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#### **CALL TO ORDER**

[Time: 00:00:01]

Mayor Lane: Good afternoon, everyone. It's nice to have you here. We are good to start. And I will call to order our April 28<sup>th</sup>, 2015, city council meeting. I will start with a roll call, please.

#### **ROLL CALL**

[Time: 00:00:13]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: City Manager Fritz Behring.

City Manager Fritz Behring: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

[Time: 00:00:36]

Mayor Lane: Thank you. A couple of items of business to attend to. We do have cards if you would like to speak on any of the items on the agenda. These are the white cards that the city clerk has over her head to my right. And that will be for any item on the agenda, also for public comment. We do have yellow cards which are now over the city clerk's head right now for any written comments would you like to give us on any agenda item which we can read during the proceedings. We do have Scottsdale officers Tom Cleary and Jason Glenn right here in front of us, in front of me, but nonetheless, they are here if you need their assistance on anything. We do have areas behind the council that are restricted to the council and the staff members but we have facilities over here under the exit sign to my left.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:28]

Mayor Lane: We are honored today to have the Brownie Troop 194 and their leader Priscilla Sanders who are here to lead us in the pledge. Ladies if you move to the microphone. And if you can stand, please for the pledge. Start any time you are ready.

Brownie Troop 194: 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, ladies. If you will, turn that microphone around, as has already been done and introduce yourself and let us know where you go to school and what your favorite subject is.

Alex: My name is Alex. I go to Hohokam and my favorite subject is science.

Ava: My name is Ava and I go to Hohokam, and my favorite subject is art.

**INVOCATION**

[Time: 00:02:34]

Mayor Lane: Thank you very much. The Invocation this evening, we would like to welcome Senior Pastor Don Benton from the Scottsdale United Methodist Church to provide the invocation. Pastor?

Senior Pastor Don Benton: Thank you, mayor and council. Let us all take a big, deep breath and go into a moment of silence. Holy creator, we ask special blessings on tonight. May we remember the past and the strength that it's given us in this time and place. Let us remember the present, as what we do tonight will affect so many lives, and let us remember and move forward to the future, that your blessings will expand well beyond the borders to doing your will. In all grace and blessings, we hold in your name amen.

Mayor Lane: Amen. Thank you, pastor.

**MAYOR'S REPORT**

[Time: 00:03:50]

Mayor Lane: I've got -- maybe a couple of things I would like to talk about. I will start with just by saying that last week, the city of Scottsdale was named new way to work global ambassador by unity, a leading software and services firm. This ambassador program honors organizations that recognize the impact of global business trends, prioritize new communication strategies and embrace new technologies. The City and its I.T. department recently streamlined its technology and communications strategy, allowing employees to communicate throughout Scottsdale in the most

efficient ways possible. We are pleased to represent the community as a leader in communications and collaborations and just want to say "attaboy" and "attagirl" to the I.T. department for what you do in that regard. Thank you very much.

Also just a note that came to me today, and I had not seen it previously, but any of you that are engaged or interested with regard to how we fare with the Cactus League Spring Training of all the 15 teams here in the valley, and I've been informed this is on reliable information from a great publication, the Phoenix Business Journal. I hadn't seen it previously but as teams go our Giants, here at Scottsdale stadium, we're number one. So we really are very proud of that. And they obviously did a great job in bringing the World Series championship back to Scottsdale for the season. So that was a helpful item as well, but having beat out and dare I say the Diamondbacks and the Cubs in that standing is really quite an accomplishment, even though they are always right up there. It was pretty good.

So we have a presentation tonight. We have a donation of the old town cowboy sign, and we have Ben Moriarity from our downtown specialist to tell us about that. Ben?

#### **PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:05:55]

Downtown Specialist Ben Moriarity: Thank you, Mayor Lane and council, Ben Moriarty, representing tourism and events tonight. The Scottsdale Area Chamber of Commerce has donated a cowboy sign located on the northeast corner of Main Street and Scottsdale Road. In 1952, it was installed by the chamber. It was to direct people to the chamber offices, welcome them to old town, and also to list community events that were happening in Scottsdale.

Since the Chamber has moved multiple times, and the variable sign has been changed to be a standard sign that says "welcome to old town Scottsdale," it's still a very iconic sign, and it represents the southwest heritage of Scottsdale, and it's a very important historic piece of our community. We want to thank the chamber for donating the sign and maintaining it for 60 plus years. We also want to thank Patty Badanoch for volunteering her time to repaint the cowboy and restore it to its glamorous nature. Thank you. We really appreciate it.

Mayor Lane: Well, thank you, Ben. And thank the Chamber for finally, after all of these years, turning it back over to the city. No. But thank you for that.

#### **PUBLIC COMMENT**

[Time: 00:07:29]

Mayor Lane: Okay. Next order of business is public comment. And this is a time that's reserved for citizens' comments for items that are non-agendized and there will be no official action taken on these items. And the speakers are limited to three minutes, with a maximum of five speakers. We

have three speakers at this point in time, and there will be another occasion for public comment at the end of the meeting if it's needed. So right now, as I said, three, three minutes each and we will start with Patricia Travis.

Patricia Travis: Good evening. My name is Patricia Travis, 353845 East Greenway Road, Phoenix, Arizona, 85032. I'm here to discuss photo radar, not a specific incident but the situation regarding access to information for citizens. I wanted some information on photo radar system itself, statistics on various cameras, et cetera. I first went to the main police station, just a few doors from here. No one there knew where to send me. I was told to see the person at some desk in the back, and she couldn't give me any answers to my questions but she did tell me that the photo radar unit was located at McKellips and gave me the address. I was told that the people there were only there on Monday, Wednesday and Thursday. I went back to visit them the next Thursday. I was told that to get the statistics I was requesting, I would need to submit a freedom of information request. I asked how I should do that and was given no direction. I came back to city hall and asked. No one knew how to get this done. I was then sent to the business department. No one there knew how to help me but I was directed to traffic enforcement. I must admit, traffic enforcement was the most helpful place I visited and I was finally sent to the Scottsdale police records division on Indian School. There I placed my request. Five weeks later, I was given a readout that was not the statistics I had requested. I was told that to get any further information, I should call Brandy Backer at American Traffic Solutions, a private company contracted with the city. I placed seven calls to Ms. Backer, none of which were returned. Someone at the records division also placed a call to Ms. Backer on my behalf. Her call was not returned. I was told in a written form by Dennis Harrison that to see the maintenance records of photo radar, I would have to get a subpoena. That was very intimidating. I did personally speak with Mr. Harrison last Wednesday, but the information I was requesting was still unavailable to me. As beautiful as this city is, it's unsettling to feel that you are being monitored by a black box into which you have no access or insight, a black box I might add and have been told is generating millions of dollars. I'm asking this body to set up one window some place in the city available to the public that can be a central conduit of information on the photo radar operation. The location could have specific hours and its location should be common knowledge to all the locations that people would go looking for information. If someone asks for information, they can literally be told where to go. Seriously, there's no reason for the public ever to hear, I don't know, or you need a subpoena for that.

[Time: 00:11:46]

Mayor Lane: Thank you, Ms. Travis. Next would be Dimitris Kampos.

Dimitris Kampos: My name is Dimitri Kampos, I live on Chaparral Road, 85253. At this time, I am in litigation with a business that I'm partnered with. On 2/19, 2015 at approximately 11 a.m., my attorney, Jim Pak sent an email to my business partner's attorney, Lisa Borowsky. In this email, he stated that we were going to report the illegal activity to the police that was conducted by Arthur Craig Schaffer. On 2/19/2015, approximately seven hours later at 6 p.m., I called the nonemergency number 480-312-5000. I provided my name, phone number and then I was informed that an officer would be calling me back. At approximately 9:30 p.m., no one at this time had called me back. So I

called a nonemergency number and spoke to Barbara. And Barbara gave -- I gave Barbara my name and she proceeded to tell me how it was all handled. I said how can it be handled if no one has contacted me to discuss why I was calling in the first place. Barbara said it was taken care of. She insisted that it was finished. There is more to the situation. I have approximately 20 calls since that time, since 2/19/2015, and the situation has fallen on deaf ears. My business partner is Todd Borowsky and his representative is Arthur Craig Schaffer. And my business partner's lawyer is Lisa Borowsky his sister. Arthur Craig Schaffer who committed the activities which were a blatant violation of Arizona law. He's a long-term romantic relationship with Lisa Borowsky. I'm frustrated and disappointed with the situation at hand. I'm turning to the whole council because I don't know what to do at this point. I want to thank the council for listening to my situation and I'm looking forward to a fair and just resolution to my situation. Thank you.

[Time: 00:14:21]

Mayor Lane: Thank you, Mr. Kampos. Next and final would be -- I believe, it's Brandie Reiner.

Brandie Reiner: Thank you. My name is Brandy and I'm here tonight representing H.R.C. Arizona where we have over 400,000 members in the state locally. Unfortunately, more than 70% of Arizonans still lack the basic legal protection from discrimination at home, at work, and in the public places that includes residents and visitors to Scottsdale. While I thank you all for your decision to promote diversity in Scottsdale, by marketing the unity pledge, a great tool for promoting diversity. It's simply a proclamation. We need real legislation that holds everyone accountable, from landlords, managers, to restaurant servers. No one deserves to be treated differently because of who they are or whom they love. On March 31<sup>st</sup>, you heard from the business community asking to be regulated on this. You also heard from clergy and Scottsdale residents about why a nondiscrimination ordinance in Scottsdale is important. Thank you to Councilmembers Korte and Milhaven for understanding the request from the business community and the faith leaders to ensuring that in Scottsdale everyone is protected equally. Today I bring with me 100 postcards from people who live, work, have family, and visit Scottsdale on a regular basis. They are asking you to support a nondiscrimination ordinance in Scottsdale and I urge you, please reconsider moving forward with the public outreach process for a nondiscrimination ordinance in Scottsdale. Thank you for your time.

Mayor Lane: Thank you, Ms. Reiner. That completes the requests for public testimony, requests to speak on the public comment side.

## **MINUTES**

[Time: 00:16:38]

Mayor Lane: So the next course of action, order of business, I should say is the approval of minutes and I ask if we have a motion rather to approve the work study session minutes of March 31<sup>st</sup>, 2015.

Councilwoman Klapp: So moved.

Vice Mayor Milhaven: Second.

Mayor Lane: Moved and seconded. No further comment or question about that. So all of those in favor please indicate by aye. Those opposed with a nay. And register your vote. It's unanimous approval of the minutes. Thank you very much.

**CONSENT AGENDA**

[Time: 00:17:09]

Mayor Lane: Now we will move on to the consent items. Now, consent items are items 1 through 15 and we have actually, I believe, item 9 as moved to regular agenda on the stayed agenda. So that has been completed but item 9 from consent has been moved to the regular agenda. I'm sorry -- yes. And then item 15, which is the project administration and reimbursement of eligible costs for Proposition 400 funds, intergovernmental agreements amendments, item 15 also been requested by councilwoman Littlefield to move to the regular agenda. So both of those items will be moved to the regular agenda.

Councilwoman Littlefield: Mayor?

Mayor Lane: Yes.

Councilwoman Littlefield: Item 10

Mayor Lane: Certainly, item number 10, which is the fire station number 613 architectural services contract, and that's a request to adopt resolution 10091, to contract with the Arrington Watkins architect in the amount of \$398,000 to provide design services for fire station 613. And to initiate a municipal use master site plan. That too will be moved to the regular agenda. So with those items removed, I would ask if there are any comments. I see none and we have no cards on any of those items within that group. Just a final confirmation on that. Seeing none. So I'm ready then for a motion to approve consent items minus items 9, 10 and 15.

Councilmember Korte: Mayor. I move to accept consent agenda items 1 through 15, with the exception of number 9, 10, and 15.

Councilman Phillips: Second.

Mayor Lane: A motion has been made and seconded. Seeing that there's no other request for comments on those, we are now ready then to vote on those. All of those in favor of the consent items as has been moved please indicate by aye and register your vote aye. It's unanimous, 7-0. The consent items 1 through 15, minus, 9, 10, and 15 have been accepted. So if you are here for any of those items, you are certainly welcome to stay, otherwise if you could, please leave quietly. And we'll move then on to the regular agenda items, which now include 9, 10, and 15. And items -- well -- and the balance of it through item 19.

**ITEM 9 – APACHE PARK REAL ESTATE SALE AGREEMENT**

[Time: 00:20:14]

Mayor Lane: We will start with item 9 which is Apache real estate sale agreement. And we have Mr. Worth our public works director here to present on that.

Public Works Director Dan Worth: Good evening mayor and council. This action is a request for your approval for the purchase of a piece of real estate for the Granite Reef storm water project. This is an outline of the area that we are proposing to purchase. The site is south of McDowell Road, east of Granite Reef. It's the old Apache School or a portion of the old Apache School. It's owned by the Scottsdale Unified School District and that's who we would be purchasing a portion of the property from. You can see the area outlined in red. It's largely green turfed area.

It's currently operated by the city as Apache Park, under the terms of intergovernmental agreement between the city of Scottsdale and Scottsdale Unified School District. The areas to the north and to the east of it are still used by the school district for various programs. The parking lot to the east of the parcel that we are looking to buy is jointly used by both the park and the remaining school buildings.

The purpose for buying this parcel is to use as a retention basin, as part of the Granite Reef watershed project, just for a refresher. Granite Reef watershed has been in the C.I.P., it's been this for a number of years. It's a large and expensive project. The purpose of the project is to mitigate what is now a federally determined floodplain flood risk area. The area of the floodplain is outlined in brown on the graphic. There are somewhere in the neighborhood of 400 to 500 separate structures, many of them residential, single family homes that are located within that floodplain, most of whom are playing mandatory flood insurance to mitigate against the risk of their properties. This project is intended to provide a structural solution that will remove that risk.

In the past, we have talked about this project consisting of a very large park underneath Pima Road to the southern extent of and actually this corner here is part of the Salt River Pima Indian community. And then it would go across the Salt River Pima Maricopa Indian community to the Salt River to the south. That was the intent when we originally formulated. We are looking at an alternative concept that stays a look at existing storm water structures that can move some flow into the Indian Bend Wash and take advantage of a couple of locations, former Apache School property being one of them.

Another location possibly up at Thomas Road, where the city could place some strategically positioned detention basins and solve the flooding problem at considerably left cost than what we originally envisions with a pipe down Pima Road. The purchase of this property is an integral part of that solution, and it will allow us to move forward and achieve a pretty significant benefit with regard to the goals of that project.



The funding for the project -- and this is funding that's in the C.I.P., it's an approved project in our C.I.P. We have an I.G.A. that you recently approved with the Maricopa County Flood Control District for 50% of the project funding for right-of-way design and construction. We would be reimbursed under the terms of that I.G.A. for a portion of the purchase price if you approved the purchase of the land today. We also have an agreement with the Salt River Pima Maricopa Indian community to split the remaining costs of the project that are not covered by the county flood control district. They pay 60% of the remaining costs, 30% of the total project costs. We would be reimbursed for a portion of the purchase price by the Salt River Pima community under that I.G.A. and then you can see what we have allocated against the project to cover the city of Scottsdale's portion.

The determination of the cost, the purchase price for this parcel, we are proposing to buy the parcel for just over \$2 million. It's 202,000 square feet at \$10 per square foot. We did an appraisal with a certified appraiser. The school district went out and independently got an appraisal done for the property. We both came up with the same dollar per square foot value which is a very rare occurrence but it happened in this case. So it was easy to negotiate a price. We settled on \$10 per square foot. The size of the proposed purchase has varied slightly. We had asked for a slightly smaller parcel. The school district wanted to broaden it to include the rest room building that's associated with the park. We take care of it any way under the terms of I.G.A. We agreed to add that square footage and then we agreed to actually reduce the square footage that we were buying because the school district wanted to have the purchase price come out to exactly \$2,222,000. That's what we arrived at for the area and the purchase price, again, it's the \$10 per square foot. And with that I will answer any questions that you may have.

Mayor Lane: Thank you, Mr. Worth. We appreciate that clarification and that information.  
Councilman Phillips?

Councilman Phillips: Thank you, mayor. Well, the reason I pulled this and I'm going to have to make a story about this so you understand what's going on. But, you know, a few weeks ago, a couple of months ago even, when the city manager said that we were going to sell the McKnight Building a property just east of us, because we are not really using it, and we are going to sell that and we are going to put it into our budget. And the council decided to go ahead and do that and we did that. And so we put it up for sale.

Well, a couple of weeks ago, it comes up for approval in our consent agenda that the Scottsdale Unified School District decided to buy it for \$2 million. I sent Mr. Worth an email and I cc'd the city manager and I said is this part of this land swap that I heard about back when Jennifer Peterson was running for city council. They were going to buy our property and get this building by the city hall and we were going to buy their property somewhere? And I believe Mr. Worth sent me an email back saying, no, there is no land deal. There is no land swap. They just happened to be the ones to buy our building. So I said, okay, fine. Thank you very much.

Lo and behold, two weeks later, tonight, here it is, we are buying their property for \$2 million. This is a sweetheart deal of the year! SUSD is getting the McKnight property basically for free because they are buying it for \$2 million and we are turning around and giving them back \$2 million for basically

what constitutes swamp land because it will be a retention basin. That's why I pulled this tonight.

And Mr. Worth, I understand we have a flood control project and you had ideas on how to work on it. The original one was going to go down Pima Road. The new one now is going to go into this and make it a flood retention. The agreements that we made to do that and the money allocated for that, that's to do the pipeline. It's not to do anything with that property. Even if we had to dig it down to make it a flood control, we don't have to buy that property to do it. We already have an agreement with the school and if this is for the best interest of the city of Scottsdale, then we can go ahead and make that a flood retention, leave it as a park and not have to buy this property. So I can't understand why this would come to us tonight saying that we have to buy this property.

Public Works Director Dan Worth: Mayor, Councilmember Phillips there are several points that I need to address. You are correct, we brought you an action on the consent agenda several weeks ago for the sale of an excess property, the McKnight Building that you referred to. That property was not bought by the school district. That property was bought by an individual. In fact, we just closed that sale this week. We received \$2.9 million for that purchase that was done at auction. We had a lively bidding war between a couple of different individuals for that property. It has nothing to do with the Scottsdale Unified School District.

Councilman Phillips: The Council agreed to sell it to the school.

Public Works Director Dan Worth: The school district is not the buyer.

Councilman Phillips: So when did that happen? When did that come back to council and say, hey we have a different buyer?

Public Works Director Dan Worth: We have never engaged in discussions to sell the McKnight Building to the school district. We have an item on a future agenda where we will bring you an action to sell what used to be the H.R. building, a smaller, older building on Main Street to the school district. The McKnight building was sold to a different entry.

Councilman Phillips: Can you say who that was?

Public Works Director Dan Worth: I can't tell you off the top of my head but I can certainly provide that information.

Councilman Phillips: I appreciate that.

Public Works Director Dan Worth: The money you mentioned was allocated for the pipeline in Pima Road. It was certainly envisioned to be used to build a pipeline on Pima Road when we had our initial discussions with the Salt River Pima Community and the Flood Control District. But subsequent discussions with both entities they are very happy to have that money go towards a cheaper solution to achieve the same results. They are not demanding and they are both fully aware of the changes. They are not demanding that we use it for a pipeline. They are both in full agreement to pursue this

alternate concept using the detention basins in some of our existing structures.

