

SCOTTSDALE CITY COUNCIL  
WORK STUDY SESSION MINUTES  
TUESDAY, JANUARY 19, 2016



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

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 4:08 P.M. on Tuesday, January 19, 2016, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane  
Vice Mayor David N. Smith  
Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield,  
Linda Milhaven, and Guy Phillips

Also Present: Acting City Manager Brian Biesemeyer  
City Attorney Bruce Washburn  
City Treasurer Jeff Nichols  
City Auditor Sharron Walker  
City Clerk Carolyn Jagger

**PUBLIC COMMENT** – Craig Jackson spoke on timing issues and site renovations related to the City's proposal to sell the WestWorld tent.

**1. Fiscal Year 2016/17 Projected Capital Improvement Plan**

**Request:** Presentation, discussion, and possible direction to staff regarding the FY 2016/17 projected Capital Improvement Plan.

**Presenter(s):** Dan Worth, Public Works Director

**Staff Contact(s):** Judy Doyle, Budget Director, 480-312-2603, [jdoyle@scottsdaleaz.gov](mailto:jdoyle@scottsdaleaz.gov)

Public Works Director Dan Worth gave a PowerPoint presentation (attached) on the Fiscal Year 2016/17 Projected Capital Improvement Plan.

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

- Councilmembers offered suggestions for all future CIP reports and presentations.
- There was consensus to continue to discuss the construction sales tax policy.
- Staff was asked to provide more information on all capital improvement projects, including associated costs and potential funding sources, as well as current information on debt service, interest rates, and property values on the 80-acre parcel on Bell Road.
- There was consensus to proceed with the sale of the WestWorld tent. It was suggested that the RFP timeline be extended to increase the bidding pool.

## 2. Ethics Refresher Training

On May 2, 2006, the Scottsdale City Council adopted Resolution No. 6879 and Ordinance No. 3675 establishing the City of Scottsdale Public Service Ethics Program and a Code of Ethical Behavior related to elected and appointed officials, which became effective July 1, 2006. The City's Ethics Program and the Code require that the Councilmembers receive annual ethics training.

This ethics training for the City Council will include the following components:

1. A discussion of the requirements of the Code of Ethical Behavior that are most frequently implicated in the Councilmembers' activities.
2. An update on any changes that might have occurred in the last year relating to the Code of Ethical Behavior.
3. An opportunity for Councilmembers to raise any issues of particular concern to them.

The training session is instructional and informational. No public business will be considered; however, City Councilmembers may engage in discussion about ethics issues as part of this training session.

**Presenter(s):** Bruce Washburn, City Attorney

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

City Attorney Bruce Washburn gave a PowerPoint presentation on the City's Ethics Ordinance (attached).

**MAYOR AND COUNCIL ITEMS** – None

## ADJOURNMENT

The Work Study Session adjourned at 7:41 P.M.

**SUBMITTED BY:**



Carolyn Jagger  
City Clerk

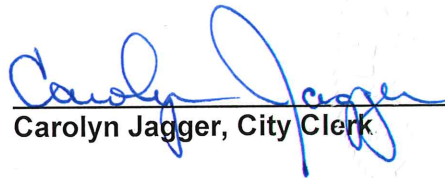
Officially approved by the City Council on February 23, 2016

### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study Session of the City Council of Scottsdale, Arizona held on the 19<sup>th</sup> day of January 2016.

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

**DATED** this 23<sup>rd</sup> day of February 2016.



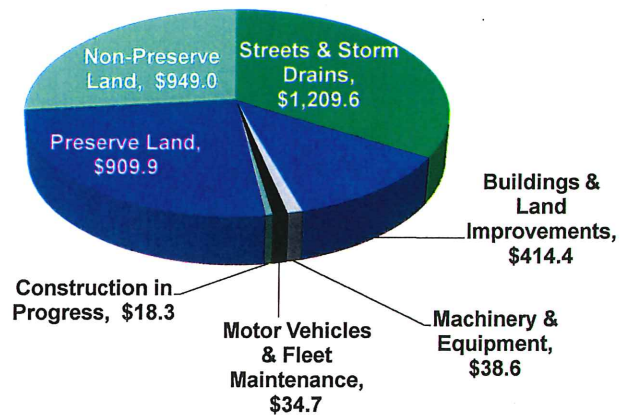
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Carolyn Jagger, City Clerk

