAT WE HAVE A PAID FOR PERFORMANCE SYSTEM WITHIN THE CITY AND IF WE ARE UP FOR SENDING A EVALUATIONS NEED TO BE DONE THAT WE HAVE TO HAVE SOME KIND OF A SYSTEM THAT ALLOWS US TO RECORD THOSE EVALUATIONS AND WHATEVER THE SYSTEM DOES, NEEDS TO BE AVAILABLE SO THAT WE CAN DO THE KINDS OF EVALUATION OF THAT ENTIRE WORKFORCE NECESSARY SO THAT YOU CAN EVEN CONSIDER SUPERIOR WORK PERFORMANCE AND YOU CAN EVEN CONSIDER SOME OF THE OTHER THINGS THAT ARE REQUIRED IN THE HR DEPARTMENT. SO HAVING AN ADEQUATE SYSTEM OF

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RECORDING AND BEING ABLE TO PREPARE OR WHATEVER IT IS WHAT YOU DOING THAT SYSTEM I THINK IS PRETTY CRITICAL IF WE ARE GOING TO BE A PAY FOR PERFORMANCE TYPE OF EMPLOYER.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILWOMAN KORTE.

[Time: 02:05:06]

Councilmember Korte: THANK YOU, MAYOR. I WOULD LIKE TO SUPPORT COMPLETELY WHAT COUNCILMEMBER KLAPP JUST SPOKE OF REGARDING INVESTING IN OUR PEOPLE. I THINK THAT THE LAST COUPLE OF YEARS THEY HAVE BEEN TAKEN FOR GRANTED AND IF THERE'S ANYTHING THAT GOES TO THE SUCCESS OF ANY ORGANIZATION, IT'S PEOPLE. I DON'T CARE FOR YOUR TALKING ABOUT A CHEVY DEALERSHIP HERE IN SCOTTSDALE OR THE CITY OF SCOTTSDALE, IT'S THE PEOPLE THAT MAKE THINGS HAPPEN AND MAKE AN ORGANIZATION AND WHILE THE 2% INCREASE LAST YEAR END 105% SALARY INCREASE WAS CERTAINLY FAVORABLE, I DON'T BELIEVE WE CAN BUY LOYALTY. I DON'T THINK LOYALTY CAN BE BOUGHT. I BELIEVE LOYALTY IS EARNED AND IT IS EARNED BY TRUST AND EMPOWERMENT AND RESPECT OF EMPLOYEES AND TREATING EMPLOYEES WITH RESPECT. SO I LOOK FORWARD TO SUPPORTING OUR HUMAN RESOURCES DEPARTMENT AS WE MOVE FORWARD INTO A NEW ERA WITH SOME NEW LEADERSHIP. IF PERHAPS WE LOOK AT A SLIGHTLY DIFFERENT STRUCTURE IN THAT IF WE VALUE EMPLOYEES THE PERHAPS HR AND THAT HR DIRECTOR NEEDS TO BE A DIRECT REPORT TO THE CITY MANAGER AND PLACES THAT ON ITS OWN LEVEL.

Brad Hartig: COUNCILMEMBER KORTE AND MEMBERS OF THE COUNCIL, I WOULD LIKE TO CLARIFY, I AM REPRESENTING THE ADMINISTRATIVE SERVICES DIVISION TONIGHT JUST FOR THE SAKE OF EFFICIENCY. BUT THE COMMUNICATIONS AND PUBLIC AFFAIRS INDIVIDUAL DOES REPORT TO THE CITY MANAGER, I REPORT TO THE CITY MANAGER AND THE HUMAN RESOURCES EXECUTIVE TO REPORTS TO THE CITY MANAGER AS IT IS RIGHT NOW.

Mayor Lane: THANK YOU COUNCILWOMAN. I GUESS I'M GOING TO HAVE TO WEIGH ON THE TUITION REIMBURSEMENT PROGRAM. THIS IS A CITYWIDE ISSUE HERE. IT IS PROBABLY ONE OF THOSE AREAS THAT I WOULD BE VERY INTERESTED TO FIND OUT WHAT IT IS AND HOW MUCH DOES IT TAKE HIM IF WE WERE TO TAKE IT AS A ONE-TIME INVESTMENT FOR THE YEAR TO SEE IF THERE ARE TAKERS WITHIN THE YEAR THAT WOULD BE UTILIZING THOSE FUNDS AND WHAT IT SPENT IN THE PAST IS OR SOMETHING WE CAN DO THERE. I THINK IT'S ONE OF THOSE AREAS THAT I BELIEVE EVEN IN THESE TIMES IT IS A NICE WAY I THINK TO GET A LITTLE SOMETHING BACK INTO THE SYSTEM FOR OUR EMPLOYEES. I'M INTERESTED TO FIND OUT WHAT WE ARE TALKING ABOUT THERE AND I WOULD LIKE TO SEE WHAT WE ARE TALKING ABOUT IN THE WAY OF COST AND HOW IT MIGHT BE HANDLED. ONE THING I DID WANT TO ASK YOU AND THIS GOES DIRECTLY TO YOUR DEPARTMENT. ASIDE FROM THE TUITION REIMBURSEMENT, I AM PRESUMING THAT IN THOSE AREAS FOR PROFESSIONAL CREDENTIALS AND/OR IT CREDENTIALS THAN THE CITY STILL DOES PROVIDE FOR CONTINUING EDUCATION, UPDATES THE CERTIFICATIONS AND THAT. THAT IS STILL PART OF THE PROGRAM ON THE OVERALL THIS IS INHERENTLY ATTACHED TO THEIR JOB. THAT'S NOT PART OF WHAT WE MIGHT CONSIDER TUITION REIMBURSEMENT PROGRAM, IF IT?

Brad Hartig: IT IS NOT. WE DO HAVE A LIMITED AMOUNT OF FUNDS WITHIN INFORMATION TECHNOLOGY. IT IS NOT IS MUCH AS IT USED TO BE, WE USED TO HAVE ENOUGH FOR PRETTY MUCH A CLASS PER PERSON PER YEAR. WE SPEND MUCH MORE TO A TECHNOLOGY OR PROJECT CENTRIC

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APPROACH. THOSE NEW TECHNOLOGY COMES OUT OUR NEW PROJECT COMES ALONG WE ARE RETOOLING THE INDIVIDUAL SO THAT THEY CAN KEEP UP WITH THIS. THE ONE THING ABOUT IT IS TRULY IF YOU SIT ON THE BENCH FOR TWO OR THREE YEARS, YOU ARE DARN NEAR OBSOLETE. IT'S SOMETHING THAT WE NEED TO KEEP INVESTING IN OUR INDIVIDUALS. WE ALSO TRY TO LEVERAGE THE INDIVIDUAL IS MUCH AS POSSIBLE. THAT'S A VERY LARGE CONVERSION WITHIN OUR DATA CENTER BOTH WITH THE POWER OUTAGE AND OUR STORAGE ENVIRONMENT. WE SIGNIFICANTLY LEVERAGE OUR INTERNAL STAFF WERE IT ALLOWED THEM TO GROW AND STRETCH AND LEARN NEW SKILLS. AND ALSO POSITIONS US MUCH BETTER AT THE CITY TO WHERE WE ARE NOT NECESSARILY RELIANT SOLELY ON CONTRACTORS AND WE ARE BUNCH OF PAPER PUSHERS TRYING TO WRITE CONTRACTS AND HOLDING PEOPLE TO THAT. I FEEL VERY BLESSED. I HAVE EXTREMELY TALENTED STAFF AND I THINK THEY DO A GREAT JOB.

Mayor Lane: VERY GOOD AND I COULD NOT AGREE WITH YOU MORE. IT APPLIES TO MOST PROFESSIONAL AREAS BUT STAYING UP-TO-DATE IN IT IS HUGELY IMPORTANT FOR OPERATIONS IN THE OPERATION OF THAT DEPARTMENT. WE DO HAVE AN ADDITIONAL QUESTION OR COMMENT FROM COUNCILWOMAN MILHAVEN.

[Time: 02:10:30]

Councilwoman Milhaven: SOME OF THESE YOU HAVE HERE I WOULD IMAGINE HAVE OFFSETTING COST SAVINGS. FOR EXAMPLE THE SUPERIOR PERFORMANCE AWARD IF YOU'RE GOING TO AWARD PEOPLE FOR COST SAVING I WOULD IMAGINE THAT WE PAY THEM LESS THAN WHAT WE SAVED. SO THE NET IMPACT OF THAT WEALTH IS AT THE \$75,000 EXPENSE THE NET EFFECT OF THAT SHOULD ACTUALLY BE AN IMPROVEMENT AND WE'RE GOING TO SAVE MORE THAN WE ARE GOING TO SPEND? IS THAT FAIR? AND BEFORE YOU ANSWER THE OTHER ONE I SEE IS WITH THE NEW HR MANAGEMENT SYSTEM THAT IS WHY EFFICIENT THAN I IMAGINED WE WOULD SAVE ON PERSONNEL COSTS THAT WOULD OFFSET THE COST OF THE PROGRAM. IS THAT FAIR TO SAY?

Brad Hartig: RELATED TO THE TUITION REIMBURSEMENT I THINK

Councilwoman Milhaven: NO TALKING ABOUT SUPERIOR PERFORMANCE.

Brad Hartig: THE MANAGEMENT TEAM BASICALLY GOT TOGETHER AND CHOSE TO GO AFTER THE 2% AND THAT 2% POOL IS FOR MERIT BUT IT CAN BE USED FOR THOSE SUPERIOR PERFORMANCE SITUATIONS. IN A SENSE IT'S NOT CALLED SUPERIOR PERFORMANCE BUT WE ARE LOOKING AT THE OVERALL POOL OF MONEY TO BE PART OF THAT 2%. RELATED TO THE MANAGEMENT SYSTEM FOR THE REVIEWS, I DEFINITELY THINK IT WILL BE MUCH MORE EFFICIENT. IT'S HARD TO PUT A HARD DOLLAR VALUE ON THAT. IT HAS TO BE MORE EFFICIENT JUST FROM THE OVERALL FLOW OF THE PAPERWORK, THE SIGNATURES, THE SCANNING, ALL OF THAT. SO I DO THINK IT WOULD HAVE A POSITIVE IMPACT ON THE ORGANIZATION AND MY EXAMPLE IS GOING TO BE THE FIRE DEPARTMENT. THEY ARE A VERY DISTRIBUTIVE ENVIRONMENT. THEY HAVE TO FILL OUT THE FORMS, SEND THEM INTEROFFICE SEND THEM SOMEWHERE ELSE, THEN THEY'RE GOING BACK TO HR AND THEN THERE BEING SCANNED AND THEN WITH THE BACKEND ASPECT OF IT WITH HR THEMSELVES THERE IS DEFINITELY GOING TO BE SOME EFFICIENCIES GAINED. IT WOULD BE HARD FOR ME TO SAY I COULD ELIMINATE A POSITION OR GIVE YOU A HARD DOLLAR AMOUNT AS TO WHAT THINGS WOULD BE SAVED BUT DEFINITELY THE PROCESS WOULD BE MORE EFFICIENT AND CONSISTENT.

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Councilwoman Milhaven: I GUESS THE LIST OF NOT FUNDED ARE WE SURE WOULD LIKE YOU TO, WE DID NOT INCLUDE THIS IN THE BUDGET THAT WE ARE LOOKING AT BUT WE SURE WOULD LIKE TO HAVE THE MONEY. BUT MAYBE THAT'S AN ERRONEOUS ASSUMPTION ON MY PART BECAUSE I THOUGHT I HEARD YOU JUST SAY WAS WE DON'T NEED SUPERIOR PERFORMANCE WE COVERED IN THE 2%. HOW WOULD YOU LIKE ME TO LOOK AT IT?

Brad Hartig: CITY MANAGER, WOULD YOU LIKE TO?

Acting City Manager Dan Worth: YOU ARE ABSOLUTELY CORRECT, THESE ARE SOME THINGS THAT WERE IDENTIFIED BY ALL OF THE DIVISIONS THAT WENT THROUGH OUR SCREENING PROCESSES, WE APPLY DIFFERENT CRITERIA, ONE OF THE REASONS THAT WE ARE PRESENTING SOME OF THESE TO YOU IS TO LET YOU KNOW THAT EVEN THOUGH WE ARE RECOMMENDING IN THE CASE OF ADMINISTRATIVE SERVICES THREE NEW FTES, IT'S ONLY PART OF THE SOLUTION. THERE STILL A LOT WE HAVEN'T BEEN ABLE TO FIND A LOT TO GET INTO THE BUDGET THAT WE NEED TO FULLY ADDRESS THE PROGRAM. JUST TO PUT IT INTO SOME CONTEXT FOR YOU. ON THE SUPERIOR PERFORMANCE AWARDS HR THE RECOMMENDATION FOR ALLOTING THE MONEY CITYWIDE TO REINSTITUTE A PROGRAM THAT WE'VE HAD IN THE PAST WHERE MANAGERS ARE ABLE TO PICK A POOL OF MONEY THAT IS BUDGETED CENTRALLY FOR THE CITY AND MAKE AWARDS TO RECOGNIZE SERVICE ABOVE AND BEYOND THE NORMAL CALL AND THAT COULD INCLUDE COST SAVINGS, COST SAVINGS IN FACT WAS ONE OF THE CRITERIA THAT WE WAITED VERY HEAVILY THE LAST TIME THAT WE HAD A SUPERIOR PERFORMANCE AWARD THAT WE HAD A COUPLE YEARS AGO. THE TRICK WITH CLAIMING THAT YOU GOT AN OFFSETTING COST SAVINGS THAT'S GOING TO PAY FOR THE AMOUNT OF THE AWARD, A LOT OF TIMES THE COST SAVINGS ARE IN THE FORM OF THE EMPLOYEE TO USE HIS INITIATIVE TO FIND A WAY TO DO SOMETHING THAT WE WOULD NOT BE OTHERWISE ABLE TO DO IT MAKING IT CHEAPER. AND IN THAT CASE IT DON'T REALLY HAVE YOUR INCREASE IN SERVICE THAT YOU'RE MAKING AVAILABLE BUT YOU'RE NOT GOING TO REDUCE YOUR BUDGET. REDUCING THE BUDGET WE HAVE A NASTY HABIT OF JUST REDUCING THE BUDGET AND NOT USING THAT AS A SAVINGS. THAT'S BEEN THE STANDARD PRACTICE. IT'S A LITTLE PROBLEMATIC TO CLAIM THAT IS AN OFFSET. TO THE VICE MAYOR'S POINT THAT SHE MADE EARLIER, WE ARE INCLUDING FUNDING, AND WE ARE CALLING IT SUPERIOR PERFORMANCE AWARD FUNDING AS THE ONE-TIME PORTION OF THAT 2% ALLOCATION . IT IS NOT EXACTLY THE SAME AS THE PROGRAM THAT WE'VE DONE BEFORE BUT MANAGERS WILL BE ABLE TO USE IT IN A SIMILAR WAY TO IDENTIFY THOSE EMPLOYEES THAT HAVE DONE SOMETHING EXCEPTIONAL AND GIVE THEM SOME RECOGNITION FOR IT IN THE FORM OF SOME ADDITIONAL MONEY.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN, COUNCILMAN LITTLEFIELD.

[Time: 02:15:44]

Councilman Littlefield: YOU ACTUALLY JUST TOUCHED ON SOMETHING I WANT TO ASK YOU ABOUT. YOU'VE MADE YOUR DECISION AS TO WHAT YOU WERE GOING TO INCLUDE IN THE PROPOSED BUDGET AND WHAT NOT WHAT ITEMS, BUT EACH PRESENTER HAS HAD SOMETHING EXTRA THEY'RE

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ASKING FOR. ARE WE GOING TO GET A LIST OF THESE EXTRA THAT WE CAN DECIDE IF YOU'RE GOING TO WANT TO DO SOMETHING ABOUT THEM OR NOT?

Dan Worth: MAYOR, COUNCILMAN LITTLEFIELD, MY INTENT WAS TO WALK UP TO THE PODIUM WHEN WE'RE DONE WITH THE ADMINISTRATIVE SERVICES PRESENTATION AND A WALK THROUGH SOME OF THE PROCESS THAT WE HAVE AHEAD OF US AND TO ADDRESS SOME OF THE SPECIFIC ITEMS THAT YOU DISCUSSED OVER THE LAST TWO EVENINGS AND SEE IF WE CAN GET SOME CONSENSUS ON THINGS THAT WE MAY WANT TO ADD AND WAYS THAT WE MAY WANT TO PAY FOR THEM.

Councilman Littlefield: OKAY. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN.

Assistant to the City Manager Brent Stockwell: MAYOR LANE, MEMBERS OF THE CITY COUNCIL, THE FULL LIST OF ITEMS INCLUDED AND ALSO ITEMS NOT INCLUDED WAS INCLUDED FOR YOUR PACKET FOR LAST NIGHT. IF YOU LOOKING AT YOUR ONLINE MATERIALS THERE WAS A COVER LETTER AND THEN DAN'S PRESENTATION FROM LAST NIGHT AND THE FULL LIST WAS INCLUDED IN THERE. WE CAN SEND THAT OUT TO YOU AGAIN SEPARATELY IF YOU NEED THAT.

Mayor Lane: THANK YOU BRENT.

Councilman Littlefield: WHERE IS THAT? IS THAT UNDER THE AMENDED AGENDA WHERE THE POWERPOINT TO THE SUPPLEMENTAL?

Brent Stockwell: IT'S HARD TO SAY BECAUSE IT WAS IN THE PACKET FOR YOUR ITEM LAST WEEK THAT WITH CONTINUED TO LAST NIGHT. THAT WAS ITEM 7 LAST NIGHT AND IT SHOULD'VE BEEN IN YOUR PACKET FOR THAT. THERE WAS A COVER LETTER, THE CITY MANAGER'S PRESENTATION AND THEN ALL THE ITEMS INCLUDED AND NOT INCLUDED.

Mayor Lane: IT'S IN THE SUPPLEMENTAL. OKAY, I THINK IF WE CAN LOCATE THAT ONE WAY OR THE OTHER BUT NEVERTHELESS THANK YOU AND I APPRECIATE IT VERY MUCH. I THINK IF WE WERE TALKING ABOUT A SUMMARY, CERTAINLY FROM THE CITY MANAGER, ONE OF THE THINGS WE TALKED ABOUT.

