

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, APRIL 29, 2014**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:24 P.M. on Tuesday, April 29, 2014, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Virginia L. Korte
Councilmembers Suzanne Klapp, Robert W. Littlefield, Linda Milhaven,
Guy Phillips, and Dennis E. Robbins

Also Present: City Manager Fritz Behring
City Attorney Bruce Washburn
City Treasurer Jeff Nichols
City Auditor Sharron Walker
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilwoman Klapp

INVOCATION – Mayor Lane requested a moment of silence for the victims of tornados in the Midwest and plains states.

MAYOR'S REPORT – None

CITY MANAGER'S REPORT – None

CITY MANAGER'S REPORT – None

PRESENTATION/INFORMATION UPDATES – None

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

PUBLIC COMMENT

- Patty Badenoch and Darlene Petersen gave a brief presentation on the Community Design Studio.
- Bill Crawford asked the City to move forward with a traffic signal and crosswalk on Camelback Road.
- William Darrah commented on the need for a traffic signal and crosswalk on Camelback Road between Scottsdale and Miller roads.
- Bob Cappel, President of Winfield HOA, asked City staff to work with the HOA and the cities of Carefree and Cave Creek, the Boulders Golf Course, and the Arizona Corporation Commission as they go through the process of closing the Carefree Sewage Treatment Plant.
- Sam West questioned why the City considered selling the Community Design Studio.

ADDED ITEMS

A1. Added Items

The supporting materials for Item No. 24 will be added to the agenda less than ten days prior to the meeting and will require a separate vote to remain on the agenda.

Request: Vote to accept the agenda as presented or to continue the added item(s) to the May 6, 2014 Council meeting.

MOTION AND VOTE – ADDED ITEMS

Councilman Robbins made a motion to accept the agenda as presented. Vice Mayor Korte seconded the motion, which carried 7/0.

MINUTES

Request: Approve the Work Study Session Minutes of March 25, 2014; Strategic Planning Workshop Minutes of April 1, 2014; Special Meeting Minutes of April 8, 2014; Regular Meeting Minutes of April 8, 2014; and Executive Session Minutes of April 8, 2014.

MOTION AND VOTE – MINUTES

Vice Mayor Korte made a motion to approve the Work Study Session Minutes of March 25, 2014; Strategic Planning Workshop Minutes of April 1, 2014; Special Meeting Minutes of April 8, 2014; Regular Meeting Minutes of April 8, 2014; and Executive Session Minutes of April 8, 2014. Councilwoman Klapp seconded the motion, which carried 7/0.

CONSENT AGENDA

1. Burger 21 Liquor License (18-LL-2014)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for a new location and owner.

Location: 7001 N. Scottsdale Road, Suite 172

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210,
tcurtis@scottsdaleaz.gov

- 2. Fry's Food and Drug No. 134 Liquor License (19-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 9S (sampling privileges of a series 9) State liquor license for an existing location and owner.
Location: 6080 E. Thomas Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Fry's Food and Drug No. 5 Liquor License (20-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 9S (sampling privileges of a series 9) State liquor license for an existing location and owner.
Location: 7770 E. McDowell Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. Fry's Food and Drug No. 25 Liquor License (21-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 9S (sampling privileges of a series 9) State liquor license for an existing location and owner.
Location: 7628 E. Indian School Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 5. Sushi Ko Restaurant Liquor License (24-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for an acquisition of control change for an existing series 12 (restaurant) State liquor license.
Location: 9301 E. Shea Boulevard, Suite 126
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Red Kimchi Korean Restaurant Liquor License (25-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 1414 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Permanent Extension of Premises for Roadrunner Lounge (6-EX-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Roadrunner Lounge.
Location: 3219 N. Hayden Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 8. Acquisition of Easements for Trail Improvements**
Request: Adopt **Resolution No. 9675** authorizing the acquisition of public non-motorized access easements within the Scottsdale Road Desert Foothills Scenic Drive corridor from Happy Valley Road to Carefree Highway.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov
- 9. Water and Sewer On-Call Engineering Services Contract Modification**
Request: Adopt **Resolution No. 9699** authorizing On-Call Engineering Services Contract Modification No. 2010-086-COS-A3 with GHD, Inc. to increase the maximum amount allowed per annual term to \$800,000 for water and sewer on-call engineering services.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov
- 10. SkySong Transit-McDowell Road Pedestrian Improvements Engineering Services Contract**
Request: Adopt **Resolution No. 9709** authorizing Engineering Services Contract No. 2014-040-COS with Gavan and Barker, Inc., in the amount of \$94,575, to provide design services for the SkySong Transit-McDowell Road Pedestrian Improvements Project.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov
- 11. Southwest Corner of Bell Road and 108th Street Wireless License Agreement**
Request: Adopt **Resolution No. 9654** authorizing License Agreement No. 2014-024-COS with Verizon Wireless, LLC, permitting the installation and operation of a wireless site at the Water Resources Pump Station 105.
Location: Southwest corner of Bell Road and 108th Street
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov
- 12. HOME Investment Partnership Program Intergovernmental Agreement**
Request: Adopt **Resolution No. 9690** authorizing Intergovernmental Agreement No. 2014-035-COS with Maricopa County, on behalf of the Maricopa Home Consortium, to receive Federal Home Investment Partnership (HOME) Funds in the amount of \$209,178.
Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 13. Polo Championships Horses and Horsepower Event**
Request: Adopt **Resolution No. 9710** to authorize:
 1. Funding in an amount not to exceed \$75,000 from the City portion of bed tax allocated toward event development for the Scottsdale Polo Championships Horses and Horsepower event.
 2. New Event Funding Agreement No. 2014-041-COS with Scottsdale Polo Championships, LLC.**Staff Contact(s):** Paul Katsenes, Community and Economic Development Executive Director, 480-312-2890, pkatsenes@scottsdaleaz.gov

