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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: Good afternoon, everyone. Nice to have you here for the June 13, 2017 regular Council meeting. I would like to call to order the meeting. We'll start with a Roll Call please.

ROLL CALL

[Time: 00:00:12]

City Clerk Carolyn Jagger: Mayor Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Suzanne Klapp.

Vice Mayor Klapp: Here.

City Clerk Carolyn Jagger: Councilmembers Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: 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 Jim Thompson.

City Manager Jim Thompson: 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: 00:00:37]

Mayor Lane: Thank you. We have a couple of items of business. We have cards if you would like to speak on the agenda items or for Public Comment. The speaking cards are the white cards the City Clerk is holding now. We also have yellow cards for written comments for the agenda items. Those are cards we'll read through the proceedings and they are for the agenda items.

We have Police officers Jason Glenn and Anthony Wells to assist us and are straight ahead or nearly, at 11:30 in front of me if you have need for their assistance. The areas behind the dais are reserved for the Council and staff, we have facilities to my left for your convenience. If you are having difficulty hearing the proceedings of our meetings, there are hearing assist headsets available from the City Clerk. They would be happy to provide you one.

PLEDGE OF ALLEGIANCE

[Time: 00:01:42]

Mayor Lane: I would like to ask Councilman Smith to lead us in the Pledge of Allegiance. If you are able, please stand.

Councilman Smith: 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.

INVOCATION

[Time: 00:02:14]

Mayor Lane: This evening we have Pastor Rick Holman from the Scottsdale Bible Church for the invocation. Pastor?

Pastor Rick Holman: Please join me in a moment of prayer. Our Father, we enter your presence with humbleness and thanksgiving, humbleness acknowledging You as creator and thankfulness for this day. Lord, we pray that your spirit will be felt in here and ask that you fill this room with your wisdom and discernment and bring unity to the gathering today. We pray that You are lifted up and glorified in all that occurs in this place, in Jesus' name, amen.

Mayor Lane: Thank you, Pastor.

MAYOR'S REPORT

[Time: 00:02:57]

Mayor Lane: Just a report on a couple of items. I would like to acknowledge that our City Auditor office received a distinguished Knighton Award for its distinguished marketing contract audit report. The Knighton Award program is a competitive program to recognize the best in performance audit reports produced by the Association of Local Government Auditors, ALGA members. Our City Auditor is here with us. I would like to congratulate her on receiving such a prestigious award.

We also have a proclamation. It happens to be the 242nd birthday of the United States Army. We have a proclamation to note the event. It's a Resolution in recognition of the birthday of the U.S. Army. Whereas the United States Army is celebrating its 242nd birthday, on June 14, 2017, on this day the United States Army will recognize with great pride the thousands of young Americans who have answered and will continue to answer the call to serve. Those young men and women have shown a profound sense of duty, selfless service and respect through acts of great honor and integrity and personal courage. Whereas an all-volunteer Army is a uniquely American phenomena that began as an experiment at the height of the cold war, and the quality and success of the volunteer force remains unprecedented. Whereas today the United States Army is recognized as the premier Army of the world with American volunteer soldiers serving in 120 countries. And whereas American soldiers are

volunteering, foregoing comfort and wealth, facing hardships and sacrifice, confronting danger in defense of the nation, the United States Army is and will remain a testament to the success of the Army recruiter and attracting the nation's best and brightest to volunteer. Therefore, I, Jim Lane, Mayor of the City of Scottsdale do hereby designate June 14 the United States Army the 242nd birthday and declare the period from June 14 to June 20, 2017 as the United States Army Week in Scottsdale, Arizona and exhort all citizens to join me in a salute as we express our gratitude to those who have served and those who are now serving to protect our nation and its freedoms. Congratulations and happy birthday. We have Sergeant Gonzales with us today. If you would come forward.