And then the third point I want to address, we don't own the property that we are proposing to buy and it may seem like a kind of a circular statement, but we operate a park on that property, under the terms of an agreement with the current owner, Scottsdale Unified School District. Under the terms of that agreement, all we can do is operate a park. We cannot excavate a hole and turn that park into a flood control structure. We could alternatively attempt to associate an agreement, which I'm certain would involve some payment to allow that additional use. We have decided to obtain key title so that we can use it for two different things, a flood control basin and we would continue to use it as a park. What we envision is excavating the site like we have done at several other parks and replaced the park in the bottom of the basin. But we could not do that under the terms of the existing I.G.A. All we are allowed to do is operate that as a park.

Councilman Phillips: Okay. Well, even so, I think if it's for the good of the community we can go ahead and make that a flood retention basin whether the school likes it or not. So if we are just being good sports and buying their property from them, that's one thing but I don't think we need to buy that property. If we have to have that for flood retention, we can go ahead and do that.

[Time 00:32:58]

Councilman Phillips: So with that, I'm going to make a motion not to adopt resolution number 9852.

Councilwoman Littlefield: Second.

Mayor Lane: Motion has been made and seconded by Councilwoman Littlefield. Would you like to speak towards that second, councilwoman?

Councilwoman Littlefield: No.

Mayor Lane: A motion has been made and seconded. Vice Mayor Milhaven, would you like to speak?

Vice Mayor Milhaven: No

Mayor Lane: Okay. In that case we do have a motion and a second. So we are ready to vote on that since there are no other comments on it. All of those in favor of the motion please indicate by aye and those opposed with a nay. Nay. The motion fails 6-1 with Councilman Phillips in the affirmative. So okay. So that motion did not prevail. So we will go to Vice Mayor Milhaven.

[Time: 00:33:52]

Vice Mayor Milhaven: Thank you, I would like to make a motion to adopt resolution 9852, authorizing real estate agreement 2014-120-C.O.S. with the Scottsdale Unified School District number 48 in the amount of \$2,022,000.

Councilmember Korte: Second.

Mayor Lane: All those in favor with an aye and those opposed with a nay. The motion passes 5-2 with Councilwoman Littlefield opposing and Councilman Phillips opposing. Thanks very much, Mr. Worth. I appreciate that information on that. And I'm not sure. I will take a look at item 10. I don't know if that's one of yours or not.

Councilman Smith: It is.

**ITEM NO. 10 – FIRE STATION NO. 613 ARCHITECTURAL SERVICES CONTRACT**

[Time: 00:34:38]

Mayor Lane: So as he stands there, we are ready to go on item 10. If you want to go ahead and --

Public Works Director Dan Worth: Mayor, I don't have a presentation prepared for that, but briefly, this is a proposal to award a design services contract and architectural services contract for fire station 613, which is located open land that we recently purchased on Jomax and near the corner of Jomax and Hayden in the northern part of the city. This is a project that council approved adding to our C.I.P. last year. It's in the approved fiscal year '14/15 C.I.P. It has funding for design and design only and it has the construction funding for the '16/17. But to meet that timeline, we desire to award the design contract now and have that in place when the construction funding becomes available.

Mayor Lane: Okay. Thank you for that explanation. Councilwoman Littlefield, since you had asked for this.

[Time: 00:35:49]

Councilwoman Littlefield: Yes, I had a question regarding why we are awarding this contract now. The construction funding is in the bond issue that we just went over last time to build the fire station up there. And if the voters vote no, with don't have the construction funding, but now we'll have a design, which gets older and not used. Why don't we wait until we find out whether the citizens approve this before we issue an RFP for the design of it?

Public Works Director Dan Worth: Mayor, Councilwoman Littlefield, the intent is if we go forward with the design now and the voters approve a bond, we'll have a design ready at the time that the funding is available from the proceeds of bond sales. In the voters don't approve the bond, the funding source would be general fund C.I.P. That's how it's shown in the current C.I.P. budget.

If you remember back to the presentation I made a couple of meetings ago, by the end of the fiscal year '16/17, we are pretty tight as far as the availability of general funds C.I.P. funding, and we may have to make a decision at that point in time. The way it's programmed right now, we intend to have

that funding available for construction at the beginning of fiscal year '16/17, which is 15 months from now. Generally, a year or so for design. That timing would work very well.

Councilwoman Littlefield: Well, it just seems to me that it would be more prudent to wait to see whether we have the construction money available before we issue this. If we don't, it seems like it's money down a well that we may not use. Thank you.

[Time: 00:37:46]

Mayor Lane: Thank you, councilwoman. Councilman Smith.

Councilman Smith: Thank you, mayor. How much is this project in the general fund budget for? Aggregate dollars including everything, do you recall?

Public Works Director Dan Worth: I'm going to defer to my project manager for the project, Gary Meyer.

Senior Project Manager Gary Meyer: Mr. Mayor, members of the council, we have \$5.7 million in the construction budget for this. So it's roughly the building, the building off sites are roughly 4 million plus the soft costs.

Councilman Smith: And Gary is that \$5.7 million what we approved to put on the list with we had the work study? I don't remember that particular item, but is that the amount going to the voters to ask for?

Senior Project Manager Gary Meyer: It's roughly 5 million and change. I don't remember the exact number.

Public Works Director Dan Worth: Mayor, Councilman Smith, I believe we asked for full project amount with the intent of if the bond passed we would be able to reimburse the general fund money we spend on this design.

[Time: 00:38:57]

Councilman Smith: Right. I think my only question about this, and I wouldn't have raised it otherwise, but since we are having a discussion of this, I'm a little bit perplexed with why we have to spend probably 5% of the whole budget on architectural design. I mean, we have built how many fire stations and I sort of think of a fire station is one is pretty much like the other. This seems like an awful lot of money to have somebody to draw a picture of a fire station. And I know I'm being pejorative in the way I say that, but it is a lot of money, and I think I'm probably in the same camp as the Councilwoman Littlefield. It's a little bit presumptuous to spend this money when just a week ago we talked about going to the voters and asking for approval. I understand your argument that we will have to do it one way or the other, but talk to the issue of why this much money and --

Public Works Director Dan Worth: Mayor, Councilman Smith, for design contracts for buildings, it generally does cost about 10 to 15% of the construction costs to get the complete set of architectural drawings and you are absolutely correct we have built fire stations before. We have a very good idea of the features and the functionalities that we have to build into this particular fire station, but every one is unique in how we sit that to the land and how we bring utilities to serve it and a whole range of other issues that have to be sorted out by the design consultant.

Councilman Smith: This is firm the same firm that has designed other fire stations for us. Or is this a new project?

Public Works Director Dan Worth: No, this is not the same firm that has designed other fire stations. They were selected based on an open qualifications selection process. They designed to build fire stations before but they have not done ours.

[Time: 00:40:59]

Mayor Lane: Thank you, councilman. Councilwoman Milhaven.

Vice Mayor Milhaven: If I remember correctly this fire station is in budget for our general fund capital projects?

Public Works Director Dan Worth: Mayor, Vice Mayor, that's correct.

Vice Mayor Milhaven: So we have identified this as a critical need that must get done and we also know our general fund capital plan has shortages we won't be able to fund our critical feeds so -- needs so going to the voters for a bond we know this is critical and if we don't get a bond we have to stop doing something else. So it makes sense to me to move forward and it's a critical need that we will find some way to pay for. If we personally had to write a check for \$398,000, having built banks, and using the same floor plan, I know it costs money to do a site plan. So this is in line with what my experience has been. I will make a motion to adopt resolution 10091, and contract 2015-108-COS and a site plan for fire station 613.

Mayor Lane: Thank you, Vice Mayor.

Councilmember Korte: Second.

Mayor Lane: Second by Councilwoman Korte. Any comment on the item, councilwoman? Okay. We do have a couple of requests to speak. I will go ahead and accept these two and ask Councilman Philips.

[Time: 00:42:31]

Councilman Phillips: Actually, I was going to second it.

Mayor Lane: Okay.

Councilman Phillips: I did speak to Mr. Worth about this too in an email and got the same answer that, yes, it is already in our C.I.P. budget to build this project but if we go to the voters and you decide to pay for it with your property tax, then we will use that money instead. So you will basically be paying for it twice, that's the way I look at it. While it's okay to pay for this architectural services because we will do it anyway and I understand that, that's why I didn't pull it. But think about that when the bond comes up.

[Time: 00:43:10]

Mayor Lane: Thank you, councilman. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. Yeah, it seems presumptuous to me to go after this now before the voters have had their say. And I fully expect it to be approved, but it hasn't been yet. And if it isn't, then we are going to use another source of fund, but we will still have the money if the voters approve this in the bond fund. So, yes, it is a little bit of a double dip here and this is exactly the kind of problem that came up with the bonds last time. That is why people lost trust. We cannot do this, people. We cannot be this kind of, well, if we don't pay for it here, we will pay for it here and we will pay for it here and we will pay for it here. That doesn't work anymore. And this is exactly what we are trying to get away from and I don't think it's a good idea. Thank you.

[Time: 00:44:12]

Mayor Lane: Thank you, councilwoman. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. Mr. Worth, I'm having a hard time understanding that this was a double dip. Can you really explain the strategy here for us?

Public Works Director Dan Worth: Mayor, Councilmember Korte, I guarantee you that we will only pay for it once. The way it works is we use general funds to fund this contract and if the voters don't approve a bond, we use general fund to build the project. If the voters do approve a bond to pay for this, and we issue the bond, we use the proceeds from the bond to pay for the project and we will reimburse the general fund for money we spent to that point for design so the general fund gets made whole and we pay for the whole project one time with the bond proceeds.

Councilmember Korte: So the reimbursement back to the general fund C.I.P. would then fund other critical projects on the list?

Public Works Director Dan Worth: Absolutely.

Councilmember Korte: So this is a strategy to ensure that we build a fire station up north that meets the needs of our community and we use the funding via the C.I.P. general fund or the bond depending on which one passes. Depending on if the bond passes?

Public Works Director Dan Worth: That is correct.

Councilmember Korte: So it's one source of funding? One or the other? Okay. Thank you.

[Time: 00:45:47]

Mayor Lane: Thank you, councilwoman. Vice Mayor Milhaven.

Vice Mayor Milhaven: I think there might be a misperception here that there's a pot of money in the general fund to pay for this project, when I remember looking at the five-year capital improvement plan, it clearly showed that we did not have enough money in the general fund to pay for the needs that were identified. Is that correct? Do I remember that correctly?

Public Works Director Dan Worth: Mayor, Vice Mayor, the slide that I showed you a few weeks ago had our projected cash flow if we proceed forward on everything that we have got in our C.I.P. and we don't get any additional sources of funding that could be bond funding. That could be more up reserved fund balance transferred over from the operating budget and that could be increased revenues under our existing financial policies into the capital program. If we don't get something above and beyond what we are projecting now, then we run out of cash by the end of fiscal year '16/17. So you are correct. We run the risk of not having the money to be able to fully fund the construction of this project, and our choices would then be to either not do it or to remove funding from something else.

Vice Mayor Milhaven: Someplace else and if we are going to get to that point to a the fire station more important than something else, having an accurate estimate of what it's going to cost will help us inform that decision?

Public Works Director Dan Worth: Vice Mayor, that is true.

Vice Mayor Milhaven: And we may get down the road further and say we don't have a pot of money in the general fund if the citizens don't approve the bond then it will be do we need a library or do we need a fire station. And so I think having more information -- having folks understand we are not sitting on a pot of money we are choosing not to spend but having more information about a future decision will help us know what tradeoffs, if any, we have to make if the bond isn't approved. So I'm going to go ahead and make a motion to adopt resolution -- did I already make a motion? I call the question.

[Time: 00:47:45]

Mayor Lane: All right. Is there a second to call the question?

Councilmember Korte: Second.



Mayor Lane: All those in favor of calling the question, please indicate by aye. I don't know if I heard -- well, we can -- let's just do it right. Okay. Call the question. It's 4-3 -- I'm sorry, 5-2. With Councilman Smith and Councilman Phillips negative.

So the question is called and the motion is on the table. And we're ready then for a vote. All those in favor of the motion, as has been indicated by Vice Mayor Milhaven, please indicate by aye and those opposed with a nay. Aye. Okay. That motion passes. Oops. Well, it was 5-2. It was there. I promise you. It was 5-2. So -- it just got cleared. Do we want to do it again? Okay all those in favor please indicate by aye and register your vote. Aye. It passes again, twice in one night. It's 5-2, councilwoman Littlefield and councilman Smith.

Councilwoman Klapp: The money only once.

Mayor Lane: The money only once, no double dipping just because of two votes. So thank you, Mr. Worth. I appreciate that.

**ITEM NO. 15 – PROJECT ADMINISTRATION AND REIMBURSEMENT OF ELIGIBLE COSTS FOR PROPOSITION 400 FUNDS INTERGOVERNMENTAL AGREEMENTS AMENDMENTS**

[Time: 00:49:30]

Mayor Lane: Then we will move on to item 15, which is a project administration and reimbursement of eligible costs for Proposition 400 funds intergovernmental agreements amendments and it's a request to adopt resolution 10104 authorizing the following amendments to the intergovernmental agreements with the Maricopa association of governments for project administration and reimbursement for eligible costs incurred by the city for two road improvement projects. And I will let you take it from there.

Principal Traffic Engineer Todd Taylor: Thank you very much. Mayor Lane. Councilwoman Littlefield and members of council, my name is Todd Taylor, I'm principal traffic engineer here at the city of Scottsdale. This item was previously approved by the city council in November of last year. This item is asking the council to approve changing the project name from Raintree Drive/Redfield Road to Raintree Drive and approving the construction sequencing to match the current proposed fiscal year 2015/16 capital improvement project budget and that makes it so that we are eligible to reimburse for those project costs.

Mayor Lane: Okay. That's a pretty quick synopsis of the issue. I wasn't ready for that.

Principal Traffic Engineer Todd Taylor: I don't have a presentation.

Mayor Lane: We will spend an hour talking about it, but nevertheless. That was pretty quick for your part. Well, as I understand it, obviously, this is an allocation of prop 400 monies for those particular projects. You don't have any indicated amount here, but these are eligible funds for distribution as we have it with M.A.G.

Principal Traffic Engineer Todd Taylor: That's correct.

Mayor Lane: Are these matching -- do these require matching funds or is this fully funded?

Principal Traffic Engineer Todd Taylor: That's correct. What it is we pay 30%, so our matching fund is 30% and we reimburse 70% from the Proposition 400.

Mayor Lane: Okay. And the 30%, our portion is already budgeted and included?

Principal Traffic Engineer Todd Taylor: That is correct.

Mayor Lane: Okay. Thank you very much. Any other questions on this item 15? It just appeared. Councilwoman Littlefield?

[Time: 00:51:44]

Councilwoman Littlefield: Thank you. I brought this forward. When I saw it on the agenda, I went back and looked at the bond issues that we had just finished working on in our work study session and this was one of the items that we did not accept and we did not pass as being on the bond issue. And I'm wondering -- I called Mr. Basha and talked to him about this, as to why it's now coming back, why was it put on the bond issue to begin with if we have sources for funding, again, from another pot that which doesn't exist but we have it. And why were we considering putting this on the bond issue? Evidently that this had been a mistake. So I wanted to ask you, do you have any insight as to why this had been put on the bond issue and then not taken off since we have funding for M.A.G. for this? If we had put this on, then we would, again, be having double sources of funding for the same project.

City Engineer Derek Earle: Mayor, if I could answer that question, Derek Earle, the city engineer. When we did the analysis of the projects, and Councilwoman Littlefield, when we did the analysis of the program, we looked at the sources available. As we finished the discussion on the fire station, we realized how short we are on general fund funding for the C.I.P. When we look at the transportation fund, we have a similar issue. The transportation fund, with the amount of M.A.G. money, the M.A.G. Prop 400 money, the sales tax allocated for city of Scottsdale, we have to match 30% of the project. In looking out over the 11 years left on M.A.G. prop 400, we are at least \$50 million short on what we could potentially have available to match. Therefore, any funding that we use from bonds to fund transportation projects allows us to take care of that shortfall that we will encounter at some point in the future. Essentially some point in the future, we won't have enough money to provide our match to the M.A.G. funding and construct these projects, which are paid for by our sales tax. So otherwise, we won't be getting our own sales tax back because we don't have the funding for our match.

That is the reason we put several of these projects, transportation projects in a bond program to help fund our share of the matching. Does that make any sense at all? Or is that totally confusing?

Councilwoman Littlefield: It makes sense but it's not right. The project itself was in there as a project and any information regarding this was not available. It was not available for us for discussion or for consideration. So I really have a problem with doing something like this. If we don't have it, and we don't understand it, how can we expect the citizens to?

[Time: 00:54:57]

Mayor Lane: Thank you, councilwoman. Vice Mayor Milhaven.

Vice Mayor Milhaven: Thank you, mayor. Mr. Earle, could you help us and explain the difference in the scope of work between what's being authorized here and what was on that bond list?

City Engineer Derek Earle: Mayor, Councilwoman Milhaven, these are essentially the same projects. I think this is a smaller section. I didn't review this in detail on this project. I believe this may be a subset of the larger airport area, roadway projects which essentially includes the improvements of Raintree Drive from essentially the 101 all the way to Scottsdale road and I believe, Scott this is just one --

Principal Traffic Engineer Todd Taylor: This segment right here goes from -- we are proposing from Scottsdale road to Hayden Road. And so it would be continuous that Raintree would run from Scottsdale Road and Thunderbird and continuous all the way to the 101 interchange.

Vice Mayor Milhaven: I share Councilwoman Littlefield's concern if it's the same. Is it the same project or not the same project or is it a portion of it? I'm trying to understand the difference in the scope of work.

City Engineer Derek Earle: Mayor, Councilwoman Milhaven, these are all the same project -- these are all funded through the C.I.P. currently, the projects we are discussing right now. The bond proposal is only to provide an alternative for future funding. I don't want to get confused on that. These are all on the C.I.P. currently, as far as this particular project.

Vice Mayor Milhaven: So in the general fund C.I.P. doesn't have enough money to do all the projects in the C.I.P., how are we going to pay for this?

City Engineer Derek Earle: Mayor, Councilwoman Milhaven, this is through the transportation tax. This is through the city's transportation sales tax that would pay the city's portion.

Vice Mayor Milhaven: Well, then good thing we didn't put it on the list for the bond. Thank you.

[Time: 00:56:53]

Mayor Lane: Thank you, Vice Mayor. I see no further requests for comment on this item. I'm not sure, did we have a motion?

Councilwoman Klapp: I will make a motion. Move that -- let me see what we have here. I move that we adopt resolution number 10104 authorizing amended intergovernmental agreement, I.G.A. 2014-175-COS-A1 and 2014-176-COS-A1 for two roadway improvement projects.

Councilmember Korte: Second.

Mayor Lane: A motion made and seconded. Would the second like to speak to it? Okay. I think we are ready to vote. All of those in favor please indicate by aye and register your vote. Aye. The motion passes 6-1, with Councilwoman Littlefield opposing.

Principal Traffic Engineer Todd Taylor: Thank you.

**ITEM NO. 16 – PUBLIC HEARING ON THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
FIVE-YEAR CONSOLIDATED PLAN FOR FISCAL YEAR 2015 THROUGH 2019 AND THE FISCAL YEAR  
2015/16 ANNUAL ACTION PLAN**

(Time: 00:57:58]

Mayor Lane: Thank you. Now, we will move into our regular regular agenda items, starting with item 16. And it's the public hearing on the community development block grant program, a five-year consolidated plan for fiscal year 2015 through 2019 and fiscal years 2015/16 annual action plan. We have Michele Albanese, is that correct?