14. WestWorld Food and Alcohol License and Marketing Agreements

Request: Adopt **Resolution No. 9724** to authorize:

1. Contract No. 2013-186-COS-A1, the first amendment to the WestWorld Food and Alcohol License and Marketing Agreement, with National Western Capital Corporation.
2. Contract No. 2013-191-COS-A1, the first amendment to Monterra Food and Alcohol License Agreement, with National Western Capital Corporation.

Staff Contact(s): Paul Katsenes, Community and Economic Development Executive Director, 480-312-2890, pkatsenes@scottsdaleaz.gov

15. Moving Radar Systems Grant

Request: Adopt **Resolution No. 9707** to authorize:

1. Contract No. 2014-038-COS with the Arizona Governor's Office of Highway Safety to accept a grant in the amount of \$29,637.47 for nine moving radar systems.
2. Budget transfer in the amount of \$29,638 from the adopted FY 2013/14 Future Grants Budget and/or the Grant Contingency Budget and the creation of a new cost center to record the related grant activity.

Staff Contact(s): Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov

16. LiveScan Fingerprint System Grant

Request: Adopt **Resolution No. 9708** to authorize:

1. Contract No. 2014-039-COS with the Arizona Governor's Office of Highway Safety to accept a grant in the amount of \$32,000 to purchase a LiveScan Fingerprint System.
2. Budget transfer in the amount of \$32,000 from the adopted FY 2013/14 Future Grants Budget and/or the Grant Contingency Budget and the creation of a new cost center to record the related grant activity.

Staff Contact(s): Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov

17. DUI Taskforce Overtime Grant

Request: Adopt **Resolution No. 9711** to authorize:

1. Contract No. 2013-170-COS-A1, the first amendment to the contract with the Arizona Governor's Office of Highway Safety, to increase the grant award by \$100,000 for DUI taskforce overtime and associated expenses.
2. Budget transfer in the amount of \$100,000 from the adopted FY 2013/14 Future Grants Budget or the Grant Contingency Budget to the Impaired Driving/DUI Alcohol Enforcement Grant.

Staff Contact(s): Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov

18. Emergency Management Applicant Agent Designation

Request: Adopt **Resolution No. 9717** designating the City Treasurer as the City of Scottsdale's Authorized Agent with the Arizona Division of Emergency Management.

Staff Contact(s): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

19. Appointments of Pro Tem Judges for City Court

Request: Adopt **Resolution No. 9722** to approve:

1. The following initial appointments of Pro Tem Judges for a two-year term for the period of May 17, 2014 through May 17, 2016: Savita Kasturi, Susan Kayler, Thomas Scarduzio, Errol Shifman, Edward Southern, and Raymond Vaca.
2. The following reappointments of Pro Tem Judges for a four-year term for the period of May 17, 2014 through May 17, 2018: Charles Adornetto; David Alexander; Alvin Bell; Florence Bruemmer; Douglas Erickson; Timothy Forshey; Biagio Gingo; Robert Howard; Robert Knapp, Jr.; Alicia Lawler; Nancy Lewis; B. Monte Morgan; Taras Naum; Kevin Neal; Michelle O'Hair-Schattenberg; Lori Patrick; Denise Scammon; and Thomas Shaw.

Staff Contact(s): Joseph Olcavage, Presiding Judge, 480-312-2775, c/o jdybas@scottsdaleaz.gov

20. Neighborhood Enhancement Partnership Program Applications

Request: Approve five Neighborhood Enhancement Partnership Program applications recommended by the Neighborhood Advisory Commission and outlined in the Council Report.

Staff Contact(s): Randy Grant, Planning Director, 480-312-2664, rgrant@scottsdaleaz.gov

21. Drainage Easement, Boundary Realignment and Real Property Exchange Agreement and an Agreement and Full Release of Claims

Requests:

1. Adopt **Resolution No. 9714** authorizing Contract No. 1996-140-COS-A1, the first amendment to Drainage Easement, Boundary Realignment and Real Property Exchange Agreement No. 960140, with Corriente Condominiums Homeowners Association and Paradise View Villas Condominiums Homeowners Association, Inc.
2. Adopt **Resolution No. 9713** authorizing Agreement and Full Release of Claims Contract No. 2014-043-COS with Corriente Condominiums Homeowners Association and Paradise View Villas Condominiums Homeowners Association, Inc.

Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

22. Grooms v. City of Scottsdale et al. Offer of Judgment

Request: Adopt **Resolution No. 9721** authorizing the City to extend an Offer of Judgment in the amount of \$55,000 to the Plaintiff in *Grooms v. City of Scottsdale et al.*, Maricopa County Superior Court No. CV2012-092868, or otherwise resolving the pending litigation.

Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

22A. Claim Settlement Agreement

Request: Adopt **Resolution No. 9745** authorizing Contract No. 2014-048-COS for payment in the amount of \$28,000 to settle the claim brought by Aaron Tavena against the City of Scottsdale.

Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

23. Monthly Financial Report

Request: Accept the FY 2013/14 Monthly Financial Report as of February 2014.

Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603,
jmcilroy@scottsdaleaz.gov

24. Network Huts License Agreement

Request: Adopt **Resolution No. 9738** to authorize:

1. The City Manager or designee to execute Network Hut License Agreement No. 2014-047-COS with Google Fiber.
2. The City Manager or designee to execute individual site licenses under the said agreement for specific City land.

Staff Contact(s): Brad Hartig, Information Technology Chief Information Officer, 480-312-7615, bhartig@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilman Robbins made a motion to approve Consent Agenda Items 1 through 24.
Councilwoman Milhaven seconded the motion, which carried 7/0.

REGULAR AGENDA

25. Public Hearing on Community Development Block Grant and HOME Investment Partnership Program Fiscal Year 2014/15 Annual Action Plan

Requests:

1. Solicit public testimony regarding the FY 2014/15 Annual Action Plan for the use of Community Development Block Grant (CDBG) funds in the amount of \$1,233,861 and HOME Investment Partnership Program (HOME) funds in the amount of \$223,446; and
2. Adopt **Resolution No. 9689** to:
 - a. Approve the FY 2014/15 Annual Action Plan (Plan) for the City CDBG Program and authorize the City Manager to execute, on behalf of the City, appropriate certifications and submit the Plan to the U.S. Department of Housing and Urban Development (HUD).
 - b. Authorize the City Manager to execute, on behalf of the City, a contract with HUD for FY 2014/15 CDBG funding and approve the purposes for which the funds may be expended.
 - c. Approve the manner in which the FY 2014/15 HOME funds shall be allocated.
 - d. Approve the reprogramming of remaining CDBG and HOME funds under prior year's funding.
 - e. Approve allocations for CDBG and HOME funds, as recommended by the Human Services Commission and described in Exhibits A and B of the resolution, contingent upon HUD's allocation and the City's receipt of such funds and each sub-recipient's successful performance of its obligations under the CDBG and HOME contracts with the City.
 - f. Authorize the Mayor to execute, on behalf of the City, contracts with agencies to be funded with CDBG and HOME funds for FY 2014/15, contingent upon HUD's allocation and the City's receipt of such funds, and subject to and contingent upon the execution of the HUD grant contracts for FY 2014/15 funding and final negotiation of scopes of work and contract terms with sub-recipients.

- g. Approve the return of program income from the repayment of deferred loans from recipients of the Housing Rehabilitation Program to the City's CDBG Line of Credit or Revolving Loan Fund to be expended on eligible rehabilitation activities.
- h. Approve the return of all other program income from CDBG funded activities to the City's Line of Credit to be expended on other eligible CDBG activities.
- i. Authorize the Community Assistance Manager to execute all documents related to the City's Housing Rehabilitation Program; adjust the allocations of CDBG and HOME funds as necessary based upon final federal funding allocations to the City and program income received; and to execute any other documents and take such other actions as are necessary to carry out the intent of this resolution.

Presenter(s): William Murphy, Community Services Executive Director

Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

Vice Mayor Korte declared a conflict of interest and left the dais (5:45 p.m.).

Community Services Executive Director William Murphy gave a PowerPoint presentation (attached) outlining the Community Development Block Grant and HOME Investment Partnership Program Fiscal Year 2014/15 Annual Action Plan.

Mayor Lane opened public testimony.

- Nancy Cantor, Scottsdale citizen, asked the City to find extra funding for the Duet organization.

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 25

Councilman Robbins made a motion to adopt Resolution No. 9689. Councilwoman Milhaven seconded the motion, which carried 6/0, with Vice Mayor Korte declaring a conflict of interest.

Vice Mayor Korte returned to the dais (6:27 p.m.).

26. State Lobbying Services Contract Extension

Request: Adopt **Resolution No. 9737** authorizing Contract No. 2010-047-COS-A5, with the Aarons Company, LLC, in the annual amount of \$48,000 to provide state lobbying services on behalf of the City for one additional year.

Presenter(s): Brad Lundahl, Government Relations Director

Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov

Government Relations Director Brad Lundahl gave a PowerPoint presentation (attached) highlighting the terms of the contract and the services provided by the Aarons Company.

MOTION AND VOTE – ITEM 26

Councilman Robbins made a motion to adopt Resolution No. 9737. Vice Mayor Korte seconded the motion, which carried 7/0.

27. Tax Equity and Fiscal Responsibility Act of 1982 Public Hearing

Request: Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 hearing to solicit public comments regarding issuing tax-exempt MPC bonds for the Museum of the West that will be operated by an outside 501(c)(3) non-profit entity.