PRESENTATIONS/INFORMATION UPDATES

[Time: 00:06:11]

Mayor Lane: The next item of business is the presentation of the DDC Process Timeline Update. We have Mr. Dan Worth, our Public Works Director and Kroy Ekblaw, the Preserve Director to give us the update.

Public Works Director Dan Worth: Good evening, Mayor and Council. My intent tonight is to simply introduce Sam Campana, the Executive Director of Desert Discovery Center Scottsdale Incorporated who as you know has been working since January of last year to develop the feasibility study and business plan for a proposed Desert Discovery Center. I was going to give a ten second introduction, but we are working to get the slides for the presentation up. For some reason we had a technical glitch. I'll turn it over to Sam Campana and she can begin the presentation. We have a hard copy we can put on the screen if we needed to do that while we wait for the slides to be pulled up.

Mayor Lane: Ms. Campana? Are there opening remarks? We'll go ahead and give it a little time. Do we have any indication as to where we might be in the process?

ADDED ITEMS

[Time: 00:09:01]

Mayor Lane: While we are waiting, I'm going to get a couple of administrative items taken care of. I would like to ask the Council, we have Added Items and supporting material for Item 27 added to the agenda less than ten days prior to the meeting. I would like to request a vote to accept the agenda as presented or continue the Added Items to the June 27th Council meeting.

Councilman Phillips: Mayor, I move to accept them as presented.

Councilwoman Littlefield: Second.

Mayor Lane: Motion made and seconded. If there is no further comment, we're ready to vote. All those in favor of accepting as presented please indicate by aye, those opposed with a nay. It's unanimous. Those items stand as presented. And we are ready to go, so time well used.

PRESENTATION CONTINUED

[Time: 00:09:54]

DDCS Executive Director Sam Campana: Thank you, Mr. Mayor and members of the City Council. I'm very happy to be here this evening to share the progress we are making and the process. My name is Sam Campana and I live at 7801 E. San Miguel. We are the Desert Discovery Center Scottsdale. We are a City project. We are the not-for-profit private organization under contract to the city of Scottsdale to continue the planning and bring forth a concept to you the end of July. Our mission is to educate and inspire a global audience to value, thrive in and conserve desert environments through transformative experiences based on scientific studies in Scottsdale's McDowell Sonoran Preserve and from around the world. Our aspirations are to build anticipation for exploration. To educate, to support tourism, to inspire future generations, to preserve and protect. To show people the hidden desert, to be inclusive, to be a model of sustainability design and practice and a hub for globally relevant research.

We are the community-led public-private partner with deep ties to the Scottsdale and McDowell Sonoran Preserve. Christine Kovach, Lynne Lagarde, Dr. Art DeCabooter, Joan Fudala and Dan Gruber are long-time residents who have deep ties in the McDowell Sonoran Preserve movement. Mike Surguine you will hear from later today. Mike Miller on our board is past president of the Scottsdale Insurance. You will hear from Diane Devine. John Graham is past president of the Nature Conservancy, the Desert Botanical Garden, and Steve Hilton is the President and CEO of a national company in Scottsdale. Our Ex-Officio members are Rachel Sacco from Experience Scottsdale and Duke Reiter from Arizona State University. Our Advisory Board, Dick Bowers, former City Manager, Dr. Robert Breunig who was head of the Museum of Northern Arizona, the Heard Museum and the Desert Botanical Gardens, Dr. Lattie Coor with ASU, John Flicker, the president of Prescott College, Dr. Jan Gehler, the president of Scottsdale Community College, and Bob Perciasepe is the director of a nationally-renowned think tank. I'm the Executive Director and Randy Shilling is our Development Director.