Community Assistance Manager Michelle Albanese: That is correct, mayor. Good evening, Mayor Lane, members of the city council, the purpose of tonight's public hearing is to seek approval of the five-year consolidated plan for fiscal years 2015 through 2019 and the fiscal year '15/16 annual action plan for both the community development block grant and home investment partnership program.

The city of Scottsdale has participated in the CDBG program for the past 40 years. CDBG is a federal program administered by the U.S. Department of Housing and Urban Development and funds are awarded on a noncompetitive basis, communities with populations greater than 50,000. Activities funded must meet one of three national objectives which include benefits to low and moderate income persons, prevention or elimination of slum and blight, or meet an urgent community need. A maximum of 15% of funds can be utilized for public service activities, and a maximum of 20% can be utilized for planning and administration costs.

The city has participated in the HOME program for the past 20 years. HOME funds may be used to support decent housing, and low and moderate income residents. HOME funds are available from H.U.D. through the city's participation in the Maricopa HOME Consortium. Other members of the consortium include Tempe, Chandler, Gilbert, Avondale, Glendale and Surprise. Recipients are required to develop a plan every five years to assess the needs in the community. Annually, H.U.D. requires submittal of and an annual action plan which describes the specific planned uses of federal funds based on the priorities identified in the five-year plan.

The five-year consolidated plan before you this evening will cover fiscal years 2015 through '19. The plan contains a range of goals, objectives and outcomes to address needs identified for homelessness, affordable housing, and community development. The plan will be used as a guide for funding programs and activities to meet those goals. Outreach during the development of the plan included public forums, a community needs survey, and consultation with both public and private agencies. Three public forums were held on October 9<sup>th</sup>, 2014. Supplemental interviews were conducted with industry representatives and the community. The draft plan was approved by the Human Services Commission on April 9<sup>th</sup>.

The city conducted a survey of residents and service providers seeking their input into the ranking process for the variety of uses for CDBG funds. Needs included community facilities and services, economic development, homeless services and prevention, housing, and public improvement. Participation at the forums included community residents, nonprofit service providers, neighborhood organizations and other city departments. Staff took the results of the survey and the comments received during the forums and identified the highest ranking needs. The public service needs that were identified include programs and services for children, youth, seniors, disabled and homeless individuals. Community development needs identified included job training, public facility improvements, and business assistance. Housing needs identified include affordable rental and homeownership opportunities, rental subsidies and home repair.

The annual action plan describes the resources and the proposed activities to be carried out during the fiscal year of '15/16 period. The action plan also serves as the city's application for funding and is due to H.U.D. by May 15<sup>th</sup>, 2015. Federal regulations require grantees to hold at least two public hearings during the development of the annual action plan.

The city held five public hearings with the Human Services Commission to allocate funds to agencies through the annual funding process. On March 12<sup>th</sup> and March 27<sup>th</sup>, agencies requesting funding had the opportunity to address the Commission during their informal and formal funding discussions. The Commission's final funding recommendations from the March 27<sup>th</sup> meeting are outlined in the annual action plan and are presented to the city council this evening for approval.

This year, staff developed a paperless funding process and implemented the use of iPads for the commissioners. By utilizing technology, the commissioners could readily access all funding documents which includes the agency's proposals, staff evaluations and funding spreadsheets. Additionally, an online scoring component was implemented to reduce the hand scoring and to ensure accuracy. This innovative process significantly reduced staff hours and reproduction costs, as well as simplifying the review and the scoring process for the commissioners. I would now like to take a moment introduce the chair of the Human Services Commission, Raul Zubia to discuss changes to the fiscal year '15/16 funding process.

Human Services Commission Chair Raul Zubia: Mr. Mayor, members of council, thank you very much. I would like to reiterate about the iPads. Great idea. In the past, we had two three-inch binders that we had to carry around, read. It simplified everything, not just for us, but for staff who has worked tirelessly over the last, well, six years that I have been on the commission to just have done a

great job. I want to at least acknowledge how well they have done during that time during this time.

I will go over a few of the proposals and process improvements. In the past, we have normally let anybody -- all the agencies apply to both general funds and Scottsdale Cares. We noticed that by doing that, some agencies weren't getting any funding and these are all great agencies and they weren't getting the funding that we thought they deserved but because we use a scoring system, highest to lowest and that determines what funding the agencies get -- or who gets -- what agencies gets the funds, we were having a tough time trying to spread the funds across the board.

So this year, we decided that we were going to limit one proposal per agency per funding source. So that meant if agency a wanted to apply in Scottsdale cares, they could not do it in general fund. So by doing so, it eliminated a lot of the duplicate applications that we saw in the past. We also implemented a platform for both Scottsdale cares and general funds. And Scottsdale cares we maxed out at 20%. So that meant the total funding available, the max that an agency could get would be 20% of the total amount available. For general funds, we maxed it at 15%. We were able to leverage some additional resources through the Salt River Pima Maricopa Indian community funds. So we had \$230,425 additional. This also allowed everyone in general fund to get funding this year and that has not happened in quite a while. So I think that these specific changes have made it much better for those who have applied and made it much easier for us to give the funds that we have always wanted to. Thank you.

Mayor Lane: Thank you, Raul.

Community Assistance Manager Michelle Albanese: Since 2010, the CDBG and HOME programs have suffered excessive budget reductions. From 2011 to 2014, CDBG funds decreased a total of \$158,000 or over 15%. The anticipated allocation for fiscal year '15/16 of \$927,479 is an increase of \$32,000 from fiscal year '14/15. This is first increase in CDBG that we have received in five years. The HOME program has experienced a 65% reduction over the last five years. Sorry. Let me get caught up here on my slides. The anticipated home allocation for fiscal year '15/16 is 26,420 which is a decrease of almost 6% decrease from last fiscal year. I think I got messed up on my slides here. Sorry. I either went too fast or -- yeah. The estimated '15 and '16 HOME allocation of \$206,420, the commission is recommending funding \$100,000 for reconstruction programs and \$12,901 for planning and administration.

The Commission reviewed a total of 15 proposals from agencies requesting over \$1.1 million in CDBG and HOME funds. The Commission recommends funding seven public service activities, three housing rehabilitation activities and two facility improvement activities all with CDBG funds. The Commission, CDBG and HOME recommendations will provide funding to 13 agencies to deliver programs and services in the community to over 630 individuals. Recommended CDBG funding includes \$159,886 for activities, benefiting Scottsdale's youth, victims of domestic violence, seniors, persons with disabilities, and homeless individuals. \$530,000 is recommended for housing rehabilitation, emergency repair and roof repair programs. \$124,149 is recommended for facility improvements and A.D.A. modification programs and finally \$185,496 is allocated to the community assistance office for administration of the CDBG program. HOME funding in the amount of \$100,000

is recommended for housing acquisition and reconstruction activities of sifting housing for low and moderate income homeowners. The remaining balance would be programmed to eligible activities or reprogrammed in the '16/17 allocation process.

The Human Services Commission and staff requests council adoption of resolution 10074 approving the five-year consolidated plan for fiscal years 2015 through '19, as well as the annual action plan for fiscal years 2015/16. Thank you for the opportunity to present. That concludes my presentation. I would be happy to answer any questions you may have.

[Time: 01:11:08]

Mayor Lane: Well, thank you, Ms. Albanese. I appreciate the presentation on both your parts and I don't see any questions or comments at the present time. But just for my own clarity, if I might, the five-year program I think I understand in the acceptance of what you have there, the other is, though, are we making the recommendation for group amounts not necessarily to individual supplier of services?

Community Assistance Manager Michelle Albanese: Mayor, city council, that is correct. If you look at the back of the resolution, there is an attachment and that attachment outlines all of the agencies that the annual action plan and adoption of the five-year consolidated plan would fund for the upcoming year.

Mayor Lane: Okay. I may not -- I have not located that here on my iPad, but I will ask one other question and that was with regard to the alternative funding. The SRPMIC, Tempe Community Action Agency, TCAA, it indicates that they have -- that home delivery meals they have applied for CDBG funds, only meaning they are one supplier within that category, that have applied through the city of Scottsdale for those CDBG funds?

Community Assistance Manager Michelle Albanese: That is -- I'm sorry.

Mayor Lane: No that's all right.

Community Assistance Manager Michelle Albanese: That is correct, mayor, city council, each individual agency has proposed funding requests and for the example that you are giving, TCAA is one agency that requested funding out of CDBG as well as eight other agencies for public services.

Mayor Lane: Okay. And the others listed on a particular slide that I'm looking at of congruent meals and Central Arizona Shelter Services reasonable single adult shelter and I guess it's a new leaf, Amista family shelter, those are all being funded by these SRPMIC alternative funding or is that something else?

Community Assistance Manager Michelle Albanese: Mayor, city council, that is correct. There are a total of seven agencies that would qualify for the categories of SRPMIC funding that we are leveraging to fund additional agencies. That agenda item will come to you on June 16<sup>th</sup>, I believe, and that does

include TCAA, concerned citizens and a few other agencies.

Mayor Lane: And these are the Prop 202 funds we are talking about?

Community Assistance Manager Michelle Albanese: That is correct.

Mayor Lane: For redistribution through the city. So they have been applied for through that program?

Community Assistance Manager Michelle Albanese: That is correct, mayor and council. We already received the funding and we earmarked money out of that process for food programs and regional homeless shelters.

Mayor Lane: And so it's been applied for and has been funded by SRPMIC through that funding?

Community Assistance Manager Michelle Albanese: That is correct.

Mayor Lane: Thank you very much. I still think that we are in -- there are no further questions on this. I would like towards a motion. Councilwoman Klapp?

[Time: 01:14:28]

Councilwoman Klapp: Yes, I will make a motion but I did want to say that I believe that the process you followed seems to have been an improvement over prior years, based on my experience in listening to how you had to go through projects in the past. I'm ecstatic that you have more money this year than you had in the past so that more agencies could be funded. And I also wanted to thank the representative from the Human Services Commission and the entire Commission because this is one difficult job that you have to do to decide what to fund and how much to fund. And I know it's one of the -- it's the hardest job that you do as part of your job as Human Services Commission. So I appreciate it very much. Thank you.

So with that, I move that we adopt resolution number 10074 which includes all the items on the screen. I don't think I need to read them all.

Councilmember Korte: Second.

Mayor Lane: Motion has been made and seconded for approval. Would the second like to speak toward it?

Councilmember Korte: Yes, just very briefly, just passing on similar accolades, not only to the staff and the work you have done to streamline this process, but I know how hard the Human Services Commission works and how many hours is put into this. And I know how important these dollars are to the organizations that are funded because I was one of those for several years. So nice work. Thank you very much.



Mayor Lane: Thank you, councilwoman. We do have a motion and a second. Approval of these items? I think we are now ready to vote. All of those in favor of the motion please indicate by aye. The vote is unanimous. Thank you very much for your presentation and thank you all for your participation as well.

Community Assistance Manager Michelle Albanese: Thank you.

**ITEM NO. 17 – BROWN’S CLASSIC AUTOS REZONING (1-ZN-2015)**

[Time: 01:16:30]

Mayor Lane: That completes item 16 and we move on to item 17. This is the Brown Classic Auto rezoning. 1-ZN-2015. We have Mr. Bloemberg moving to the podium to present.

Senior Planner Greg Bloemberg: Thank you, mayor, city council, Greg Bloemberg, city planner to give you a brief introduction to case 1-ZN-2015, which is a request by Brown's Classic auto, from I-1 PCD to C-4 PCD. This is in the Horseman Park business park. Closer view of the site. All the site improvements are completed. The building is existing. No changes are proposed as part of this request. The applicant does occupy the whole building.

General Plan and the Greater Airpark Area Plan both designate this site as employment. Existing zoning, as I mentioned is I-1 PCD, most of the properties around this property are also I-1 PCD and if changed it would change to C-4 PCD. This is the site plan proposed by the applicant as part of the development plan. Again, I mentioned no changes to the site plan are proposed. Floor plan is rather hard to read but it's primarily devoted to restoration services and vehicle storage, as well as -- if this is approved, it would include a showroom for vehicle sales.

A couple of things to consider as I conclude my presentation on this, this rezoning would introduce more commercial uses to the area. I-1 is primarily an employment -- both districts are employment districts but I-1 is primarily office warehouse and light industrial and C-4 has some other commercial uses that could be introduced to this area if this is approved. As I mentioned, I-1 and C-4 are both employment districts consistent with the General Plan and the Greater Airpark Character Area Plan. Something to consider, C-4 does not require a C.U.P. for outdoor display.

The main objective of the applicant's proposal is to introduce vehicle sales as an option at this location. And as such, if this was approved, the outdoor display component of the vehicle sales would not require a C.U.P. It would only require design review board approval. And the Planning Commission heard this case and recommended approval with a unanimous vote of 6-0. That concludes staff's presentation. I believe the applicant's representative is here to say a few words. I don't know if we have any cards to speak on this but we are available for any questions you may have.

[Time: 01:19:48]

Mayor Lane: Thank you Mr. Bloemberg. We do have some cards so we will maybe move to those at this time, and then take some comments from the applicant as well. So with that, start with Warren Alvord.

Warren Alvord: Mayor and council, Warren Alford, North 68<sup>th</sup> Street in Scottsdale, Arizona. I feel very fortunate to come in and speak for the Browns. I have been very blessed with them, being able to work with them on projects of restoration and hopefully future sales of cars. We kind of have a plan put together to do a little marketing but by them not being able to have a place to sell the cars, I have a hard time to sale on the Internet or wait for an auction to come into town and go through that process. I find it restrictive that a free enterprise, if you want to be able to come in and do business with the Browns and sell your automobile, you are not allowed to. You have to take it outside to sell. And I have been in the auction game, played in good and bad. But I feel more comfortable with having the ability to be able to sell a vehicle that I know the buyer and the seller. And I just feel more comfortable. That's my comment.

[Time: 01:21:14]

Mayor Lane: Thank you, Mr. Alvord. Next would be Mr. Douglas Bondon.

Douglas Bondon: Mayor, council, thank you for the opportunity to speak. So we're in the property directly west of Brown's being discussed tonight and pretty deeply concerned about not so much Brown's but the precedent it sets for the business airpark neighborhood there and what happens when that property moves on, if it's sold. How zoning will be affected to other buildings nearby and so the character of the neighborhood distinctly starts to change over time. So that's really my point and my big concern is what does it -- the impact of it down the road and we're concerned about that and we would like you to reject this proposal.

[Time: 01:22:30]

Mayor Lane: Thank you Mr. Bondon. Next would be Mr. Court Rich who has some donated time from Jason Rose and Craig Jackson. Court, I will give you five minutes.

Court Rich: Mayor, if I may, I had two folks donating time, if I could have six minutes? I was prepared for at least that much, if that's alright.

Mayor Lane: Well, do it as quickly as you can.

Court Rich: That I will try to, thank you, mayor. I thought I would flag that on the front end. Mayor, members of the council, Court Rich with the Rose Law Group. I'm here tonight on behalf of the Barrett Jackson collector car action and Mr. Craig Jackson is here as well. I'm here to speak in opposition of this proposal. This proposal does not meet the lofty standards that Scottsdale has set and not only that, but the proposal doesn't meet those standards and the applicant's actions don't meet those standards. So I will take you through that, but on the front end I want to foreshadow that there's a simple solution, a win/win here and I will get to that at the end.

First of all, if we look at the area in question, you can see right here in red is the applicant's site. The first thing that you notice when you look at this, is that C-2 and C-3 and I-1 are the different zoning areas, different zoning designations in the area. There is no C-4. So why is there no C-4? And that's what's being sought tonight. Well, because C-4 opens up the area to uses that you don't want there and that aren't there today. You can have things such as building material and garden sales, like garden centers, you know, an outdoor kind of garden and planting, equipment sales, rental and storage, farm supply sales, contractor yards, trade yards kind of things, and recyclable material collection centers. The C-4 is not the right zoning for this area. You can't have those things in I-1 and you don't have those things in C-2 and I will get to C-2 later because I think that's the key here.

There's a master plan ongoing for this area. You guys, the council has wisely decided like you have done for many areas in the past, to master plan this vicinity along Bell Road. Why we would allow such an off menu change to come along when we are in the middle of a master plan? It's simply a bad idea. You are spending public money to do this master plan. Let's let it play itself out.

Further, it allows and Greg alluded to this, a full blown car dealership at this location. So you can have the -- you know, the gorillas on the corner and the screamers and balloons and all of that stuff and that does not fit with the character of this area at all. In fact, you might recall that originally, the applicant had proposed to do a text amendment which was a unique way of trying to deal with his own property by changing the law for the entire city now that the city rightly said no, we are not going to go down that path and encouraged him to go this way instead of doing this kind of special change just for himself. But what we didn't know was there was one thing about that text amendment that was good. And it was written by the applicant himself, it was that we were not going to allow outdoor car sales, but C-4 allows those outdoor car sales and display. So he started from a place that made no sense, but had one good thing, and then stripped that one good thing out and here we are.

I will note we talked with the Arabian Horse show today and they are opposed no this. And they authorized us to tell you that and you heard from some neighbors that are opposed too. Let me tell you the applicant's content in this as not what Scottsdale is about. We have an applicant who first of all opened here illegally. He knew that he could not run his business in this location but opened anyway. And we shouldn't reward him by allowing him to rezone to this when there's a better scenario here, a better solution.

Also, he made a promise, just outside of this meeting, a few months ago, when the I-1 text amendment that was bad was on the agenda. He told me and Mr. Jackson and Mr. Rose, Randy Grant, and Dave Gulino, Mr. Brown said I will come back with a zoning change and it will not allow outdoor display and sale of vehicles. Well, lo and behold, we are here with the proposal that allows outdoor sale and vehicles. He said, well, you have my word. I won't do outdoor sales of vehicles. Well, he's been doing that all along. Here's a photo of what it looks like up there on a normal day. You have cars with windows that say Brown's and they are for sale and he's been doing that all along.

And when I had -- I had the opportunity to speak to him in your parking lot, the applicant actually attacked me. I mean, he literally attacked me when I told him he's not doing what he said he was

doing. The neighbors, I'm told, asked him -- or filed their legal protest, which is before you and he threatened them with litigation, I'm told. So for exercising their rights, to protest the zoning, he's trying to threaten them with litigation. I think Scottsdale expects more out of its applicants.

But let's get back to the proposal because that's the most important part, and it's bad. And I will try to wrap up very shortly, mayor. I will reflect back on back in November of 2014, Mr. Grant and I had an email exchange where he indicated that staff considers the conditional use permit to be the most appropriate way to handle this site. And, in fact, he said that going to C-3 or C-4 offers the least amount of control over the range of potential commercial uses to council, but yet we are here today with C-3 and C-4. And I'm submitting to you that we should be here, maybe not today, but in a month or two with a proposal to go to C-2. Do a use permit along with it. The use permit can hold Mr. Brown accountable for the promises he made, and hold him to the original intent of his I-4 proposal which was not to allow outdoor car sales, and let's move forward. This is a win/win. This is a way for Mr. Brown to stay in business even though he operated an opened illegally, knowingly and this is a way for the community to be protected for what it considers to be a bad entry into this area. I just think there's just no reason not to look at that as a solution. You know, there's so many problems with what you have got before you today. I appreciate your time. I'm happy to answer any questions.