Staff Contact(s): Lee Guillory, Finance Director, 480-312-7084,
lguillory@scottsdaleaz.gov

Finance Director Lee Guillory explained that the IRS requires a TEFRA public hearing because the Museum of the West will be run by an outside 501(c)(3) non-profit entity.

No public comments were received.

28. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial update as of March 2014.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603,
jmcilroy@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the financial status as of March 2014.

29. Review Proposed Fiscal Year 2014/15 Budget

Request: Public hearing, discussion, and possible Council direction to staff regarding the Proposed FY 2014/15 Operating Budget and Capital Improvement Plan.

Presenter(s): Fritz Behring, City Manager

Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603,
jmcilroy@scottsdaleaz.gov

City Manager Fritz Behring gave a presentation on the proposed FY 2014/15 Operating Budget.

Budget Director Judy McIlroy gave a PowerPoint presentation (attached) on the CIP Budget.

Mayor Lane opened public testimony.

The following individuals spoke about Police Officer compensation:

- Jim Hill, Police Officers of Scottsdale Association
- Mike Azoisi, Scottsdale citizen

The following individuals spoke in favor of continuing the Palomino Library agreement:

- Kathy Littlefield, Scottsdale citizen
- Esther O'Brien, Scottsdale citizen
- Melinda Schechner, Scottsdale citizen

Mayor Lane closed public testimony.

MOTION NO. 1 AND VOTE – ITEM 29

Councilman Robbins made a motion to not eliminate the Palomino Library agreement and to direct the City Manager to find the \$400,000 elsewhere in the budget. Councilman Littlefield seconded the motion, which carried 5/2, with Vice Mayor Korte and Councilwoman Klapp dissenting.

MOTION NO. 2 AND VOTE – ITEM 29

Councilman Littlefield made a motion to take the money to keep Palomino Library open out of the Cultural Council allocation. Councilman Phillips seconded the motion, which failed 2/5, with Mayor Lane; Vice Mayor Korte; and Councilmembers Klapp, Milhaven, and Robbins dissenting.

MOTION NO. 3 AND VOTE – ITEM 29

Councilman Phillips made a motion to direct staff to continue with the sale of the three to four excess buildings, excluding the Design Studio. Vice Mayor Korte seconded the motion, which carried 7/0.

MOTION NO. 4 – ITEM 29

Councilman Phillips made a motion to use the money from the \$13M transfer from the General Fund to implement a five-year merit raise system for police and fire. Motion died for lack of a second.

MOTION NO. 5 AND VOTE – ITEM 29

Councilman Robbins made a motion to direct staff to transfer \$13M from the General Fund into the CIP. Councilwoman Klapp seconded the motion, which carried 7/0.

MOTION NO. 6 AND VOTE – ITEM 29

Mayor Lane made a motion to earmark an additional \$100,000 of the Cultural Council money to be used for independent non-profits that provide artistic and cultural events for the City. Councilman Robbins seconded the motion, which carried 4/3, with Vice Mayor Korte and Councilmembers Klapp and Milhaven dissenting.

There was general consensus to cancel the “Review of the Proposed Fiscal Year 2014/15 Budget” scheduled for the May 6, 2014, Regular Council Meeting.

PUBLIC COMMENT – None

CITIZEN PETITIONS

30. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendaize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS

Councilman Littlefield asked the City Manager to look into the Camelback crosswalk issue and report back to Council.

Councilman Robbins asked the City Attorney to provide an update on the Sign Walker Ordinance.

ADJOURNMENT

With no further business to discuss, the Regular Meeting adjourned at 8:10 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

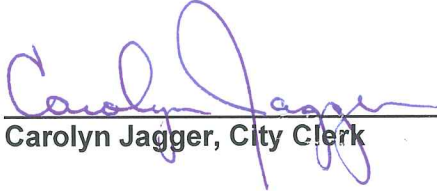
June 3, 2014

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 29th day of April 2014.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 3rd day of June 2014.



Carolyn Jagger, City Clerk

Item 25

Community Development Block Grant (CDBG) HOME Investment Partnership Programs

**Solicit public testimony on
FY 2014/2015 Annual Action Plan and
Adopt Resolution No. 9689**

Community Development Block Grant (CDBG)

- Administered by U.S. Department of Housing and Urban Development (HUD)
- Non-competitive grants to cities over 50,000
- Eligible expenditures include:
 - public services (max. 15%), housing activities, public facilities, economic development, program administration (max. 20%)
- Minimum of 70% of the funds must benefit low- and moderate-income households
- Expenditures must be consistent with the 4/13/2010 approved 5-Year Consolidated Plan

HOME Investment Partnership Program (HOME)

- **Scottsdale's participation in the Maricopa HOME Consortium**
- **The intent of the HOME program:**
 - **to provide decent affordable housing to lower-income households**
 - **expand the capacity of non-profit housing providers**
 - **strengthen the ability of state and local governments to provide housing**
 - **leverage private sector participation**
- **Requires local match funds of no less than 25%**

HUD Requirements

- **FY 2010-2014 5-Year Consolidated Plan – April 13, 2010**
- **Annual Action Plan on the proposed use of all allocated funds**
- **Public participation and public hearings prior to adoption of Plan**
- **Annual Action Plan due to HUD by May 15, 2014**
- **July 1, 2014 starts FY 2014/15 funding**