[Time: 00:12:31]

Here some of the ways we have been listening to public feedback we have received. Functions that directly contributed to place-based Preserve visitor experiences will be onsite but nonessential functions will be placed off site. The architecture will blur the lines between indoor and outdoor experiences. The site plan will strive to maintain structure heights comparable to, or less than existing buildings in the Preserve. We intend to minimize impact to the Gateway experience, minimize light, noise and traffic impacts and be smaller and less costly than previous proposals. To further that, we hired the best, experienced design company we could find in the country, we hired Thinc Design as our experienced designers. You would know them from the work did leading the design for the national 911 Museum in New York City, and concurrently with work they are doing for us, working on the Sustainability 2020 Expo in Dubai. What they are learning here is sort of informing that international project and vice versa. Our emerging concept is a small footprint but still a big vision. We intend through these experiences to peel back the layers of the desert and its history to reveal its thriving ecosystem and how people live in arid places. We intend to go from Preservation, fencing it off, to sustainability, giving everyone access and education. A desert experience that would create knowledge, empathy, love and protection. We believe you protect what you love and love what you know and the DDC will help us all

know and love our Preserve.

What is this place the Desert Discovery Center? Thinc Design has identified seven different vistas in the Preserve and they'll be answering these four questions about each one of those vistas. What am I looking at? What do I see? What can't I see? What will I learn from living, from learning all of this, and how can we change the future? What future can we create together? They are going to bring forth these kinds of experiences and we'll be bringing those to you as you know, the end of July.

[Time: 00:14:57]

The City concurrently hired John Sather from Swaback Partners to be the architect for the Desert Discovery Center. John is a Frank Lloyd Wright School of Architecture trained and you would know his works if you have been to the Kartchner Caverns, for instance. He has photographed all of the different buildings that are currently in the Preserve. There are many things already built in the Preserve. We intend that the Desert Discovery Center would be as these are, award winning and nestled into the Preserve, the desert respectfully so. We have been hard at work, if you could advance that. That's not working for me. Thank you. We have been hard at work identifying potential collaborators and partners. The City of Scottsdale, we are your partner. The McDowell Sonoran Preserve Commission, the Tourism Development Commission, and Arizona State University we have a signed memorandum of understanding with them. We've had many meetings with the Salt River Pima Maricopa Indian community, we continue to meet with the McDowell Sonoran Conservancy, Scottsdale Unified School District and others, local community colleges and we have more than five different conservation organizations and animal rescue organizations that we hope and they hope to be part of the Desert Discovery Center.

Next slide. Our next steps are, our fundraising feasibility study will be complete. To date we have raised over half a million dollars in cash and in-kind donations nearly double what we were required to raise. The business plan experience and the site plan will be complete the end of July. We are developing partner agreements with Arizona State University, Salt River Pima. We hope with the Conservancy and the wildlife rescue agencies that were in that wheel. We'll have our preliminary final report to you July 31st. Concurrent with that is the municipal use master site plan process. We'll be beginning and involved in that will be a public open house we hope in August, meetings with the Planning Commission, the Development Review Board and Tourism Commission and McDowell Sonoran Preserve Commission. Some of those might be Work Study, but all will have an action meeting, we think. There might be a work study with the City Council. We hope so before we have that to you.

[Time: 00:17:26]

What is the Desert Discovery going to do? What is our highest aspiration? We believe the Discovery Center will teach the next generation a culture of conservation. In the end, we conserve only what we love and we love only what we understand and we understand only what we are taught. For more information about the Desert Discovery Center go to our website or the city of Scottsdale's website, it has a lot of information on it as well. With this final image of one of our board members, Dr. Art DeCaboooter, past chair of the McDowell Sonoran Preserve Commission, I think he was the initial one. Serving 16 years in that position, with his wife Mary and grandchildren, enjoying the gateway to the McDowell Sonoran Preserve. I thank you for your time. I look forward to our final preliminary report

to you July 31st. I'm sure we'll see you all there. Thank you for your attention.