[Time: 02:18:29]

Dan Worth: MAYOR, MEMBERS OF COUNCIL, I HAVE A COUPLE OF SLIDES OF WHAT I WANT TO DO IS GO AHEAD AND SKIP THROUGH TO THE LAST ONE. WE JUST COMPLETED OUR DIVISION BUDGET PRESENTATIONS. THIS IS THE TIMELINE THAT WE HAD BETWEEN NOW AND FINAL BUDGET ADOPTION. THREE MORE PUBLIC HEARINGS TO TAKE THE FORM OF COUNSEL MEETINGS, ONE ON MAY 7TH, PUBLIC HEARING AND DISCUSSION IS NEEDED ON THE PROPOSED BUDGET MAY 14TH, PUBLIC HEARING AND TENTATIVE BUDGET ADOPTION OF FINAL BUDGET ADOPTION ON JUNE 4TH. MY HOPE IS TO WALK THROUGH SOME OF THE DISCUSSION THAT WE'VE HAD OVER THE LAST TWO NIGHTS AND GET A SENSE OF DIRECTION FROM YOU AND INCORPORATE THAT AS BEST AS WE CAN TO THE PROPOSED BUDGET AND HAVE THAT READY TO DISCUSS THE IMPACTS OF WHAT THE BUDGET LOOKS LIKE AT THE MAY 7TH MEETING. AND THEN IF WE HAVE TO MAKE ANY ADJUSTMENTS OFF OF THAT

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THEY WERE BE RELATIVELY MINOR AND WE WILL BE IN GOOD SHAPE TO HAVE A BUDGET FOR MAY 14TH FOR THE TENTATIVE BUDGET ADOPTION THAT IS GOING TO BE VERY CLOSE , IF NOT RIGHT ON TARGET WITH WHAT WE WANT FOR THE FINAL ADOPTION ON JUNE 4TH.

THAT'S THE PLAN MOVING FORWARD. THE CHART THAT YOU SEE NOW, AND I'M GOING TO ASK BRIAN TO LET ME PUT A HARD COPY UP, I'VE ADDED A COUPLE OF THINGS THAT WE JUST TALKED ABOUT THIS EVENING. THESE ARE SEVERAL ITEMS THAT WE HAVE HAD SOME LEVEL OF DISCUSSION ON. I'VE GOT OPTIONS SHOWN FOR SEVERAL OF THEM. GOT ANOTHER SLIDE THAT I'M GOING TO SHOW AFTER THIS ONE WHERE WE SHOW HOW WE MIGHT OFFSET ANY OF THESE THAT WE CHOOSE TO INCLUDE IN THE BUDGET. THESE ARE ALL THINGS THAT ARE NOT INCLUDED RIGHT NOW. AGAIN, THE COMMENT MADE LAST NIGHT, IF WE INCLUDE ANYTHING WITH DOCTOR FIND A WAY TO PAY FOR IT. SO I AM GOING TO GO THROUGH THIS SLIDE FIRST, I'M GOING TO GO SEE THE POTENTIAL OFFSET SECOND AND THEN THERE'S GOING TO BE A SLIDE THAT TALKS ABOUT SOME ITEMS THAT WE ARE JUST GOING TO GET MORE INFORMATION WHICH WE WILL HAVE AVAILABLE ON MAY 7TH.

Mayor Lane: EXCUSE ME WE DO HAVE A QUESTION AT THIS POINT. COUNCILWOMAN MILLHAVEN.

Councilwoman Milhaven: HOW ARE WE GOING TO PAY FOR THIS? I SEE THAT FROM YEAR-TO-YEAR WE ARE EXPECTING THAT WE ARE GOING TO FINISH THE YEAR WITH AN UNRESERVED FUND BALANCE OF \$11 MILLION THAN THE NEXT YEAR AND A BUDGET YOU'RE PLANNING \$4 MILLION WHICH IS \$7 MILLION IN WHAT WE WOULD BE ONE-TIME EXPENSES. WHAT WE WOULD HOPE IS ONE-TIME EXPENSES. THE LIST THAT YOU WENT OVER YESTERDAY, FOR THE ONE-TIME EXPENSES TOTALING \$4.5 MILLION, I WAS WONDERING IF YOU COULD EXPLAIN WHAT MAKES UP THAT \$7 MILLION. THERE'S \$2.5 MILLION MISSING.

Dan Worth COUNCILWOMAN MILHAVEN THE LIST WAS OBVIOUSLY INCLUDES BUT IS NOT LIMITED TO THE \$7 MILLION TOTAL, IT'S ABOUT \$6.4 MILLION AND IT INCLUDES THE ADDITIONAL \$3 MILLION TRANSFER TO THE CIP, IT'S ABOUT A \$1.7 MILLION IF I REMEMBER RIGHT BETWEEN COMMUNITY SERVICES AND PUBLIC WORKS FOR ADDITIONAL INFRASTRUCTURE IMPROVEMENT. I THINK THERE WAS A COUPLE OF ITEMS, ELECTION FOR A HALF A MILLION DOLLARS, THERE WERE OTHER ITEMS THAT DID NOT SHOW UP ON THAT THAT I USED YESTERDAY THAT FIT INTO THAT ONE-TIME CATEGORY. THERE WAS \$650,000 WHERE I THINK I MENTIONED BUT IT WAS INCLUDED ON THAT LIST. SUPERIOR PERFORMANCE, IT'S THE ONE-TIME MONEY PORTION OF THE OVERALL \$2.8 MILLION GENERAL FUND, 2% ALLOCATION FOR PAY. AND THEN THERE WERE SOME STUDIES THAT ARE ONE-TIME FUNDING. I THINK THERE WAS \$100,000 TO COMPLETE THE PROCESS THAT WE NEED TO GO THROUGH TO PUT TOGETHER THE GENERAL PLAN THAT WE HOPE TO TAKE TO THE VOTERS FOR THE ELECTION FOR THE FOLLOWING YEAR. I THINK THERE WAS \$200,000 BUSINESS CONTINUITY STUDY THAT WAS IN THE ADMINISTRATIVE SERVICES DIVISION UNDER BRAD HARTING'S GROUP TO TAKE A LOOK AT EMERGENCY INFORMATION MANAGEMENT AND CONTINUITY NEEDS. COMMUNITY SERVICES HAD A ONE- TIME STUDY THAT BILL MURPHY MENTIONED IN HIS PRESENTATION LAST NIGHT. I THINK THOSE WERE ALL ADDRESSED IN THE LIST. BRIAN JUST SHOWED YOU ONE PAGE FROM THE DOCUMENTS THAT WE ARE TALKING ABOUT A MOMENT AGO. ALL THOSE REQUESTS THAT WERE INCLUDED IN THE BUDGET, IF YOU LOOK AT THAT LIST, THERE IS DETAIL EXACTLY. SO ALL THE ONES THAT ARE ONE-TIME ARE ALL THOSE THAT FIT INTO THAT \$6 MILLION AND CHANGE ONE-TIME USE.

[Time: 02:23:59]

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Councilwoman Milhaven: IN THIS \$3 MILLION CAPITAL IMPROVEMENT PLAN TRANSFER THAT WAS ON THE POWERPOINT THAT YOU SHARED WITH US YESTERDAY ABOUT THAT IN ADDITION TO THE 25% OF THE CONSTRUCTION SALES TAX.

Dan Worth: THAT IS CORRECT. THE 25% OF CONSTRUCTION SALES TAX IS ABOUT \$2.5 MILLION.

Councilwoman Milhaven: AND THAT'S WHAT IS GOING TO PAY FOR THE WESTWORLD IMPROVEMENTS OF \$4.3?

Dan Worth: AS WELL AS THE OTHER GENERAL FUNDED THE CIP PROJECTS IS THE GENERAL FUND BALANCE IN THE CIP WHICH WILL SUPPORT FROM YEAR-TO-YEAR AND WHEN WE COME FORWARD WITH OUR GREATER DETAIL ON THOSE GENERAL FUND PROJECTS THAT YOU ASKED ABOUT LAST NIGHT THAT WE WILL BRING FORWARD, THAT'S ONE OF THE THINGS THAT I WANTED TO PUT ON THE MAY 7TH DISCUSSION . WE WILL ALSO ADDRESS THE GENERAL FUND CIP BALANCE. THAT IS SOMETHING THAT I TALKED ABOUT OVER THE LAST COUPLE OF YEARS AND WE WILL BRING THAT BACK AND SHOW YOU JUST EXACTLY WHAT GETS PAID OUT OF THAT AND WHAT GOES INTO IT.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. MR. WORTH IF YOU WOULD LIKE TO CONTINUE.

Dan Worth: STARTING AT THE TOP OF THE SLIDE WE HAD A QUITE A BIT OF THE DISCUSSION ABOUT THE SCOTTSDALE CARES PROGRAM. I WANT TO BEGIN WITH JUST A POINT OF CLARIFICATION, ACTUALLY A COUPLE POINTS OF CLARIFICATION. THERE WAS A QUESTION THAT WAS ASKED ABOUT WHETHER OR NOT THIS POINT TO COME BACK TO YOU AS PART OF THE BUDGET PROCESS FOR FINAL APPROVAL. THE ANSWER IS YES AND NO. WHAT YOU APPROVE THIS PART OF THE BUDGET PROCESS IS THE TOTAL LEVEL OF SPENDING WHICH WE ANTICIPATE TO BE ABOUT \$140,000 WHICH MATCHES UP WITH THE TOTAL AMOUNT OF MONEY THAT WE COLLECTED. WHAT YOU DON'T APPROVE AS PART OF THE BUDGET PROCESS OF HOW WE SPEND THAT. THAT IS NORMALLY A SEPARATE ITEM THAT WE BRING TO YOU IN JUNE. WE ARE SCHEDULED TO BRING THAT TO JUNE 18TH AND THAT IS WHERE WE BRING TO THE RECOMMENDATIONS FROM THE HUMAN SERVICES COMMISSION. BILL MURPHY TALKED ABOUT THAT PROCESS YESTERDAY AND THERE WERE 30 DIFFERENT ORGANIZATIONS THAT APPLY FOR FUNDING AS PART OF THE SCOTTSDALE CARES PROGRAM. THE TOTAL REQUESTS WERE OVER \$300,000. WE HAD \$140,000 TO DISTRIBUTE. THE RECOMMENDATIONS PROVIDED FUNDING FOR NINE OF THOSE 30 ORGANIZATIONS AND FOR THOSE NINE THEY RECOMMENDED FUNDING AT LEVELS FROM 67% TO 90% OF WHAT THE ORGANIZATION'S REQUEST WAS. THEY DID NOT RECOMMEND FULLY FUNDING ANY OF THEM. AND THAT'S A FUNCTION OF THE SHORTAGE OF FUNDS FOR THE OVERALL PROGRAM.

BUT THOSE RECOMMENDATIONS, THAT EVALUATION SYSTEM, THAT RECOMMEND THE SCORING SYSTEM TO SUPPORT THAT COMES TO YOU AS A SEPARATE ITEM. ASSUMING THAT WE ARE GOING TO USE THE HUMAN SERVICES COMMISSION RECOMMENDATIONS, I'VE GOT A COUPLE OF OPTIONS FOR WHAT WE MIGHT DO TO BE ABLE TO INCORPORATE THE TEMPE COMMUNITY ACTION ASSOCIATION AND THE PROVIDER OF THE MEALS ON WHEELS PROGRAM. AND YOU SEE THOSE LISTED WITH TWO DIFFERENT AMOUNTS. THE AMOUNTS THAT THE TCAA REQUESTED WAS \$74,000. ACTUALLY THERE'S

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A THIRD OPTION THAT'S NOT LISTED HERE. WE COULD FIND MORE MONEY OUTSIDE OF THE GENERAL FUND AND THE BUDGET AND THERE ARE SOME INITIATIVES THAT MR. MURPHY EXPLAINED LAST NIGHT THAT WE ARE PURSUING, OTHER POTENTIAL GRANT SOURCES AND SOME CHANGES TO THE PROGRAMS TO ENHANCE THE AMOUNT THAT WE ARE COLLECTING. BUT THAT IS AN OPTION. WE COULD CHOOSE NOT TO ALLOCATE MORE GENERAL FUND FUNDING OR TWO ALLOCATE GENERAL FUND FUNDING THERE IS CURRENTLY KNOW GENERAL FUNDS ALLOCATED TO THE SCOTTSDALE CARES PROGRAM AND COUNT ON FINDING IT SOMEWHERE ELSE. THE SECOND OPTION WOULD BE OPTIONING IN THE SLIDE. CHOOSE TO ALLOCATE FUNDING THEM GENERAL FUND FUNDING IN THE AMOUNT OF THE TCAA REQUEST. OF COURSE YOU COULD ALSO CHOOSE TO FUND IT AT A LESSER AMOUNT AS WE DID OR THE HUMAN SERVICES COMMISSION RECOMMENDED WITH THE NINE ORGANIZATIONS THERE RECOMMENDING FUNDING TO. THE \$74,000 REPRESENTS THE FULL AMOUNT OF THE REQUEST. IF WE DO THAT WE WOULD BE RECOMMENDING FUNDING A PROGRAM THAT CAME IN IN 15TH PLACE, 16TH PLACE ACTUALLY ON THE HUMAN SERVICES COMMISSION PRIORITIZED THAT LIST OF RECOMMENDED ACTIVITIES. THERE SIX OTHER ORGANIZATIONS THAT WERE HIGHER THAN TCAA THAT WE WOULD BE SKIPPING OVER. IF WE DECIDED NOT TO SKIP OVER THOSE OTHER 16 ORGANIZATIONS, THE \$192,000 NUMBER WOULD BE THE AMOUNT OF MONEY WE WOULD HAVE TO FIND AN ORDER TO FUND THE TOP 16 APPLICATIONS TO THE FULL AMOUNT OF THE REQUEST. AGAIN, WE CAN FUND THEM TO LESS OF THE FULL AMOUNT TO WHAT IS RECOMMENDED. BUT TO KEEP IT CONSISTENT, THAT WOULD BE THE AMOUNT TO FUND THOSE 16 TO THE FULL AMOUNT OF THEIR REQUESTS.

Mayor Lane: WE HAVE A QUESTION COUNCILWOMAN MILHAVEN. MR. WORTH, ARE YOU AT THE END OF THE EXPLANATION OF THE TWO OPTIONS THAT WE ARE LOOKING AT HERE ON THIS PARTICULAR ITEM?

Dan Worth UNLESS THERE ARE ANY QUESTIONS THAT THE END OF THE EXPLANATION FOR THOSE TWO ITEMS.

Mayor Lane: COUNCILWOMAN.

[Time: 02:29:42]

Councilwoman Milhaven: SCOTTSDALE CARES. HOW MUCH LESS DID THEY HAVE TO ALLOCATE THIS YEAR THAN THEY HAD LAST YEAR? IT'S ONE THING FOR THE REQUEST AND IT'S ANOTHER THING TO SAY "HOW DID THE FUNDING CHANGE?"

Executive Director Community Services Bill Murphy: MAYOR LANE, COUNCILMAN MILHAVEN, SCOTTSDALE CARES HAD \$190,000 THAT WAS ALLOCATED FOR BUT AGAIN I NEED TO BE CLEAR THAT WE MOVED SOME APPLICANTS FROM THE SCOTTSDALE CARES UP INTO THE CDBG PUBLIC SERVICE BECAUSE WE HAD ADDITIONAL DOLLARS AND WE WERE ABLE TO KEEP THAT CRITERIA OF 15% OF WHAT THAT WAS.

Councilwoman Milhaven: DO YOU HAVE ANY IDEA WHAT THAT WAS LAST YEAR THAT GOT MOVED TO THE CDBG?

Bill Murphy: LAST YEAR WE HAD TO \$296,544.

Councilwoman Milhaven: TOTAL.

Bill Murphy: TOTAL.

Councilwoman Milhaven: \$296 THAT IS CDBG PLUS SCOTTSDALE CARES. THIS YEAR WE HAD A MUCH?

Bill Murphy THIS YEAR WE HAVE \$140,000.

Councilwoman Milhaven: WHAT WAS THE MAX? WHAT WAS THE HIGHEST THAT SCOTTSDALE CARES EVER AT?

Bill Murphy I BELIEVE I CAN DOUBLE CHECK THIS IT WAS AROUND \$235,000 ABOUT FIVE YEARS AGO. BUT I WILL DOUBLE CHECK THAT FOR YOU.

Councilwoman Milhaven: HERE'S WHERE I AM ON THIS. WHILE I AGREE FEEDING SENIOR SHUT-INS IS A REALLY GOOD THING AND WE SHOULD DO WE ALSO HAVE SCOTTSDALE CARES COMMITTEE THAT WENT THROUGH AND VETTED AND GRADED AND SO I'M NOT SURE I WANT TO SAY GIVE THE MONEY TO THIS GROUP. I WOULD RATHER REINSTATE SOME OF THE FUNDING IS A STOP GAP IN THE INTERIM TO FUND SCOTTSDALE CARES AND GO BACK TO THE HUMAN RELATIONS COMMISSION AND SAY IF WE KEEP YOU HOLD TO LAST YEAR. I ALSO WOULD LIKE TO CHALLENGE THEM AND IF WE NEED TO PUT A LITTLE BIT OF MONEY INTO SAYING AND HAVE THEM COME BACK AND SAY WHAT DO WE NEED IN ORDER TO REINVIGORATE SCOTTSDALE CARES TO ADVERTISE IT, GET SOME FOOD MINISTRATION AROUND IT, I THINK THERE MIGHT BE SOME TECHNOLOGY PIECES THAT THEY THE WAY WE ARE COLLECTING PAYMENTS MIGHT BE THE CHANGE SO I COULD ADD MORE MONEY TO MY UTILITY TO FUND SCOTTSDALE CARES. I DON'T KNOW WHAT THE RIGHT NUMBER IS. IF WE'RE SAYING WE HAVE \$160,000 LESS THIS YEAR THAT WE HAD LAST YEAR I WAS BE MORE INCLINED TO SAY LET'S PUT A \$160,000 INTO SCOTTSDALE CARES AND LET HUMAN RELATIONS FIGURE OUT HOW FAST TO SPEND IT. THAT'S MY POINT OF VIEW.

Bill Murphy COUNCILWOMAN IT WAS \$245,000 WAS THE HIGHEST THAT WE HAD ACHIEVED. THAT WAS IN 2008/2009.