FY 2014/15 Annual Action Plan Public Process

- | | |
|----------------------|---|
| Sept. 6, 2013 | Notice of Request for Proposals
Published |
| Oct. 3, 2013 | Applicant Orientation – overview of
application process to non-profits |
| Nov. 5, 2013 | Proposal submission deadline |
| Feb. 5, 2014 | Human Services Commission –
Agency presentations |

FY 2014/15 Annual Action Plan Public Process

- | | |
|-----------------------|--|
| Mar 13, 2014 | Human Services Commission – Funding
discussion & informal funding
recommendations |
| Mar 27, 2014 | Human Services Commission - Formal
funding recommendations |
| April 29, 2014 | City Council - Public Hearing
CDBG/HOME |
| May 15, 2014 | Annual Action Plan due to HUD |

CDBG Funding History

FY	Allocation	Annual Reduction
10/11	\$1,261,676	
11/12	\$1,053,079	<\$208,597>
12/13	\$ 942,333	<\$110,746>
13/14	\$ 908,128	<\$ 34,205>
14/15	\$ 895,072	<\$ 13,056>
Reduction of 29% over the last 5 years		<\$366,604>

Alternative Funding - SRPMIC

Salt River Pima Maricopa Indian Community

Proposal Funded:

- Tempe Community Action Agency (TCAA)
*Home Delivered Meals** - \$75,000
Congregate Meals - \$53,280
- Foothills Caring Corps - \$16,771
- Concerned Citizens for Community Health (CCCH) - \$ 22,900

**applied for CDBG*

HOME Funding History

FY	Allocation	Annual Reduction
10/11	\$361,921	
11/12	\$318,560	<\$ 43,361>
12/13	\$237,857	<\$ 80,703>
13/14	\$209,178	<\$ 28,679>
14/15	\$220,405	\$ 11,227
		<\$141,516>

Reduction of 40% over the
last 5 years

Funding Allocations - FY 2014/15

Community Development Block Grant (CDBG)

\$ 895,072 *FY 13/14 Allocation*

\$ 389,752 *Reprogrammed funds*

\$1,284,824 *Total Funds Available*

\$1,054,847 *Awarded for Programs & Services*

\$ 179,014 *Planning & Admin*

\$ 50,963 *Reprogrammed in FY 15/16*

\$1,284,824 *Total Funds Available*

Funding Allocations - FY 2014/15

HOME Investment Partnerships Program

\$ 220,405 *Estimated FY 14/15 Allocation*

\$ 3,041 *Reprogrammed funds*

\$ 223,446 *Total Funds Available*

\$ 209,671 *Awarded for Programs*

\$ 13,775 *Planning & Admin*

\$ 223,446 *Total Funds Available*

Combined benefit of CDBG and HOME programs

- 12 agencies providing 14 different activities to an estimated 630 individuals

Funding Proposals Summary

Fiscal Year 2014/15	Proposals Presented	Funds Available- Programs	Funds Requested	Proposals Recommended for Funding	Amount Awarded
CDBG	16	1,284,824	\$ 1,363,068	13	\$1,054,847
HOME	1	\$209,671	\$285,000	1	\$ 209,671
Total	17	\$ 1,494,495	\$1,648,068	14	\$1,264,518

Recommendations for CDBG - FY 2014/15

Public Services	\$ 149,006
Youth, Domestic Violence Victims, Seniors, Disabled and Homeless	
Non-Public Services - Housing	\$ 604,886
Housing Rehabilitation, Emergency and Roof Repair Programs, ADA Accessibility Modifications	
Non-Public Services- Facilities/Improvements	\$100,955
Improvements to transitional shelter	
Non-Public Services	\$200,000
Economic Development	
Program Administration	<u>\$ 179,014</u>
Total Funds Awarded	\$1,233,861

Recommendation for HOME - FY 2014/15

Housing Acquisition & Rehabilitation	\$ 209,671
Program Administration	<u>\$ 13,775</u>
	\$ 223,446

Adoption of Resolution No. 9689

- Approves FY 2014/15 Annual Action Plan
- Authorizes City Manager to execute a contract with HUD
- Approves the manner in which FY 2014/15 HOME funds are allocated
- Approves reprogramming of remaining CDBG and HOME funds under prior year's funding
- Approves allocations for CDBG and HOME funds as recommended by the Human Services Commission
- Authorizes Mayor to execute contracts with agencies

Adoption of Resolution No. 9689

- Approves return of Program Income from repayment of Housing Rehabilitation Loans to Rehab Program
- Approves return of all other Program City's Line of Credit to be expended on other eligible CDBG activities
- Authorizes the Community Assistance (CAO) Manager to execute all documents related to the City's Housing Rehabilitation Program
- Authorizes the CAO Manager to adjust the allocation of CDBG and HOME funds based upon federal funding allocations
- Authorizes the CAO Manager to execute any other documents and take such other actions as are necessary to carry out the intent Resolution 9689.

Item 26

State Lobbying Contract

April 29, 2014

State Lobbying Contract

- The City's current state lobbying contract is with *The Aaron's Company*.
- Contract was awarded through the competitive bid - RFP process.
- City Council approved original contract on May 4, 2010.