PUBLIC COMMENT

Mayor Lane: Thank you. That completes the presentation on the DDC process timeline update. We go to the next order of business, Public Comments. Public Comment regarding non-agendized item for which no official action will be taken. Comments are limited to the jurisdiction of City Council. Speakers are limited to three minutes each with a maximum of five speakers. We have the five speakers. There will be another opportunity end of the meeting. We start with Suzy Wheeler.

[Time: 00:19:16]

Susan Wheeler: Good evening, Mayor and City Council. For the record, my name is Susan Wheeler. I live in Cactus Acres in Scottsdale. May 30th there was a work study session in which comments were made that are not accurate. The task force for the downtown was comprised of eight developers or people associated with them, four downtown business owners, one was a CEO and two citizens. The vote that passed the height increase incentives passed 12 in favor, 2 against. As a realtor, I was one of the two who voted against. Here's another fact, only eight members of the citizens were citizens of Scottsdale. This was not a citizen driven task force. I would say the developers drove it.

At your Study Session, there was discussion of improving life of Scottsdale citizens by charging incentives, so the citizens could benefit from the heights. The quality of life is diminished when you compromise vistas and open space with 150-foot buildings. Last week, a bill was put through the legislator, SB1142, to gut the legal protest. It failed. Then it was put into another bill, SB2116 and it passed. Let me understand this. The citizens of Scottsdale living in the south side of the Optima, looking at 150-foot buildings who were in the process of doing a legal protest but when the state statute was gutted, it took away their right to protect their investment in their property. But not to worry, incentive money will be put in a fund for art, sidewalk or sewers to improve their quality of life. No money can improve their quality of life with 150-foot buildings in front of them. If you want to improve the quality of life in our community, don't build 150-foot buildings. Leave the vistas and open space. I have heard from so many citizens who do not like what is happening with buildings that have been built in the last couple of years. They do not reflect the southwestern architecture.

Scottsdale has one of the most unique downtowns in the United States. People who come here love the western low density and seeing mountains. We are unique and losing it due to lack of respect for our history, rezoning and higher buildings. What will go first in the downtown, Fifth Avenue, the art galleries or Old Town? It will happen once you open that door. You can't close it.

Mayor Lane: Thank you, Ms. Wheeler. Next is Kathy Howard.

[Time: 00:22:34]

Kathy Howard: Good evening, Mayor Lane and members of the City Council. My name is Kathy Howard. For the last 30 years I have lived at 10642 East San Salvador Drive in Scottsdale. I've hiked in the McDowell Mountains long before there was a Preserve. Residents have passed several bond issues to establish and enlarge the Preserve. We have over 30,000-acres. Voters were assured they

were paying for land that would be put aside so nothing could intrude upon its natural state. The city does a wonderful job of developing amazing trails. Educational, research and handicapped accessible opportunities already exist in our Preserve. I hike those trails every week and enjoy the beauty they provide.

Recently I spent time at the trail heads and other locations in the city collecting signatures to put the proposed Desert Discovery Center to a vote of the residents of Scottsdale. So far, I have collected over 700 signatures from all over the city, from south Scottsdale to north. Scottsdale residents do want this issue put to a vote. The Scottsdale voters with whom I have spoken come from all areas of the city. McDowell Road to north of Dynamite Road and beyond. They come from all socioeconomic situations. Seniors on fixed incomes, to folks that live at Silverleaf, 98% of those with whom I have talked do not want a Desert Discovery Center. They don't want a larger one, they don't want a small one. They tell me they don't want it, they don't need it, and they don't want to pay for it. They want money they have paid in taxes and are obligated to buy bonding to go for more land acquisition, not a DDC albatross that will end up being a continual burden for the city. They do not want anything changed, and only want the trail heads and trails maintained. You as City Council members have the power and responsibility to do what is right to represent the people who elected you. I encourage you to put the DDC to a vote of the people, let the residents of the city decide what to do with our desert.

Mayor Lane: Thank you, Ms. Howard. I ask that we don't have applause or booing. I appreciate the sentiments, but we try to maintain order.