[Time: 01:29:30]

Mayor Lane: Thank you. If there's any questions from the council, we'll maybe call you back, but in any case, not at this point in time. We do have -- and that is -- that is the extent of the public testimony, and I appreciate that testimony. If the applicant would like to speak, I would like to go ahead and give the applicant time. Typically we look at about a 10-minute period of time the maximum on the presentation by the applicant.

Chris Shipley: Okay. I won't be taking that long. Mayor and council, thank you very much. My name is Chris Shipley and I'm here in support of the agenda item on behalf of Brown's Classic Autos. We are seeking a zoning change from I-1 to C-4 for the purpose of allowing on site auto sales on Mr. Brown's property. Brown's Classic Auto is a family destination business. It was founded in 1953 in New Mexico by Walt Brown's father. Walt Brown has been a member of the community since 1991 and in the early 2000s he relocated Brown's Classic Auto to Scottsdale where it operates ever since. Mr. Brown is a prominent developer. He's always done the right thing for the city of Scottsdale and made a substantial investment. He has brought low quality and high-end projects to the city that generates significant revenue for the general fund.

Really the choice before the city council today is what is in the best interest for the city of Scottsdale and its residents. This is a simple straightforward zoning request despite all the outside noise that is consistent and conforms to the Scottsdale General Plan as well as the Greater Airpark Character Area plan. The gap cap, was developed with public deliberation which included over 1,000 airpark members and resulted in visions and values including being a recognized designation of national and international commerce, encouraged a variety of land uses and activities and support and expand business diversity and foster a robust economic role for the region.

We strongly feel the rezoning requests fits with all the criteria just lifted and permits to have the highest and best use of his property. Policy I.2.2 of gap cap specifically calls for flexibility in land use regulations to attract local, national and international enterprises to locate in the greater airpark area. Brown's Classic Auto is an especially unique tax producing destination business that accomplishes this directive.

Now, there's been concern over outdoor display on the property which would be allowed by right under the proposed rezoning. Mr. Brown has said on numerous occasions that he in good faith is willing to forgo that right and remains committed to upholding that agreement out of respect for his neighbors as well as other competing interests in the area. If you look at the property, the parking is significantly set back from the road. It's buffered by a 3.5-foot wall and there's also landscaping that's on the property. So it requires physical changes to the property to accommodate outdoor vehicle display. Thus triggering an application to the DRB as well as the architectural review committee for the property owners association. We feel that there's adequate safeguards in place, but I want to make this point very clear. My client has no interest in outdoor display. He has no intention of outdoor display and he recent removed the outdoor display component from his site plan. All that said, I have in my possession a signed notarized agreement saying my client will not engage in outdoor displays for vehicle sales on his property with the enforcement authority being vested in the property owners association that encompasses the applicant's property.

I will recap this rezoning request is consistent and is consistent to all applicable planning documents for the area. Mr. Brown has been a good community partner and he's in good standing. His business is in good standing with the city and we are simply trying to pursue the highest and the best use for his property. Now, to address some of the things that were brought up here as C-2 being adequate fit or a better fit, it's my understanding that C-4 was agreed to at a prior time and that's why we went down this road. If we switch at this point in time, we are really starting back from the beginning. C-2 in addition to requiring the conditional use permit, I have been told, also might require a General Plan amendment. We have already come this far. We would like to see this through. As far as opening illegally, there were zoning inspectors from the city of Scottsdale who visited the property in February and zero citations and violations were issued. Mr. Brown is acting well within his current rights for the current zoning. With all of that said, we think this is a reasonable solution. We think that this is a straightforward zoning case and there's a lot of outside noise that's become involved. With that we respectfully ask for your support and I'm happy to answer any questions.

Mayor Lane: Thank you very much for that presentation. I don't see any questions at this present time of yourself but I would like for you to stand by in case there. Is and I'm sorry, could you give me your name again.

Chris Shipley: It's Chris Shipley.

[Time: 01:34:57]

Mayor Lane: Thank you. I don't have any questions right now from the council. I will ask this question to Mr. Bloemberg if I could. And that is if, in fact -- was it 6-0 with one missing or -- from the Planning Commission?

Senior Planner Greg Bloemberg: Mayor Lane and council, that's correct. It was a 6-0 vote.

Mayor Lane: And was there any comment with the C-4 versus any other designated zoning such as the C-2 and the C-3 that you discussed as well as some are and the applicant?

Senior Planner Greg Bloemberg: There was no other discussion about zoning.

Mayor Lane: The only other concern that I would have is the fact that -- well, it is a concern. It may not be the only one, the fact that C-4 is nowhere within the airpark, within that relative area of the airpark; is that correct?

Senior Planner Greg Bloemberg: Mayor Lane, city council, that is correct. There may be some C-4 in the airpark area but no in that immediate vicinity.

Mayor Lane: But there is C-2 and C-3?

Senior Planner Greg Bloemberg: Not -- well, yeah, there is some C-2, actually, southwest of this site at the edge of the Horseman's Park area; but there's not much in that immediate vicinity, just that one location that I'm aware of.

Mayor Lane: And then one final question, as far as that is concerned, what is the status? The best that you can determine right now, whether this should require a General Plan amendment for C-2 or C-3?

Planning and Development Services Director Randy Grant: Mayor Lane, members of the council, Randy Grant, planning and development services, we haven't really assessed the impact. We just heard about this in the last couple of days. Our immediate assessment is that general commercial or the C-2 district is more of a retail type district. This is more of an employment area. I think it would arguably require a General Plan amendment and not a major General Plan amendment, but the C-2 designation implies some more retail uses and it would be a change from what the I-1 designation that's predominant in the area would indicate.

Mayor Lane: Okay. Thank you. Councilman Phillips?

[Time: 01:37:24]

Councilman Phillips: Thank you, mayor. Can we have whoever -- I think it was Mr. Rich had a map of all the zonings in the area. Can we see that again? Okay. So actually it looks like there's three C-2s around there and two C-3s and two I-1s. And his -- and that one there, that's all I-1. So C-2 is half of that area right now, just about. You know, C-4 to me, that's the most intensive use. That is

just going to allow so much stuff. I think it will open a can of worms in the area because, you know, Mr. Brown might move on and find a better location and whoever comes in can do just about whatever they want and that will be a scary thought. And also this area is currently working on a master plan, so to throw this in the mix, I think is ridiculous and I don't understand why we went to C-4 in the first place.

If I could ask Mr. Grant, I thought that -- I mean we have C-2 there. Why would you have to go to General Plan amendment to get C-2 zoning?

Planning and Development Services Director Randy Grant: Mayor Lane, Councilmember Phillips, in most areas there's historic zoning and I'm not sure what the history of this is, the largest C-2 area there is actually just north of WestWorld and it's on an area that's predominantly used for parking. The C-2, the yellow block up on Bell Road is more of a retail area. The C-2 that's south and west of the applicant's site is more office oriented. So it's not that there's not an argument for C-2.

I think the question is, do we base the current decision based on past decisions and introduce the option for this applicant to put in or a future owner of this property to put in retail uses on the interior of the horseman's park area? Our assessment initially, when the I-1 text amendment was proposed was that I-1 with a text amendment to allow auto sales without outdoor display was the best way to handle this. The C-4, we had some concerns about the uses and we also have some concerns about the C-2 uses. And I must also point out that the conditional use permit for the auto sales in C-2 specifies either indoor or outdoor vehicle display. So there would have to be a restriction, even in C-2 to eliminate the outdoor display potential in that district.

Councilman Phillips: Okay. So I mean the bottom line is we are looking for a resolution that's been going on for quite a while, and I think in retrospect, the I-1 text amendment might have been the better way to go. I would be more than willing to do the I-1 or the C-2 with the C.U.P. I'm not willing to do the C-4, but I don't know what the rest of the council thinks.

Mayor Lane: Mr. Rich, you can go ahead and sit down, but we may have questions so you may have to pop up again. Rather than be positioned there. You can sit there in the front row, if you like, and make it easier. Councilman Smith.

[Time: 01:41:23]

Councilman Smith: Thank you, Mr. Mayor. I think it's troubling to see the creation of a zoning like C-4 that allows virtually anything in the middle of what's otherwise seemingly a coherent plan and that's really the curiosity that I find with this whole thing. I'm not sure that we are pursuing a plan when we allow C-2 -- I will be frank with you, I felt the same way when we allowed some residential units to be created in the middle of this business airpark neighborhood several months ago but I wasn't here to voice my vote on that. But it seems like we should be pursuing a plan of what we want this area to be. And the best definition of the plan of what we want it to be is the I-1 zoning and we have said that we wanted it to be an airpark neighborhood of employment and the other uses that are done there.

I don't think this is a question of allowing someone free enterprise or the right to use their property however they choose. That's really not a precedent that we sit up here and try to decide. We try to decide what is the good of the city and what is the good of all the citizens. And invariably that will from time to time impair or restrict the property rights that an individual might otherwise unilaterally exercise on his property.

I have been provided, as I guess everybody has, the proposed agreement that would restrict the exterior outdoor sales of cars and I'm not really sure this works for us or for the city or for the citizens. It is done on behalf of a group of people collectively, the property owners association which as near as I can tell is not even a defined term. So I don't know who is the beneficiary here. In my mind, the beneficiary must always be the citizens, but more of greater concern, it is a declaration and a restriction that is applicable only as long as the property remains at the current ownership. For any reason if it moves to new ownership, that restriction is gone and you will have whatever business the new owner decides to put there.

I do think that we have an obligation to thoughtfully and carefully plan the development of our communities. It is for the interest and the benefit of all the citizens and I'm not seeing that this is going to be beneficial to anyone, except the current property owner. I do agree with somebody that said it's going to create a bad precedent. Certainly if you do C-4 here, there's no reason why any other parcel there can't be zoned C-4. It would be awfully hard to argue that this C-4 was pursuant to a master plan but any future parcel is not pursuant to a master plan. I don't know how we will grapple with that piece of logic.

It may not be, as someone said, the highest and best use for the property, but, again, that is sometimes the compromise that has to be made when we are trying to safeguard the interest of citizens and the development of the city and the coherent and logical way. I would love to see a solution that has included as part of it a C.U.P. where we can actually define what the permitted uses are. Whether that as a c, 2an I-1 with a text or 99.4, I don't know what it's going to be. But I don't think that this is the right solution. I don't think that this is the solution that is in the best interest of the citizens of Scottsdale.

[Time: 01:45:47]

Mayor Lane: Thank you, councilman. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. Mr. Grant, Mr. Bloemberg, can you help me understand the uses within this area? Within the I-1 area, who is there? What's happening there?

Senior Planner Greg Bloemberg: Mayor Lane, Councilwoman Korte, and city council, the area aside from -- I can go up there with the pointer and show you the exception, in the southwest corner of Bahia, you have the work and play project. Other than that, it's primarily office, light industrial, warehouse-type operations. And there is some C-2 in the area. This graphic is not entirely accurate there. There is some C-2 in the area.



Councilmember Korte: So this seems to have been like a ping pong going back and forth. And I assume Mr. Grant, since this has been brought forward and worked through that C-4 with the C-4 zoning is the best solution for this.

Planning and Development Services Director Randy Grant: Mayor Lane, Councilmember Korte, we actually believe that I-1 with the text amendment was the best solution. C-4 has some issues with the uses that are allowed. C-2 has some issues with the uses that are allowed. Introducing commercial into the interior of this area is going to continue to add to the argument that part of it is already commercial, so why not the rest of it. So we are concerned about commercial intrusion into the area, but C-4 is an employment use and that's why it's considered to be consistent from a General Plan standpoint, with the I-1 employment use designation. It's closer to that than C-2 is.

Councilmember Korte: Thank you.

[Time: 01:48:03]

Mayor Lane: Thank you, councilwoman. Just as a bit of an added comment, as far as number one, the Planning Commission obviously felt unanimously those who voted, of course, unanimously that this was an appropriate use maybe for reasons that they had to themselves. I don't know if there was any dissenting conversation about it, but it does seem a little bit odd when we -- I think we all have expressed some concern about having more or less a change to a commercial status in this area and commercial use with the used car type of application, number one, and that's been at least an important point that's been made with regard to C-4. And since there was some real consideration with regard to not having the outdoor display and that kind of use, I'm a little surprised that from any standpoint that we ended up with the C-4 designation.

So I just would say that it may have been hindsight as it is right now, but it is a matter that the options of C-2 or C-3 might have been a better option here. But as I hear you saying now, and I think I have heard this before, that the text amendment on the I-1 is probably the best way to facilitate that. And if you remember from the conversation, the issue that we had with that was that it was going to impact all I-1 across the city, and that was then the concern for that. So I realize we were in a little bit of a quandary, as far as the use of this property on a commercial or industrial basis, as it's designed in this. I would have to say that I have some real difficulty with the C-4. Councilwoman Littlefield.

[Time: 01:50:07]

Councilwoman Littlefield: Thank you, mayor. I too have some problems with the C-4. It doesn't seem to fit in this area, and much more comfortable with either an I-1 or a C-2. Thank you.

Mayor Lane: Councilwoman Klapp? Thank you, councilwoman Littlefield.

Councilwoman Klapp: I'm feeling a little sympathy for the applicant, quite frankly, in that he was advised to do an I-1 and then advised that wouldn't work and advised to do a C-4 and now a C-4

doesn't work. And I'm hearing a C-2 being recommended but yet I hear from the staff that they don't like the C-2 because of the retail uses. How does a businessperson do anything in this area is my question? I just don't think we are really offering a solution of any sort here, and it's really an uncomfortable position for me as a councilperson and I would imagine for other people here too.

C-4 doesn't seem to be quite acceptable to some. I-1, if we had an I-1 with a text amendment, every I-1 up there could do the same thing. That was why the applicant pulled the I-1 and went to the zoning for C-4. How do we offer advice to business people that want to put something in this area, that might be, in this case a restoration services and he has said he won't do outdoor sales and he's filed a document to say he won't do outdoor sales and now if he goes back and applies for C-2, I can see that argument going back and saying well, that's not a good solution either. And how can he win here? You know, this is not really a good way to treat a businessperson, in my estimation.

[Time: 01:52:11]

Mayor Lane: Thank you, councilwoman. I would just want to add, number one that the applicant is certainly respected individual here in our community, as are his neighbors and the folks within the WestWorld area, and our consideration as a city for the planning of WestWorld. So this is maybe a bit of a struggle and it's maybe somewhat difficult, but I would have to admit in spite of my comments, I do have some sympathy for how this may have been moved about a bit and, of course, what understanding might have taken place with some of the neighbors, as well as with the applicant in getting to this point. But nevertheless, that's where we are at and we are at a final point of conclusion on this or some vote on this. Councilman Smith.

Councilman Smith: Thank you, mayor, I wanted to go back to Randy Grant with a question. You said C-4 is consistent with the General Plan because it's an employment use. Would there be any zoning that is not an employment use?

Planning and Development Services Director Randy Grant: Mayor Lane, Councilman Smith, there's the opportunity for employment in every zoning district. If you look at the purpose statement for the zoning district, it gives you an insight into what the purpose of the uses that are allowed in that district are. And the uses that are the purpose of the C-4 district is specific to employment and support of employment uses and verging on light industrial and those kind of things, the crossover from C-4 and I-1. The purpose statement for C-2 is much different, it's retail orientation. Certainly people are employed in the retail operations but it's geared towards more retail commercial operation.

Councilman Smith: Well, I hear what you are saying and I guess I meant my question to be a bit of a trap question because it seems to me every zoning district is to one degree or another, focused on employment, and I can't bring myself to argue that C-4 is appropriate because it will provide employment. I mean, almost every district is going to provide an employment. And I guess I also feel in comparison to one of the arguments that was made which was something like how does a business person do anything in this area, I think there are instances in the city where we have to tell a business person you just can't get there from here. You just can't do that in this area. That's what zoning is all about. And it may not be the answer that the businessperson wants and it may not

provide highest and best use for their land, but there are reasons we have these restrictions and to argue that we are not being friendly to the business people, I don't represent the business people. I represent the citizens of Scottsdale in the aggregate. And that's the motivation for my concern about this. Thank you, mayor.

[Time: 01:55:15]

Mayor Lane: Thank you, councilman. Vice Mayor Milhaven.

Vice Mayor Milhaven: Since everyone else has commented, I thought I would comment. As I recall when this came forward originally as a text amendment, the applicant said, well, let's hold up if my neighbors have concerns, let me go work with my neighbors. It's my recollection that Mr. Brown went off to find a solution that was agreeable to everybody and I assumed this was agreeable to everybody and I'm sorry to hear that it's not. From my point of view, I have no concerns about allowing auto sales in this area. I also have no concerns about outside display.

So whether -- it certainly sounds from comments that this C-4 is not going to get approved tonight, but if it comes back in another form, I am certainly supportive of this use in this place. And for me, it's a matter of personal property rights and I don't see how allowing the gentleman to sell cars from his lot infringes upon any of his neighbor's ability to use their property to its best use. So I'm certainly supportive of this use in this area. Thank you.

Mayor Lane: Thank you, councilwoman. Seeing to further comment on this item here. So I would entertain a motion on this particular item.

[Time: 01:56:32]

Councilman Phillips: I move we do not adopt ordinance 4198 or resolution number 10086.

Councilwoman Littlefield: Second.

Mayor Lane: A motion made and second. Would the second like to speak toward it?

Councilwoman Littlefield: No thanks.

Mayor Lane: We do have a comment. Vice Mayor Milhaven.

Vice Mayor Milhaven: I have a question, if we fail to adopt this, what's the applicant's process? I know with some items like this, if we decline it, there's a time frame that they can come back within. So if we don't approve this, does that restrict the applicant from coming back in another way?

Planning and Development Services Director Randy Grant: Mayor Lane, Vice Mayor Milhaven, I certainly can't speak for the applicant, but there would be the opportunity to come back with a separate rezoning request. Also, the I-1 text amendment has never been formally withdrawn.

There would be notice involved with that, but that could come back as a possibility for the applicant but I simply can't indicate what they prefer to do.

Vice Mayor Milhaven: But from the city's perspective if we deny this now, it doesn't preclude them from immediately turning around tomorrow and making another application or continuing with the text amendment?

Planning and Development Services Director Randy Grant: Yes, Vice Mayor Milhaven, as long as there's material change in the application, we can bring it back as a follow-up application.

Vice Mayor Milhaven: And the text amendment is a material change?

Planning and Development Services Director Randy Grant: The text amendment has never been withdrawn, and it would come back to the city council, after the notice period. It could come directly back to council.

Vice Mayor Milhaven: Thank you.

Mayor Lane: Thank you, councilwoman. Thank you, Randy. We do have a motion and a second to reject this particular application. I think we are then ready to vote. All those in favor of the motion as it stands, please indicate by aye. Those opposed with a nay. The motion to reject succeeds with Vice Mayor Milhaven, and Councilwoman Klapp and Councilmember Korte opposing. So thank you for the input on this from all of the participants and the testimony that item is then completed at this point in time.

**ITEM NO. 18 – ROCKBAR, INC. CONDITIONAL USE PERMIT (2-UP-2001#3)**

[Time: 01:59:18]

Mayor Lane: Moving on to the next item which is the Rockbar Inc. conditional use permit. Mr. Symer is moving to the podium to address this item.