Mayor Lane: THANK YOU, COUNCILWOMAN. I THINK WE'VE GOT A SITUATION ON OUR HANDS WERE LAST YEAR BECAUSE OF THE EXCESS CDGB FUNDS THAT WERE AVAILABLE WE CREATED AN ENVIRONMENT OF HIGHER EXPECTATIONS. WE DO HAVE A PROCESS THAT THESE WENT THROUGH AND THERE ARE A NUMBER OF FALLOUTS BECAUSE OF THE REDUCED AMOUNT. WE SPOKE LAST NIGHT ABOUT THE IDEA OF RE-PRIORITIZING AND I REALIZED THAT TAKE THAT OUT OF THE SYSTEM BILL IT PUTS IT INTO SOME OF THE JUDGMENT FACTORS FAR AS THIS GOES. I THINK THERE IS A LITTLE DOUBT AND I MEAN THIS FROM PERSONAL OBSERVATIONS BUT ALSO FROM THE REACTION THAT WE FELT ON THIS AND THAT THAT THIS IS A HIGHER PRIORITY THAN MAYBE EVEN MEALS AT THE CENTERS. THERE MAY BE SOME RECONSIDERATION AS TO HOW THESE FUNDS ARE ALLOCATED AND ANY CASE, MAYBE THAT'S A RELOOK THAT WE SHOULD BE ASKING FOR AND THERE ARE CERTAINLY OTHER WINNERS OF THIS OF THE MONIES THAT MAY BE ARE ON A LESSER LINE AS WELL. I'M A BIT DIDN'T TO SUDDENLY REMOVE THIS FROM WHAT HAS BEEN THE NORMAL SOURCES. I'M TALKING ABOUT FEDERAL FUNDING OF HOME OR GENTOO AND ALSO SCOTTSDALE CARES TO NOW MOVE INTO THE

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BUDGET. PARTICULARLY IF IT'S IMPLIED THAT THERE IS ANY PERMANENCE TO THIS. THIS IS SOMETHING WE NEED TO WORK OUT WITHIN THE REALM OF WHERE THIS IS COMING FROM OTHERWISE WE ARE SITTING ON HOLD AND PRESIDENT AND WE WILL BE LIVING WITH THAT MOVING FORWARD, HAPPENS TO BE A TOPIC THAT WE WERE ADDRESSING AT MAG BECAUSE OF THE CHANGING ENVIRONMENT OF A LOT OF THINGS. THERE'S AN AWFUL LOT OF THINGS THAT HAVE TO BE REASSESSED. MY FEELING IS THAT I THINK WITH THE CASE OF AND CERTAINLY WITH THE TCAA AND THAT CONTRACT IF WE STAY WITH THAT CONTRACTING AGENCY FOR THE MEALS ON WHEELS, THAT THAT IS SOMETHING THAT WE HAVE A VERY GOOD CHANCE, IN FACT TO TELL YOU THE TRUTH I THINK IT'S ALREADY BEEN SOLVED TO TAKE CARE OF THAT THROUGH ANOTHER SOURCE OF FUNDS THAT WOULD TAKE CARE OF IT IN THE CURRENT YEAR END THEN THERE ARE SOME GREAT OPPORTUNITY I THINK TO EITHER REFORM OR RE-ENERGIZE THE SCOTTSDALE CARES DONATION PROGRAM AND ALSO OTHER SOURCES, NOTABLY SOME OF THE CHARITABLE ORGANIZATIONS IN THE CITY THAT LIKELY OR AT LEAST I THINK WOULD BE PROSPECTIVE ONES THAT WOULD WANT TO TAKE THIS ON IN A LONGER-TERM BASIS. MY FEELING IS THAT I DON'T KNOW FOR TRY TO MAINTAIN THE SANCTITY OF THE PROCESS SO WE SAY LET'S TAKE EVERYBODY ABOVE AT FULL RATE AND NEVERTHELESS BUT NOT WITHIN A REDUCTION BUT TO TAKE EVERYBODY ABOVE THE 16TH POSITION WHICH IS A POSITION THAT TCAA HOLDS AND SAY THAT WE ARE GOING TO GO AND PUT THAT WITHIN THE BUDGET. THAT WOULD NOT BE MY ANSWER TO THIS ONE I THINK WE HAVE SOME ANSWERS FOR ON BOTH THE SHORT-TERM AND THE LONG-TERM AND I THINK WE COULD STAY CONSISTENT WITH THE PROGRAM. I DO THINK THERE MAY BE SOME ROOM TO REEVALUATE SOME OF THE PRIORITIZATION. I DON'T KNOW IF IT'S BECOME POLITICIZED OR WHETHER IT GOES REALLY THE MISSION BUT WE HAVE TO BE REAL CAREFUL ABOUT THAT.

MY OPINION IS THAT I BELIEVE THE IMMEDIATE PROBLEM THAT WE'VE ALL RECOGNIZED AND I THINK ARE SENSITIVE TO IS NOT ONLY SOLVED IN THE SHORT-TERM BUT I THINK IT HAS GREAT PROSPECT IN THE LONGER TERM. OTHERWISE IT'S JUST LIKE WITH THE PROP 202 MONIES, THE 12% COMING FROM THE TRIBES, THERE'S A LOT OF APPLICATIONS AND THOSE FUNDS GO UP AND DOWN. SO SOME WIN AND SOME LOSE. THAT'S A LITTLE BIT DIFFERENT BECAUSE THE PRIORITIZATION IS OUT OF OUR HANDS IN THAT CASE, WITH WHAT TO SAY ABOUT IT. COUNCILWOMAN KORTE.

[Time: 02:37:09]

Councilmember Korte: THANK YOU, MAYOR. I BELIEVE COUNCILWOMAN MILHAVEN'S IDEA IS THE BEST WAY TO GO. THE HUMAN SERVICES COMMISSION IS THE ENTITY THAT HAS SPENT THE TIME AND VETTED THESE ORGANIZATIONS. I BELIEVE THAT WE NEED TO COMMIT SOME DOLLARS TO MEALS ON WHEELS. WHETHER THAT IS THE TEMPE COMMUNITY ACTION AGENCY OR THERE'S ANOTHER AGENCY THAT CAN PROVIDE THE SAME SERVICE I LOOK AT THE VALUES OR THE GRANTS, THE AMOUNT REQUESTED BY THE ORGANIZATIONS AND WHAT WAS FUNDED, NOT ONE OF THE ORGANIZATIONS RECEIVED 100% OF WHAT THEY HAD ASKED FOR. IT RANGES ANYWHERE FROM 49% TO 90% SO I THINK THAT NEEDS TO BE CONSIDERED. BUT I DO BELIEVE THAT WE NEED TO COMMIT TO PROVIDING SENIOR MEALS. I THINK THAT IS OF VALUE AS A SAFE AND QUALITY COMMUNITY, IT WAS ONE OF OUR QUALITY-OF-LIFE VALUES THAT WE SHOULD HOLD CLOSE TO OUR HEARTS. BUT I ALSO BELIEVE THAT AS WE LOOK TO THE FUTURE AND WHETHER IT'S NEXT YEAR OR IT'S THE YEAR AFTER OR IT'S THREE YEARS FROM NOW, THESE FEDERAL FUNDS ARE GOING TO GO AWAY. WE DON'T KNOW AT WHAT RATE. BUT WE DO KNOW THAT THEY'RE GOING TO CONTINUE TO DIMINISH AND I BELIEVE THAT WE NEED TO ASK THE HUMAN SERVICES COMMISSION TO LOOK AT WHAT THAT DIMINISHING AND I

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BELIEVE WE HAVE TO ASK THE HUMAN SERVES COMMISSION WHAT THAT DIMINISHING RATE IS AND THAT IT NEEDS TO COME BACK TO THE COUNCIL TO PRIORITIZE WHERE WE WANT TO PUT SOME OF THESE FUNDS AND MAYBE SOME OF THESE AGENCIES ASSEMBLIES FUNDING PRIORITIES, NEED TO COME OUT OF THE GENERAL FUND IN THE FUTURE.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN ROBBINS.

Councilman Robbins: BILL, A COUPLE QUESTIONS OF THE MEALS ON WHEELS PROGRAM. SPECIFICALLY HOW LONG HAVE WE BEEN FUNDING THAT?

Bill Murphy: I DON'T KNOW THE ANSWER TO THAT. I KNOW THAT SINCE I'VE BEEN IN CHARGE OF THINGS WE'VE HAD THIS CONTRACT WITH TCAA FOR THE LAST FIVE YEARS.

Councilman Robbins: IT'S BEEN PRETTY REGULAR.

Bill Murphy: I THINK IT'S BEEN LONGER THAN BUT I CAN FIND OUT.

Councilman Robbins: AND HOW MUCH ANNUALLY HAVE WE BEEN FUNDING?

Bill Murphy: ON AN AVERAGE IT SPENT \$60,000, THIS PAST YEAR WITH \$70,000, BASED UPON THE FACT THAT WE HAD ADDITIONAL CDGB DOLLARS. BUT THEY ARE COMING FOR HIGHER THAN ABOUT WE JUST AWARDED THEM \$60,000 AS OF THE PREVIOUS YEARS.

Councilman Robbins: SO THEN I GUESS I WILL ASK THE MAYOR IF NOT THIS ONE-TIME FUNDING THROUGH THE ONE SOURCE, WHAT ARE YOU SPEAKING OF THAT ME TAKE CARE OF IT THIS YEAR AND IN THE FOLLOWING YEARS. IN ORDER FOR US TO MAKE A DECISION I GUESS THAT I NEED TO KNOW WHAT YOU'RE THINKING.

[Time: 02:40:42]

Mayor Lane: THE CONVERSATIONS HAVE ACTUALLY GONE IN A COUPLE OF DIFFERENT AREAS. ONE WITH THE \$50,000 THAT CAME OFF THE R17 THING THAT IS NOW SITTING OR IT LEAST OF THE PROPOSED AT THE NEIGHBORHOOD ENHANCEMENT PROGRAM WHICH GETS ADMINISTERED THROUGH THE NEIGHBORHOOD ADVISORY COMMISSION. SO THAT WAS ONE. IF IT GOES THAT ROUTE THAT THAT ASIDE. THE OTHER IS THE IDA. THEY HAVE SOME FUNDS AND THEIR CAPABLE AND ABLE AND CERTAINLY HAS BEEN INITIALLY DECIDED THAT THE CAPABLE SOURCE FOR ONE-TIME CONTRIBUTION ON THIS. AT WHATEVER LEVEL BY BE DETERMINED AS APPROPRIATE AS THAT, SAID BEFORE \$74,000 IS WHAT THEY ASKED FOR BUT THAT'S NOT REALLY WHAT EVERYBODY'S GOT ONE YEARS GONE BY OR EVEN THIS YEAR SOME DIMINISHED AMOUNT. AND THEY UNDERSTOOD THERE WAS SOME CONVERSATIONS AND \$50,000 THE ACTUAL NUMBER OF INDIVIDUALS THAT ARE SERVED. BUT THAT IS SOMEWHAT OF AN ASIDE. THAT'S THE SINGLE YEAR OF THAT SOURCE I'M TALKING ABOUT. AND THE LONGER HAUL AND I'D RATHER NOT TALK ABOUT IT HERE RIGHT NOW BUT I WANT TO BE IN TOUCH WITH COUPLE OF THE LARGE EVENTS THAT ARE IN THE CITY THAT LIKELY WOULD BE OPEN TO RECEIVING THEM ON A LONGER-TERM BASIS WITH REGARD TO A CHARITY LIST. IF THE SCOTTSDALE CHARITY AND IT WOULD BE SOMETHING THAT'S ROUTED THROUGH OR THE INTENTION

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OR THE REQUEST WOULD BE ROUTED THROUGH SCOTTSDALE CARES AND OF COURSE ENHANCING SCOTTSDALE CARES AND ITS WHOLE DONATION PROGRAM.

Councilman Robbins: OKAY. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMAN LITTLEFIELD?

Councilman Littlefield: WELL YOU KNOW THE DISCUSSION HERE ABOUT THE MEALS ON WHEELS PROGRAM IN THE WAY THAT THE COMMISSION ALLOCATED THE RESOURCES. THIS REALLY IS NOT ABOUT WHETHER OR NOT WE THINK THEY DID A GOOD JOB. I CAN'T IMAGINE THAT ANYBODY ON THE COMMISSION KNOWING THEM AS THEY DO WANTED TO NOT FUND MEALS ON WHEELS. BUT THEY WERE GIVEN A SET OF PRIORITIES AND CERTAIN AMOUNT OF MONEY TO ALLOCATE AND THEY MADE A DECISION. HOWEVER, WE ARE IN A POSITION BECAUSE WE TAKE A BROADER CONTEXT TO BE ABLE TO SAY TO OURSELVES, OKAY, WE DON'T HAVE NECESSARILY THE LIMITATIONS. WE COULD DECIDE TO REPRIORITIZE MONEY FROM SOMEWHERE ELSE. THIS IS NOT ABOUT THE COMMISSION ANYMORE THAN WHETHER TO PUT THE BOND ISSUE ON THE BALLOT. WE ALL AGREE THOSE PEOPLE DID GOOD WORK. I CERTAINLY BELIEVE THAT THE PEOPLE IN AND THE HUMAN RELATIONS COMMISSION TO GOOD WORK AND PROBABLY GIVEN THEIR DRUTHERS WOULD'VE FUNDED EVERY PROJECT ON THE LIST. BUT WITHIN THE CONSTRAINTS THEY HAD THEY MADE THE PRIORITIZATION'S AS THEY SAW BEST. WE HAD THE OPPORTUNITY TAKING A BROADER PERSPECTIVE TO MAYBE CHANGE SOME OF THAT. NOT BECAUSE WE THINK THEY SCREWED UP OR DID WRONG BUT BECAUSE WE HAD A LITTLE MORE DISCRETION THAN THEY DO. THE OTHER QUESTION I WANT TO ASK IF THEY JUST WANT TO MAKE SURE I UNDERSTOOD TOTALLY ON THE OVERALL BUDGET AND THIS QUESTION IS FOR THE ESTEEMED ACTING TREASURER OR WHATEVER, PART OF THE BUDGET IS THAT WE ARE GOING TO PUT \$6.4 MILLION OR YOU ARE PROPOSING TO PUT \$6.4 MILLION FROM THE UNRESERVED FUND BALANCE. MAKE SURE YOU UNDERSTAND THIS. YOUR PREDICTION IS THAT WE ARE GOING TO END THIS FISCAL YEAR WITH 10.5 IN THE UNRESERVED FUND BALANCE. TAKE 6.4 OF THAT OUT NEXT YEAR LEAVING 4.1 IN. IS THAT CORRECT?

Acting City Treasurer Judy McIlroy: MAYOR AND MEMBERS OF THE COUNCIL THAT IS CORRECT. I THINK THE CITY TREASURER LAST EVENING INDICATED THAT HE ANTICIPATES THE 11 MILLION EVEN BE A COUPLE MILLION MORE NOW THAT WE MOVED A LITTLE BIT FURTHER INTO THE PROCESS.

Councilman Littlefield: WHAT IS OUR FINANCIAL POLICY ON HOW MUCH WE WANT TO LEAVE IN THAT FUND, IF ANY?

Judy McIlroy: THERE IS NO AMOUNT INDICATED. THE FINANCIAL POLICY BASICALLY STATES THAT WE WILL SEND ANY REMAINING FUNDS BALANCE OVER TO THE CAPITAL PROGRAM UNLESS OTHERWISE DIRECTED BY COUNCIL.

Councilman Littlefield: SO WE HAVE THE DISCRETION, WHETHER THAT'S WISE OR NOT, WE DO HAVE THE DISCRETION TO TAKE ALL THAT \$11 MILLION AND SPENT IT NEXT YEAR.

Judy McIlroy: YES YOU DO.

Councilman Littlefield: IF WE WANTED TO DO THAT. THANK YOU.

Mayor Lane: THANK YOU, ROBIN. COUNCILWOMAN MILHAVEN.

[Time: 02:45:28]

Councilwoman Milhaven: WHILE WE RECOGNIZE OUR ABILITY TO CHANGE OR NOT ACCEPT RECOMMENDATIONS FROM COMMITTEES, I'M NOT PREPARED TO SAY THAT I WILL SUPPORT THIS GROUP IN A VACUUM BECAUSE I DON'T KNOW WHAT THE OTHER PRIORITIES ARE SO I AM TO COME BACK AND SAY AND I HEAR THE MAYOR THINK IS THERE MAY BE SOME OTHER OPTIONS BUT IF THERE'S A FOUNDATION OR THE IDA, WE DON'T HAVE ANY AUTHORITY TO TELL THEM TO USE THAT MONEY, THAT'S THEIR MONEY. NOT SURE WE CAN RELY ON THAT. I DO KNOW HOW WE ARE GOING TO GET THROUGH THE REST OF THIS BUT THIS IS WHAT I WOULD RECOMMEND IS WE DO WITH THE INTENTION OF IT BEING ONE TIME, IF OUR HIGH WAS \$240,000 AND WE ONLY HAD \$140,000 THIS YEAR IT'S IF THE ONE-TIME EXPENSE WE PUT \$100,000 BACK INTO SCOTTSDALE CARES. WITH THE REQUEST THAT SCOTTSDALE CARES COME BACK WITH HOW THEY CAN PROMOTE THEIR PROGRAM AND INCREASED DONATIONS.

Mayor Lane: THANK YOU, COUNCILWOMAN. I DON'T KNOW WHAT THE CONSENSUS MIGHT BE ON THAT. I THINK THAT IT'S PROBABLY NOT NECESSARY AND I REALIZE WE DON'T HAVE THE AUTHORITY BUT WE MAKE APPLICATIONS WITH DIFFERENT AGENCIES AND CERTAINLY IDA COMES UP SOMEWHAT OF OUR CONTROL. I WOULD SAY THAT IF ANYTHING, AND THIS WOULD BE SPECIFICALLY TO ADDRESS THIS ISSUE, THAT IT BE CONTINGENT UPON WHETHER WE CAN FIND ANOTHER SOURCE ON IT. I DO WANT TO GET TOO TERRIBLY COMPLICATED. I'M JUST VERY CONCERNED ABOUT SETTING A PRECEDENT THAT WE NOW BECAUSE THE BUDGET LINE ITEM FOR YEARS TO COME EVEN WITH THE INTENTION OF MAKING A TEMPORARY. WE SEEN THIS KIND OF THING HAPPENED BEFORE. I DO THINK WE HAVE AN ANSWER FOR IT AND I WOULD SAY WE GO WITH THAT. COUNCILMAN ROBBINS.

Councilman Robbins: MAYOR, CAN YOU GIVE ME A TIMEFRAME ON THAT? WHEN WOULD WE KNOW IF THE IDA WILL PICK THAT UP?

Mayor Lane: MAY 5TH.

Councilman Robbins: OKAY. SO THAT DOES NOT HAPPEN WE CAN DO AN EMERGENCY A LAST-MINUTE ONE-TIME FOR THIS YEAR AND THEN FIGURE OUT LATER?

Mayor Lane: WE COULD EXCEPT THAT WE DO HAVE A RESTRICTION ON SETTING AMOUNT OF TOTAL EXPENDITURES. I DON'T KNOW IF IT'S BEFORE MAY 5TH OR NOT.

Dan Worth: MAYOR, THAT'S MAY 14TH, TENTATIVE ADOPTION.

Councilman Robbins: I WOULD AGREE THAT I THINK WE SHOULD WAIT TO SEE THE IDA PICK THAT UP AND IF THEY DON'T WE CAN REACT AFTER THAT.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMEMBER KORTE.

Councilmember Korte: THANK YOU, MAYOR. I'M HAVING A DIFFICULT TIME IN PLACING THE EXPECTATION ON THE IDA TO PICK THIS TYPE OF EXPENDITURE UP. I DO NOT BELIEVE THAT WE

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SHOULD PUT THAT TYPE OF PRESSURE ON THE IDA AND THAT WE SHOULD STEP FORWARD AND DO A ONE-TIME ALLOCATION OF FUNDS.

Mayor Lane: THANK YOU, COUNCILWOMAN. I WOULD ONLY TO SAY TO REITERATE WHAT COUNCILMAN ROBINS SAID THAT IF IN FACT IT DOES NOT HAPPEN WE CAN CERTAINLY SET AT THAT POINT IN TIME WE CAN REACT TO THAT POINT IN TIME. WE DO HAVE A WEEK OR TWO THERE. BEFORE THAT FINAL TOTAL EXPENDITURE IS MADE. I DON'T KNOW IN ORDER TO KEEP IT STRAIGHT WHETHER OR NOT WE WANT TO THIS IS NOT AN ACTION ITEM. I WOULD I GUESS I WOULD HOPE THAT WE WOULD GET A LITTLE MORE OF A SENSE. RIGHT NOW WE HAVE A 2 TO 2. VICE MAYOR?