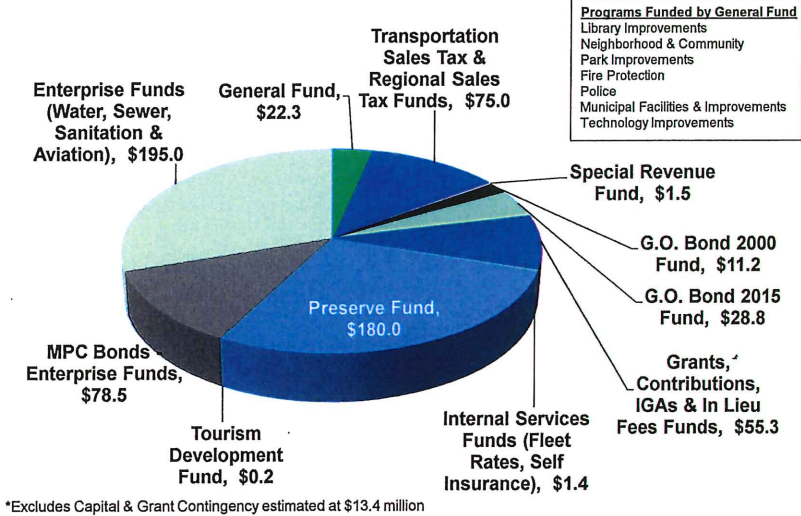
**FY 2016/17  
City Council Input to  
Define CIP Budget Parameters**

*City Council  
January 19, 2016*

**FY 2014/15 – Net Capital Assets by Type –  
Government \$3,574.5 (in millions)**



## FY 2016/17 – Preliminary CIP Budget by Fund \$649.2 (in millions)



## Current General Fund CIP

<b>Starting FY 2015/16 GF CIP Cash Balance</b>	<b>\$33.9 million</b>
<b>Major anticipated expenditures:</b>	
Facilities Repair & Maintenance	\$2.5
IT - Server Infrastructure	\$0.9
Reata Wash Flood Control	\$0.8
Granite Reef Watershed	\$0.7
Various IT Projects	\$0.7
Indian Bend Wash Lakes Phase I	\$0.5
Police Portable and Vehicle Radio Replacement	\$0.5
Tony Nelssen Equestrian Center Expansion	\$0.3
Chaparral Rd Traffic Calming, Sewer & Drainage Improvements	\$0.3
IT - Network Infrastructure	\$0.3
All Others	\$1.6
<b>Ending FY 2015/16 GF CIP Cash Balance</b>	<b>\$24.8 million</b>

## Preliminary CIP General Fund Budget FY 2016/17 – 2020/21 (in millions)

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	5-Year Total
Anticipated GF Beginning Cash Balance	24.8	-	-	-	-	24.8
25% Construction Sales Tax	2.3	2.4	2.4	2.4	2.4	11.9
Net Interest in excess of \$1M	0.5	1.3	1.5	1.7	1.7	6.7
<b>Total Revenue</b>	<b>27.7</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>4.1</b>	<b>43.5</b>
Fire Stations 603, 613 and 616	0.8	-	-	-	-	0.8
Granite Reef Watershed	6.3	-	-	-	-	6.3
Skysong	0.4	-	-	-	-	0.4
TNEC	0.2	-	-	-	-	0.2
* Aquatics Chemical System Replacement	0.5	1.5	1.5	-	-	3.5
Indian Bend Wash Lakes Phase I	2.6	-	-	-	-	2.6
* Facilities Repair & Maintenance	1.5	1.9	1.8	1.8	2.2	9.2
Payroll System Replacement	0.3	-	-	-	-	0.3
Public Safety Radio System Phase I	1.3	-	-	-	-	1.3
* Public Safety Radio Network Lifecycle Project	0.2	1.3	0.2	0.2	0.2	1.9
* Police Portable & Vehicle Radio Replacement	0.2	1.1	1.1	1.0	1.0	4.5
* Crime Laboratory Equipment Replacement	0.2	0.2	0.3	0.3	0.3	1.3
* IT-Network Infrastructure	0.3	0.3	0.4	0.4	0.5	1.9
* IT-Server Infrastructure	0.9	0.3	1.7	0.8	0.6	4.3
* CityCable Audio/Video Equip Replacements	-	0.2	0.0	-	0.2	0.4
* City Microwave Radio Network Upgrade	-	-	-	3.0	-	3.0
* WestWorld Tent Removal	0.7	-	-	-	-	0.7
Other projects with minor balances	0.6	-	-	-	-	0.6
<b>Total Expenditure Budget</b>	<b>17.1</b>	<b>6.8</b>	<b>7.0</b>	<b>7.4</b>	<b>4.9</b>	<b>43.2</b>
<b>CASH BALANCE AT END OF EACH YEAR</b>	<b>14.7</b>	<b>7.9</b>	<b>8.4</b>	<b>4.1</b>	<b>0.5</b>	