Senior Planner Dan Symer: Mayor, members of the council, Dan Symer with the current planning services. The case before you today is Rockbar Inc. 2-UP-2001 number 3. It's the southwest corner of 5<sup>th</sup> Avenue and Scottsdale Road. The request before you is for an amendment to an existing conditional use permit. A year ago in January of this year, that would be January of 2014, the application was approved with a one-year stipulation to allow the service windows on the north side of the building to be opened during live entertainment. That was a trial basis stipulation that the council placed on them. And they are now back to amend the case to allow for those service windows to be opened permanently.

As indicated in the slide before you, they are on the north side, which is an alley that's currently being partially leased for a patio. And you can see the windows these windows here. All the other remaining windows and doors will be closed during entertainment. There's other conditional use.

There are four, two of them are totally indoors two of them are totally outdoors, one at south bridge and one down the street. So the patio which is about 600 feet, 500, 600 feet to the south allows for outdoor live entertainment, including speakers and the venue of Scottsdale allows for indoor live entertainment, although the roof may be opened during live entertainment. Staff has received support and opposition to the case. The red dots are the opposition and the supports and the blue stars, most of all, opposition is from primarily daytime businesses, most of all the support is from the evening businesses.

The Planning Commission reviewed this case and recommended approval by 6-0 with an added stipulation that they comply with the city's noise ordinance at a distance of 150 feet. What does that really mean? The city's noise ordinance, because downtown is a mixed use area doesn't necessarily comply but necessarily readings are not taken until the nearest residential district, which is approximately 925 feet away. The stipulation imposed by the Planning Commission requires that the 68-decibels be measured within 168 feet of the establishment, which is well inside of the downtown area. The map kind of shows you difference between those with the yellow indicating the near downtown residential on the green with the residential district. And now I will turn it over to the applicant for their presentation, if you have any questions I will be happy to answer them.

[Time: 02:03:05]

Mayor Lane: Thank you. We do have some -- if you like, we can go ahead and listen to some of the testimony before the applicant speaks. We will start with Steve Johnson.

Steve Johnson: Good evening, Mayor Lane and councilmembers. I'm Steve Johnson. I run my business there for over 16 years. The applicant is provided written evidence that sound resulting from live entertainment will be contained within the building except where external speakers are. Let me play a couple of videos of what a typical event is at the Rockbar. This is within my showroom and then we'll go outside. This is not contained within the building as they led everybody to believe and last year, nobody seemed to mention that the two service windows were the majority of the north side of that building. The noise is extremely disruptive to all the surrounding businesses, which include about 18 business owners and about 50 different tenants mainly retail. And more and more, as this begins to be a mixed use development area, it's just going to be more disruptive to the future businesses that come there. And last week I met with Fred Unger and he specifically stated if this passes, it will greatly hinder his ability to land any major hotel for a development that he's working on right now. I ask that you deny approving this. Thank you.

[Time: 02:05:48]

Mayor Lane: Thank you, Mr. Johnson. Next would be Sonnie Kirtley.

Sonnie Kirtley: Good evening, mayor, and councilmembers. My name is Sonnie Kirtley, I'm the proud chairman of C.O.G.S., the Coalition of Greater Scottsdale and you have our address on file. This is not about closing a business. This is about closing two huge gaping holes in a north wall. What's interesting, item number 8 here describes as small windows. That is a small service window.

Look at the size of the human. Dan's picture of the window looks beautiful, but this is what the windows or the gaping holes really truly are. Do you see the human? Right there. 9 feet by 3 feet, 2 of them. That is not small. C.O.G.S. fully supports the merchants that are in service and retail in the area that are just asking to close the windows. Councilwoman Milhaven last year gave them one year as a trial period. What does that mean? Trial. February 16<sup>th</sup> of this year, those windows then were supposed to be closed. That expired. Guess what? Didn't happen. If you go on their website almost every night of the week is live entertainment. Those remained open. The question is: Were those windows enlarged at some time? Surely they are not small. And because of it, as Mr. Johnson indicated, the sound explodes outside that wall into the neighborhood. And, you know, C.O.G.S. focuses on land, appropriate land uses, and as a council, you know that this area has been pretty well long range planned to be mixed use. That means retail on the first floor and residential above. If you have been to Walnut Creek, California, you see how beautifully this works out. If our dream is for that, as this area continues to change, this isn't the change we want. We have an entertainment district. Let's make this that very special mixed use district. If I'm investing and I'm coming to this area and I want to have my tenants long term, I've got to be careful with the environment that is around there. This is not the environment that I would invest in. So please, deny the request. Thank you.

[Time: 02:09:05]

Mayor Lane: Thank you, Ms. Kirtley. Next would be Frederica Ranucci.

Frederica Ranucci: I believe I'm borrowing someone else's time so would that be four in total?

Mayor Lane: Yes, I'm sorry about that Federica. Yes. Patty Badenoch has donated some time. So four minutes, yes.

Frederica Ranucci: Good evening, Mayor Lane and members of the council, my name is Federica Ranucci. And I'm here on behalf of my mother of 4228 and 4234 North Craftsman Court right across the street from Rockbar. I have three topics to discuss this evening. The first is gross inaccuracies and inconsistencies. Let's take a look at a statement by the applicant in the city council report which reads as follows. "During the three years that Rockbar has operated it has never received a violation, citation, fine or similar for misuse of its live entertainment conditional use permit." Now, here is a copy of the city of Scottsdale complaint detail report that I requested and it's about 11 pages. So what I have done is prepared a summary, which I hope you can see that shows no less than eight violations having to do with the front rollup door, the front door, the sound curtain and the sound windows, all culminating in a citation that was issued in May of 2013, served on Mr. Mundy. This record shows a violation of virtually every stipulation pertaining to sound and noise in the C.U.P. All of these occurred prior to last year's city council meeting, and yet even when Councilwoman Milhaven specifically asked the planning department staff about any violations, Mr. Symer referred only to a single violation involving the sound curtain and another involving the service windows. There was no mention of the other citations -- I mean the other violations or the citation. Now, in the reports for the planning commission and the city council that were prepared, both this year and last year, there was a section referred to as key items for consideration, which is on page 1, and also public safety,

which appears a couple of pages later. The planning department never referenced any of these violations in the reports that were prepared last year. Even though there was a slew of violations I just showed you. But when there were no violations, as in supposedly in the past year, that statement, no violations is included and emphasized in both of the sections of this report. So my point here is that there are numerous inaccurate, inconsistent and highly selective reporting errors by staff.

The second topic I want to talk about is the impact on adjacent properties. It's now well documented with letters and complaints that the noise level experienced outside from the open windows during live entertainment does disrupt and have an impact on adjacent businesses but the city council report erroneously draws the opposite conclusion, obviously ignoring all of this evidence. In 2013, 2014 and 2015, numerous letters were written by adjacent property owners, residents, merchants, the Scottsdale Gallery Association and developers all of whom are concerned about the disrupted impacted on their property and their business not only today, but with regard to future development, including mixed use and hotel projects.

My final topic is what is Rockbar. Rockbar is a full-time, year-round live concert venue. It had 24 concerts in the month of March approximately and in April, at least 21 plus concerts. Eight of them were with special event permits. As far as compatibility, there are no other liquor sales businesses on Craftsman Court that conduct live entertainment. I'm not really sure about Dos Gringos with the outdoor permit. I'm not sure for live entertainment. But none of the other businesses have live entertainment. Acme which was the predecessor had occasional live entertainment and they had to keep their windows closed for those occasions. Finally, I would like to mention that in 2009, the city experimented with outdoor live concerts on Craftsman Court. It was referred to as the Third Thursday concert series. There was live music performed in one of the parking lots on the street, but it was canceled within a year. And I have an email from Robin Meinhart with the downtown group at that time in 2009 --

Mayor Lane: If you could please wrap it up.

Frederica Ranucci: Yes. And she said this concert series was part of a series that was given conditional special event approval to determine if it was a good fit for the area. Based on your concerns we determined this is not a good fit for Craftsman Court. So please support the merchants and keep the windows closed. Thank you.

[Time: 02:15:10]

Mayor Lane: Thank you, Ms. Ranucci. Next would be Shawn Johnson -- or Shawna? Shawn.

Shawn Johnson: Mayor, council. I'm here in support of Rockbar. I have been a local musician for 18 years in Scottsdale, Tempe, Phoenix. The Rockbar is very unique. It's a great venue. It supports local music, five, six, seven nights a week. I'm in full support of keeping the windows open to keep the flow of the music. It's a great venue. That's all I have to say. Thank you.

[Time: 02:15:55]

Mayor Lane: Thank you, Mr. Johnson. Brett Horvath.

Brett Horvath: Mayor, councilmembers, I would like to take a couple of minutes to talk in support of Rockbar. First, with respect to what they are asking for and what they can do now, even without the conditional use permit, the sound emanating is arguably greater with what they can do now than what they are asking for. That being -- let me see if I can figure out -- okay. Rockbar is here and they have a large sliding glass door or a garage door facing craftsman court. They are asking for these two windows to be opened. However, if they are playing music through -- like through iTunes and using the same amplifying speakers through iTunes, they can have those windows open any time of the day, the front window, garage door open any time of the day and have sound emanate out into the public area on to Craftsman Court. B but, again when they are playing live music, the only thing that they want is to be able to have these two windows on the north side of the building open. They will close this garage door. They will close all the other doors. So, again, arguably they are going to be able to -- they will produce less sound on a Friday night when they are having live music with only these two windows opened as opposed to playing songs through iTunes and having the speakers, the same speakers that amplify sound for live music and recorded music going. So I feel like this it would be arbitrary and capricious to say, oh, gosh, you guys can have recorded sound all the windows open, but live music, we are going to have -- we are going to say, no, you can't do anything. You have to have everything shut. Number two, I understand Mr. Johnson lives right across the street. And I think we have all probably been in a situation where someone has kept us up at night because of noise pollution, they might call it that but too many sound. Mr. Johnson lives in a commercial area, not a residential area. Not in a residential district even. As a result, I would hope that the board, the council will take that into account and basically give Rockbar the benefit of being in a commercial district and unfortunately Mr. Johnson, excuse me, should accept the burdens of living in the commercial district. That's about the end of my time, unfortunately. Thank you.

[Time: 02:19:04]

Mayor Lane: Thank you, Mr. Horvath. Next and final is Andrew Fritz.

Andrew Fritz: Good evening, my name is Andrew Fritz. I'm the owner of Citizen Public House. If looking at the cross streets I face his doors. I would like to share with the windows open we haven't seen a pattern of issues. I am hypersensitive to my guests' dining experiences. So what happens outside of my four walls does affect me in some way, but there haven't been any issues with our guests, certainly no patterns of issues of negative things coming from Rockbar and from the noise. In fact, a lot of our guests enjoy the entertainment and lively vibe that they get especially sitting on the outdoor patio. In my opinion, the live events over at Rockbar, they provide a dynamic offering and they create a really nice entertainment and welcoming environment for our guests and for craftsman court in general.

[Time: 02:20:26]



Mayor Lane: Thank you, Mr. Fritz. That completes the public testimony on this topic, if the applicant would like to come forward and present and respond if necessary -- if you would like.

Alex Mundy: Thank you, Mayor Lane, councilmembers, and, you know, just I will go ahead and -- well, first of all, I'm Alex Mundy, owner of Rockbar Inc. here in downtown Scottsdale, Arizona. I will kind of start just to address the opposition and then get into our strategic argument, just go one by one to combine them and make it quick. A, the videos that were shown up here on the screen were during special events. These weren't during normal operating business hours. So, you know, that being said, our side doors and windows were all open, not to mention we did have a speaker on the side, which was part of a special events permit that we applied for by the city and used here. You know, all of those were after 10 p.m. at night when none of the businesses here were operating.

With that said, you know, I don't know, whether the windows are or are not a majority of that north window, I don't see them as a majority. And to address about them being open after February 16<sup>th</sup>, I understand that we did come up on our conditional use permit with the probationary period on February 16<sup>th</sup>. They have remained closed since February 16<sup>th</sup> during all live music and code enforcement, S.R. Smith, and everybody will adhere to that. With that said, just two last things, you know, we continue and I know a lot of these arguments tonight have been about obviously zoning and mixed use and stuff like that.

It was part of our plan-- myself and my business partner, you know, liked this area. It is commercially zoned. We loved the street for 20 years, since we have been here. You know, for us to talk about what may happen in the future with mixed use is definitely a prospective argument that shouldn't necessarily affect our business here for what may happen. I mean, we never know what may happen and that's something we can obviously address if and when that happens whether it be five, ten, 30 years, hopefully we are still in business then.

So -- and then to kind of go through it, so -- it's kind of my first point here and I will go ahead and throw this slide up, which Brett actually had up. I don't know if there's a way to scale it, but I will kind of explain it. All right. So as -- as was kind of brought up last year at city council here and I know there's a couple of new councilmembers, we were granted a one-year quote/unquote probationary period to operate with the windows open during live music, live entertainment being live bands. You know, it was operated like this with the conditional use permit that we bought and transferred since 2001, the business previously being operated is Acme Bar and Grill. And although the windows were not there, since 1996, almost 20 years, with their sliding glass windows open and whatnot before their remodel, which we are utilizing those windows.

In response to the -- and we have not had any violations or fines since that time. Yes, there have been complaints and I had that same report brought up. Those are not citations and fines aside from the May 13<sup>th</sup>, but those are complaints filed, and then addressed on the other side. So those are not citations. We have not been cited, fined. On May 13<sup>th</sup>, it was per -- it was per the planning -- not planning but -- from S.R. Smith. It was something that was citation given to us for the windows because they were open during live entertainment, but that was before city council here and the city prosecutor gave us time to get that resolved through the conditional use permit which we passed the

following city council meeting in February.

Just a little bit of history, since 2001, in this commercially zoned area, operating are a number of bars and restaurants in the industry, including two other live use permits with outdoor music, two others with indoor music that allow open air entertainment. You know this one has been in place and we are just hoping to keep it there. The flow of it for our music and it is part of our business model is being able to serve and entertain our guests out on our patio, which has been out there since 2001, instead of closing them off to the music which is obviously in our business model.

I know Brett touched on it with all due respect to all neighbors and what this is up here for, we have mapped out the operating times of businesses all along craftsman court, and none, if any are open after definitely 7 p.m. And then the majority by 6 p.m., and along with planning, we actually put a stipulation in this year that will require that we will not do live music with the windows open before 6 p.m.

And then the 68-decibel level thing that we agreed upon, we agreed upon that to try to make it work for everybody. That is even if you deal with the entertainment district, this is a lot more strict for us than it has been for anybody owning a bar and restaurant. We are saying 150 feet, not inside, we are saying from our front door which is -- it actually somewhat diminishing the value of our business but we are willing to do that to keep things -- you know, at least try to help. You know, I think that's more than anybody, you know -- more than anybody has done and we're happy to do it to keep this going and keep the windows open.

Again, unanimously voted by city planning two years in a row now at 5-0 and 6-0. I know there's some different -- some differences of opinion. I know the art galleries have put things this year on Marshall. You know, we are pretty far from Marshall, but that same decibel thing adheres to that and that live music is going towards an alley and all of the businesses that are open during similar business hours, 6 p.m., 7 p.m. on. We do have letters of support and we do believe that our business brings incredible value, live music which is an amazing art, which it's heavy metal, acoustic music, country, rock. We all like different stuff.

We like Craftsman Court. We get a lot of hotel guests and we make it home for a lot of musicians. As it stands now, we are without closing the most longstanding live music place in Scottsdale which we don't like to see them closing but we happen to be that place now, which I'm overly proud of, as is my staff and any and every musician who plays there. So with that said, we have done, I believe, everything we can with that probationary period with the understanding that we would get this granted permanently for the two service windows on the north side to be open. We put the language in there that they will be closed in before 6 p.m. during live entertainment. And 68-decibels at 150 feet and I hope the council will approve this, based on everything that we have put forward. Thank you. Any questions?

[Time: 02:29:37]

Mayor Lane: Thank you, Mr. Mundy. There may be. So if you could stand by, we'll start -- we do

have a comment or a question from Councilman Smith.

Councilman Smith: Thank you, mayor. And I guess my question is for you. I have been to your facility but I honestly don't know, do you serve food?

Alex Mundy: We don't currently serve food. We bring in food carts so we have local food carts that come in there with a variety of food, whether that be for a concert or a football game watch, which we are a big destination for as well. We don't have a kitchen, though, as of yet, no.

Councilman Smith: Did the Acme Bar and Grill, your predecessor, have food service?

Alex Mundy: They did. They had a kitchen that we took out during our remodel, which is kind of what triggered the live use permit changeover, we actually took the whole kitchen out as part of our remodel.

Councilman Smith: Well, I guess my concern with this and I don't particularly have any more questions of you, Alex. It's my reaction to this request. I think it was a one-year test, and unfortunately, I think the test failed, not perhaps because of anything that you did, but simply because of what the neighbors realized was going to be the result of keeping these windows open. It's not particularly compelling to say that it doesn't happen when businesses open. One would wonder if it weren't happening, would the business be open in some of the other areas?

And I think what I'm concerned about is that maybe as you exercise your rights, it impairs the property values of other people in the neighborhood. Certainly we have heard from some of them as owners and business operators. And I think we have to be sensitive to what the impact of any business has on other neighboring business owners, or whatever. I have think it's a little bit similar to a case that we discussed a little earlier this evening. We have to have a plan -- we have to be for the entire city, but certainly for areas like this and we have a plan. I'm not sure the plan is augmented by having live use, live entertainment that spills out on to the streets.

What you do inside the four corners of your business, I don't think anybody is arguing with. It's just when that use spills out into the street and impacts other property values and other neighbors. And I think no one is arguing the fact that live entertainment is an incredible art. It may be an art which simply doesn't fit this particular footprint, this particular business size and I think, frankly, the reason I ask you whether you have food service, I think maybe we are where we are tonight because of a problem we created for ourselves and that is many, many years ago when a previous council granted the license permit for a portion of the alley, 440 square feet. It did so with a license agreement drawn up between the city and Acme bar and grill, but it was fashioned and, in fact, it was labeled an outdoor dining license agreement. And it specifically provided that the purpose of this was to provide outdoor food and beverage, but and, not or. Outdoor food and beverage service and that's probably what Acme did.

And for that matter, the license agreement actually provides that it will terminate automatically in the event that for 90 days you don't have the permitted uses in place and the permitted uses are dining

and beverage service, food and beverage service. And the agreement goes on to say that, you know, this lease and these provisions were done for the benefit of property owners in and around the facility for 300 feet what we have is a peculiar situation which is not necessarily of your making, Alex. We have a peculiar situation where the original intent of the license agreement, which was probably well intentioned to provide the ambience of outdoor dining and, yes, including beverage service has over the years morphed into something quite different. There is no dining. There is no food preparation. And the lease agreement talks about it, that it's not just providing catered food. It's actually prepared food on the premises. That's what the lease agreement provides. So shame on us as the city if we are not coming in to remind you that the license agreement has -- is terminating because of the lack of adherence to permitted uses.

But this is why we find ourselves sitting here and talking about this tonight. Your music is spilling out on to city property, which is leased to you and it was leased for a different purpose for what it is now being used for. I don't think the other entertainment areas down there with or without live entertainment have augmented their facilities by spilling out on to city property. So I'm not going to be favoring the continuation of this C.U.P. and I don't mean to be causing your business grief, but I'm simply realizing that we have -- it's become something that no one intended in the original lease of the alleyway. As a comment I made with regard to an earlier case this evening, there are just sometimes you have to tell somebody that what you want to do is not possible with this piece of property. And maybe it's possible to continue to have live entertainment within the four walls. It would not be my opinion that it be possible to spill out this activity on to the city property. It is essentially in violation of the lease agreement. So thank you Mr. Mayor.