[Time: 02:49:23]

Vice Mayor Klapp: I WOULD AGREE WITH THE PROPOSAL TO WAIT AND SEE WHAT THE IDA SAYS BEFORE YOU MAKE A DECISION ON THIS. WE DO HAVE POTENTIAL ONE-TIME FUNDING SOURCE.

Mayor Lane: THANK YOU, VICE MAYOR. COUNCILMAN PHILLIPS

Councilmember Phillips: FORGIVE MY IGNORANCE. THANK YOU, MAYOR. WE ARE DOING THE BOND TONIGHT, RIGHT? NOT JUST MEALS ON WHEELS. I THOUGHT MEALS ON WHEELS WAS FUNDED UNTIL JUNE AND WE HAD UNTIL THEN TO COME UP WITH THE DIFFERENT FUNDING SOURCE.

Mayor Lane: IF I MIGHT, COUNCILMAN, WHAT WAS JUST PROPOSED WAS ON THE FIFTH, THE IDA WOULD BE MAKING THEIR DECISION AND IF IN FACT SOME POWER OR OTHER IT DOESN'T GO TO THE POINT OF THEM FUNDING IT, WE HAVE UNTIL THE 14TH TO SET THE TOTAL EXPENDITURE NUMBER SO WE COULD ACCOMMODATED AFTER THE FIFTH BUT BEFORE THE 14TH.

Councilmember Phillips: WE'RE ON THE 14TH SO THE IDEAS WE CAN DO IT THEN. NOT TONIGHT? SO WE CAN GET ON WITH THE BUDGET BECAUSE WE HAVE 45 NON-FUND ITEMS THAT HAVE BEEN REQUESTED.

Mayor Lane: WE HAVE REVIEWED THE VAST MAJORITY OF THOSE THROUGH THE DEPARTMENT PRESENTATIONS AND OF COURSE THOSE ARE WHERE WE TOOK EXCEPTIONS. THOSE ARE WHAT WE'RE GOING OVER RIGHT NOW.

Councilmember Phillips: THAT'S WHAT I WAS SAYING THERE IS 45 OF THEM. THIS IS DÉJÀ VU. IT'S LIKE WHAT WE DID THE BOND FOR THE VOTERS, THIS ALL THE ITEMS AND WE REALLY DID NOT DISCUSS THOSE ITEMS JUST A COUPLE PEOPLE DECIDED THAT LETS NOT DO THIS ITEM WE VOTED ON THAT AND PAST THE REST.

Mayor Lane: THE IDEA WAS, COUNCILMAN AS WE WENT THROUGH DEPARTMENTS WITH THE INDIVIDUAL ITEMS WE INDICATED IN DID TAKE EXCEPTION AND CHANGE SOME OF THEM. THAT'S WHAT WE'RE DOING NOW. THAT WAS THE IDEA RATHER THAN WE WOULD BE GOING THROUGH ALL OF THAT AGAIN IF WE GO THROUGH ALL 45 ITEMS. WE WILL BE DOING WHAT WE DID LAST NIGHT.

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Councilmember Phillips: WITH THAT'S WHAT I'M SAYING. WE HAVE NOT THE 45 UNFUNDED ITEMS THAT EVERYBODY ASKED FOR, NOBODY HERE THE COUNCIL HAS SAID YES LET'S DO THIS ONE OR YES LET'S DO THAT ONE OR NO.

Mayor Lane: IF WE WERE TAKING EXCEPTION TO THEM, WE DID. AS WE WENT THROUGH EACH OF THE COMMISSIONS OR RATHER EACH OF THE DEPARTMENTS, WE ENDED UP WITH THERE ADDITIONAL ITEMS AND WE REVIEWED THEM AT THAT TIME WE TOOK EXCEPTION AND THAT'S WHAT WE ARE REVIEWING RIGHT NOW.

Councilmember Phillips: RIGHT. WE MADE COMMENTS BUT WE DIDN'T GET A CONSENSUS ON ALL 45 ITEMS AND WHICH ONES ARE WE'RE GOING TO DO AND WHICH ONES WERE NOT WENT TO DO.

Mayor Lane: EXPECT NO ONE SAID ANYTHING. IT WAS AFFIRMED BY SILENCE IF YOU COULD. WE CAN DO SOMETHING DIFFERENTLY IF IT'S CALLED ON BY THE COUNCIL. STAFF, I'M NOT SURE WHOM ON STAFF? YES, BILL.

Bill Murphy MAYOR, I JUST WANTED TO CLARIFY THAT MEETING IS NOT ON MAY THE FIFTH, TENTATIVELY RIGHT NOW SCHEDULED FOR MAY 15TH WHICH WOULD NOT HELP US RIGHT NOW. SO WE TALKED ABOUT GOING TO SEE IF WE CAN SET THAT UP OBVIOUSLY TO HAPPEN BEFORE THE 14TH. WE WILL WORK ON IT.

Mayor Lane: WE WERE THINKING WE ONLY HAD TWO ITEMS LEFT AND I SAY SOMETHING ABOUT THAT AND ANY CASE I THINK WE ARE OF A MIND OR AT LEAST A CONSENSUS THAT CARRY THIS FORWARD AND WE ASKED AND IN FACT GET AN ANSWER TO THE NEGATIVE AND WE CAN REACT AT THAT POINT IN TIME.

[Time: 02:53:12]

Dan Worth THE SECOND ITEM THEN, WE HAD TWO ITEMS THAT JUDGE OLCAVAGE DISCUSSED AND I THINK THERE WAS A FAIRLY CLEAR CONSENSUS THAT WE WANTED TO ADDRESS THE DUI BACKLOG IN THE COMING YOUR BUDGET. THE WAY THAT WE PROPOSED WAS THE PROPOSED \$80,000 REQUEST FOR THE USE OF ONE-TIME USE. THE DISCUSSION A MINUTE AGO IF YOU FEEL THAT THE APPROPRIATE IT EATS INTO THAT \$4.1 MILLION FUND BALANCE.

Mayor Lane: THANK YOU MR. WORTH. I THINK THERE WAS A CONSENSUS BUT I WOULD CONCUR THAT ONE TIME USE FOR THE HIRING OF THE PRO TEMPORE TO COVER THAT USE WOULD BE APPROPRIATE. IF THERE IS A DIFFERENT MINDSET PLEASE SPEAK UP ON IT. I THINK WE ARE GOOD WITH THAT.

Dan Worth: THE SECOND ITEM THE JUDGE ADDRESSED WAS THE MOVEMENT SOME OF THE FTE'S STAFFING FROM THE COURT ENHANCEMENT FUND BACK INTO THE GENERAL FUND. TO CLARIFY THERE WAS SOME DISCUSSION ABOUT MOVING THOSE POSITIONS INTO THE GENERAL FUND IF IT IS AN APPROPRIATE USE OF THE FUND. THE FIRST SENTENCE IN THE ORDINANCE THAT ESTABLISHED THE COURT ENHANCEMENT FUND HAD THE LANGUAGE THAT IDENTIFIED APPROPRIATE USES. OPERATIONAL USES TO THE COURT IS THE WAY THAT IT IS WORDED IN ADDITION TO SECURITY ENHANCEMENTS, OPERATIONAL EFFICIENCIES IS BROADLY WORDED AND THE INTERPRETATION WHEN

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WE MOVE THESE POSITIONS OUT OF THE GENERAL FUND INTO THE COURT ENHANCEMENT FUND THAT WAS AN APPROPRIATE USE OF THE COURT ENHANCEMENT FUND FOR THOSE POSITIONS IT WOULD CLEARLY BE APPROPRIATE IF THEY COME OUT OF THE COURT ENHANCEMENT FUND AND PUT BACK INTO THE GENERAL FUND. THE PROPOSAL THAT THE JUDGE MADE WAS \$195,000 FOR TWO OF THE POSITIONS. THE DISCUSSION THAT WE HAD YESTERDAY THERE WAS CONSENSUS THAT WE NEED TO DO THIS, THERE WAS A DIFFERENCE OF OPINION AS TO WHETHER WE NEEDED TO DO IT THIS YEAR OR WHETHER WE COULD PUT TOGETHER A PLAN TO DO IT OVER MULTIPLE YEARS , PERHAPS IN THE 13/14 BUDGET. WHAT I'M SHOWING IS THE COST IF WE DID THAT THIS YEAR AND IT WOULD BE ONGOING. THE INTENT WOULD BE TO MOVE IT BACK TO THE GENERAL FUND AND KEEP THERE IT THERE AND ADDRESS FOR THE MOVES AS BUDGET PERMIT AND 14/15 AND BEYOND.

Mayor Lane: MR. WORTH, I'M NOT SURE WHAT THE CONSENSUS MIGHT BE HERE I WOULD JUST SAY THAT EVEN BY TITLE, THE COURT ENHANCEMENT FUND AND ITS EARLY USE FOR THE FIRST DECADE OR SO, SORT OF INDICATED THAT IT REALLY WAS NOT FOR THE USE OF THE TRANSFER OF GENERAL FUND FTE'S TO BE MOVED INTO IT OTHER THAN THOSE AREAS THAT SPECIFICALLY RELATED TO THE SECURITY ISSUE. BUT WHAT I WOULD SAY IS THAT I BELIEVE THIS COULD BE. WE'VE GOT TIME TO DECIDE THIS BUT I WOULD LIKE PERSONALLY I WOULD LIKE TO HAVE A PLAN TO MAKE SURE THAT WE ARE MOVING THIS AND THE OTHER DIRECTION AND USING THOSE COURT ENHANCEMENT FUNDS AS THEY WERE MORE OR LESS PRESCRIBED UNDER THE ORIGINAL DESIGN.

Dan Worth IF WE DID NOT MAKE CHANGE IN 13/14, WE COULD IDENTIFY A PLAN THAT MOVES POSITIONS OVER THE SUBSEQUENT YEARS, TWO OR 3-YEAR PERIOD WHATEVER ANTICIPATED REVENUE IS AND OF COURSE VERY MUCH A PROJECTION RIGHT NOW. BUT WHATEVER ANTICIPATED REVENUES WOULD ALLOW AND WE COULD SHOW YOU WHAT THAT WOULD LOOK LIKE OVER TIME. IT WOULD BE VERY EASY TO DO THAT COME BACK ON THE MAY 7TH MEETING WITH WHAT THAT LOOKS AT.

Mayor Lane: WE DO HAVE SOME OTHER COMMENTS. COUNCILMAN MILLHAVEN.

[Time: 02:57:42]

Councilwoman Milhaven: I HAD A COMMENT ABOUT PROCESS. IF ARE GOING TO EACH SEVEN OF US SPEAK SO WE KNOW WHAT CONSENSUS HAS BEEN MADE HERE WE MAY BE HERE FOR REALLY LONG TIME. WOULD BE APPROPRIATE FOR US TO DIRECT STAFF AND THEN WE CAN VOTE WOULD THAT BE APPROPRIATE?

Mayor Lane: THE CLERK SAYS YES IT WOULD BE. THIS IS A NON-ACTION ITEM BUT NEVERTHELESS. OKAY. THAT'S FINE.

Councilwoman Milhaven: I MADE MY OPINION CLEAR ON THIS YESTERDAY. THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN ROBINSON.

Councilman Robbins: TO SPEED THIS ALONG I WILL MAKE A MOTION THAT WE MOVE THE FTE'S IN THE 14/15 BUDGET YEAR END FOLLOWING SO IT DOES NOT AFFECT THIS YEAR BUT WITH THE PLAN TOGETHER SO THAT'S IN THE NEXT BUDGET CYCLE.

Mayor Lane: OKAY.

Vice Mayor Klapp: I SECOND.

Mayor Lane: AND THIS IS SPECIFICALLY A MOTION TO DIRECTION OF STAFF.

Councilman Robbins: YES.

Vice Mayor Klapp: I SECOND AGAIN.

Mayor Lane: MOTIONS ARE MADE AND SECONDED. I THINK WE'RE GUESS WE ARE READY TO VOTE.

Councilman Littlefield: ARE WE AGENDIZED FOR THAT.

Mayor Lane: WE ARE JUST DIRECTING STAFF TO FIND CONSENSUS. WE DID NOT GET ANY OBJECTION FROM THE CITY OR THE ACTING CITY ATTORNEY BUT NEVERTHELESS THE CITY CLERK DID TELL US SO I THINK WE ARE ALREADY THAN TO VOTE. IT IS FOR THE DIRECTION OF STAFF AS IT WAS MOVED. AND I DON'T KNOW IF IT'S IN THE FORM OF A MOTION OR NOT BUT NEVERTHELESS. OKAY. SO I THINK THAT WE ARE READY TO VOTE.

Mayor Lane: ALL THOSE IN FAVOR OF THE MOTION THAT'S ON THE TABLE PLEASE INDICATE BY SAYING AYE, THE MOTION PASSES 5/2, WITH COUNCILWOMAN MILHAVEN AND COUNCILMEMBER KORTE OPPOSING.

[Time: 02:59:56]

Dan Worth: THE NEXT ITEM IS THE POLICE DISPATCH IT'S ACTUALLY A PROPOSAL FOR ADDITIONAL STAFF. THE POLICE DEPARTMENT REQUEST ORIGINALLY AT THE BEGINNING OF THE BUDGET PROCESS WAS TO ADD BACK FOUR POSITIONS. THE COST OF DOING THAT IS SHOWN HERE AND IS SHOWN IS ONGOING. WE HAVE POSITIONS FUNDED INTO THE FUTURE, \$275,000 FOR THE 13/14 IMPACT. ITEM BE AS AN ALTERNATIVE AND IT'S AN ALTERNATIVE THAT WE HAVE DISCUSSED AND I HAVE TO THE DISCUSSION HAS NOT INVOLVED THE CHIEF AND HE'S OUT OF THE LOOP RIGHT NOW. WE ANTICIPATE ON DISCUSSIONS THAT THIS IS A VIABLE ALTERNATIVE SOLUTION RATHER THAN ADDING FOUR FTE'S WE CAN USE PIPELINE POSITIONS SIMILAR TO THE WAY WE DO FOR PATROL WE WILL HIRE MORE PEOPLE THAT WE HAVE AUTHORIZATIONS FOR AND THEN WE HAVE PEOPLE HIRED IF THEY MEET THE REQUIREMENTS, WE BRING THEM ON BOARD, WERE PAYING THEM WITH ARE GETTING TRAINED UP AS VACANCIES OCCUR WOULD MOVE THEM RIGHT INTO THAT VACANT POSITION. IT WOULD GIVE US AN OPPORTUNITY WITHOUT SPENDING WORK BIDDING TO SPEND THE FULL FTE'S WORTH OF BUDGET WITHOUT ADDING TO THE END STRENGTH ABLE TO THE OPPORTUNITY TO COME CLOSER TO FULL STAFFING, FULL-TRAINED STAFFING AND MAKE A BETTER DETERMINATION AS TO WHETHER OR NOT WE TO MAKE THE WORKLOAD AND THE DISPATCH CENTER. THERE IS STILL LOT OF UNKNOWNNS ASSOCIATED WITH THIS. BUT WE FEEL THAT THIS I THINK THE FAIREST WAY TO PRESENT IT IS, WE HAVE FOUR FTE'S, WE HAVE A GREAT DEGREE OF CONFIDENCE THAT WOULD ADDRESS THE PROBLEM, ADDRESSING IT TO THE PIPELINE PROGRAM AND OVER HIRING AND HAVING PEOPLE READY TO FILL VACANCIES AS THEY OCCUR WOULD BE A GOOD APPROACH TO ADDRESS IS ON THE SHORT TERM AND EVALUATE WHERE WE ARE AND THEN MAKE A FURTHER RECOMMENDATION IF NEEDED NEXT YEAR.

Mayor Lane: THANK YOU, DAN. COUNCILMAN ROBINSON.

Councilman Robbins: THANK YOU, MAYOR. I THINK THIS IS AN IMPORTANT PUBLIC SAFETY ISSUE AND I WOULD MOVE THAT WE DIRECT STAFF TO ADD FUNDING TO THE PIPELINE PROGRAM FOR DISPATCH FOR \$63,000.

Vice Mayor Klapp: SECOND.

Mayor Lane: MOTION IS SECONDED. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I DON'T THINK WE KNOW ENOUGH TO SAY THAT'S SOLUTION. I THINK THAT PROBABLY WHAT THAT IS SUGGESTING IS NOT GOING TO BE ENOUGH TO FIX THIS PROBLEM. I THINK IT'S A LITTLE EARLY UNTIL WE HEAR MORE FROM THE POLICE DEPARTMENT TO PICK A SOLUTION TO THE ISSUE.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I'M GOING TO VOTE NO ONLY BECAUSE I HEARD THAT 275 IS THE BETTER SOLUTION.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN ROBBINS?

Councilman Robbins: I GET IN RESPONSE TO THAT WE HAVE SEVEN TO NINE VACANCIES NOW SO I THINK THAT ADDING FOUR MORE VACANCIES IS NOT THE BEST WAY TO GO. I THINK WE NEED TO BACKFILL BEFORE WE CAN ADD ADDITIONAL STAFF AND IT'S ALSO A LOT LESS EXPENSIVE.

Mayor Lane: THANK YOU COUNCILMAN.

Vice Mayor Klapp: AND I COULD ADD THAT IS MY THINKING. I HAD EXPRESSED MY CONCERN ABOUT THIS AREA WHEN IT WAS PRESENTED YESTERDAY AND ASKED FOR SOME SORT OF RECOMMENDATION I'M HEARING FROM YOU THAT THE RECOMMENDATION IS TO DO THE PIPELINE PROGRAM FOR DISPATCH AND I'M OKAY WITH THAT BECAUSE IT AT LEAST STARTS TO ADDRESS THE PROBLEM. I'M SURE IT DOES NOT GIVE A TOTAL SOLUTION. IT STARTS MOVING US IN THE RIGHT DIRECTION AND AS YOU SAID WE EVALUATE HOW THIS HELPS BUT IT'S BETTER THAN NOT FUNDING ANYTHING AND I'M NOT PREPARED TO VOTE FOR FOUR DISPATCHERS.

Mayor Lane: THANK YOU, VICE MAYOR. I WOULD CONCUR WITH THAT POSITION WITH COUNCILMAN ROBBINS IS MADE WITH REGARD TO THIS AS WELL. SEEING THAT THERE IS NO OTHER SPEAKERS ON THE, WE WILL SEEK A VOTE ON THE MOTION BY COUNCILMAN ROBBINS.

Mayor Lane: AYE IF YOU AGREE. NAY IF YOU OPPOSE. IT IS 4/3. SO THAT WOULD BE BY DIRECTION.

[Time: 03:05:03]

Dan Worth: THE NEXT ITEM PENCILED IN AT THE BOTTOM OF MY CHART FROM TONIGHT'S DISCUSSION, FUNDING RESTORATION OF THE 3% INCREASE FOR THE CULTURAL COUNCIL BUDGET.