[Time: 00:26:03]

Christie Kinchen: My name is Christie Lee Kinchen. I have had the privilege of running into you, Mayor Lane, since the last time I spoke. You spoke about architecture. I was so happy to see you there. I was excited to introduce you to my twin sister, Allison King who runs the architecture preservation at Modern Phoenix. She asked if you would like to a tour of the home and you politely declined saying you didn't have time. I wanted to speak on behalf of Allison. Allison is a Scottsdale native, a Phoenix metro next generation leader in the preservation movement, and understands conservation of the natural environment is equally important. She has galvanized citizens, many of which you met last week, those that we want to stand up for the future by honoring the past.

Preserving all of Scottsdale's land to its architecture is important. This ties together to the event you were at Thursday. Frank Lloyd Wright built Taliesin at the base of the McDowell Mountains in 1937. He chose that for a very specific reason, because it's gorgeous. We just want to protect this area that was so specifically chosen for multimillion dollars properties, for Taliesin West, and like I said last time, is the beach front of Arizona. This is a picture of our meeting that my twin sister took. We also need the city to keep its commitment to protect and preserve its historically significant architecture. All of these places make Scottsdale attractive as a destination.

My mom and her friends didn't dedicate years of their life to protect the Preserve it to see it destroyed. I personally work in historic and midcentury homes and I've noticed an alarming trend I want to bring to your attention. Developers see the old homes and buildings and look to them for land value. A perfect example is down the street by Fashion Square. With a high certainty, it was built by a prominent architect named Ralph Haver. The home selling the home for land values, unaware of its

significance, and it will be bulldozed. We need you all to recognize the character is part of what makes Scottsdale an international destination. I would like historic preservation to be on your radar and I need your commitment to that. We have just three historic districts in Scottsdale. We hope the city will ramp up its efforts to place the historic designation on more homes, neighborhoods and buildings to protect them. The historic overlay helps owners have tax credits and continue to care for the properties. Your kids are watching. Your grandkids are watching. We don't need to live in a vanilla stuccoville. There is no more land being made. We need to protect it. We have the opportunity to be better than Phoenix. They developed Camelback Mountain and Mummy Mountain, Black Mountain, and we have the opportunity to protect the McDowell Sonoran Mountains. I have searched for the meaning of life. I have found it. It's helping people, rescuing dogs, preserving mountains and preserving local architecture for our city's character for the city I love. Thank you.

Mayor Lane: Thank you, Christie. I ask that you not do that, please. Mr. Stuart, I appreciate your sentiments. Next is Jason Alexander.

[Time: 00:29:58]

Jason Alexander: Hello. Jason Alexander, 9976 East Jasmine Drive. I represent the NO DDC community organization. I want to say as a taxpayer, I'm very disappointed by the summary we got from Ms. Campana. Six months have gone by since DDCS has spoken publicly and the best they can bring us is the same slides and bullet points we saw six months ago. Same lack of detail and lack of specificity. If you are spending \$2 billion and building that great and glorious thing, why won't you tell us about it? We posted on our Facebook page pictures of buying colored paper and it got a thousand engagements. They're building this thing that's going to save the Preserve, save the tourism industry, and they won't tell us anything about it. They say we are the founders of the Preserve. This idea has been part of the Preserve all along. They hide from the community. This is the first time they have spoken in a public forum in six months. For me, everybody I know, red flags are going up all over the place. They'll come back in two months to give you their final plan, and it doesn't matter what the final plan says. It's going to be a great pitch. Spend \$2.2 million, it will be a phenomenal pitch. It's going to be beautiful, the pictures are going to be beautiful, the slides are going to be beautiful. They have a New York City designer building video games for us. Their business plan was written by a consulting firm from Boston. They have a brand new curriculum they'll try to teach, never taught, six figure consultants have worked on this, on our tax dollars. Their pitch is going to be beautiful. It will make us all very excited.