[Time: 02:36:47]

Mayor Lane: Thank you, councilman. Mr. Mundy, I might ask that there were a couple of changes, I think in the stipulations that we had indicated or at least I have indicated with regard to hours of operation, hours of live entertainment, I should say. And with the stipulations I have gotten, maybe there's an update to it or maybe it's something that is being considered here, right here and right now to be presented, but the indicated hours of live entertainment that I show are Sunday beginning at 10 a.m. to 2 a.m. and Monday through Friday at 3 p.m. to 2 a.m. and Sunday 10 a.m. to 2 a.m. Is that the provision that you voluntarily talked about amending?

Alex Mundy: Well, yeah. That's part of it, as far as the breakdown which you do have, that little chart right there. We actually did discuss that in the city planning. And, yeah, it's ultimately, yeah, those operating hours don't apply to our business. We are open at 3 p.m. on the weekdays, and 11 a.m. on the weekends. That does very little bit during spring training. We do open early, and then weekends go a little earlier, but nothing to do with live music simply based on we are a watch party gathering for a couple of football teams here in the valley. As far as the hours of operation, yes, that's a little bit different, and that is kind of what we geared the live music towards.

Mayor Lane: Okay. So what I got here in our operations under conditional use permit, live entertainment stipulations, they are as they exist right now as far as the available hours for live entertainment just as I just indicated but you had mentioned a little earlier that on the basis of a

voluntary concession of a 6:00 or 6 p.m. start. I don't know that you mentioned whether or not when it would conclude, but I'm wondering if, in fact, this particular list of stipulations is what you are talking about, live entertainment, hours of live entertainment is what you were talking about amending.

Alex Mundy: Yes, mayor, councilmembers. The reason I think that's in there like that is because that language does not include the window portion of it with all windows closed. If we did happen to have live entertainment before that time, the windows would be closed. The language that -- and I know Mr. Symer can talk on this is the windows to be closed during all live entertainment before 6 p.m. It doesn't necessarily address the hours before, although --

Mayor Lane: Well, put another way that with live entertainment, the windows can be opened after 6 p.m.?

Alex Mundy: Correct.

Mayor Lane: Until which time?

Alex Mundy: Well, until 2 a.m.

Mayor Lane: Okay. So what we have got here is live entertainment, irrespective of windows being opened or closed, these are the hours that live entertainment could be available for you?

Alex Mundy: Correct.

Mayor Lane: And the other one was and I think that is incorporated into what I have got here and that's item 7 on the stipulation list, that the maximum noise decibels, the noise in live entertainment, including any speakers or other amplification equipment should exceed 68 decibels at 150 feet from the property line of the property identified in this case. That stipulation is still a new stipulation for what we have got here?

Alex Mundy: Correct.

Mayor Lane: Okay. Is there -- did I miss it? Is there some indication -- oh, I'm sorry. There is. Item 9, that's the external doors and windows and that it goes to the issue we were just talking about. But now in reference to the maximum noise decibels, is there any stipulation on it right now?

Alex Mundy: No. Nowhere in that -- in that area or zoning on that side of the street.

Mayor Lane: So one of the reasons that this would be no indicated complaints is because simply there is no guideline for that complaint.

Alex Mundy: For noise, no, not at this time.

Mayor Lane: All right. Well, thank you very much. Appreciate it. Councilwoman Korte.

[Time: 02:41:35]

Councilmember Korte: Thank you, mayor. You know, I believe it's important to look at what happens in our downtown and measure it against our five-year tourism strategic plan. Our five-year tourism strategic plan calls for a vibrant downtown and that it be a cornerstone of our visitor experience. It calls for rich in amenities and diversity of uses. And we are seeing in our downtown a huge shift in live style preferences and many opting to live and play in our downtown. Our gem district on the east side of Scottsdale Road is a regional destination, as well as a tourist destination, although we know that there's much controversy around the noise problems in the entertainment district.

I am looking at the current agenda of the Rockbar and the live music and the special events as kind of a spillover or an encroachment of the entertainment district into the east side of Scottsdale Road. And I don't think that that's what we want. I believe it's important as we increase our focus on mixed uses and urban hotels and residential areas. The issue around controversial noise levels are not copacetic with the future vision of our downtown and so I will not be supporting this.

[Time: 02:43:41]

Mayor Lane: Thank you, councilwoman. Well, seeing that there's no further comments being made on this particular issue, I would consider a motion either to accept or reject continuation.  
Councilman Smith.

Councilman Smith: Thank you, mayor. Seeing no further comment, I would make a motion that we deny resolution number 10078 that would otherwise approve an amendment to an existing conditional use permit for live entertainment, downtown core type 1 overlay, D/DC-1 do zoning and rejecting the conditional use permit that is requested. Thank you.

Mayor Lane: Thank you, councilman.

Councilman Phillips: Second.

Mayor Lane: Councilman Phillips, would you like to speak towards the second?

Councilman Phillips: Thank you, mayor. I kind of voice the same concerns of my fellow council people here and unfortunately, I just feel the same way. I think that this sets a precedent and once we give it to you, the next guy will get it and the next guy will get it. You can see by our map here, it's turning into another bar district and we are going to have the same thing that we have over here and I think that's what everybody is worried about and we have a plan for this area and I don't think this fits with this plan. So I don't want to make matters worse, so to speak.

Mayor Lane: Thank you, councilman. Vice Mayor Milhaven.

[Time: 02:45:16]

Vice Mayor Milhaven: Staff, just a point of clarification. This gentleman needs a conditional use permit, to provide live entertainment, whether the windows are opened or closed is that right?

Senior Planner Dan Symer: The conditional use permit in place will remain in place. This is just a request to amend that. So if this request is denied, the existing conditional use permit will remain in place.

Vice Mayor Milhaven: And that allows the windows to be open during live entertainment?

Senior Planner Dan Symer: That will not allow the windows to be opened.

Vice Mayor Milhaven: You know, I share the concern of the other members of the counsel -- the other councilmembers around this establishment disturbing the neighbors, but the 68-decibel criteria is a huge concession. And just to give folks a sense, 68-decibels is the noise that a vacuum cleaner would make. And we saw a map earlier that showed us what 150 feet looks like and I think it sort of takes you across the street. So for the folks who are concerned about the noise in my opinion, that 68-decibel concession, a vacuum cleaner from two blocks away is a pretty big concession and I think it would be reasonable.

And so I'm going to make an alternate motion that we approve this conditional use permit with the additional stipulation for another year because I am sensitive to the neighbors and want to make sure that we are not doing anything that would permanently disrupt the neighbors because I believe the 68-decibels would be satisfactory. I will make an alternate motion to accept this conditional use permit for the term of one year.

Mayor Lane: I will second that alternative motion and just to further the Vice Mayor's comments, I do believe that this is a concession and could change the equation significantly as far as the impact is concerned. The time itself, I think, restricted use provided we have adherence to that, I think would be a substantial change in the pattern of things as they may exist. There's one open issue other than windows, I suppose, and that is the special event situation. I'm not sure exactly how that might be addressed, but it might be considered consistent with whatever we are talking about here and that may be something else that has to be dealt with because that undoubtedly confuses the issue when we have that. But I would -- I stand with the second on the Vice Mayor's position. I do think that on both counts of the hours of live music with the windows open, it's a concession as well as the 68 decibels at 168 feet. So I just -- I would go for that. I would second that. Councilwoman Klapp.

[02:48:11]

Councilwoman Klapp: I have a question. How often do you have special events there?

Alex Mundy: It varies, based on time of year. Through March and April, we'll typically -- we'll

obviously have more in March, April, October, November months. With certain crowds it determines whether it's a concert, a big charity event. If it goes over occupancy, what we expect to be 290. It could be like I said, six, seven, eight times a month.

Councilwoman Klapp: And with the special event, you can have the doors and windows open?

Alex Mundy: With the special events we can actually have the doors on the side, the windows open and not on the front. The front always remain closed.

Councilwoman Klapp: And that can be nine times a month, you said.

Alex Mundy: It can be 48 times a year. So it's on an annual basis, but a good 20 of those we do a year don't involve live music at all. 17 to be exact.

Councilwoman Klapp: Thank you.

Mayor Lane: Thank you, councilwoman. We don't have any further comments to be made, and I will say that we do have an alternative motion, which would be first considered in a vote process. I think we are ready to vote for that. And those in favor of that, please indicate by aye and register your votes. Aye. That motion has been defeated, 5-2, with Vice Mayor and myself being on the positive side of that.

So we will now go to the second motion that was made. Or I should say the first that was made. Unless there's any further comment on that, we are ready then to vote on that. All those in favor of that, please indicate by aye, those opposed with a nay. Nay. That motion passes. So we are still looking for Councilman Smith. That motion passes 5-2, with vice mayor and myself opposing. So thank you for the input on all counts. And that item is settled.

#### **ITEM 19 – REVIEW PROPOSED FISCAL YEAR 2015/16 BUDGET**

[Time: 02:50:44]

Mayor Lane: Moving on to item 19, review proposed fiscal year 2015/16 budget and we have, I believe, Donna Brown, human resources director here for a presentation.

Human Resources Director Donna Brown: Mayor, Vice Mayor, councilmembers, can you hear me okay? How is this? Okay. Here we go. Good evening. My name is Donna Brown. I'm the human resources director for the city of Scottsdale. The purpose of my presentation today is to give you guidelines on how the city of Scottsdale will ensure transparency and consistency in the application and the administration in our pay increases for employees up to 3% of the max pay program that was included in the proposed budget and slated for the final budget adoption on June 2<sup>nd</sup>.

We are promoting a performance-based culture. October 13<sup>th</sup>, 2013, we revised administrative



regulation 355, performance management, to establish eligible part-time and full-time regular employees will receive an annual performance evaluation. Now, eligible employees mean that those that have been in their positions for at least six months or more. So in this cycle those hired on or before December 15<sup>th</sup>, 2014 are eligible for a performance evaluation. It includes both performance goals that are established between the employees and their supervisors and citywide competencies that are established based on the implored city values.

The city of Scottsdale is on the rating system of 1-5 to a three-point scale, needs improvement, meets expectations or exceeds expectation. Employees that are good performers will receive or will be eligible to receive a merit increase. Those who have a needs improvement will not be eligible for a merit increase.

I'm sure you remember on March 3<sup>rd</sup>, 2015, council approved for FY '15/16 for police officers to receive a 3% fix based on their years of service. And that would be placing them appropriately in the range. Eligible police officers will receive a performance evaluation but no additional increases. Police officers at the top of the range will not receive an increase. For FY '16/17, council approved 5% increase based on performance. Funds for merit increases will be allocated consistently based on the proposed 3% or to the maximum of the assigned salary range and can be used for merit or non-merit purposes. For merit purposes those that meet performance expectations will receive up to a 3% increase. Those that exceed performs expectations will receive up to a 5% increase.

For those departments that wish to use their allocations for non-merit increases, that would be approved strictly by the city manager. But for instance, the fire department, they are using part of their allocation to correct some pay inequities inside the fire department among their sworn ranks. So this is what we would like for you to consider. To continue the idea of awarding employees that demonstrate good performance, we are asking for you to consider in approving one of two options for those employees that are close to or at the maximum of their salary range we would still like to include them as a stipend. For instance, in option 1, we offer a one-time payment that translates to a fixed amount a dollar amount for either \$250, \$500 or \$1,000 and this is for the people at the top of the range or close to the top. Including fringe, \$250 would cost the city an additional \$50,000. For \$500, that would cost the city an additional \$100,000. And for \$1,000 that would cost the city an additional \$225,000. Now, another option for your consideration is to have a one-time payment that translates to a fixed dollar amount up to 3%. Including fringe, a one-time payment of 3% is \$575,000. There's a total of 250 employees.

That is my last slide, and I'm happy to answer any questions that you have although if you have budget questions, we have Judy Doyle, that will answer those budget-related questions.

[Time: 02:56:03]

Mayor Lane: Thank you very much, Ms. Brown. And if you could please stand by. We may have some questions of you and maybe of staff as well. We'll start with Vice Mayor Milhaven.

Vice Mayor Milhaven: Thank you, mayor. On your slide that speaks to merit increases all eligible

employees it speaks to 3% for meets expectations and 5 for exceeds. I would anticipate a world where everyone in this city exceeds expectations because we have such wonderful employees, which would effectively mean that it's 5%. So my question to you is: Do you anticipate putting targets around what percent of the employees could be rated meet versus exceeded? Is there -- how does that translate into a budget number?

Human Resources Director Donna Brown: Budget? We are trying to have the departments just concentrate on evaluating the employees. Have we mocked up what it would cost in the budget? I'm not really sure about that.

Vice Mayor Milhaven: Here's my concern. So everybody in my department is wonderful and everybody exceeds expectations and everybody gets a 5% increase and now the budget implications is everybody in the city gets a 5% increase, it's 5% year over year. Fritz is shaking his head no. Tell me why that would not happen.

Budget Director Judy Doyle: Each division will be allotted x amount of money and they are not to exceed that. It's up to 3% of the max for their work group. So they might have some that exceed expectations. They might have some that fall below into a needs improvement type category. They all know they need to stay within their allotment.

Vice Mayor Milhaven: So their budge is set 3% to the maximum salary range. If you want to rate everybody exceeds, then you only have enough money to give them 3%?

Budget Director Judy Doyle: That is correct.

Vice Mayor Milhaven: Okay. Then the other question I had was for the over the max fixed amount or percentage and the 3% to max would be -- I would make the assumption to say that we are confident that our salary ranges are competitive so that we are comfortable that the max is really the max and that we are doing some type of periodic review to say we are confident, we continue to be competitive. Is that -- do we have a plan in place?

Human Resources Director Donna Brown: Absolutely.

Vice Mayor Milhaven: To ensure the salary ranges are competitive.

Human Resources Director Donna Brown: Absolutely, we continue to look at our salary ranges. It's prioritized if we have vacancies or attrition issues but we are periodically looking at our salary ranges.

Vice Mayor Milhaven: Do we have a policy in place to say we will look at some percent a year?

Human Resources Director Donna Brown: In FY '15/16, we will give you a compensation plan of how we are doing that.

Vice Mayor Milhaven: That would be the hope to make sure that we do a periodic review to make

sure that we are competitive. Then my next question is who has the authority to change those salary ranges? Can I as a department head say, I decided I need to change my range?

Human Resources Director Donna Brown: When we do the salary range adjustments that obviously has to go through the city manager. But we provide you with a list of our schedules, the classification schedule that we have every year that you will be seeing soon. But if on the chance that we need to change the range, then that goes through the city manager.

Vice Mayor Milhaven: Okay. So for my opinion, I am okay with the 3% meets and 5% exceeds, up to a 3% max budget. I would not support any increases over salary maximum and in terms of non-merit increases at the city manager's discretion, I would be supportive of that. But I would like to see a limit on that as well, however. You can come back with a recommendation of how we might limit the city manager's authority to say anything beyond a certain amount should get council approval.

Human Resources Director Donna Brown: No one is allowed to go above the salary range. Okay? Everyone who is at the max is at the max. They are not allowed to get anything additional. Just wanted to give that clarification.

Vice Mayor Milhaven: So you are asking us on this slide here if we want to say if it's okay to get one-time and I would not support that.

Human Resources Director Donna Brown: Yes.

Vice Mayor Milhaven: Okay.

[Time: 3:00:32]

Mayor Lane: Thank you, vice mayor. Councilman Smith?

Councilman Smith: Thank you, very much, mayor. I should have pushed the button sooner because the Vice Mayor stole all of my questions. They were good clarifications and I appreciate it as well. I think all of us are concerned that somehow everyone will be rated exceeds expectations, walks on water, whatever. Do you have any experiential data you can share with us on what the performance ratings are likely to be? Have we done any of these and can you tell me how many people fell into the needs improvement versus exceeds expectations?

Human Relations Director Donna Brown: The ratings will start on May 1<sup>st</sup> because they will go through June 8<sup>th</sup>, would be the final person that you get evaluated. You probably know we have a new performance evaluation system called NeoGov. It is an online system. We have the ability to review all the performance evaluations as they are going through. And we provided guidance on how everyone will be graded. So we will be looking closely to make sure that the people that are getting the evaluations whether it's meets or exceeds, that it follows the consistency factor with what the ratings are supposed to be.

Councilman Smith: So we don't have anything now and that's okay.

Human Relations Director Donna Brown: Not yet.

Councilman Smith: At some point, I think we would like the city manager to do whatever to report back to us on sort of the macro statistics of this exercise, and we can see if it's created a bell curve or whether everybody fell into the exceeds category or what it might be, how effective that's working.

Human Relations Director Donna Brown: Certainly and we will have reports that we will be able to show you that.

Councilman Smith: That's great. Second on the police officer compensation, on that slide. We talked about this some before, but you describe this 3% fix that will be based on their years of service. Am I correct to understand then that this will not take into consideration performance?

Human Resources Director Donna Brown: No.

Councilman Smith: No, I'm right or no, I'm wrong this?

Human Resources Director Donna Brown: No, the 3% based on years of service is not for merit. We were addressing the attrition issues for the police officers. So in the '15/16 they will get the 3% for the years of service and in '16 they get the 5% years of service.

Councilman Smith: So if an officer, hypothetically, did a poor job by whatever definition that might be and even in the normalest of times would not have received an increase, he will now?

Human Resources Director Donna Brown: We would call that a market adjustment, basically. It's not a merit increase.

Councilman Smith: I see. It will sound like money in the pay check to me and I'm sure to him as well. But it is avoiding any possible performance criteria that might have been in effect absent the recession. It's negating all of that?

Human Resources Director Donna Brown: Well, it's a market adjustment. It's not a merit increase.

Councilman Smith: I think the shorter answer would have been yes, but --

Human Resources Director Donna Brown: Okay.

Councilman Smith: The 5% that will start in fiscal year '16/17 for this group of employees, you called it a merit increase. You say it will be based on performance, it's unlike the 3% fix. It will be a performance. Will it be similar to what you are implementing for the other 2,000 employees? It could be as little as zero? It could be 3% for meets expectation and 5% for exceeds or will it be

everybody gets five or how does that work?

Human Resources Director Donna Brown: Correct, councilman, for FY '16/17 for police officers, the 5% is up to 5%. So it would have to be based on performance. So, yes, it could follow the 3% meets and the 5% for exceeds.

Councilman Smith: In terms of communication, I think it would be an important additional two words to put in there "up to 5%" because I think it will otherwise be considered entitlement and the word merit will be lost in the equation somewhere.

Human Resources Director Donna Brown: Absolutely.

Councilman Smith: And I will say as I said at the outset, I do agree with the Vice Mayor that these one-time payment options -- I consider our salary ranges to be a definition of what a job is worth. And if employee has reached the maximum of that range, either by tenure or performance and, in fact, is doing stellar work beyond, those ranges are a statement by the city of what that job should be worth, what we should be paying to have that job done. And I certainly encourage any department head to beat on your door to have salary ranges evaluated to make sure that they are competitive, but to say in any way, spend taxpayer money to pay more than what collectively this group has said should be the maximum for a job, I can't rationally -- I can't get there. Those are my comments. Thank you, mayor.