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JUST A LITTLE BIT OF LOGIC THAT WENT INTO THIS AS WE CONSIDERED IT. SOME OF WHAT THEY INCLUDED IN THEIR JUSTIFICATION FOR ADDITIONAL FUNDING FIT INTO THE CATEGORY OF INVESTING IN SOME THE THINGS THAT WE HAD DEFERRED. THEY ARE TALKING ABOUT MEETING THEIR MAINTENANCE REQUIREMENTS FOR THE CONTRACT FOR THE FACILITY THAT THEY MANAGE OUR BEHALF, EQUIPMENT PURCHASES, THEY ARE CONTRACTUALLY REQUIRED TO MAKE. SOME OF THE REQUEST WAS FOR PROGRAM GROWTH AND I THINK MR. BANCHS REITERATED THAT TODAY, PARTICULARLY THE FREE PROGRAMMING. THAT THE COST ASSOCIATED WITH ALL EVENTS THEY SPONSOR PUT OUT OF THE MALL. THERE CERTAINLY IS A BENEFIT BUT KEEPING WITH THE PHILOSOPHY APPLIED TO THE REST OF THE CITY'S BUDGET REQUEST, WE DID NOT SUPPORT SURFACE GROWTH IN ALMOST ANY CASE. WE DID LOOK AT RESTORING FUNDING TO SOME OF THOSE DEFERRALS. SO THIS ONE HAS THE MIX, BALANCE WHICH IS FELT THAT IT DID NOT MATCH UP WITH THOSE FEW THINGS ON THE RESTORE FUNDING TO THE DEFERRED LIST THAT WE RECOMMENDED. AND IT'S A POINT OF COMPARISON. WE RECOMMENDED BRINGING BACK THREE POSITIONS IN HR, INFORMATION TECHNOLOGY AND FACILITIES. AND THAT WAS AGAINST I THINK IT WAS SOMEWHERE IN THE NEIGHBORHOOD OF 150 POSITIONS THAT HAVE BEEN REDUCED OUT OF THOSE THREE DIVISIONS OVER THE LAST FOUR YEARS. OPEC TO COMMON AND MADE A FEW MINUTES AGO AT THE BEGINNING OF THIS, YOU SAW FROM THE OTHER UNFUNDED REQUEST THAT THE THREE POSITIONS FOR ASKING OR PROPOSING TO PUT THAT IS JUST THE BEGINNING. AND THE CULTURAL COUNCIL IS INCLUDED IN THAT. GETTING BACK THE MONEY TO INVEST IN INFRASTRUCTURE ASSOCIATED WITH THAT PROGRAM. IT'S A NEED JUST LIKE THOSE OTHER HR POSITIONS IN THOSE OTHER IT POSITIONS IS IN NEED. WITH THAT SAID, THIS IS WHAT IT WOULD TAKE AND THIS IS THE AMOUNT OF THE REQUEST, 3% OF THERE BUDGET, \$123,900. WE HAVE IT LISTED AS ONGOING BECAUSE IT WOULD INCREASE, BASED ON WHAT THEY SUBMIT, WITH NEXT YEAR'S REQUEST.

Mayor Lane: THANK YOU, MR. WORTH. YOU SAID SOMETHING AND I'M NOT SURE THAT I GOT IT CLEARLY AND THAT A PORTION OF WHAT THEIR REQUESTING IS FOR SOME DEFERRED MAINTENANCE ITEMS AND MUCH THE SAME ORDER SOME THE THINGS WE TALKED ABOUT TRYING TO MAINTAIN ITEMS THAT WE HAVE DEFERRED THE MAINTENANCE OF IT AND THEY LISTED THAT IS PART OF THE COMPONENT PART OF WHAT THEY WERE LOOKING FOR?

Dan Worth: IT DID NOT IDENTIFY SPECIFIC PROJECTS LIKE WE'VE DONE IN COMMUNITY SERVICES AND FACILITIES BUT THEY DID ADDRESS IN THEIR REQUEST IN THEIR JUSTIFICATION THE FACT THAT THEY ARE CONTRACTUALLY REQUIRED TO HANDLE VARIOUS ITEMS OF DAY-TO-DAY MAINTENANCE AND THE CENTER FOR PERFORMING ARTS AND SMOCA. WHICH IS ACCURATE AND THEY HAVE A CONTRACTUAL REQUIREMENT AND MAINTENANCE CLAUSE FOR THOSE FACILITIES.

Mayor Lane: SO THEY ARE SIMILAR, THEY ARE NOT SOMETHING WE ARE SUDDENLY SHARING AND ONE-TIME MONIES OR OTHERWISE.

Dan Worth: CORRECT

Mayor Lane: CONTRACTUALLY THAT'S THEIR OBLIGATION.

Dan Worth: CORRECT.

Mayor Lane: OKAY. THANK YOU. I'M NOT SURE. I'M SORRY, I'M LOOKING AT THE FOLLOWING ITEM WHICH I GUESS IS

[Time: 03:09:07]

Vice Mayor Klapp: I HAVE A QUESTION.

Mayor Lane: VICE MAYOR.

Vice Mayor Klapp: WASN'T THERE A QUESTION ABOUT WHAT CONTRACT SAYS IS REQUIRED OR IF THERE ARE ANY REQUIREMENTS TO INCREASE? I JUST WANT TO LOOK THAT UP.

Dan Worth: THERE IS A QUESTION AND THAT 'S A DO OUT. I DON'T THINK WE HAVE THAT AVAILABLE RIGHT HERE. I BELIEVE THEY TOLD ME I WAS NOT GOING TO DO THIS BECAUSE I DON'T HAVE THE CONTRACT IN FRONT OF ME BUT THE STANDARD PHRASE THAT WE USE IS THAT WE HAVE SIMILAR SITUATIONS AS WE COMMIT TO 3% SUBJECT COUNCILS APPROPRIATION. IF YOU DON'T APPROPRIATE YOU DON'T GET IT. IT GETS YOU 3% UNLESS YOU DON'T GET IT. WE CHOSE NOT TO APPROPRIATE THAT FOR THE LAST TWO YEARS.

Mayor Lane: I GUESS MY QUESTION WAS AT THE TIME WAS WHETHER OR NOT IT IS UP TO 3% OR ANY PORTION THEREOF. IT WOULD BE ANYTHING WE DECIDED TO ALLOCATE OR NOT.

Dan Worth: I THINK I WOULD HAVE TO DEFER THAT TO OUR LEGAL EXPERTS AND THEIR INTERPRETATION OF THE CONTRACT. I WOULD THINK WE COULD AGREE TO SOMETHING OTHER THAN 3% IN THE WOULD BE HAPPY.

Mayor Lane: OKAY WELL THERE'S NOT A SPECIFIC GUIDANCE RIGHT NOW BUT I WOULD SAY COUNCILMAN MILHAVEN.

Councilwoman Milhaven: MAYOR, WE ARE THINKING YOU WANTED TO GIVE OR ALLOCATE LESS THAN 3% OR MORE THAN 3%?

Mayor Lane: NO. NO. NO. THAT'S WHY I WAS USING THE LANGUAGE UP TO.

Councilwoman Milhaven: I WAS WONDERING IF YOU WERE RESTRICTED TO. IN THAT CASE I WILL MAKE A MOTION TO DIRECT STAFF TO ALLOCATE THE 3% INCREASE TO THE CULTURAL CENTER CONTACT.

Councilmember Korte: SECOND.

Mayor Lane: MOTION HAS BEEN MADE AND SECONDED, ANY FURTHER COMMENT? THIS IS GUIDANCE IS DIRECTED TO STAFF. I THINK WE'RE READY THEN TO VOTE.

Mayor Lane: ALL THOSE IN FAVOR INDICATE AYE AND THOSE OPPOSED WITH A NAY, THE MOTION PASSES. NOW, THE QUESTION IS WHAT DO WE NEED TO. WHERE IT IS THE FUNDING COME FROM?

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Dan Worth: I WILL ADDRESS FUNDING OPTIONS AND ADDRESS YOUR DECISIONS IN THE AGGREGATE WITH THE NEXT SLIDE.

Mayor Lane: LET ME ASK YOU THIS IN VIEW OF WHAT WE HAVE JUST DECIDED. CAN WE DO THIS FOR ONE-TIME MONIES? SINCE IT IS A CONTRACTUAL OBLIGATION ON AN ANNUAL BASIS?

Dan Worth: MR. STOCKWELL PART OF THE CONTRACT LANGUAGE IN MY QUICK READ AN ANSWER TO THAT QUESTION BUT YOU JUST MADE IT MORE COMPLICATED. I THINK WE WOULD BE ADJUSTING THEIR BASE AND THEN THEY WOULD BE ENTITLED TO LOOK FOR 3% INCREASE OVER THAT BASE AND IF WE SHOULD CHOOSE NOT TO GIVE IT TO THE DEFAULT WOULD BE THERE BASE.

Mayor Lane: IT WAS ACTUALLY SOMETHING THAT MR. BANCHS MENTIONED AND EVEN THOUGH I'M SURE HE WASN'T IN TUNE WITH THE FINER POINTS OF THE CONTRACT, EVEN TO THE POINT OF THE CHANGE OF BASE. I WONDER IF WE CAN STIPULATE THAT IT'S NOT A PERMANENT CHANGE IN THE FAITH. AND OF COURSE IS SUBJECT TO THE DIRECTION OF THE CENSUS. I'M JUST INQUIRING. COUNCILWOMAN KORTE. OKAY. NO. PASS.

Dan Worth: WE CAN CERTAINLY LOOK AT THAT AND MAKE A DETERMINATION AND RECOMMEND WHAT WE MEET AGAIN ON MAY 7TH AS TO WHETHER OR NOT WE FEEL THAT THAT IS AN APPROPRIATE USE OF ONE-TIME FUNDING AND WE CAN MAKE THAT RESTRICTION.

Mayor Lane: I'M GOING TO CONSULT FOR MOMENT WITH THE COUNCIL BECAUSE OBVIOUSLY IT'S A BIT OF A VARIATION FROM WHAT I THINK WAS JUST VOTED. DO YOU HAVE ANY OBJECTION TO LOOKING AT THAT PARTICULAR FUNDING MECHANISM?

Councilwoman Milhaven: I'M NOT SURE I UNDERSTAND THE QUESTION.

Mayor Lane: YOU MADE A MOTION AND IT WAS VOTED IN THE AFFIRMATIVE, TO DO THE 3% IN ACCORDANCE WITH THE CONTRACT BUT WHAT I JUST ASKED WHETHER OR NOT WE CAN MAKE A POSITION WITHIN THE CONTRACT TO ALLOW FOR THE 3% ON A ONE-TIME BASIS, COMING OUT OF ONE-TIME FUNDS RATHER THAN TRYING TO

Councilwoman Milhaven: I DON'T KNOW THAT WE NEED TO DO THAT. WE CUT THEIR BASE CONTRACT TWO YEARS AGO.

Mayor Lane: I'M NOT TALKING ABOUT WHETHER WE CAN DO IT AS FAR AS THE CONTRACT IS CONCERNED I'M MORE CONCERNED TO WHETHER OR NOT WE CAN AND SHOULD GIVE THEM THE 3% OF ONE-TIME MONIES FOR 1 YEAR END THE QUESTION COMES UP LEGITIMATE WE ASKED WHETHER OR NOT ACCORDING TO THE CONTRACT THAT IT'S AN ADJUSTMENT TO BASE WHICH IS THE STRUCTURAL CHANGE IN THE CONTRACT AMOUNT. ARE WE OPEN TO LOOKING AT THAT OR NOT? AND I REALIZE I'M ASKING YOU BECAUSE YOU ARE THE MAKER OF THE MOTION.

Councilwoman Milhaven: INASMUCH IS I DON'T UNDERSTAND IS WHAT YOU'RE SAYING. SURE. BUT I'M NOT AMENDING MY MOTION. ANYTHING THAT WOULD HELP ME WHAT YOU'RE TRYING TO SAY BUT I DON'T WANT TO CHANGE THE DIRECTION. THANK YOU.

[Time: 03:14:41]

Mayor Lane: WILL IS NOT A MATTER OF CHANGING THE DIRECTION BUT LET ME TRY TO MAKE IT CLEAR AND APPEAL TO THE OTHER MEMBERS WHO VOTED FOR IT AS TO WHETHER OR NOT THAT APPROACH WOULD BE ACCEPTABLE.

Councilmember Korte: MAYOR, AS SECOND TO THE MOTION THAT APPROACH IS NOT ACCEPTABLE TO ME.

Mayor Lane: WELL THEN WE NEED TO FIND ANOTHER SOURCE FOR THE MONEY. LET'S SEE WHAT WE NEED TO SACRIFICE.

Dan Worth: MAYOR, I WOULD PROPOSE THAT WE ADDRESS THE LAST ITEM AND WE GO TO THE NEXT SLIDE AND TALK ABOUT WHAT WE SACRIFICE. THE LAST ITEM I HAVE ON HERE IS THE TUITION REIMBURSEMENT. THE AMOUNT OF THE HR REQUEST WAS \$250,000. THERE IS NOTHING MAGICAL ABOUT THAT AMOUNT. WE CAN CHOOSE TO PAY THAT AMOUNT; WE CAN CHOOSE TO PAY A LESSER AMOUNT. I THINK THAT ANY AMOUNT IS GOING TO PROVIDE A BENEFIT AND AN INCENTIVE FOR THE EMPLOYEES AND IT IS APPROPRIATE TO DO IT AS A ONE- TIME. I THINK THE \$250,000 SOMEWHERE RELATED TO PAST EXPENDITURES IN TUITION REIMBURSEMENT AND GETTING A HEAD NOD. IF WE DID IT IS A PARTIAL TUITION REIMBURSEMENT AS WAS SUGGESTED, WE COULD DO IT FOR LESS MONEY.

Mayor Lane: THANK YOU. WE DO HAVE A QUESTION FROM VICE MAYOR.

Vice Mayor Klapp: THAT WAS MY QUESTION. IS THE \$250,000 BASED ON 100% REIMBURSEMENT FOR TUITION?

Dan Worth: OUR HUMAN RESOURCES EXECUTIVE DIRECTOR IS GOING TO ADDRESS THIS.

Human Resources Executive Director Bernadette La Mazza: GOOD EVENING, MAYOR, AND MEMBERS OF THE COUNCIL, VICE MAYOR KLAPP. THE WAY THEY REIMBURSEMENT PROGRAM WORKS IS WE ALLOCATE A CERTAIN AMOUNT IN THIS CASE THE REQUEST IS FOR \$250,000 AND THEN EACH PARTICIPANT IS ABLE TO USE UP TO \$4000 OF THAT SO WHATEVER WE REACH THE MAXIMUM AMOUNT OF THAT TWO OR \$250,000, THEY WOULD NOT BE ABLE TO RECEIVE ANY MORE REIMBURSEMENT. IF NOT A FULL 100%, IT'S UP TO \$4000.

Vice Mayor Klapp: BUT THEORETICALLY IT COULD BE DEPENDING ON THE CLASSES THEY ARE TAKING.

Bernadette La Mazza: CORRECT.

Vice Mayor Klapp: I DON'T THINK THAT WAS MY INTENTION WHEN I SAID THAT WE NEEDED TO PROVIDE TUITION REIMBURSEMENT. THIS PROGRAM THAT YOU ARE PROPOSING THAT'S BEEN USED IN THE PAST, JUST BASICALLY PAYS FOR THE AMOUNT OF TWO OF CERTAIN AMOUNT SO THAT IT IS ESSENTIALLY 100%. ANYTHING BEYOND THAT, BUT THEORETICALLY THEY WOULD PROBABLY STOP \$4000. I GUESS WHAT I WAS SUGGESTING IS A PROGRAM WHERE WE HAVE A CAP ON THE AMOUNT THAT YET IS BASED ON THE CLASS COST AND THAT THE PERSON WHO IS TAKING THE CLASS WOULD BE REIMBURSED A PORTION OF THAT CLASS NOT JUST GIVEN A POOL OF MONEY THAT THEY CAN UTILIZE

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IN SOME WAY. I DON'T KNOW HOW TO STATE THAT AS SOMETHING DIFFERENT THAN THE WE'VE DONE IN THE PAST BUT I WOULD LIKE TO SEE US TO REINSTATE SOME TUITION REIMBURSEMENT. IF THERE'S A WAY TO DO IT SO THAT I GUESS THE PERSON IS PUTTING A LITTLE MONEY INTO IT AS WELL IS THE CITY THAT WE'RE WILLING TO REIMBURSE BUT THEY MIGHT HAVE TO PAY A PORTION OF THAT CLASS THEMSELVES.

Bernadette La Mazza: MAYOR, MEMBERS OF COUNCIL, VICE MAYOR KLAPP. LET ME CLARIFY LITTLE BIT. THE INDIVIDUAL APPLIES FOR THE TUITION REIMBURSEMENT AND THEY INDICATE WHICH CLASSES THEY WANT TO TAKE. THEY PAY FOR THEIR AMOUNT AND DEPENDED UPON THE AMOUNT WE HAVE AVAILABLE THEY CAN RECEIVE UP TO \$4000. WE HAVE HAD INDIVIDUALS WHO PUT FORTH MAYBE SIX OR \$7000 BUT WOULD'VE ONLY RECEIVED A MAXIMUM OF \$4000. WE DO PUT MONEY INTO THEIR CLASSES. DID I ANSWER YOUR QUESTION?

Vice Mayor Klapp: YOU DID. I'M JUST PUZZLING OVER THE BEST APPROACH TO TAKE THAT WOULD ADDRESS MY CONCERN. MY CONCERN WOULD PROBABLY FIRST WOULD BE THAT I THINK WE CAN AFFORD TO PUT \$250,000 IN IT. I'M THINKING MAYBE HALF THAT AMOUNT. BUT I'M NOT SURE THAT MEANS YOU JUST HAVE THAT MUCH FEWER PEOPLE THAT GET \$4000. I DON'T THINK THAT'S GOING TO ADDRESS THE PROBLEM.

Dan Worth: MAYOR, VICE MAYOR, I THINK WE COULD PROBABLY IMPLEMENT A RULE THAT THE \$4000 LIMIT APPLIES BUT WE CAN ADD A CRITERIA THAT THE EMPLOYEE HAS TO PAY AT LEAST 50% OF THERE ACTUAL TUITION COSTS SO DEPENDING ON THE COST OF THE TUITION THEY MAKE CAP OUT AT LESS THAN \$4000 AND HAVE THE DUAL EFFECT OF HAVING THE EMPLOYEE HAVE SKIN IN THE GAME AS YOU SUGGEST AND ALSO REDUCE THE SPEED AT WHICH THE AGGREGATE AMOUNT GETS USED UP, SPREADING IT ACROSS MORE EMPLOYEES.