\*New projects or significant changes

## Current General Fund CIP

### Issues:

- **Cash flowing in from 25% of construction sales tax plus 100% of net interest income in excess of \$1.0 million is insufficient to meet recurring annual capital needs for existing infrastructure**
- **WestWorld**



## Potential WestWorld Project

### Remove Tent?

- \$40k per year maintenance
- \$1.5M every 10 years new fabric (\$150k per year annualized)
- \$110k booked revenue FY 15/16
- Community desire to remove
- Barrett-Jackson request to retain

NO

### Replace fabric:

- CIP project \$1.5M FY 18/19
- Annual operating deficit approx. \$80k

Yes

### Restore site options:

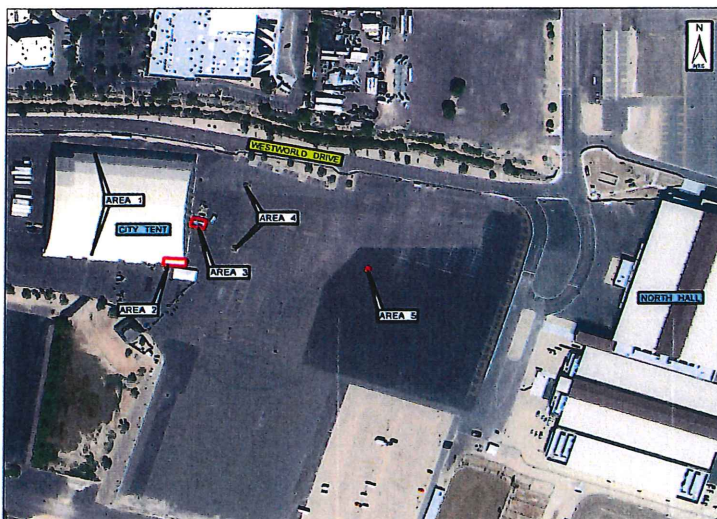
Option A: \$1.2M CIP project

Option B: \$700k project

### Possible revenue offset:

- Minimum \$150 scrap value
- Max determined by bid; \$1M?

## Potential WestWorld Project



## General Fund New CIP Requests

### Timeline of Review

- **December 16 and 17 – Construction and Technology Review Groups**
- **January 4 – CIP Advisory Group**
- **January 5 – Presented Recommendations to City Manager**
- **January – March – City Manager finalizes recommendations to City Council**
- **April 5 – Proposed Budget release**
- **May 17 – Tentative Budget Adoption**
- **June 7 – Final Budget Adoption**

## Current Transportation Fund CIP

Starting FY 2015/16 Transportation Sales Tax CIP Cash Balance    \$41.1 million

Major anticipated expenditures:

Pavement Overlay Program	\$6.6
Raintree Drive: Scottsdale Rd to Shea	\$3.0
Arizona Canal Path - Chaparral to McDonald IBW	\$1.8
ITS/Signal System Upgrade	\$1.5
Southbound Loop 101 Frontage Road Connections	\$1.0
Mustang Transit Passenger Facility	\$0.9
Chaparral Road Traffic Calming, Sewer & Drainage	\$0.9
Pima Road: Via Linda to Via de Ventura	\$0.6
Pima Road: Pinnacle Peak to Happy Valley	\$0.6
WestWorld Trail Connection	\$0.6
Thomas Road Bicycle Lanes and Enhanced Sidewalks	\$0.5
124th to 128th St.-Street, Intersection & Multi-Use Path Imp	\$0.5
Intersection Mobility Enhancements	\$0.5
FLW - Scottsdale Road to Shae	\$0.3
Traffic Signal Construction	\$0.3
Bikeways Program	\$0.3
Crosscut Canal Bridge and Path	\$0.3
Shea Underpass Access at 124th Street	\$0.3
Trail Improvement Program	\$0.2
Neighborhood Traffic Management Program	\$0.2
Sidewalk Improvements	\$0.1
All Others	\$2.3