[Time: 03:06:23]

Mayor Lane: Thank you, councilman. For my part, Ms. Brown, I would just like to say that I think that the question I had -- I think as far as all other eligible employees, that clarification was made and I think it's important that we are talking about 3% to the department to be managed for meets expectations or exceeds in that range, as you have discussed and I think that works well. The question I have for the compensation of police officers and I think Councilman Smith touched on this when he said up to 5% merit increase starting fiscal year '16/17. That's an important additional bit of language that may change the equation and frankly, the communication to those folks that are affected by this. But my question would go almost to the same level as when we talked about for all others and we talked about all other eligible employees. I think we quantified that if I heard that explanation that it was 3% total that was being allocated to the department for all eligible employees and thus management on basis now of either meeting or exceeding expectations but it would have some development there. So at no time would the department be receiving actually more than 3% in total.

Budget Director Judy Doyle: Correct.

Mayor Lane: And I'm wondering whether that same thing applies when we talk about the 5% step when it goes into effect, that it's handled the same way.

Human Resources Director Donna Brown: Yes, sir.

Budget Director Judy Doyle: Mayor and members of the council, that is correct.

Mayor Lane: Okay. And then so just as long as that's clear, I appreciate that. And then only the unique circumstances with concurrence to the city manager may exercise non-merit increases and as you indicated the inequity or compression and I'm not sure exactly what kind of conditions, you know, exist where inequity and how that is sort of quantified and whether we can even put a price tag on this. Has this already been evaluated?

Human Resources Director Donna Brown: Yes, I believe the fire department has a three-year plan to correct their inequity issues among the sworn rank and this is the last year of that plan and they wanted to take part of their allocation to fix this.

Mayor Lane: I see but they are going to use part of their allocation to fix this?

Human Resources Director Donna Brown: Yes.

Mayor Lane: Excellent. And the one-time payment options for consideration, the fixed amounts, this is -- and I -- I'm probably following on some similar thought process on this one. This is one that I think is pretty difficult for us to get our arms around, as we discuss it right now, because we have no idea as to what the quantification of this would be and how much. I don't know if you mentioned -- I think on 3% of the meet or the exceed, we gave \$1 figure of half a million dollars, I believe. Is that correct? Somewhere thereabouts?

Human Resources Director Donna Brown: Yes. For the 250 employees that are close to or at the max, it would equate to that 3%, \$575,000, yes.

Mayor Lane: And why -- what would be the intent here if we were trying to keep within pay ranges. What are we trying to accomplish with this?

Human Resources Director Donna Brown: It's my understanding this would be a different allocation and different money, and I will have Judy speak about that.

Budget Director Judy Doyle: Mayor and members of the council this is for any employee that is near or at the max. This would be one time 3% or up to 3% payment to them.

Mayor Lane: I see. Well, for consideration, I suppose I would hold off on this. This is not something I think is of -- and the quantification that I heard on the 3%, on the other, I think it was somewhat less. If you are talking about a fixed amount of 250 or 500 or \$1,000, I'm just concerned about what precedent this sets going outside the range for a variety of other programs that we have established. So that would be my thought on it. So thank you very much for the presentation too, and any information. Councilwoman Littlefield. Oh, I'm sorry did -- I don't know if someone -- okay. Just the voices in my head then. Councilwoman Littlefield.

[Time: 03:11:06]

Councilwoman Littlefield: Thank you, mayor. I would be pretty much in general agreement with what the others have said. A maximum of 3% within each departmental budget to be determined whether or not they go to the needs improvement, meets expectations, or exceeds expectations to be determined by the appropriate supervisor. The police salaries, as we determined before, is good with me. And I would not support much over a maximum salary range. If we do that, we lose a range, and I think that it's important that we know what we're doing and where we are going. I would not support your option two on that at all. If you want to give a \$250 great job bonus Christmas money or whatever, that's, I guess, up to consideration but I would not be in general in favor of anything like that. Thank you.

Mayor Lane: Thank you, councilwoman. Councilman Phillips?

Councilman Phillips: Thank you, mayor. You said at the beginning that this is going to be full-time and part-time employees.

Human Resources Director Donna Brown: Yes.

Councilman Phillips: Should I be concerned about part-time employees getting a bonus?

Human Resources Director Donna Brown: Well, they were included in the evaluation system in previous years so regular part-time and full-time employees. That doesn't mean temporary or seasonal.

Councilman Phillips: So we have full-time and part-time people?

Human Resources Director Donna Brown: Yes, sir.

Councilman Phillips: Okay. And would this be ongoing? Is this going to come to us every year or is this a one-time thing?

Human Resources Director Donna Brown: Well, hopefully we will be approving merit increases on an annual basis unless there's something that anyone else would want to add.

[Time: 03:13:15]

City Manager Fritz Behring: I think it's good to have one good policy that the council would decide is going to be the city of Scottsdale's policy. Unfortunately we don't have that right now and the cost of pay raises and increases would be a budget issue each year. But we would want to have good policy to follow up and follow it year by year by year so we don't have changes all the time. And so the cost of this will always come back to the council. Hopefully you will have a good policy in place and we'll bring you a policy right when you guys get back from your summer vacation and have something in place that we can follow to the next several years.

Councilman Phillips: Okay. We are looking at this as a one-time but we are trying to come up with a policy that we can use every year?

City Manager Fritz Behring: Yes. But keep in mind, based on the information that we had with the council and the discussions we had with the council, we are going to treat our police officers differently than we are the general employees.

Councilman Phillips: I agree with that.

City Manager Fritz Behring: And that's a potential change from what we have done in the past, not necessarily that everybody agrees with this on the council, but that is where the majority of the council has given me direction.

Councilman Phillips: Okay. So I guess I'm looking at our choices are the fixed amount or the percentage. I think I would go for the fixed amount.

Human Resources Director Donna Brown: Of 250, 500, or \$1,000, councilmember?

Councilman Phillips: Well, now that's a problem because it depends on the department, I think for some departments \$250 is a huge amount. In some departments \$1,000 is chicken feed. So I don't know how you could determine that. I thought it was those depending on the department. So you are saying to pick one or the other, hmm?

Human Resources Director Donna Brown: Well, we were trying to go with consistency as much as we could in this process.

Councilman Phillips: I guess I would say up to \$1,000 just to take care of the ones that probably need it more than that. But I hope the departments can be able to figure out -- we don't want to give somebody that's making a small amount a huge check, and somebody who is making a big amount a small check. That doesn't make sense.

Human Resources Director Donna Brown: Well, we understand.

Councilman Phillips: Thank you.

Human Resources Director Donna Brown: Thank you.

[Time: 03:15:51]

Mayor Lane: Thank you, councilman. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. I support police officer compensation as stated. I support all other employee compensation as stated. I do not support a one-time payment for those



at the top of the range. And I want to commend you, Ms. Brown, for providing stability and leadership in the H.R. department. It has been a short time since you have been on board and I think you have accomplished quite a bit. Thank you and thank you for implementing the performance evaluation and the software and all that goes with it. I think that's really important. Thank you.

Human Resources Director Donna Brown: Thank you, councilmember.

Mayor Lane: Thank you, councilwoman. Councilwoman Klapp.

Councilwoman Klapp: I support all the items that were on the slides previous to this one. I don't have to go through them again. On this one, I'm probably in disagreement with my fellow councilmembers. I believe that we should be considering some kind of one-time option for people and what I would say, it is not for not meets expectations but exceeds expectations is where I would go with that. And this is based on my experience of decades of dealing with people who end up after having worked many years being at the top of their pay scale and they really can't get anything more. They don't have any incentive to work harder if there's no more money to be had. So that's why my position would be that if we have some people that are at the top of their pay range, that are exceeding -- not meeting but exceeding their performance expectations, then I believe we should devise a way to provide them with some compensation for that outstanding performance. I have always been a supporter in past years of trying to come back with some sort of a program for outstanding performance, so in my mind if someone has been with the city for 25 years or whatever it is, and they are really exceeding expectations, we should reward that in some fashion. And so my recommendation, which obviously is not the majority of the council, but I will still say it, is that I believe we should be considering some kind. A percentage increase for someone who has been here at the top of range, who is exceeding and doing an outstanding job. Thank you.

Mayor Lane: Thank you, councilwoman. I think everyone -- I believe everyone has weighed in on some comments and direction and so if that's the case, if you have got that direction compiled there, or you want to review the tape or whatever the case may be, but Ms. Brown, I really do want to thank you as well for your presentation and what you are bringing to the table within this department. It was mentioned previously, I think it's an area that we really are looking for some stability and clearer messaging on it. So thank you very much for that.

Human Resources Director Donna Brown: It's been a pleasure.

[Time: 03:19:08]

Mayor Lane: So that moves us on to our other category. Within the budget and I don't -- do we have -- okay. Now if I understand this correctly, I don't have any -- let's see. I probably do have some detail on this.

Well, Mr. Lundahl, it looks like you are going to be making the presentation in this area and if it is as I suspect, the area of the Arizona International Visitors Council, I'm going to recuse myself from the conversation and even the direction. Is that appropriate? I mean, I think that -- this direction even

though it may not be an action, it may be a direction on what's going to be occurring here. I don't know if I should ask our illustrious city attorney whether that's an appropriate action I can take or whether I can participate without a comment on the decision.

City Attorney Bruce Washburn: Mayor, if you have a conflict, or if you believe that it appears impropriety and you want to recuse yourself on that basis, then you need to recuse yourself from all actions even if no legal action will be taken, you cannot even participate in the discussion.

Mayor Lane: Okay. Very good. Thank you Mr. Washburn. Well, then I will turn this over to the Vice Mayor for this section if you want to move to this seat.

Vice Mayor Milhaven: I get to sit in the chair?

Mayor Lane: You can do that. And there will be some cards you will want to attend to.

Councilwoman Klapp: Be careful!

Vice Mayor Milhaven: I would have liked a little warning. I could have practiced. Hi, Mr. Lundahl.

[Time: 03:21:10]

Government Relations Director Brad Lundahl: Good evening, Vice Mayor and members of council. For the record, I'm Brad Lundahl, the government relations director for the city of Scottsdale and I'm also the contract administrator for the Arizona Council for International Visitors, which is the item that we're here to talk about. You have recently received a letter from the Arizona Council for International Visitors requesting that they be funded. Currently they are not scheduled to be included in the current budget that's coming before you.

I'm happy to go through kind of background, the history or the pertinent points. I think we have some folks here tonight that would also like to speak to the item as well. Just to summarize real quick, it's a contract that we have had with them since 1994. We have provided a level of funding to them and basically, they are associated with the U.S. State Department and they are tasked with reaching out to international organizations, international countries and bringing visitors, not only into Arizona but into Scottsdale. There's a handout that you were given, it shows that the funding history -- I can probably put that up on the Elmo. As you will see, we have funded them at roughly \$31,000 each year. During the downturn in the economy, we did ask them to scale back. We have moved them back to about \$29,000. Two years ago when the contract was up for renewal, they did come in and make an appeal. The contract amount was raised up to \$75,000 for the two-year contract each year.

And there was also, I believe, a councilmember that suggested we look at using bed tax to pay for that contract. During last year's budget, we did make a decision to use bed tax and they were funded or are currently being funded right now through the bed tax. But as I said, they are not in the budget, the city budget right now and that's what we are here to discuss.

Vice Mayor Milhaven: Thank you Mr. Lundahl. We will hear public testimony and then we will see if there's any questions from the council. We will start with Sue Reiner.

[Time: 03:23:41]

Sue Reiner: Good evening Vice Mayor and members of the council. Thank you for the opportunity to speak to you tonight. My name is Sue Reiner. I am the president and the C.E.O. of the Arizona council for international visitors and have worked with the council for over 25 years. Our offices are at 3295 North Drinkwater Boulevard in Scottsdale. I will try and keep my remarks short but if I run over, others from our group have agreed to yield their time.

The Arizona Council for International Visitors has administered locally the prestigious international visitor program or IVLP on behalf of the United States Department of State. The IVLP is the second largest exchange program in the U.S. and each year brings over 5,000 international, dignitaries, diplomats, business people, educators and other emerging leaders from around the world to the United States for nearly a month-long professional exchange. While in the U.S., these leaders meet their professional counterparts for a fluid exchange of ideas, practices, and cultural arrangement and engagement. Of the 5,000 international visitors that travel through this program, the Arizona Council of International Visitors is honored to receive over 200 of them, plus their professional escorts and State Department interpreters.

AZCIV is proud to have called Scottsdale home since we were founded in the '60s. In that time we have hosted thousands of these visitors, sharing with them the outstanding Scottsdale hospitality, cultural, and of course the business and the political relationships. They leave our city better informed, enlightened and inspired. They share their stories and experiences once they return home and many travel back again for holiday, vacation or to further their original professional relationships. These foreign dignitaries thanks in large part to the access provided by you, the mayor and other councilmembers, as well as our dedicated staff allow the Scottsdale brand to flourish around the world. These visitors represent the highest level of government, business, and academia and their experiences here in Scottsdale, manifest a countless meaningful ways their return home. Whether that's a better understanding of water resource management, or world-class tourism infrastructure, these and many other lessons are learned and oftentimes replicated back home. Thanks to AZCIV, and the commitment from the city, Scottsdale is truly leaving a significant footprint worldwide.

In addition to the inherent benefit of this cross cultural exchange, the economic impact of these visits cannot be underestimated. Each and every IVLP visitor, their escorts and interpreters stay in Scottsdale hotels. They dine in Scottsdale restaurants and entertain themselves with our night life, and shop in our world- renowned retail stores and galleries and go on our trails. Consider the hotel accommodations alone. Last year we had 309 international visitors, including State Department staff, escorts and interpreters. That equates to over 1500 room nights and overnight stays annually both in our high and low seasons. Based on the city of Scottsdale's own tourism and events formula, and using our specific hotel room rate, each day a visitor is in Scottsdale, equates to \$330 spent in Scottsdale. 1500 overnight stays at \$330 per day equals \$495,000. When you couple that with the

\$160,000, the government calculates as impact pertaining to airline flights and other spending, the economic impact features \$658,000 for this last year alone. That is almost a 10 to 1 return on Scottsdale's investment. Add to that the sales tax that's generated by their shopping, dining, recreating and ground transportation and the direct revenue to the city clients.

This brings me to the point of standing before you this evening. For the last two years, AZCIV has benefited greatly from the financial --

Vice Mayor Milhaven: How much more time would you like to finish your remarks?

Sue Reiner: Oh, thank you.

Vice Mayor Milhaven: I have given you a couple more minutes. I was wondering how much more time you would need to wrap it up.

Sue Reiner: Just one minute.

Vice Mayor Milhaven: Okay.

Sue Reiner: Okay. The last few years AZCIV has benefited from the financial support of our existing grant with the city of Scottsdale and that grant also includes that we are the administrators of Scottsdale's Sister Cities. We provide Scottsdale's Sister Cities with office space, office equipment, supplies, phone, fax, copier, et cetera. Scottsdale has benefited from the cultural exchange and the spread of the city's brand internationally and the economic footprint left by these visitors. We have been -- we are a nonprofit. We are grateful for the generous support the city has provided.

As a fiscal conservative, I understand the role of the government spending and the need to keep our city's financial house in order, however, our request is to maintain our grant funding and it should not be seen as a hand out or a hand up but rather that's an investment which in turn earns the city a considerable return on investment. Of course, the recent federal government's budget sequestration had an adverse effect on our local administration and the Obama administration does not look favorably on the important national security role, however, while not hitting all of our roles we have seen the numbers increase to 209 in 2014 and we hope to hit our goal of 350 this fiscal year. I want to thank you very much.

[Time: 03:30:28]

Vice Mayor Milhaven: Thank you very much. And Diane Bullen.

Diane Bullen: Madam, Vice Mayor and councilmembers, thank you for this opportunity to present to you this evening. My name is Diane Bullen and I'm the chairwoman for the Arizona Council for International Visitors. And as Sue Reiner just explained, we have been in the valley for 50 years or more. And we grew from a very little organization that just hosted a few visitors every year, to a fairly large organization that now is hosting 309 or maybe hopefully this year more than that. We

started out as an all-volunteer organization and then in 1994, as the data shows, Sue Reiner came on board as a paid staff member and since then we have grown quite a bit. A few years ago, we had the fortune in 2013 to hire a director of operations to assist Ms. Reiner in her duties. There's a lot of paperwork. There's a lot of effort that goes through in petitioning proposals. We usually get about one in three or five of the proposals that we write. We are in competition with 95 other councils in the United States and this department of states programs are obviously sought after. But we have also seen that there have been less visitors coming from the department of state as a whole throughout the United States. So we feel very fortunate that we are still getting 300 a year. Having a staff member has really helped Ms. Reiner because now she's got somebody that can actually help with the technology and a lot of this savvy, he was the a former intern for the Arizona council of international visitors and his expertise has helped us to continue to grow. At this time, we want to thank you for the support that we have had so far. We have been affected by sequestration and we have been affected by low funding as a whole for the program in the United States. But we are very hopeful that things are going to hook brighter and better for us and that we will continue to make a very strong economic footprint here in Scottsdale so we can share the culture, share the resources and the professionalism that exists in this area and that we can continue to share with the world and have an impact in leadership and also for citizen diplomacy. Thank you for your time and if you have any questions please ask.

[Time: 03:33:20]

Vice Mayor Milhaven: Thank you Ms. Bullen. Marty Day.

Marty Day: Vice Mayor and members of the council, my name is Marty Day, and I'm very proud to say that my husband Roger and I have lived in Scottsdale for 20 years. And I'm grateful to stand before you and share some of my experiences with Arizona Council for International Visitors. My involvement with AZCIV began over 20 years ago, when Roger and I began offering home hospitality in our home to the international visitors. During their stay of each international visitor is offered home hospitality, which means dinner an American home. And we ask a local member to open their home to offer that dinner and have conversation. These dinners have become very important and meaningful experiences for the visitors. We all share our experiences, our stories and always noting that the basics that we share, family, education, jobs, and our futures. Roger and I have shared our home with hundreds of these visitors over the years and in doing so, our children and our friends that we invite to have dinner have experienced an environmental -- an environment of cultural acceptance, tolerance and appreciation. I have been a member of AZCIV since 1995 and I joined the board of directors in 2004 and soon found myself in a leadership position chairing our board of directors for two years. As board chair, I was offered the opportunity to attend the annual meeting of National Council of International Visitors in Washington, D.C. This I saw the good work that many of the other centers of international visitors are doing around the country. I also realized the more proposals that our council is able to write for the State Department program, the more programs we are likely to receive thus the more international visitors we are able to receive. And that means more recognition for Scottsdale. This can only be accomplished with staff that we need in our office. I also found many centers for international visitors received grant funding from their municipal partners this important investment from the municipal partners equals more State Department programs and recognition and

a very strong economic impact for Scottsdale. Please recognize, as I do, that this investment in the AZCIV is prudent and responsible and will enable us to make an even greater contribution, economically, and culturally and increase awareness of Scottsdale brand, internationally. Thank you.

[Time: 03:36:59]

Vice Mayor Milhaven: Thank you, Ms. Day. Dan Schweiker.