Mayor Lane: THANK YOU, VICE MAYOR. WOULD THAT CHANGE THE AMOUNT IF WE INSTITUTED A PROPOSAL SUCH AS THAT? I DON'T KNOW IF TWO OR \$250,000 WITH OPERATING UNDER THE TERMS AS YOU DESCRIBED AND I DON'T KNOW WHETHER THAT WOULD CHANGE IT OR NOT. AND THIS IS ANOTHER THING WHETHER OR NOT THESE FUNDS ARE NEEDED OR WE'RE USED OR ARE AVAILABLE AT SOME LEVEL OR ARE AVAILABLE UNTIL THEY ARE EXHAUSTED, WITH IT'S \$250,000 OR WHETHER IT'S A \$125,000 THAT WE DON'T KNOW WHETHER THAT SUGGESTION OF A 50% RULE WOULD CHANGE IT BECAUSE WE DON'T HAVE ANY TRACK RECORD ON ANYTHING LIKE THAT.

Bernadette La Mazza: IT WOULD ACTUALLY HELP THE FUNDS GO FARTHER BENEFIT MORE INDIVIDUALS. EACH YEAR WHENEVER WE'VE HAD IT THE MONEY HAS RUN OUT IN AT A CERTAIN TIME PERIOD.

Mayor Lane: I SEE. OKAY. I THINK THAT ANSWERS THAT AT LEAST IN PART.

Vice Mayor Klapp: I THINK YOU'RE ALSO SUGGESTING THAT THIS COULD BE A ONE-TIME ITEM AND WE COULD DECIDE IF REQUIRED TO DO THIS AGAIN NEXT YEAR?

Dan Worth: MAYOR, VICE MAYOR, EXACTLY.

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[Time: 03:21:14]

Vice Mayor Klapp: OKAY I WOULD LIKE TO MAKE A MOTION THAT WE DIRECT THE STAFF TO MAKE AVAILABLE \$125,000 IN THE ONE-TIME FUNDS FOR TUITION REIMBURSEMENT.

Councilwoman Milhaven: SECOND.

Mayor Lane: MOTION IS MADE AND SECONDED, UNLESS THERE ARE ANY OTHER COMMENTS.

Councilman Robbins: DOES THAT INCLUDE THE 50% RESTRICTION OR NOT?

Vice Mayor Klapp: YES. I SUPPOSE I BETTER MAKE THAT CLEAR WHICH WOULD MEAN THAT THE PARTICIPANTS WOULD GET REIMBURSED 50% OF THE COST OF THE CLASSES. UP TO. HELP ME HERE, IF WE WERE CUTTING IN AND HAVE SHOULD WE HAVE A LESSER AMOUNT FOR THE TOTAL AVAILABLE?

Councilman Robbins: MAYOR, \$250,000 DIVIDED BY \$4000 TO 62 PEOPLE. SO IF YOU HAVE A \$125,000 AT \$4000 YOU HAVE 31 PEOPLE UNLESS YOU MAKE THAT HALF.

Vice Mayor Klapp: IT WOULD SEEM TO ME THAT WE WOULD HAVE TO HAVE AT LEAST HALF, UP TO \$2000. IS THAT CLEAR?

Dan Worth: MAYOR, VICE MAYOR. IT'S CLEAR. WE WILL GO FORWARD THAT AND WE WILL HAVE THE OPPORTUNITY TO EVALUATE IT AND SEE WHAT EFFECT IT HAS ON PARTICIPATION AND WHETHER IT ACHIEVES THE OBJECTIVES WE ARE LOOKING FOR.

Mayor Lane: YES, MS. JAGGER?

City Clerk Carolyn Jagger: WHO SECONDED THAT MOTION?

Mayor Lane: NO THE SECOND ON IT. THE SECOND WAS COUNCILWOMAN MILHAVEN. OKAY, SO I THINK THAT UNLESS THERE'S ANY FURTHER COMMENT I THINK WE ARE READY TO VOTE ON THAT DIRECTION. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE. THOSE OPPOSED WITH A NAY, MOTION PASSES 5/2, WITH COUNCILMEMBERS LITTLEFIELD AND KORTE OPPOSING. OKAY. YES, SORRY, COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: THANK YOU. THESE ARE ALL THE THINGS WE TALKED ABOUT LAST NIGHT. THERE ARE OTHER THINGS I THINK WERE GOOD IDEA AND I DON'T KNOW IF WE ARE DONE DISCUSSING THINGS OR IF WE WANT TO ADD BACK TO THE LIST AND I WANT TO COME BACK AND THE FIRE DEPARTMENT HAD ASKED FOR EIGHT FTE'S TO FULL STAFF THE FIRE STATION OR AN INCREASE OF \$400,000 IN THEIR OVERTIME BUDGET AND I'M ASSUMING THAT THERE FIRST PRIORITY SAID THAT WAS THERE FIRST REQUEST. I KNOW COUNCILWOMAN KLAPP EXPRESSED CONCERN ABOUT BEING SHORTER FIRE MARSHAL YESTERDAY AS WELL.

Mayor Lane: YES. WE'VE GOT THAT ON HERE.

Councilwoman Milhaven: WITH THAT POSSIBLE WAYS TO FUND IT ON THE NEXT PAGE. NEVER MIND.

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[Time: 03:25:01]

Mayor Lane: WELL, JUST IF WE'RE TALKING ABOUT POSSIBLE WAYS TO FUND THE CHANGES TO THIS POINT, IF I COULD DO THE SIMPLE MATH ON THE THIS WERE TALKING ABOUT SOMEWHERE IN THE AREA OF \$187,000, \$188,000 ON THE ONGOING AND ON THE ONE-TIME IT LOOKS LIKE ABOUT \$200,000. BUT REALLY AS FAR AS FUNDING IS CONCERNED, IF THE ONE-TIME MONIES ARE THERE TO THAT EXTENT, MORE IMPORTANTLY WE ARE LOOKING AT HOW TO DO THE STRUCTURAL FUNDING ON THE STRUCTURAL BUDGET CHANGES.

Dan Worth: MAYOR, I GET THE SAME NUMBERS, IT'S \$125,000 FOR TUITION REIMBURSEMENT IF DONE AS ONE TIME IT'S \$205,000, \$187,000 FOR THE ONGOING. THESE ARE ALTERNATIVES THAT WE CAN ADDRESS AND THE POTENTIAL APPROACHES TO THE ONGOING. THE FIRST FEW LINES ARE POTENTIAL WAY THAT WE CAN REDUCE THE PROPOSED ONGOING BUDGET. THESE ARE THREE POSITIONS THAT WERE RECOMMENDING THAT WE ARE PROPOSING TO ADD AND WE COULD NOT ADD THEM. WE COULD DEFER THEM AND ADDRESS THEM AND 14/15 AND BEYOND. AND YOU CAN SEE THE AMOUNT BUDGETED TO SUPPORT EACH OF THESE THREE POSITIONS IN THE AGGREGATE TOTAL, THAT'S ONE ALTERNATIVE APPROACH. 2ND AND 3RD ALTERNATIVE APPROACH AT THE BOTTOM IS TO AFFECT THE REVENUE. ONE, ALTERNATIVE WOULD BE TO ADOPT SOME OR ALL OF THE 2% PROPERTY TAX LEVY THAT WE COULD POTENTIALLY ADOPT THE CURRENT BUDGET PROPOSALS THAT WE DO NOT ADOPT ANY OF THAT. THE OTHER ALTERNATIVE RELATES TO THE GENERAL FUND SUPPORT TO THE ENTERPRISE FUNDS. WE HAVE BUDGETED A \$700,000 REDUCTION THE AMOUNT OF INDIRECT FUNDING THAT THE ENTERPRISE FUNDS PAY BACK TO THE GENERAL FUND. THAT IS PART OF THE TWO-YEAR FIX TO ADDRESS THE LAST \$1.4 MILLION DOLLARS OF FUNDING THAT WE DECIDED IS NOT SUPPORTED FROM THE ENTERPRISE FUNDS. IF WE COULD TAKE THAT \$1.4 MILLION REDUCTION INSTEAD OF DOING IT OVER TWO YEARS, DO IT OVER THREE YEARS, INSTEAD OF THE \$700,000 IMPACT TO THE GENERAL FUND NEXT YEAR, IT WOULD BE A \$460,000 IMPACT. SO IT WOULD GENERATE A NET BENEFIT TO THE GENERAL FUND TO ABOUT \$238,000 AND WE DID THAT. THESE ARE THREE ALTERNATIVES THAT COULD POTENTIALLY OFFSET THE INCREASE OF WHAT STANDS NOW AT \$187,000 OF ADDITIONAL SPENDING ON THE BASE BUDGET.

Mayor Lane: ALL RIGHT. YES. I'M SORRY. VICE MAYOR KLAPP HAS A QUESTION.

Vice Mayor Klapp: THERE IS ANOTHER POTENTIAL REVENUE SOURCE AND THAT WOULD BE WHETHER OR NOT WE FEEL COMFORTABLE WITH THE 3.5% RETAIL SALES INCREASE PROJECTION. THIS YEAR WE HAD A 5% RETAIL SALES TAX PROJECTION INCREASE AND IT'S ABOVE THAT. I KNOW THE FIRST FEW MONTHS THERE WERE SOME CONCERNS THAT WE WOULD NOT BE THERE BUT WE SURPASS THIS. THE YEAR BEFORE WE HAD A 1.5% SALES TAX INCREASE AND WE SURPASS THAT. MY QUESTION IS THAT WAS ONE OF THE REASONS I ASKED WHETHER OR NOT THE MONIES THAT ARE COMING IN HAVE BEEN FACTORED IN BECAUSE I SUPPOSEDLY DID NOT HAVE THESE TWO NEW RELATIVELY LARGE SOURCES OF SALES TAX COMING IN THE 3.5% MIGHT SOUND CREDIBLE BUT I'M WONDERING IF ADDITIONAL HALF A PERCENT ADDED TO THE RETAIL SALES TAX IS EVEN VIABLE BECAUSE BASED ON OUR PROJECTIONS OF THE LAST FEW YEARS ARE USUALLY COMING ABOVE. I KNOW WE TRY TO BE CONSERVATIVE BUT IF YOU ALSO LOOK AT THE FORECAST FROM OTHER LOCAL ECONOMISTS, THE UNIVERSITIES ETC. THE CONSENSUS IS THAT RETAIL SALES IN THE NEXT YEAR I'M GOING TO GO UP 6.5%. ACTUALLY, THAT'S 13/14. I DON'T KNOW IF THEY'RE GOING CALENDAR YEAR ARE NOT. 6.4%. OUR RETAIL SALES PROJECTION SEEMS LOW TO ME.

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Mayor Lane: THANK YOU. THANK YOU VICE MAYOR. I THINK IF WE WERE TO WORK WITH WHAT WE HAVE HERE IS A SUGGESTED, WE MAY BE IN A POSITION TO COVER IT. I'M A LITTLE CONCERNED ABOUT TRYING TO SECOND-GUESS TOO VERY MUCH BECAUSE WE ARE STILL IN A BIT OF UNCERTAIN TIMES TO THE EXTENT OF RETAIL SALES INCREASES THAT WE MIGHT BE ANTICIPATING. FROM MY PERSPECTIVE, I THINK THAT THE FTE'S THAT ARE INCLUDED IN THE PROPOSED BUDGET RIGHT NOW AS JUDICIOUS AS EACH OF THE DEPARTMENTS HAVE BEEN AND FRANKLY THE CITY MANAGER'S OFFICE AND ALL ATTENDING, HAVE BEEN WITH REGARD TO THE INCREASE IN FTE'S, I WOULD HATE TO BE TRYING TO TRADE OFF THE FTE'S FOR WHAT WE'VE PLACED ON TO HERE ON AN ONGOING BASIS. I WOULD BE MORE INCLINED TO I THINK IF WE NEED TO AND WE'VE DONE THIS ONCE BEFORE AND I KNOW IT'S JUST GOING AGAIN BUT RATHER TAKING THE BALANCE OF THE INDIRECT COST ALLOCATION THAT WE ARE IN THE MIDST OF CORRECTING, AND EXTENDING THAT FAZE IN OVER THREE YEARS RATHER THAN THE NEXT TWO, I THINK IT WOULD GIVE THE CERTAINLY THE KINDS OF FUN THAT WE ARE TALKING ABOUT THAT WILL COVER THIS. COUNCILWOMAN MILHAVEN.

[Time: 03:31:35]

Councilwoman Milhaven: THANK YOU, WHAT ARE WE CALLING. CAN WE REVIEW AGAIN, I'M SORRY, WHAT ARE THE ONGOING EXPENSES. THE 911 AT \$63,000 IS THE ONGOING. EVERYTHING ELSE WE APPROVED IS ONE TIME. IF WE GO BACK TO THE CULTURAL COUNCIL THEIR CONTRACT IS SUBJECT TO ANNUAL ALLOCATION FROM THE CITY COUNCIL. IF WE COME BACK NEXT YEAR WE DON'T WANT TO DO IT, WE DON'T HAVE TO DO IT WERE NOT OBLIGATED TO DO IT.

Mayor Lane: THERE IS ONE CAVEAT TO BE FAIR. THAT CONTRACT DOESN'T INDICATE A 3% INCREASE IN BASE, WHICH THEN, IF WE DON'T DO SOMETHING TO CHANGE THAT IT'S A PERMANENT ONGOING CHANGE.

Councilwoman Milhaven: AND THAT'S WHAT I DIDN'T UNDERSTAND WHAT YOU SAID EARLIER. NO IT'S NOT. TWO YEARS AGO WE CUT THEIR BASE AND WE ARE NOT OBLIGATED TO PAY THERE.

Mayor Lane: WE DID CUT THEIR BASE.

Councilwoman Milhaven: WHATEVER WE DO IS BUY ANNUAL APPROPRIATION, THERE IS NO ONGOING COMMITMENT TO FUND THEM.

Mayor Lane: PARDON ME AND I WILL TRY TO REWORD THIS. BASICALLY IF YOU DO A ONE-TIME BASIS, A 3% INFUSION OF \$123,900, IF IT WAS JUST STRICTLY ONE-TIME, IT DOES NOT ADJUST THEIR BASE BECAUSE NEXT YEAR AT THIS TIME THEIR BASE WILL BE STARTING OFF AT NOW \$124,000 MORE AND WE WILL BE DOING 3% ON TOP OF THAT OR NOT.

Councilwoman Milhaven: OR YOU CAN COME BACK AND SAY WE'RE GOING TO CUT IT BY 3%.

Mayor Lane: BUT WE COULD DO THAT BUT OTHERWISE IT'S AN ONGOING

Councilwoman Milhaven: WE ARE NOT CONTRACTUALLY OBLIGATED TO CONTINUE TO PAY 3%.

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Mayor Lane: LET ME SAY THAT IF WE REMOVE THAT FROM THERE AND REMOVE IT AND MADE IT A ONE-TIME BASIS AS YOU ARE SUGGESTING NOW WHAT I WAS SUGGESTING I THINK WE WOULD MAKE THAT STIPULATED OF THE ONE-TIME ADJUSTMENT BUT NOT AN ADJUSTMENT TO THE BASE. THAT'S WHAT I WAS ASKING FOR STAFF TO LOOK AT.

Councilwoman Milhaven: AND I'M SAYING IT'S A MOOT POINT YOU COULD WE CAN PAY THEM WHATEVER WE WANT TO PAY THEM.

Mayor Lane: IT'S TRUE. WE CAN'T PAY THEM ANYTHING WE WANT TO PAY THAT BUT IF WE ADDED TO THEIR BASE IT'S ADDED TO THE BASE UNTIL WE REMOVE IT.

Councilwoman Milhaven: OKAY. THE OTHER THING I'D LIKE TO POINT OUT IN TERMS OF HOW TO WE PAY FOR THIS. I'M LOOKING AT THE FORECAST AND THE COMPARISONS BETWEEN THE COMING YEAR END THE FOLLOWING YEAR END TOTAL SOURCES AND 2014 ARE \$10 MILLION MORE THAN THE 13/14 BUDGET YEAR. I HAVE TO AGREE WITH COUNCILWOMAN KLAPP, I THINK WE ARE VERY CONSERVATIVE AND FORECASTING REVENUES AS I THINK I COULD ARGUE IS APPROPRIATE. WE WANT TO BE MORE CONSERVATIVE RATHER THAN PUSH IT. SO FAR OUR CONSERVATIVE FORECAST IS THING IN THE FOLLOWING BUDGET YEAR WE'RE GOING TO HAVE ANOTHER \$10 MILLION. I CERTAINLY DON'T HAVE ANY CONCERNS ABOUT SPENDING A COUPLE HUNDRED THOUSAND DOLLARS OF ONE-TIME MONEY IN THE COMING YEAR. KNOWING THAT WE'RE GOING TO HAVE THE INCOME TO COVER IT THE FOLLOWING YEAR.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN ROBBINS.

[Time: 03:34:59]

Councilman Robbins: MAYOR, I JUST HAVE TO ADD MY INPUT ON THIS. IF WE ARE LOOKING AT AND IT SOUNDS LIKE WE ONLY REALLY HAVE A \$63,000 ISSUE HERE IF THAT THE ONLY ONGOING EXPENSE. THEN MAYBE WE DON'T EVEN TO MAKE ANY ADJUSTMENTS BECAUSE WE COULD PROBABLY FIND THAT IN YOUR COUCH IN YOUR OFFICE. BUT IF WE CAN'T FIND IT IN HIS COUCH THEN MY RECOMMENDATION WOULD BE THAT WE DO THE INDIRECT COST ALLOCATION OVER THREE YEARS IF WE HAVE AN ADDITIONAL \$238,000.

Dan Worth: MAYOR, COUNCILMAN ROBBINS, THAT'S CORRECT. SO WOULD BE THE NET POSITIVE IMPACT OF SPREADING THE INDIRECT OVER THREE YEARS INSTEAD OF 2.

Councilman Robbins: AND I AGREE WITH WHAT WAS SAID EARLIER ABOUT THE THREE FTE'S, THE DEPARTMENTS OF DONE AN EXCELLENT JOB THROUGH THE DOWNTURN WE NEED TO RETURN SOME OF THE MANPOWER OR FTE'S TO THOSE DEPARTMENTS AND I KNOW WE HAVE MORE WORK TO DO THERE AS WELL. THIS IS JUST ONE STEP IN THE RIGHT DIRECTION. I THINK I GUESS I WILL JUST MAKE A MOTION TO DIRECT STAFF TO CHANGE THE INDIRECT COSTS ALLOCATION OF THESE IN OVER THREE YEARS.

Councilwoman Milhaven: SECOND.

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Mayor Lane: ALL RIGHT. UNLESS THERE IS ANY FURTHER COMMENT ON THAT, I THINK WE'RE READY TO VOTE ON THAT ITEM. LET ME JUST SAY IF I MIGHT THIS IS NOT EXACTLY RELEVANT SINCE WE ARE TALKING ABOUT WHETHER OR NOT IT'S \$63,000 OR IF ITS \$187,000 ON AN ONGOING BASIS, CAN I ASK STAFF MAY BE TO PUT THIS IN PLAINER LANGUAGE. IF IN FACT WE ALLOW FOR 3% INCREASE ON THE CONTRACT, DOES THAT NOT PERMANENTLY AMEND AS IT STATED RIGHT NOW PERMANENTLY AMEND THEIR BASE?