Ending FY 2015/16 Transportation Sales Tax CIP Cash Balance    \$17.8 million



## Preliminary CIP Transportation Budget FY 2016/17 – 2020/21 (in millions)

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	5-Year Total
Anticipated Beginning Cash Balance	17.8	-	-	-	-	17.8
50% Transportation Sales Tax	10.2	10.5	10.8	11.2	11.5	54.1
<b>Total Revenue</b>	<b>28.0</b>	<b>10.5</b>	<b>10.8</b>	<b>11.2</b>	<b>11.5</b>	<b>72.0</b>
FLW-Scottsdale Rd to Shae	0.7	-	-	-	-	0.7
* ITS/Signal Systems Upgrade	2.0	-	-	-	-	2.0
Redfield Road: Raintree Drive to Hayden Road	0.6	-	-	-	-	0.6
* Raintree Drive: Scottsdale Road to Hayden Road	4.1	-	-	-	-	4.1
* Raintree Drive: Hayden Road to Loop 101	0.5	2.0	-	-	-	2.4
Pima Rd-Pinnacle Peak to Happy Valley	0.5	1.4	-	-	-	1.9
Pima Road: Krail Street to Chaparral Road	0.4	0.3	0.8	-	-	1.5
* Happy Valley Rd Pima Rd to Alma School Rd	0.4	4.4	-	-	-	4.8
* Streets North Storage Yard	0.5	-	-	-	-	0.5
* Advanced Traffic Signal Control Cabinets-Phase II	-	-	-	0.0	-	0.0
* Replace Drainage Grates	0.3	0.1	0.1	0.1	0.1	0.7
* Transit Stop Improvements	0.4	0.1	0.1	0.1	0.1	0.8
* Sidewalk Improvements	0.3	0.4	0.4	0.4	0.4	1.7
* Trail Improvement Program	0.1	0.4	0.4	0.4	0.4	1.5
* Intersection Mobility Enhancements	1.5	0.8	0.8	0.8	0.8	4.7
* Traffic Signal Construction	0.2	0.3	0.3	0.3	0.3	1.4
* Neighborhood Traffic Management Program	0.1	0.3	0.3	0.3	0.3	1.1
* Bikeways Program	0.3	0.5	0.5	0.5	0.5	2.3
* Pavement Overlay Program	6.4	6.6	6.6	6.6	6.6	32.6
Other projects with minor balances	0.9	-	-	-	-	0.9
<b>Total Expenditure Budget</b>	<b>20.1</b>	<b>17.4</b>	<b>10.1</b>	<b>9.3</b>	<b>9.3</b>	<b>66.3</b>
<b>CASH BALANCE AT END OF EACH YEAR</b>	<b>8.7</b>	<b>1.3</b>	<b>2.0</b>	<b>3.8</b>	<b>6.2</b>	

\*New projects or significant changes

## Current Transportation Fund CIP

### Issues:

- Growing need of investment for existing street infrastructure
- Local matching funds for MAG Program funding

## **CIP - Other Funding Sources**

### **General Fund**

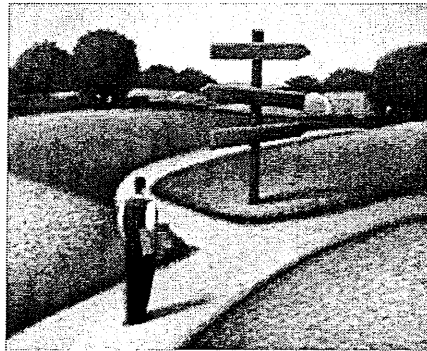
- **Racketeer Influenced and Corrupt Organizations (RICO)**
- **Maricopa County Flood Control District (MCFCD)**
- **Salt River Pima-Maricopa Indian Community (SRPMIC)**
- **Court Enhancement Funds (CEF)**
- **Real Estate Sales**

### **Transportation Fund**

- **Prop 400 Regional Sales Tax**
- **Federal Grants**

Item 2

***COUNCIL ETHICS REFRESHER  
JANUARY 19, 2016***



1

***CITY COUNCIL ETHICS REFRESHER  
TRAINING TOPICS***

1. OPEN MEETING LAW
2. GIFTS
  - a. How to analyze
  - b. Reporting
3. QUESTIONS

2

## ***ATTORNEY GENERAL'S HANDBOOK***

All discussions, deliberations, considerations, or consultations among a majority of the members of a public body regarding matters that may foreseeably require final action or a final decision by the governing body, constitute "legal action" and, therefore, must be conducted in a public meeting or executive session.