Dan Schweiker: Good evening Vice Mayor Milhaven and councilmembers. I will give back a little bit of time that we over on the earlier ones. My name is Dan Schweiker I live on East Los Palmaritos Drive in Scottsdale. We have been hosting international visitors for over 30 years now. Absolutely a fascinating group of people. The mayor was over at my house a few years ago when I had a group of legislators from Afghanistan and Pakistan who were in town, and just hearing the mayor interact with them about their council meetings versus your council meetings was absolutely fantastic! Anyway, I just joined the board of the World Affairs Council a few months ago after hosting people for all of these years and my company China Mist Tea Company which is a 30-year employer in Scottsdale. I'm envious of this 9 to 1 return that we're getting off the investment that the city makes in the World Affairs Council because in China Mist, I would love to get some 9 to 1 returns and I don't get those very often. We very much appreciate your help. I also have a history of being an avid fan of fiscal responsibility when it comes to government giving out money and when I look at this 9 to 1 return; I think that is a useful investment into the economy of the city of Scottsdale. And as a 15-year board member of the Scottsdale Convention and Visitors Bureau, I have been all about tourism for a long time and that's one of the reasons why I want to join the board of the World Affairs Council because they are about tourism. I think the return on the investment from the city of Scottsdale is worth every penny of it. Last time I know the mayor abstained we had unanimous support for our proposal and hopefully we get the support again this year because it's a great organization. Thank you.

[Time: 03:39:25]

Vice Mayor Milhaven: Thank you, Mr. Schweiker. And that concludes our public comment. Councilwoman Klapp.

Councilwoman Klapp: Well, I would like to support the idea of continuing funding for the AZCIV and point out that they don't have to be in Scottsdale. This is an Arizona organization that chooses to be in Scottsdale. And I think that the requests for the \$75,000 that we gave them in the last two years is a reasonable request for the amount of work that they do to promote international visitation and to the city of Scottsdale to incorporate the city staff and the councilmembers and others into conversations with the people that come in.

I have met with some international visitors. I seem to get primarily women that want to speak to me. So I have spoken with women that came from Poland and I think the last one was Pakistan, they were very interesting conversations about the experiences of these women and their countries and they are very interested in government and women and leadership and all of the things that you could suppose that women from those countries would be considering when they are going back and talking to the

women in their country. I also feel because the AZCIV supports of sister cities program, which we have all found to be quite valuable. Some of us have been able to visit the sister cities, at least a couple of them or at least one of them. And I have to make note that I know that I was -- before I got on the council, I was on the Sister Cities board and I always remarked about how little money sister cities got and what they did with it. But part of the reason they were able to survive is that the AZCIV gave them office space and secretarial support and got their mail and gave them at least the infrastructure that they needed in order to survive as a sister cities program.

I feel that we should be continuing to fund AZCIV because part of the money goes to sister cities as well. So from those comments you can suppose that I would like to make a motion that we provide, again, a \$75,000 funding to the AZCIV in our next fiscal year budget.

Councilwoman Littlefield: Second.

Vice Mayor Milhaven: Second, would you like to speak to your second?

Councilwoman Littlefield: Just briefly that I think that we do a wonderful job with our sister cities program. I like the unity here between the two organizations and I think it's a real good fit and I would like to see it continue.

Vice Mayor Milhaven: Thank you. Councilmember Korte.

Councilmember Korte: Thank you, Vice Mayor Milhaven. A question to staff. Mr. Lundahl, so why are we not considering funding this with bed tax dollars?

Government Relations Director Brad Lundahl: Vice Mayor, Councilmember Korte, I did hear from the TDC that they had looked at it and it was not something that they considered viable under the bed tax provisions. The exact details I'm just not aware of. This is just conversations that I had with other staff.

Councilmember Korte: So did the TDC actually consider this and make a formal recommendation?

Government Relations Director Brad Lundahl: Vice Mayor, Councilmember Korte, no, they did not take formal action on this. They did review it. I did make an agreement with them that if we were going to continue to fund it with bed tax, I would bring it back to them and run it through their formal process but that's -- the plans changed at that point.

Councilmember Korte: So is there an opportunity for us to fund it with bed tax dollars, go back tomorrow this or is that off the table?

Government Relations Director Brad Lundahl: I assume it's still an option. I would need council direction on what you want me to do.

Vice Mayor Milhaven: Well, I guess check with the city manager. Is it -- whoever on staff. I

believe it's within the city council's purview to use bed tax dollars if we so decide? Yes. Thank you.  
So --

Councilmember Korte: So with that, I would ask for a friendly amendment to utilize bed tax dollars --

Councilwoman Klapp: Certainly. I'm fine with having the money come from bed tax.

Councilmember Korte: Okay.

Councilwoman Littlefield: Fine with me.

Councilmember Korte: Thank you.

[Time: 03:43:56]

Vice Mayor Milhaven: Councilman Smith.

Councilman Smith: Thank you, Vice Mayor. Once again, my thunder was stolen because I was going to also say let's look at funding this from bed tax. I understand probably you have gotten feedback that they are not enthused about it, but ultimately, I think that's a decision that we have to make with their guidance but we have to make.

I have a question. I heard somebody citing a number that we were going to see perhaps 309 visitors this year and I'm not seeing how that comes out of the statistics that were presented to us here on this sheet. I don't know who might want to talk to that. But what I see is the past three years of 211, 240 and thus far this year about 175.

Government Relations Director Brad Lundahl: Council, vice mayor, that's the difference between a calendar year and a fiscal year because we were on the calendar year. We are moving into the fiscal year. Does that answer your question?

Councilman Smith: I guess it does. This is -- you are not projecting into the future. This is actually a 12-month --

Diane Bullen: This is the actual, what we had.

Councilman Smith: Okay.

Vice Mayor Milhaven: Mr. Lundahl, did you want to add something?

Government Relations Director Brad Lundahl: Yes, Vice Mayor. Their reporting comes to me in a calendar year format. For the document that I presented to you, I converted to fiscal year since we were dealing with a budgetary issue. So the numbers hold up regardless of which way you look at it and we are still currently -- we have not finished out this fiscal year. That's why the numbers are low



on the current year.

Councilman Smith: I will just observe if I take 240 from '13/14 and 172, for whatever this partial year period is, the grand total of that whole -- whether that's 18 months or I don't know what it is, but that's 412 people. Are you saying that in some other stub period we only had 100 people or something? I'm not following the logic here but maybe it's not material, but I don't know how I can take this series of numbers and get at 309 for any period of time. But --

Government Relations Director Brad Lundahl: Councilman Smith, I'm looking at the 2014 numbers and the actual calendar years and they came in at 303 per our calculations on the calendar year information.

Councilman Smith: Maybe I will just observe that it would have been more helpful if we would have had numbers on the same basis that we are going to be talking to.

Government Relations Director Brad Lundahl: I should have provided both sets of numbers you to just for illustration purposes.

Councilman Smith: The other thing that I am curious about, in the column, again on the letter that we had, it said the required number and in every reporting period, the required number was 350 visitors. What happens? We had one period of time, again on this report when we had 409, which was 59 people, more than required. What does that -- what happens when we do that?

Government Relations Director Brad Lundahl: Vice Mayor, Councilman Smith, what happens when we have too many people coming here or -- I'm not sure I understand your question.

Councilman Smith: You are saying on this sheet that there's a required number of 350 per year.

Government Relations Director Brad Lundahl: Correct.

Councilman Smith: In one year we had more than 350. And did we get more money from the State Department or -- I'm not sure I understand what the requirement has to do with anything because sometimes we are more than and sometimes less than and it seems to be so what? What -- what do I do with this 350 number?

Diana Bullen: The 350 number is a target that we hope to achieve. It's a target that is in the contracts, and as you noticed, some years, they are close. Some years they are over. The hope is that it all averages out to around 350 visitors a year.

Councilman Smith: And this is a requirement in the contract. Is this a contract between the city and them?

Diana Bullen: That is correct.

Councilman Smith: So it's a -- we have a contractual requirement but if they exceed it, nothing happens and if they fall below it, nothing happens?

Diana Bullen: That's correct. There's no penalty in the contract.

Councilman Smith: You shouldn't have said yes.

Diana Bullen: But the contract is renewable by the council and that's something that we can take into consideration when they vote on that contract.

Councilman Smith: Okay. The other -- and I don't know that I have any more comments for you if you want to leave the podium, you are welcome to do so. But -- I just didn't want you to stand there.

Vice Mayor Milhaven: Councilman, it looked like Mr. Schweiker usually had an answer to your question.

Councilman Smith: Usually people don't volunteer for this, Dan.

Dan Schweiker: I know. I'm a slow learner. The 350 is our target of what we think with the State Department we are going to bring in, but it's really up to the State Department to pick how many people are going to come here. So like when they were shut down for part of the year, we obviously lost people. Some years they end up with more talent that they want to bring over here than other years. So the 350 is just kind of the number that we have with them that they think they are targeting towards Phoenix for every year, for Arizona, but we don't know exactly until it rolls throughout the year, when they bring in the different people how many it's actually going to be.

[Time: 03:50:08]

Councilman Smith: Okay. Thank you, Dan. The other observation I will make, I don't want anybody in the listening audience to think that this is a program that provides a good 10 to 1 return on investment or whatever. I mean, that's -- we are spending \$75,000 to have people come here and spend in the city for hotels and food and whatever, perhaps \$1 million or 750 or whatever the number is. That's not an R.O.I. for the city of Scottsdale. That perhaps is an R.O.I. for the community at large. I mean, businesses generate that much additional business, but it's not like the traditional business return on investment. I'm not saying it's a bad program but I just don't want anybody to be confused. I think we have got a money machine here. I think -- I think probably the program pays dividends in very intangible ways in terms of familiarizing the rest of the world with what we do here in Scottsdale and perhaps giving us a platform to learn what other countries and cities are doing around the world and all of that is valuable but in a very intangible way.

I would support funding for this program, but as was stated by some others, I would prefer that it be done out of the discretionary monies of the bed tax. Thank you, vice mayor.

Vice Mayor Milhaven: Thank you, and Councilman Phillips.

Councilman Phillips: Thank you, Vice Mayor. Well, I guess this is direction to staff. I don't think we have to vote on it. But I think we all agree on it and I agree that tourism tax, the bed tax should pay for it. It seems like the most appropriate response to me. So thank you.

Vice Mayor Milhaven: And for me, I just want to thank all the folks of the Arizona Council for International Visitors for all the great work you do. So there are no additional comments. So since we have a motion, we will take a vote. All those in favor aye, all those again nay. Aye. Oh. I voted for the mayor. Sorry that was me. So it passes 6-0. And the mayor gets to come back.

Mayor Lane: Thank you, Vice Mayor. I watched the entire thing. You did a great job. Now I need to catch up myself. I think that's the last item on the -- oh, yeah, boards and commissions. So we've got that --

Budget Director Judy Doyle: Excuse me, mayor.

Mayor Lane: Yes.

Budget Director Judy Doyle: Thank you. I just wanted to say that we didn't have anything else formally that we wanted to present on this agenda item, but did want to open the floor to you, council, if you had any other budget topics that you wanted to discuss.

Mayor Lane: Thank you for that. And I look to my right and my left, and not seeing anything on the screen. I think we are good. It's 9:00 too. That's an influencing factor. That's an influencing factor for sure and we do have some additional business to do yet as it is, but thank you very much for that opportunity.

## **ITEM 20 – BOARDS, COMMISSIONS, AND TASK FORCE NOMINATIONS**

[Time: 03:53:26]

Mayor Lane: So having completed item 19, our mayor and council items would be inclusive of the boards, commissions and task force nominations. We have Mr. McKee to guide us along in this development, but for this process, I will again turn it over to the vice mayor.

Vice Mayor Milhaven: Thank you, mayor. This evening, the City Council will be nominating Scottsdale residents interested in serving on 13 citizen advisory boards and commissions. Those nominated will be interviewed at the City Council meeting on Tuesday, May 12th, and appointments will follow each set of interviews. Let's get started.

Board of Adjustment, one opening. The Board of Adjustment has the power to hear and decide on appeals from administrative decisions and variances from the provisions of the zoning requirements. We will start the nominations with Councilman Phillips.

Councilman Phillips: Mr. Metz.

Vice Mayor Milhaven: Councilwoman.

Councilmember Korte: No further nominations.

Vice Mayor Milhaven: Mayor?

Mayor Lane: No further nominations.

Councilwoman Klapp: No further nominations.

Vice Mayor Milhaven: I have no further.

Councilwoman Littlefield: No further.

Vice Mayor Milhaven: And Councilman Smith. I'm sorry. Mr. Metz has been nominated. Do you have any additional nominations? I guess not. No? Okay. We will move on to building advisory board, two openings.

The Building Advisory Board of Appeals has the jurisdiction to recommend that minor variances in the electrical, plumbing and mechanical application of the Building Code be granted and that alternative construction methods or materials be allowed. While there are no special qualifications for this position, not required by city code, members appointed to this board should be qualified by experience and training to decide on matters pertaining to building construction. We will begin with Councilman Smith.

Councilman Smith: No nominations.

Councilmember Korte: I will nominate Raymond Teixeira.

Vice Mayor Milhaven: All the applicants have been nominated. Next is the Environmental Quality Advisory Board, one opening. The Environmental Quality Advisory Board provides guidance on the prioritization of future environmental activities and recommends environmental policies to the City Council. As specified in City Code, membership of the Board shall reflect both scientific, professional background in engineering/planning or earth science, and non-scientific interests, representatives from the business community and community at large. Let's begin with Councilwoman Korte.

Councilmember Korte: Candace Gimbel.

Mayor Lane: No further nominations.

Councilwoman Klapp: No further.

Councilwoman Littlefield: No further.

Vice Mayor Milhaven: Councilman Phillips.

Councilman Phillips: Sabin.

Councilman Smith: Steve Schlosser.

Vice Mayor Milhaven: All right. Moving on to historic preservation. The Historic Preservation Commission oversees the development and management of Scottsdale's Historic Preservation Program. In order to increase funding opportunities from the Heritage Fund and other grants, the State recommends one opening be filled by a member of each of the following professions: registered architect, real estate professional, archeologist, and historian. We will begin with the mayor.

Mayor Lane: Ellen Kirchman and Taraneh Moosavi.

Councilwoman Klapp: No further nominations.

Vice Mayor Milhaven: No further.

Councilwoman Littlefield: No further.

Councilman Smith: John Bamberl.

Councilmember Korte: No further.

Vice Mayor Milhaven: Thank you. Moving on to the Judicial Appointments Advisory Board. The Judicial Appointments Advisory Board, JAAB, makes advisory recommendations to the City Council regarding the appointment and reappointment of full-time city judges. Per Ordinance No. 3254, the Council must appoint/reappoint a member who is recommended from the Scottsdale Bar Association. Both applicants were recommended by the Scottsdale Bar Association. We will begin with Councilwoman Klapp.

Councilwoman Klapp: James Padish.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: John Penner.

Vice Mayor Milhaven: Both applicants have been nominated. So we will move on to the Library Board. The Library Board advises the City Council on general policy relating to the programs, services, and future development of the Scottsdale Public Library. We begin with me and I nominate Laraine Rodgers. Councilmember Littlefield.

Councilwoman Littlefield: Thomas O'Shea.

Vice Mayor Milhaven: Councilman Phillips?

Councilman Phillips: No further.

Councilman Smith: No further.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No further nominations.

Vice Mayor Milhaven: Thank you. Moving on to the Loss Trust Fund Board. There are two openings. The Loss Trust Fund Board is responsible for recommendations to the City Council regarding the administration of the loss trust fund. We will begin with Councilwoman Littlefield.

Councilwoman Littlefield: Paul McKee.

Councilman Phillips: No further.

Vice Mayor Milhaven: Councilman Smith.

Councilman Smith: No further.

Councilmember Korte: No additional.

Mayor Lane: Raymond Teixeira.

Vice Mayor Milhaven: All applicants have been nominated. Moving on to the McDowell Sonoran Preserve Commission. The Commission, with the assistance of city staff, makes recommendations to the City Council on such items as: preservation strategy, funding, land acquisition, educational/promotional programs, master planning and other Preserve-related issues. We will begin with Councilman Phillips.

Councilman Phillips: Dodd and Milillo.

Vice Mayor Milhaven: Thank you.

Councilman Smith: No further.

Councilmember Korte: Confirming that was Milillo? Okay. No additional.

Vice Mayor Milhaven: Mayor?

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: No additional. Neighborhood Advisory Commission. The Neighborhood Advisory Commission advises and makes recommendations to City Council on policies, plans, strategies, and programs for the preservation, improvement, and revitalization of Scottsdale's housing and neighborhoods. We have one opening and we begin with Councilman Smith.

Councilman Smith: Michael Gonzalez.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Vice Mayor Milhaven: No additional.

Councilwoman Littlefield: No additional.

Vice Mayor Milhaven: Thank you, parks and rec, there's one opening. The Parks and Recreation Commission is a citizen advisory committee that advises the City Council on the acquisition of lands and facilities for use as parks or recreation centers; the Parks and Recreation Commission also advises on the operation, use, care and maintenance of these parks and recreation areas. There is one vacancy and we begin with Councilmember Korte.

Councilmember Korte: Tom Gagen.

Mayor Lane: Paul Jasa.

Councilwoman Klapp: Alper Adli.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: Ron Chambless.

Councilman Phillips: No additional.

Councilman Smith: No additional.

Vice Mayor Milhaven: Thank you. Planning Commission. There's one opening. The Planning Commission reviews, evaluates, and approves rezoning requests, General Plan amendments, use permits, abandonments, and Municipal Use master site plans, maintaining the applicable standards and policies of the City of Scottsdale. There is one vacancy. We begin with the mayor.

Mayor Lane: Ross Cromarty.

Councilwoman Klapp: Paul Alessio.

Vice Mayor Milhaven: I have no additional.

Councilwoman Littlefield: Linda Whitehead.

Councilman Phillips: Robert Cappel.

Councilman Smith: No additional.

Councilmember Korte: No additional.

Vice Mayor Milhaven: Thank you. Moving on to the Tourism Development Commission. There's one opening. The Tourism Development Commission advises the City Council on matters concerning the Tourism Industry in Scottsdale as well as the expenditure of revenues from the Transaction Privilege Tax on Transient Lodging, Bed Tax, designated for Tourism Development. This opening shall reflect a representative of elements of the tourism industry including restaurants, travel agencies, transportation companies, etc. I think we begin with the mayor this time.

Mayor Lane: You began with me last time.

Vice Mayor Milhaven: All right then Councilwoman Klapp.

Councilwoman Klapp: Tatum Luoma.

Vice Mayor Milhaven: No additional.

Councilwoman Littlefield: Linda Dillenbeck.

Councilman Phillips: Ellsworth

Councilman Smith: No additional.

Councilmember Korte: No additional.

Mayor Lane: No additional.



Vice Mayor Milhaven: Transportation Commission. The Transportation Commission advises the City Council on matters relating to the safe and efficient movement of vehicles, transit, pedestrians, and bicycles. We have one opening. I will begin and nominate Mr. Bretz.

Councilwoman Littlefield: David Vaughn.

Councilman Smith: No additional.

Councilmember Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Vice Mayor Milhaven: This concludes our nomination process this evening. City staff will contact those who were nominated and provide them with additional information about the interview process. I would like to take this opportunity to sincerely thank all who applied to serve on a citizen advisory board or commission. Even if you were not nominated, your application will remain on file for one year for consideration at a future date, in the event that there are additional vacancies. I turn the meeting back to the mayor.

[Time: 04:03:10]

Mayor Lane: Thank you very much, Vice Mayor. Nice job. We have no additional public comment cards, nor citizen petitions, and we have no -- I believe no mayor and council items. And if not, seeing none, I would ask for a motion to adjourn.

#### **ADJOURNMENT**

Councilwoman Littlefield: So moved.

Councilmember Korte: Second.

Mayor Lane: Moved and seconded. We are adjourned. Thank you very much.