State Lobbying Contract

- Five year contract, renewable each year by vote of the City Council.
- This will be the fifth and final year of the five year contract.
- Annual fee: \$48,000 (no reimbursable expenses)

State Lobbying Contract

Recommendation:

Adopt **Resolution No. 9737** authorizing **Contract No. 2010-047-COS-A4** providing a one-year extension of state lobbying services with The Aarons Company at annual fee of \$48,000.

Option B:

Do not adopt Resolution No. 9737 authorizing Contract No. 2011-047-A5 and direct staff to provide the services from existing staff resources.

Item 28

Monthly Financial Update

As of March 31, 2014

City Council
 April 29, 2014
 Prepared by: City Treasurer

General Fund Operating Sources March 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Sources Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$61.6	\$64.4	\$69.6	\$67.5	\$2.1	3%
0.1% Public Safety	6.0	6.3	6.8	6.6	0.2	3%
State Shared: Sales Tax	12.5	13.1	14.0	13.9	0.1	1%
Revenue	13.8	16.7	18.2	18.2	-	-
Auto Lieu Tax	5.6	5.0	5.8	5.8	-	-
Property Taxes (Primary)	16.1	16.2	16.4	16.6	(0.2)	(1%)
Franchise Fees/In-Lieu Tax	7.9	8.1	8.4	8.1	0.4	5%
Other: Licenses, Permits & Fees	6.2	6.1	6.5	6.4	0.1	1%
Fines & Forfeitures	5.4	5.0	4.8	5.2	(0.4)	(7%)
Miscellaneous	6.7	6.5	5.2	4.1	1.1	28%
Building Permits	6.0	8.4	11.6	6.8	4.7	69%
Interest Earnings	0.7	1.0	1.4	0.7	0.6	83%
Indirect Cost Allocations	6.4	5.3	4.9	4.9	-	-
Transfers In	7.7	5.5	5.4	5.5	(0.1)	(3%)
<i>Subtotal Operating Sources</i>	<i>\$162.6</i>	<i>\$167.6</i>	<i>\$178.8</i>	<i>\$170.1</i>	<i>\$8.7</i>	<i>5%</i>
Bond Proceeds*	-	31.3	-	-	-	-
Bed Taxes (gross)	8.6	-	-	-	-	-
<i>Total Operating Sources</i>	<i>\$171.2</i>	<i>\$198.8</i>	<i>\$178.8</i>	<i>\$170.1</i>	<i>\$8.7</i>	<i>5%</i>

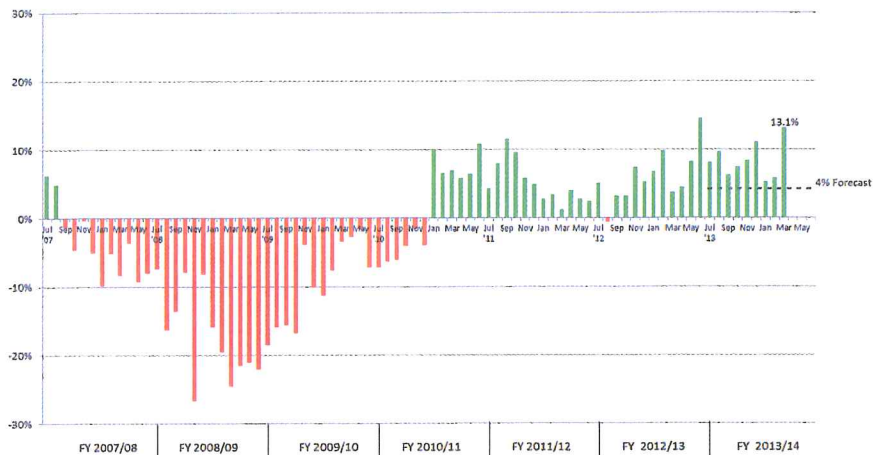
* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax March 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 13/14 Budget	Actual vs. Budget Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$10.2	\$10.6	\$11.5	\$11.2	\$0.3	3%
Large retail stores	6.8	6.8	6.8	7.1	(0.2)	(3%)
Misc goods & services	4.3	4.8	5.5	4.9	0.5	11%
Grocery & convenience	4.7	4.6	4.9	4.9	-	-
Auto sales & maintenance	6.9	7.9	9.0	8.6	0.4	5%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	2.8	2.9	3.2	3.0	0.1	5%
Restaurants & bars	5.5	5.7	6.0	5.9	0.1	2%
<u>Business:</u>						
Construction	6.1	6.4	8.0	7.3	0.6	10%
Rental	8.9	9.4	9.3	9.3	-	-
Utilities	3.4	3.4	3.4	3.4	(0.1)	(2%)
Licenses, penalties/interest	2.0	1.8	2.0	1.9	0.1	6%
<i>Total 1.0% Sales Tax</i>	\$61.6	\$64.4	\$69.6	\$67.5	\$2.1	3%