Dan Worth: MAYOR, I WILL GIVE YOU MY NONATTORNEY CITY MANAGER INTERPRETATION. THE SLIDE THAT I'VE GOT ON THE SCREEN INCLUDES THE CONTRACT LANGUAGE THAT APPEARS IN THE MASTER AGREEMENT. THERE ARE TWO AGREEMENTS THAT ARE IN P LAY. WE HAVE A MASTER AGREEMENT THAT GOVERNS THE ROLES AND RESPONSIBILITIES OF THE CITY AND THE CULTURAL COUNCIL AND THE ADMINISTRATION OF OUR CULTURE PROGRAM I'M A THE SECOND AGREEMENT IS AN ANNUAL FINANCIAL PARTICIPATION AGREEMENT WHERE WE AGREE ON THE AMOUNT OF FUNDING THAT WE PROVIDE AND THE LANGUAGE OF THE MASTER AGREEMENT THAT YOU SEE ON THE BOTTOM OF THE SLIDE, IT'S EXACTLY WHAT THE AGREEMENT SAYS. SAYS WE ANTICIPATE COST INCREASES TO PROVIDE SERVICE BUT ANY COST INCREASES WILL BE SUBJECT TO THE COUNCIL APPROPRIATION OF THE FUNDING AND THEN YOU CAN SEE WHAT WE'VE ACTUALLY DONE IN RECENT YEARS WITH THE FINANCIAL PARTICIPATION AGREEMENT, WE ACTUALLY DID DO A 5% DECREASE WHEN WE ENTERED INTO THE FINANCIAL PARTICIPATION AGREEMENT WITH THE CULTURAL COUNCIL ON 11/12 AND WE ENTERED INTO THE FINANCIAL PARTICIPATION AGREEMENT FOR THIS YEAR WITHOUT ANY INCREASE. SO THAT IS THE LANGUAGE THAT WE USE THE VEHICLE THAT WE AS TO ACTUALLY SET THE NUMBER YEAR. IT'S NOT TIED SPECIFICALLY TO A BASE. IT'S GOVERNED BY THAT VERY GENERAL LANGUAGE IN THE MASTER AGREEMENT.

Mayor Lane: I HEAR WHAT YOU'RE SAYING, COUNCILWOMAN MILHAVEN'S ASSERTION, IT'S A MOOT POINT, WE HAVE NOT PERMANENTLY INCREASE THE BASE.

Dan Worth: IF WE DO A ONE-TIME ALLOCATION FROM ONE-TIME MONIES, THAT'S CORRECT. IF WE DO ALL ONE-TIME ALLOCATION, COMPLY WITH THE INTENT OF THE MASTER ALLOCATION AND GIVE THEM A 3% INCREASE AND IN A YEAR FROM NOW WE CAN LOOK AT THE FUNDING AND DECIDE TO GO A 3% INCREASE IN FOR ME HERE FOR NOW WE CAN DECIDE WHETHER TO GO UP DOWN OR LEAVE IT THE SAME.

Mayor Lane: BUT THAT BASE WOULD NOT BE INCREASED.

Dan Worth: WE DON'T HAVE ANY COMMITMENT TO CARRY THAT FUNDING THROUGH.

Mayor Lane: AS WELL AS THE DIRECTION GOES AND NOW I THINK WE ARE IN CONSENSUS THAT WE ARE LOOKING FOR ONE-TIME MONEY THAT'S GOOD.

Deputy City Attorney Steve Bennett: MAYOR IF I MAY. I HAD A CHANCE TO LOOK AT THE AGREEMENT THAT YOU ENTERED IN DISCUSSION. I THINK FOR THE COUNCIL IS LANDED RIGHT NOW IS ACCURATELY REFLECTED IN THE AGREEMENT. IT'S REALLY AN ANTICIPATION AND EXPECTATION OF THE PARTY BUT IT IS SUBJECT EACH YEAR FOR THE COUNCIL DECIDED TO DO AS PART OF THE BUDGET PROCESS.

Mayor Lane: SO WE DECIDED ONE-TIME PAYMENT WITHOUT ADJUSTMENT TO THE BASE.

Steve Bennett: I BELIEVE THE COUNCIL CAN MAKE THAT DETERMINATION.

Mayor Lane: GOOD. THAT RELIEVES US OF AT LEAST SOME OF THAT COST AND WE WILL BE LOOKING AT THE 63,000 ON AN ONGOING BASIS.

Councilmember Korte: EXCUSE ME, MAYOR.

Mayor Lane: WE NOW HAVE GIVEN OURSELVES \$238,000. WE WILL. WE PRESUMABLY WILL IF WE AGREE. I'M SORRY, COUNCILWOMAN.

Councilmember Korte: I HATE TO BEAT A DEAD HORSE. I DON'T THINK THAT WAS THE INTENT OF THE ORIGINAL MOTION REGARDING THE CULTURAL COUNCIL IF THERE CONSENSUS TO CONSIDER THIS A ONE-TIME THEN FINE, BUT THAT WAS THAT THE ORIGINAL INTENT OF THE MOTION NOR MY SECOND.

Councilwoman Milhaven: I'M GUESSING THING I'M NOT CHANGING WHAT I SAID IN TERMS OF A ONE-TIME ARE NOT A ONE-TIME I'M JUST POINTING OUT TO SAY PRACTICALLY SPEAKING ACCORDING TO THE CONTRACT IS SUBJECT TO ANNUAL APPROPRIATION AND SO WHAT WE SAY IT IS OR IT ISN'T WE ARE NOT MAKING ANY LONG TERM COMMITMENT. WE ARE MAKING A ONE-YEAR FUNDING PROPOSAL AND WE CAN HAVE THIS ARGUMENT AGAIN NEXT YEAR.

Mayor Lane: EXCEPT WE WILL BE WORKING WITH THE DIFFERENT BASE. IT WILL INCLUDE THAT IN AN ONGOING BASIS. WE CANNOT TAKE IT FROM ONE TIME MONEY THAN. IF THAT THE INTENT, WE CANNOT TAKE IT FROM ONE-TIME MONEY BECAUSE IT'S AN ONGOING EXPENSE.

[Time: 03:41:14]

Dan Worth: MAYOR, THAT'S MY UNDERSTANDING. WE WOULD PROGRAM IT INTO THE BASE BUDGET. IT WOULD APPEAR THAT LEVEL NEXT YEAR AND THEN SHOULD THE DISCUSSION LEAD US TO REDUCE IT, WE ARE NOT CONSTRAINED FROM DOING THAT.

Mayor Lane: RIGHT BUT AT THIS POINT IN TIME SINCE IT WOULD BE A PERMANENT CHANGE TO THE BASE. IT IS ASSUMED THAT WE WOULD BE GOING FORWARD UNLESS WE VOTE TO DIMINISH IT BY 3%.

Dan Worth: THAT IS CORRECT, PERMANENT UNLESS WE CHANGE IT NEXT YEAR.

Mayor Lane: THAT'S LIKE ANYTHING. ANY STRUCTURAL CHANGE WE MAKE. IF WE HIRE SOMEBODY AT THE STRUCTURAL CHANGE WE CAN ALWAYS GET RID OF IT LATER ON.

Councilwoman Milhaven: BUT MAYOR EVERY YEAR THE PARTICIPATION AGREEMENT COMES TO US. WE HAVE TO ACTIVELY CONTINUE IT EACH YEAR.

Mayor Lane: ABSOLUTELY BUT ANY TIME YOU GET A STRUCTURAL CHANGE TO THE BUDGET AND YOU ADD TO THE CONTRACTS BASE AMOUNT IS AN ONGOING ONE UNTIL WE CHANGE IT. WE HAVE TO ACTIVELY TURN AROUND AND REMOVE THE \$123,000 IN ORDER TO MAKE IT WAS THEN A ONE-TIME.

Councilwoman Milhaven: I THINK THE PHILOSOPHICAL POINT.

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Mayor Lane: I THINK IT'S A PRACTICAL POINT BUT THE BOTTOM LINE IS WE DO NEED TO INCLUDED AN ONGOING AND THAT'S UNDERSTOOD.

Councilman Robbins: MAYOR, LET ME ASK A QUESTION. WE REALLY NEED TO MAKE A DECISION ABOUT THIS YEAR. DO WANT TO TAKE THE MONEY OUT OF ONE-TIME MONEY OR ONGOING MONEY. THAT'S REALLY THE QUESTION.

Mayor Lane: RIGHT EXCEPT THAT I OUR OWN POLICY AND FRANKLY JUST AN OPERATIONAL ISSUE, IF YOU'RE TRYING TO USE ONE-TIME MONEY, IT'S NOT IN THE BUDGET. SO IF YOU INCREASE THAT AMOUNT THEN WE WOULD HAVE TO BE A COUNTY COUNTING FOR NEXT YEAR WHICH MEANS TO BE ONGOING MONEY THAT HAS TO BE PUT INTO THE BUDGET UNTIL WE VOTE TO REMOVE IT.

Councilman Robbins: UNLESS WE PUT A RESTRICTION ON HOW WE ARE FUNDING IT THIS YEAR.

Mayor Lane: THE ONLY WAY WE CAN PUT THEIR RESTRICTION ON IT IS TO THAT IT'S A ONE-TIME PAYMENT OF \$123,000 IT DOES NOT ADJUST THE BASE WHICH WE JUST CONCLUDED THAT WE CAN DO THAT.

Councilwoman Milhaven: IT IS EFFECTIVELY A ONE-TIME BY DEFINITION.

Councilman Robbins: IN ORDER TO DIRECT STAFF, WE NEED TO DIRECT STAFF WHERE THAT'S GOING TO COME FROM. IS IT GOING TO COME OUT OF THE UNRESERVED FUND BALANCE OR IS IT GOING TO COME OUT OF THE ONGOING GENERAL FUND? THAT IS THE QUESTION.

Mayor Lane: MR. WORTH, IF I WERE TO SAY TO YOU THAT WE ARE GOING TO CHANGE THE MOTION TO DIRECT TO THE ONE-TIME MONEY, WHERE WOULD IT HAVE TO COME FROM? I'M SORRY, WHAT WOULD THAT DO TO THE CONTRACT? OR MAYBE I SHOULD ASK LEGAL.

Councilwoman Milhaven: OR YOU COULD TAKE THE WHOLE CULTURAL CONTRACT ALL \$4 MILLION AS ONE-TIME MONEY. THAT WOULD GIVE US A WHOLE LOT OF MONEY TO DO A WHOLE LOT OF STUFF WITH.

Mayor Lane: THE 3% IS CALCULATED ON WHAT.

Councilwoman Milhaven: IT'S ABOUT \$4 MILLION.

Mayor Lane: WHAT THE CALCULATED ON.

Councilwoman Milhaven: IT'S 3% WHATEVER WE PAID THEM THE PRIOR-YEAR.

Mayor Lane: NO THE BASE.

Councilwoman Milhaven: IT'S WHAT THEY WERE PAID THE PRIOR YEAR. THEY ARE ASKING FOR 3% OF THE BASE.

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Mayor Lane: THAT'S WHAT THE \$124,000 IS. IT'S 3% OF THE BASE. IF WE ADD \$124,000 TO IT WE HAVE A NEW BASE. NEXT YEAR 3% IS CALCULATED ON THAT NEW BASE.

Councilwoman Milhaven: NOTHING IS AUTOMATIC.

Mayor Lane: WE WOULD NECESSARILY HAVE TO VOTE FOR THE 3% BUT THAT THE BASE WOULD HAVE BEEN INCREASED. LET ME STILL. I MEAN I HATE TO BE TOO CONFUSED ABOUT THIS BUT WHAT WE ARE TALKING ABOUT FUNDING ONGOING MONIES, IF I WERE TO SAY OUT OF ONE-TIME MONEY ON THIS CONTRACT, WHAT WOULD THAT DO TO THE BASE.

[Time: 03:45:15]

Dan Worth: MAYOR IF WE ARE GOING TO ADD \$123,000 FOR THE ONE-TIME USE, THE CONTRACT BASE, I'M NOT SURE THEY ARE ACTUALLY IS SUCH A THING. THEY WILL COME IN WITH A REQUEST AND IT'S EITHER BELOW THAT AMOUNT OR ABOVE THAT AMOUNT AND WE WILL MAKE A DETERMINATION AND THE GUIDELINE THAT WE HAVE IS THAT GENERALLY UNDER THE MASTER AGREEMENT

Mayor Lane: WHAT WOULD THEY CALCULATE THE 3% CONTRACTUAL TERM, WHAT WOULD THEY BASED IT UPON THE CURRENT NUMBER OR THE CURRENT NUMBER PLUS \$123,000?

Dan Worth: I WOULD GUESS THAT THEY WOULD BASE IT ON THE CURRENT NUMBER. BUT IT'S A GUESS. THERE GOING TO MAKE WHATEVER REQUEST THEY FEEL IS NECESSARY AND SUPPORTABLE.

Mayor Lane: AS IT IS RIGHT NOW WE'RE GOING TO HAVE TO FIGURE OUT WHETHER WERE USING ONE-TIME MONEY ARE ONGOING FUNDS.

Dan Worth: MAYOR, I THINK HONESTLY THE PRUDENT THING TO DO IS TO ADD THE \$123,000 AND ADDED AS RECURRING FUNDING AND PUT IT INTO THE BASE BUDGET. IT IS THE SAFEST WAY I THINK TO COMPLY WITH OUR FINANCIAL POLICY THAT THE COST OF DOING BUSINESS GOES INTO THE BASE BUDGET. AND THEN WE HAVE THAT OPPORTUNITY TO REDUCE AN INCREASE OR LEAVE IT THE SAME NEXT YEAR.

Mayor Lane: AS MUCH AS ANYTHING IS PERMANENT, IF IN FACT WE HAD TO THE BASE, ON THE BASIS OF THE 3% TERM, IT'S THERE UNTIL WE REMOVE IT BUT ANYWAY, COUNCILMAN LITTLEFIELD.

Councilman Littlefield: WHY I WOULD JUST SAY THAT GIVEN ALL OF THE IMPORTANT ITEMS THAT AND PRIORITIES THAT WE HAVE NOT FIGURED OUT HOW TO FUND, WE SHOULD NOT BE GIVING THESE GUYS A 3% INCREASE AT ALL WHETHER IT'S A ONE-TIME INCREASE OR AN ONGOING INCREASE BUT THE ONLY THING MORE IRRESPONSIBLE THAN THE GIVING THEM A ONE-TIME INCREASE WOULD BE ADDING IT INTO THEIR CONTRACT AND MAKING IT PART OF THERE BASE. SO I THINK THIS IS AN IMPORTANT DISCUSSION. THIS WAS 4/3 AND I THINK IT'S IMPORTANT THAT THE FOUR WHO VOTED FOR THIS MAKE IT CLEAR WHETHER THEY'RE GOING TO DO A ONE-TIME WHICH I THINK IS IRRESPONSIBLE OR ARE YOU GONNA BE MORE IRRESPONSIBLE AND ADDED TO THEIR BASE. I THINK THAT NEEDS TO BE CLARIFIED BEFORE WE GET OUT OF HERE.

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Mayor Lane: I WOULD ASK THAT SINCE WE ARE WERE TALKING ABOUT WE DO HAVE A MOTION ON THE TABLE. LET'S GO AHEAD WITH THE MOTION.

Councilman Littlefield: WHAT'S THE MOTION?

Mayor Lane: THE MOTION IS TO CHANGE THE INDIRECT COST ALLOCATION TO OVER THREE YEARS WHICH WOULD PROVIDE \$238,000 WORTH OF AVAILABLE FUNDS. THAT HAS BEEN MOVED AND SECONDED. ALL THOSE IN FAVOR, PLEASE INDICATE BY AYE. THOSE OPPOSED WITH A NAY, THAT DIRECTION IS SOLID.

NOW TO THE POINT, I DON'T KNOW THE WHAT THE EASIEST WAY TO CLARIFY THE MOTION THAT WAS MADE BEFORE THE MOTION FOR DIRECTION ON THE 3% INCREASE TO THE CULTURAL COUNCIL CONTRACT, IF COUNCILMAN LITTLEFIELD IS SUGGESTING, MAYBE THERE'S AN OPPORTUNITY TO JUST REQUEST THAT THIS 3% INCREASE BE A ONE-TIME PAYMENT AND IF SUCH A MOTION FOR DIRECTION WERE TO MODIFY, LET ME ASK THE CITY CLERK IF THAT'S A REASONABLE APPROACH TO TRY TO GET CLARIFICATION TO THIS OR MAYBE THE CITY ATTORNEY.

Steve Bennett: MAYOR, IT'S A LITTLE DANGEROUS TRYING TO GIVE YOU A CONTRACT INTERPRETATION WHEN YOU'RE LOOKING AT THE AGREEMENT BY THE FIRST TIME AND I HAVE BEEN RIVETED ON ALL OF ONE PAGE. I BELIEVE THERE'S GOOD NEWS HERE, THE MOTION REALLY IS TO GIVE DIRECTION TO STAFF TO COME BACK WITH SOMETHING AND HOPEFULLY BETWEEN NOW AND THE NEXT COUNCIL MEETING THERE COULD BE MORE CLARIFICATION ON THIS. BUT THE LANGUAGE IN THE AGREEMENT SEEMS TO RESERVE TO THE COUNCIL SOLE AND ABSOLUTE DISCRETION AS TO HOW THE PAYMENTS ARE GOING TO BE MADE HERE AND I'M NOT REALLY CATCHING THE CONCEPT OF A BASE AND IF WE AGREE WITH THE INTENT OF THE PARTIES TO HAVE SUCH A BASE IN THE AGREEMENT BUT I THINK WE BASED ON THE MOTION AND GIVING THE DIRECTION TO INCREASE THIS BY 3%, I THINK A DETERMINATION CAN BE MADE AS TO WHETHER THAT'S GOING TO BE MADE IN FACT ONE-TIME ARE NOT I'M JUST TRYING TO GIVE A LITTLE RELIEF. AND I'M AFRAID I CAN'T GIVE YOU THE REAL ANSWER UNLESS SOMEBODY WANTS TO GIVE ME TIME TO READ THIS ENTIRE AGREEMENT.

Mayor Lane: THAT'S ALL RIGHT. AND HOPEFULLY IT WOULDN'T TAKE THAT BUT NEVERTHELESS, RIGHT NOW WERE ONLY JUST TRYING TO FIGURE OUT IF WE HAVE TO FIND FUNDING ON THE ONGOING BASIS OF THE ONE-TIME. I'M GOING TO PRESUME THAT THE MOTION HAS BEEN MADE TO DIRECTION AND THEY'RE SEEMS TO BE AT LEAST AN UNDERSTANDING THAT THIS IS MEANT TO COME FROM ONE-TIME MONEY, I DON'T KNOW THAT ANYBODY IS OBJECTED TO THAT.

Councilmember Korte: YES. MAYOR, MAY I SUGGEST.

Mayor Lane: THAT IT'S NOT GOING TO COME FROM ONE-TIME MONEY. IT'S GOING TO BE ONGOING.