### **“DELIBERATION”**

Deliberation =  
“collective acquisition  
and exchange of facts  
preliminary to a final  
decision”

## ***EXECUTIVE SESSIONS – A.R.S. § 38-431.03***

- ✖ “Straw votes” not allowed
- ✖✖ May instruct attorneys or representatives regarding litigation, contracts and real estate
- ✖✖ Final legal action must be taken in public

5

## **DIRECTION TO STAFF**

- In open public meetings where the agenda says direction will be given to staff it is permissible, but not required, to indicate by vote what the direction is.
- However, the “direction” can never be a final legal action. The final legal action can only be taken at meeting where the agenda shows it will occur.

6

## ***PUBLIC FORUMS***

B. . . . it is not a violation of this article if a member of a public body expresses an opinion or discusses an issue with the public either at a venue other than at a meeting that is subject to this article, personally, through the media or other form of public broadcast communication or through technological means if:

7

## **A.R.S. § 38-431.09(B) (CONTINUED)**

1. The opinion or discussion is not principally directed at or directly given to another member of the public body.
2. There is no concerted plan to engage in collective deliberation to take legal action.

8



## ***PROPOSING AN AGENDA ITEM***

- ✘✘ Proposing an item for the agenda does not propose legal action
- ✘✘ **“without more”**
- ✘✘ be cautious – communicate the TOPIC only
- ✘✘ NOT the legal action you want the body to take
- ✘✘ Safest to let someone else do it

9

## **PUTTING AN ITEM ON THE AGENDA**

- ✘✘ Make a motion during Mayor and Council items
- ✘✘ Ask the Clerk to agendize and item to agendize an item
- ✘✘ Four Council members ask to have an item put on the agenda (best to have Clerk or City Attorney query other Council members)

10

## ***TEXTING DURING MEETINGS***

- ❖ AG recommends caution regarding electronic communications during meetings
- ❖ “Deliberations” includes any exchange of facts among a quorum
- ❖ AG believes texting, note passing, whispering, etc. even among only two members undermines public confidence

11

## **COUNCIL RULE 5.11**

5.11 Councilmembers shall not use any electronic device capable of sending/receiving messages to/from outside parties for that purpose during any public Council meeting. Electronic devices should only be used for accessing stored information on the device or on the City’s electronic network during open public meetings.

**COUNCIL RULE 5.11  
(CONTINUED)**

During executive sessions no person shall use any electronic device that is capable of sending/receiving email, text or any other form of electronic communication to/from any person inside or outside of the executive session.

13

***GIFTS; PROHIBITED;  
EXCEPTIONS – SRC § 2-50***

(a) Prohibitions

✱ Soliciting, receiving, accepting gifts

✱ “of any kind”

✱ From

Anyone engaged in general practice

or

Specific situation involving City decision-making or permitting processes

✱ Exceptions – subpart (b)

14

***EXCEPTIONS – SRC § 2-50(b)***

- ✖✖ Entertainment, hospitality (meals), transportation and token mementos
- ✖✖ Directly associated with events attending as representative of City

15

***EXCEPTIONS -  
SRC § 2-50(b) (Cont'd)***

- ✖✖ If permissible gift  
Declare to City Clerk if \$25 +  
Use Declaration of Gift Form
- ✖✖ Unless SRC § 14-135 does not  
require reporting

16

## **SRC § 14-135**

- ✖ Applies to elected officials and employees
- ✖ Prohibits:
  - Soliciting for personal gain
  - Payment or reward for services
  - Reasonably construed as attempt to exert improper influence

17

## ***SRC § 14-135 – NOT CONSIDERED GIFT***

- ✖ “Reflect legitimate public duties or purposes”
- ✖ Not considered gifts
  1. Events sponsored or funded, in whole or part, by City
  2. Reasonable hosting expenses for official speaking, engagements, ceremonies or appearance on behalf of City when public or civil purpose is served.
  3. Gifts of goodwill or tokens of appreciation accepted on behalf of City
    - Food – shared with others
  4. Received and donated to charity

18

## **SPONSORED EVENTS**

- ✧ These are events where the City has an agreement to act as a sponsor or co-sponsor
- ✧ Not all events on City property
- ✧ Current list being provided

19

## **QUESTIONS?**

20