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change



General Fund Operating Uses: by Category March 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$86.3	\$86.5	\$88.9	\$89.0	\$ 0.1	0%
Overtime	4.9	5.3	5.9	5.0	(1.0)	(20%)
FICA	6.0	5.9	6.1	6.1	-	-
Retirement	10.5	12.1	13.3	13.3	-	-
Health/Dental & Misc	10.3	11.3	11.7	12.0	0.3	2%
<i>Total Personnel Services</i>	<i>\$118.0</i>	<i>\$121.1</i>	<i>\$126.0</i>	<i>\$125.3</i>	<i>(\$0.6)</i>	<i>(1%)</i>
Contractual, Commodities, Capital Outlay						
	37.4	40.6	43.9	48.5	4.6	9%
<i>Total Operating Expenses</i>	<i>\$155.5</i>	<i>\$161.7</i>	<i>\$169.9</i>	<i>\$173.8</i>	<i>\$3.9</i>	<i>2%</i>
Debt Serv. & Contracts	7.3	34.2**	1.6	1.6	-	-
Transfers Out	8.8	3.4	0.4	0.4	-	-
<i>Total Operating Uses</i>	<i>\$171.6</i>	<i>\$199.3</i>	<i>\$172.0</i>	<i>\$175.9</i>	<i>\$3.9</i>	<i>2%</i>
*Pay Periods thru March:	20	20	20			

** Includes the Nordstrom Garage Lease Payoff

General Fund Operating Uses: by Division March 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$12.9	\$13.5	\$13.6	\$14.2	\$0.6	4%
Administrative Services	10.5	10.8	11.4	11.8	0.4	4%
Comm. & Econ Development	18.3	17.8	18.4	18.7	0.3	1%
Community Services	22.9	24.3	24.5	25.1	0.6	2%
Public Safety	8.0	8.4	9.1	9.5	0.4	4%
Public Safety - Fire	18.3	19.8	21.8	22.0	0.2	1%
Public Safety - Police	53.6	54.6	57.4	57.4	-	-
Public Works	11.1	12.5	13.6	15.1	1.4	10%
<i>Total Operating Expenses</i>	<i>\$155.5</i>	<i>\$161.7</i>	<i>\$169.9</i>	<i>\$173.8</i>	<i>\$3.9</i>	<i>2%</i>

General Fund Results: Summary March 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 13/14 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sources	\$171.2	\$198.8*	\$178.8	\$170.1	\$8.7	5%
Uses	171.6	199.3*	172.0	175.9	3.9	2%
Change in Fund Balance	(\$0.4)	(\$0.4)	\$6.8	(\$5.8)	\$12.6	

* The Nordstrom Garage Lease Payoff paid for with bond proceeds.

General Fund Operating Sources March 2014

(in millions: rounding differences may occur)

Sources Category	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 13/14 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$7.0	\$7.3	\$8.3	\$7.8	\$0.5	6%
0.1% Public Safety	0.7	0.7	0.8	0.8	-	-
State Shared: Sales Tax	1.3	1.4	1.5	1.5	-	-
Revenue	1.5	1.9	2.0	2.0	-	-
Auto Lieu Tax	0.6	0.6	1.0	0.7	0.3	44%
Property Taxes (Primary)	1.1	1.0	1.0	1.1	(0.1)	(10%)
Franchise Fees/In-Lieu Tax	0.0	0.0	0.0	0.0	-	-
Other: Licenses, Permits & Fees	0.9	1.0	1.0	0.9	0.1	12%
Fines & Forfeitures	0.7	0.6	0.6	0.6	-	-
Miscellaneous	0.8	0.4	0.4	0.3	0.1	38%
Building Permits	0.6	1.0	1.3	0.8	0.5	69%
Interest Earnings	0.0	0.2	0.2	0.1	0.1	98%
Indirect Cost Allocations	0.7	0.6	0.5	0.5	-	-
Transfers In	0.6	0.5	0.5	0.5	-	-
Subtotal Operating Sources	\$16.6	\$17.2	\$19.2	\$17.6	\$1.6	9%
Bond Proceeds	-	-	-	-	-	-
Bed Taxes (gross)	1.6	-	-	-	-	-
Total Operating Sources	\$18.2	\$17.2	\$19.2	\$17.6	\$1.6	9%

General Fund Operating Uses: by Division March 2014

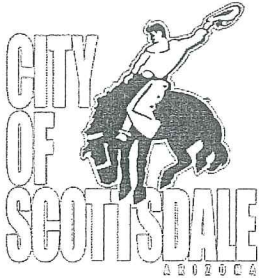
(in millions: rounding differences may occur)

Division	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$1.9	\$1.8	\$1.6	\$1.3	(\$0.3)	(22%)
Administrative Services	1.4	1.4	1.2	1.2	-	-
Comm. & Econ Development	2.2	2.3	1.7	1.8	0.1	7%
Community Services	3.4	3.2	2.4	2.5	0.1	5%
Public Safety	1.2	0.9	0.9	1.0	0.1	7%
Public Safety - Fire	2.7	2.8	2.3	2.3	-	-
Public Safety - Police	7.8	7.7	5.7	5.9	0.3	4%
Public Works	1.3	1.9	1.3	1.5	0.2	13%
<i>Total Operating Expenses</i>	<u>\$21.9</u>	<u>\$22.0</u>	<u>\$17.0</u>	<u>\$17.5</u>	<u>\$0.5</u>	<u>3%</u>

General Fund Results: Summary March 2014

(in millions: rounding differences may occur)