Councilmember Korte: MAY I SUGGEST AND GO BACK TO THE MOTION THAT WE DIRECTED STAFF TO CONSIDER THIS 3% AS AN INCREASE AND PERHAPS COME BACK TO US WITH A MORE SOLID CONVERSATION AROUND IT AS IT PERTAINS TO THE CONTRACT. I'M TRYING TO MOVE ON BECAUSE WE ARE NEVER GOING TO AGREE HERE SO I AM TRYING MOVE ON SO WE ARE NOT HERE UNTIL 10:00 AGAIN.

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Mayor Lane: I WOULD LEAVE IT THE WAY IT IS I SUPPOSE THAT THE ONLY THING IS, COUNCILMAN LITTLEFIELD.

[Time: 03:51:33]

Councilman Littlefield: I DON'T THINK WE CAN MOVE ON. BUT HE CLEARLY THE MOTION MAKER AND THE SECOND OR HAVE MADE IT CLEAR THAT YOU WANTED THIS TO BE ONGOING. THAT YOU WANTED THIS TO BECOME PART OF THEIR BASE, WHATEVER YOU CALL IT. IT'S NOT EVEN CLEAR BASED ON THE ADVICE FOR GETTING FROM THE LEGAL DEPARTMENT WHETHER OR NOT THERE IS SUCH A THING AS A BASE OR NOT BUT THE POINT IS YOU CAN'T IT OUT OF HERE GIVING DIRECTION WITHOUT MAKING IT CLEAR AS TO WHETHER YOU ARE DOING THIS ONCE OR WHETHER THIS IS PART OF THE NEW BASE. SO I THINK THIS IS AN IMPORTANT ISSUE. FOUR OF YOU VOTED FOR THIS AND THREE OF YOU HAVE SAID YOU WANTED TO DO THAT ONGOING AND ONE OF THE PEOPLE THAT VOTED FOR IT IS NOT EXACTLY SURE. SO I THINK MAYBE THE MOTION HAD BEEN WORDED DIFFERENTLY, IT MIGHT NOT HAVE PASSED. I THINK WE NEED TO BE A LITTLE CLEAR ON THAT. MAYBE THE ANSWERS TO REDO THE MOTION AND COME UP WITH A NEW MOTION THAT IT'S ONE-TIME MONEY AND SEE IF THAT PASSES OR IF IT'S ONGOING. LET'S MAKE IT CLEAR IN THE MOTION WHAT YOU ARE TALKING ABOUT.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I DON'T REALLY UNDERSTAND THIS CONVERSATION. THIS IS MY THIRD BUDGET CYCLE. ON MY FIRST BUDGET CYCLE THE PROPOSAL WAS TO CLOSE A LIBRARY. WE DID NOT CLOSE THE LIBRARY AND WE USED AND RESERVED FUND BALANCES TO FUND THAT LIBRARY. THANKFULLY, WE FINISHED THE YEAR BETTER THAN WE PROJECTED AND IT DID NOT WIND UP USING UNRESERVED FUND BALANCES AND I'M GLAD I WAS WRONG WITH LEFT THE LIBRARY OPEN. THAT'S AN EXAMPLE OF A MUCH BIGGER AMOUNT OF MONEY THAT WAS AN ONGOING EXPENSE THAT WE MADE A CONSCIOUS DECISION THAT WE ARE GOING TO USE UNRESERVED FUND BALANCES AND THIS IS THE FIRST TIME IN MY THREE BUDGET CYCLES THAT WE'RE SPLITTING HAIRS ABOUT ONGOING VERSUS ONE-TIME. I UNDERSTAND THE STRUCTURAL IMPLICATIONS OF ONGOING BUT WE ARE TALKING ABOUT \$123,000 ON A \$227 MILLION GENERAL FUND BUDGET. I THINK WE CAN MOVE PAST THIS PHILOSOPHICAL DEBATE.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN PHILLIPS.

Councilmember Phillips: THANK YOU. I GUESS IT'S PROBABLY REVOLVES AROUND ONE PERSON WHO IS NOT SURE WHICH WAY HE WANTS TO VOTE AND WAY I SEE IT IS I LIKE PUBLIC ART AND I LIKE THE CULTURAL COUNCIL. HOW MUCH MONEY THEY SHOULD GET AS A MATTER OF DEBATE BUT I BELIEVE WE TOOK AWAY 5% FROM THEM TWO YEARS AGO AND LEFT THEM FLAT LAST YEAR, DURING THAT TIME, THEY SQUEEZED BY AND ACTUALLY MANAGED TO BRING IN A LOT MORE SHOWS AND IT LOOKS LIKE A GOOD IMPROVEMENT TO ME. SO I FEEL LIKE A WANT TO THROW THEM A BONE TO GIVE THEM THIS 3% BACK. IT'S NOT 5% AT 3% AND SEE WHAT THEY CAN DO WITH \$126,000. SO THAT'S WHY VOTED FOR IT. AND I WANT TO DO IT ON AN ONGOING BASIS BECAUSE NEXT YEAR WHEN THIS COMES UP AND I WILL BE HERE, IF THEY FLOUNDER AND THEY DO BADLY AND I'LL SAY I GUESS THAT WAS A WASTE OF MONEY. MAYBE WE SHOULD ONLY GIVE THEM \$1 MILLION BECAUSE WE HAVE THAT ABILITY TO DO THAT IT DOESN'T HAVE TO BE \$4 MILLION PLUS \$126,000 OR WHATEVER. THAT'S WHY VOTED IT AND I'M STICKING TO IT. SO I MAKE A MOTION THAT WE MAKE THIS AN ONGOING BASIS.

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Councilmember Korte: SECOND.

Mayor Lane: MOTION HAS BEEN MADE AND SECONDED. TO PUT THIS ON AN ONGOING BASIS, WE WILL ALLOW FOR THE CONVERSATION AROUND THIS MOTION CERTAINLY COUNCILMAN LITTLEFIELD.

Councilman Littlefield: WELL, I'M OPPOSED TO THAT THAT AT LEAST IT WILL BE CLEAR ONE WAY OR THE OTHER HERE HOW EVERYBODY'S GOING TO VOTE. OTHERWISE UNJUST WHAT SUPPORT OUT THAT THE LIBRARY WAS DIFFERENT IN THAT WITH THE CITY THAT IS SUPPOSED TO SOMEBODY THAT WE HAVE A CONTRACT WITH. LET'S VOTE. CALL THE QUESTION.

Mayor Lane: COUNCILMAN IF IT'S ALRIGHT I AM GOING TO ALLOW VICE MAYOR KLAPP TO SPEAK.

Vice Mayor Klapp: THE PRIMARY REASON WHY I DID NOT VOTE FOR THIS WAS THAT IT WAS TAKING MONEY OUT OF THE ONGOING BUDGET AND I JUST WANT TO MAKE THAT CLEAR. IF THE MOTION HAD BEEN THAT THIS WAS CALLED ONE-TIME MONEY AND IT WAS CLEAR THE THAT WE COULD TAKE IT FROM THE UNRESERVED FUND BALANCE AND WE WOULDN'T HAVE TO START TRIMMING SOMETHING ELSE TO PAY FOR IT I WOULD'VE BEEN FINE. SO I WILL NOT SUPPORT THIS MOTION ONLY FOR THAT REASON. I AGREE WITH COUNCILWOMAN MILHAVEN IN HER ASSESSMENT THAT THIS COULD COME FROM ONE-TIME MONEY BUT I FAR RIGHT I FAR WRITTEN OUT HERE ON THIS PAGE IS BEEN ONGOING AND I THOUGHT THAT IF I VOTE FOR THIS THERE ARE SOME OTHER THINGS HERE THAT I THINK ARE IMPORTANT WE ARE RIGHT TO BE ABLE TO FUND AND THAT WAS THE REASON WHY. I KNOW THERE'S ENOUGH MONEY IN THE UNRESERVED FUND BALANCE FOR THIS. MY FEELING IS THAT I DON'T REALLY SEE WHY PEOPLE ARE SO ADAMANT ABOUT MAKING THIS AN ONGOING THING WERE MORE GOING TO VOTE ON IT NEXT YEAR. UNFORTUNATELY I'M VOTING AGAINST IT BECAUSE OF THE CATEGORY OF FUNDS IT WILL COME FROM.

Mayor Lane: THANK YOU. I THINK WE'RE READY TO VOTE COUNCILMAN PHILLIP'S MOTION THAT THIS WOULD BE TAKEN THAT THE DIRECTION BE GIVEN TO PROVIDE \$123,900 ON AN ONGOING BASIS OF THE CONTRACT. ALL THOSE IN FAVOR INDICATE BY AYE. ALL THOSE OPPOSED WITH A NAY. IT WILL BE ON AN ONGOING BASIS.

Mayor Lane: SO WE GOT \$187,000 THAT WE HAVE TO FIND THE MONEY FOR. WE VOTED FOR THE CHANGE IN INDIRECT ALLOCATION. BUT WE DO HAVE THAT COVERED AND THEN SOME. OKAY. MR. WORTH IF YOU WOULD LIKE TO CONTINUE.

[Time: 03:58:15]

Dan Worth: SO IF WE HAVE COME TO A CONSENSUS THOSE ITEMS ON THE FIRST PAGE WE'VE COME TO A CONSENSUS ON THE \$238,000 THAT WERE MORE THAN OFFSET THOSE I WOULD MOVE TO THE DISCUSSION WHICH IS THOSE THINGS THAT WE ARE NOT FULLY PREPARED TO DISCUSS IT WE'VE GOT SOME DIRECTION FROM YOU LAST NIGHT THAT WE NEEDED FURTHER INFORMATION ON THE IMPACTS OF HAVING OR NOT HAVING SECOND DEPUTY FIRE COMMISSION FUNDED. WE PROMISED TO BRING YOU BACK SOME CALL VOLUME INFORMATION AND OUR ABILITY AND TIME TO CONDUCT INSPECTIONS AND VOLUME OF INSPECTIONS IN THE PERTINENT WORKLOAD DRIVERS FOR THE DEPUTY FIRE MARSHAL POSITION AND OUR EXPERIENCE WHEN WE HAD THE ADDITIONAL POSITION WAS TO GET MORE INFORMATION UPON WHICH TO BASE THAT INFORMATION. WE ALSO SPENT A

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LOT OF TIME TALKING ABOUT THE OVERALL COMPENSATION PROGRAM PARTICULARLY WITH REGARDS TO PUBLIC SAFETY WITH REGARDS TO POLICE. WE HAVE SOME INFORMATION THAT WE ARE IN THE PROCESS GATHERING REGARDING WHAT OTHER COMMUNITIES IN THE VALLEY ARE DOING SO THAT WE CAN MAKE THOSE EQUITY DETERMINATIONS WE HAVE REGARDING THE ALTERNATIVES THAT ARE SWORN POLICE OFFICERS HAVE. WE ALSO ARE GATHERING INFORMATION THAT WE WILL BE ABLE TO PROVIDE TO YOU IN TERMS OF OUR TURNOVER RATES. ON A PERCENTAGE BASIS FOR POLICE DEPARTMENT AND IN PARTICULAR SWORN POLICE OFFICERS AND AS THEY COMPARE HISTORICALLY OVER TIME AND MAKE A DETERMINATION AS TO IF THERE IS AN ISSUE THAT WE NEED TO ADDRESS. ON THE CAPITAL SIDE WE HAVE CLEAR DIRECTION AND I THINK THIS WAS THE ADDED TO TONIGHT, WE HAVE CLEAR DIRECTION TO TALK ABOUT THE TWO PROJECTS THE WESTWORLD EVENT AREA IMPROVEMENTS AND THE SCOTTSDALE STADIUM IMPROVEMENTS WE HAVE INCLUDED IT IN THE TENTATIVE CIP BUDGET. WE GOT SOME DIRECTION ADDING A THIRD PROJECT, OUR INTENT WILL BE TO COME BACK AND THE DISCUSSION I ALLUDED TO EARLIER. FURTHER JUSTIFICATION OF THE SCOPE OF THE WESTWORLD PROJECT AND THE STADIUM PROJECT AND FURTHER EXPLANATION FOR WHY WE FELT IT WAS APPROPRIATE TO ADDRESS THEM TO THE GENERAL FUND CIP AS OPPOSED TO BONDING FOR THEM OR ANY OTHER POTENTIAL SOURCE OF REVENUE. SOME DISCUSSION AND THIS WAS SOMETHING THAT WAS ADDED TONIGHT AND DISCUSSION OF THE GENERAL FUND CIP BALANCE THAT AMOUNT OF MONEY THAT WE HAD AS A RESULT OF PREVIOUS CONTRIBUTIONS REMAINING BALANCE AS WE SPEND IT ON PROJECTS AND WHAT WE ANTICIPATE THE GENERAL FUND IS GOING TO BE OVER TIME OVER THE NEXT FIVE YEARS. IT'S A FIVE YEAR PLAN THAT WE PROPOSED THE CIP BASED UPON. THAT WILL GIVE YOU SOME MORE CONTEXT FOR THOSE SPECIFIC PROJECTS AND HOW IT IMPACTS THE GENERAL FUND CIP BALANCE NOW AND INTO THE FUTURE. WE PROPOSE HAVING ALL OF THOSE DISCUSSIONS ON MAY 7TH.

Mayor Lane: THANK YOU MR. WORTH. THERE IS ONE ITEM THAT YOU HAVE ON HERE THAT IS THE MARSHALL WAY PUBLIC ARCH WAY THAT WAS DISCUSSED LAST NIGHT. THERE WASN'T ANY SPECIFIC DIRECTION.

Dan Worth: THAT WOULD BE A PROPOSED ADDITION TO THE CIP WE WOULD HAVE TO GO AND IDENTIFY THE TOURISM SPECIAL REVENUE AS THE SOURCE WE WILL DO THAT.

Councilmember Korte: CAN I GO BACK TO PROVIDE MORE INFORMATION? SO I AM GOING BACK THROUGH SOME OF THE PRESENTATIONS LAST NIGHT AND SPECIFICALLY THE PRESENTATION MADE BY CHIEF SHANNON REGARDING THE FIRE DEPARTMENT. THE DEPUTY FIRE MARSHAL WAS REQUEST NUMBER TWO AND I KNOW THERE WAS SOME DISCUSSION AROUND THE UNFUNDED REQUEST NUMBER ONE AROUND FIRE STATION 602. I SEE CHIEF FREEBURG HERE. I DON'T KNOW IF WE WANT SOME DISCUSSION AROUND THAT AND PUT THAT ON THE LIST FOR MORE INFORMATION BUT I UNDERSTAND, I KNOW THIS PARTICULAR FIRE STATION IS OVERUSED AND UNDER EMPLOYED, SO TO SPEAK SO BECAUSE OF THAT POSITION IN DOWNTOWN, IT IS PROBABLY THE MOST CRITICAL STATION THAT WE HAVE AS PUBLIC SAFETY IS CONCERNED. SO I WOULD LIKE TO HAVE SOME MORE INFORMATION AROUND THAT UNFUNDED REQUEST.

Dan Worth: I THINK THAT WE CAN CERTAINLY PROVIDE THAT TO GIVE YOU SOME DETAILED INFORMATION OUR ABILITY IS TO PROVIDE SERVICE TO THAT AREA OF THE CITY AS WELL IS WHAT WE FEEL THE IMPROVEMENTS WOULD BE WITH THE ADDITIONAL STAFFING AND WE WILL CERTAINLY ADD THAT TO THE LIST FOR MAY 7.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILWOMAN MILHAVEN.

[Time: 04:05:32]

Councilwoman Milhaven: HERE, THE 8 FTE'S AND OVERTIME FOR THIS STATION AND THEN THERE IS ALSO ON THIS LIST RECRUITMENT AND CONDUCTING AN ACADEMY FOR NEW FIREFIGHTERS, SO WE'RE GOING TO ADD THEM, DON'T WE NEED TO TRAIN THEM AND ITEM II IS 24 PIPELINE POSITIONS UNFUNDED POSITIONS AND THE REQUEST IS TO FUND 4 I WOULD LIKE TO UNDERSTAND HOW THOSE RELATE TO EACH OTHER BECAUSE I AM NOT SURE, IF ONE IS A SUBSET OF ANOTHER AND IF THEY GOT EVERYTHING ON THE LIST, IT WOULD BE AN ADDED OF 8+ I DON'T KNOW.

Dan Worth: WE CAN ADDRESS THOSE OTHER GROUP THAT I WILL TELL YOU THERE ARE INTER RELATIONSHIPS BETWEEN THOSE THREE THINGS AN ADDITIONAL STAFFING AND THE NEED FOR PIPELINE POSITIONS AND THE NEED FOR TRAINING SO I THINK THAT IS THE SHORT ANSWER BUT WE WILL ADDRESS THAT IN DETAIL.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN ROBINSON.

Councilman Robbins: I JUST HAVE A GENERAL QUESTION, SCHEDULE C IS ALL REVENUES? IS THAT CORRECT? SO WORKERS COMPENSATION, THIS MUST BE AN INTERNAL SERVICE TYPE OF AN ISSUE BECAUSE THE LAST COUPLE OF YEARS WE HAVE HAD \$4 MILLION AND THIS YEAR IT IS 6.5 AND DOES THAT MEAN OUR WORKERS COMPENSATION REQUIREMENTS HAVE GONE UP BY 2.5 MILLION DOLLARS THIS YEAR? UNDERSOLD INSURANCE FUNDS? SCHEDULE C?

Acting City Treasurer Judy McIlroy: MEMBERS OF THE COUNCIL AND MAYOR, LOOKING AT THE SCHEDULE C I BELIEVE THIS IS RELATED TO PROPERTY LIABILITY AND WORKERS COMPENSATION THOSE ARE THE RATES THAT WE CHARGE THE DIVISIONS TO PROVIDE THAT SERVICE AND IN PRIOR YEARS, WE WERE INTENTIONALLY CHARGING A LOWER PREMIUM TO THE DIVISIONS TO DRAW DOWN THE FUND BALANCE AS A BUDGET BALANCING STRATEGY AND WE ARE NOW APPLYING THE RATE AT WHAT IT IS NEEDED TO BE.

Councilman Robbins: OKAY. SO I GUESS THE FOLLOW-UP QUESTION IS WHAT IMPACT DOES THAT HAVE ON THE GENERAL FUND IS THAT A 2.5 MILLION DOLLAR ADDITION TO THE GENERAL FUND?

Judy McIlroy: YES THE GENERAL FUND WOULD BE A PORTION OF THAT APPROXIMATELY 80%.

Councilman Robbins: AND THE ENTERPRISE FUNDS IS THE BALANCE?

Judy McIlroy: CORRECT.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. SEEING NO FURTHER QUESTIONS AT THIS TIME, THAT MIGHT MEAN THAT WE ARE DONE.

ADJOURNMENT

[Time: 04:08:53]

Mayor Lane: WE HAVE NO PUBLIC COMMENTS I PRESUME AND I WOULD ENTERTAIN A MOTION TO ADJOURN. THANK YOU VERY MUCH EVERYONE FOR PARTICIPATING AND THANK YOU MR. WORTH. WE ARE ADJOURNED.