	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$18.2	\$17.2	\$19.2	\$17.6	\$1.6	9%
Uses	27.3	22.4	17.0	17.5	0.5	3%
Change in Fund Balance	<u>(\$9.0)</u>	<u>(\$5.2)</u>	<u>\$2.2</u>	<u>\$0.1</u>	<u>\$2.1</u>	



**Proposed
FY 2014/15
Operating & Capital
Budget**

April 29, 2014 City Council Meeting



**Per City Council requests made at the
April 8, 2014 meeting -- the following
information has been provided to City
Council:**

- Deferred maintenance detail for Parks & Rec and Facilities
- Library Data/Statistics



FY 2014/15 Proposed CIP – General Fund Projects

FY 2013/14 Carryover Projects (re-budgets)	\$ 28.4 *
FY 2014/15 Planned Projects	\$ 4.4
FY 2014/15 Amended Projects	\$ 0.4
FY 2014/15 New Projects	\$ 7.0
TOTAL	\$ 40.2 million

*Five Crossroads East Stormwater Projects totaling \$12.2M will be moved from FY 2014/15 to FY 2016/17 and FY 2017/18 in the Tentative Budget to better reflect the timing in which those projects are anticipated to be implemented.

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FY 2014/15 Proposed CIP – GF Projects

	Re-budgets	Planned/ Amended	New	Total
Community Facilities	\$ 3.7	\$ 0.1	\$ 4.1	\$ 7.9
Preservation	\$ -	\$ -	\$ -	\$ -
Drainage & Flood Control *	\$ 16.3	\$ 0.4	\$ -	\$ 16.7
Public Safety	\$ 4.5	\$ 1.0	\$ 2.7	\$ 8.2
Service Facilities	\$ 3.9	\$ 3.3	\$ 0.2	\$ 7.4
Transportation	\$ -	\$ -	\$ -	\$ -
Water Management	\$ -	\$ -	\$ -	\$ -
Total	\$ 28.4	\$ 4.8	\$ 7.0	\$ 40.2

*Five Crossroads East Stormwater Projects totaling \$12.2M will be moved from FY 2014/15 to FY 2016/17 and FY 2017/18 in the Tentative Budget to better reflect the timing in which those projects are anticipated to be implemented.

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**Proposed CIP General Fund Budget
FY 2014/15 – 2018/19 (in millions)**

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	5-Yr Total
Various Community Facility Projects	3.4	-	-	-	-	3.4
Various Public Safety Projects	1.0	-	-	-	-	1.0
* Granite Reef Watershed	3.5	3.5	-	-	-	7.0
Crossroads East Stormwater **	12.9	-	-	-	-	12.9
Scottsdale Stadium Infrastructure	0.4	0.1	0.1	0.1	0.1	0.7
* Facilities Repair & Maintenance	3.5	2.0	1.5	1.9	1.8	10.7
Various IT Projects	1.3	-	-	-	-	1.3
Public Safety Radio System Phase I	3.2	-	-	-	-	3.2
Crime Lab Equipment Replacement	0.2	0.1	0.2	0.2	0.3	1.1
Citycable Audio/Video Equipment Repl.	0.1	0.2	-	0.2	0.1	0.5
* Police Portable & Vehicle Radio Repl.	1.1	0.5	0.1	1.0	1.1	3.8
* IT-Network Infrastructure	0.7	0.3	0.3	0.3	0.4	2.0
* IT-Server Infrastructure	1.7	0.9	0.6	0.3	1.7	5.1
* Public Safety Radio Lifecycle	-	0.7	1.3	0.2	0.2	2.4
* Fire Department Radios	2.0	-	-	-	-	2.0
* Indian Bend Wash Lakes	3.2	-	-	-	-	3.2
* Ball Field Lighting	0.9	-	-	-	-	0.9
* Neighborhood Stormwater Management	0.4	0.5	0.5	0.5	0.5	2.3
* Payroll System Replacement	0.2	0.1	-	-	-	0.2
* Relocate and Build FS613	0.7	-	5.0	-	-	5.7
Total Expenditure Budget	40.2	8.7	9.6	4.7	6.2	69.4

*Top 12 projects

**Five Crossroads East Stormwater Projects totaling \$12.2M will be moved from FY 2014/15 to FY 2016/17 & FY 2017/18 in the Tentative Budget to better reflect the timing in which those projects are anticipated to be implemented.



**FY 2014/15 City Council Policy Decisions – Operating
And Direction I am Looking For Tonight:**

- | | | |
|--|-----|----|
| 1) Eliminate Palomino Library Agreement | Yes | No |
| 2) Sale of 3-4 Excess Buildings
(No Longer Considering Sale of Community Design Studio) | Yes | No |
| 3) \$13.0M Transfer from General Fund to CIP | Yes | No |
| 4) Other Topics and/or Modifications
to Proposed Budget | Yes | No |



City Council Budget Review Schedule

Tue., May 6	Public Hearing, Council Discussion (If needed)
Tue., May 13	Public Hearing and Tentative Budget Adoption
Tue., June 3	Public Hearing and Final Budget Adoption; Truth in Taxation Hearing
Tue., June 17	Public Hearing and Final Adoption of Tax Levies