It really doesn't matter what the pitch says. We studied comps of other nonprofit event centers, 25 different ones. You can find a great article we posted on the Facebook page. Every center needs a 40 to 50% subsidy to be viable. It comes from grant, taxpayer subsidies. Ultimately, the thing they'll build, the backstop of it all will be us, the taxpayers. When it loses money, which it will, just like the Museum of the West which has underperformed dramatically, it will be up to the taxpayers to bail them out. The Museum of the West just had their contract renegotiated. The city agreed to match them up to \$400,000 per month in fundraising they bring in. They have opened up a \$4.8 million liability for the Museum of the West. Will they do the same for DDC? Hopefully, no. I ask you to put it to a vote. We'll come back in July. It will be 110-degrees. Put it to a vote, all of our issues go away. They can finish their study and we all get to vote on it. Thank you very much.

Mayor Lane: Thank you, Mr. Alexander. Next and final is Mike Surguine.

[Time: 00:33:40]

Mike Surguine: I'm the Vice Chairman of Experience Scottsdale, Managing Director of Sanctuary Camelback Mountain and board member and Vice Chairman of the Desert Discovery Center Scottsdale. I wanted to share with you our most recent fundraising efforts. The nonprofit private sector organization is under contract to continue the planning of the Desert Discovery Center. Our group will bring a project for Council consideration in July. We have raised the required \$270,000, plus we have donations of cash of almost \$500,000 and in-kind contributions of almost a hundred thousand dollars. Thank you to the community for the support. With these resources, we have been able to hire the best experienced designers, business plan consultants, project management, fundraisers and outreach assistance. Our upcoming nature film festival next week, which will be our second annual and last year raised \$35,000 and this year ticket sales are ahead of last year. We expect to sell out and meet or exceed \$35,000 that we raised last year. This is thanks to the generous support of over 75 local merchants and business centers who donated to them for this auction.. This has kept our endeavor going well. The film festival highlights two educational nature films about the Sonoran Desert produced by an Arizona filmmaker and by the BBC production of deserts, an international film focused on arid environments around the world. It's a delightful, educational outreach component that makes it fun and engaging to learn about the desert we live in, all to benefit our citizens, students and children through learning about our desert. As you know, the Desert Discovery Center is a nonprofit and is required by our contract with the city to raise at least 10% of the capital funding of the Desert Discovery Center. We have a talented staff who have done this kind of fundraising in the past, and we are committed to being successful in the private-public partnership. Thank you for the time.

MINUTES

[Time: 00:36:19]

Mayor Lane: That completes the Public Comment at this time. We move on to the next order of business. That is the approval of the minutes. I request to approve the Regular Meeting minutes of May 9, 2017 and May 23, 2017 and the Special Meeting minutes of May 23, 2017. Unless there are comments, I take a motion to approve.

Vice Mayor Klapp: I move to approve.

Councilmember Korte: Second.

Mayor Lane: Motions made by Vice-Mayor and seconded by Councilwoman Korte. I'm ready to vote on the approval of the minutes. It's unanimous on the approval of minutes. Thank you very much.

CONSENT AGENDA

[Time: 00:37:00]

Mayor Lane: Moving on to our Consent items, we have item 23 within the Consent items 1-26, the

Palomino Library Intergovernmental Agreement, is being removed at the request of staff. It would be Consent Items 1-26, absent Item 23. Unless there are any comments, I have no requests by anyone to speak on it. I'd accept a motion to accept.

Vice Mayor Klapp: I move we accept Consent Items 1-26 minus Item 23, Palomino Library.

Councilman Phillips: Second.

Mayor Lane: We are ready to vote. All in favor, aye. Opposed, nay. Unanimous, 7-0 on the Consent items as outlined.

REGULAR AGENDA

Mayor Lane: Moving on to the Regular Agenda items, 27-30. We start with 118th and Jomax Rezoning and Abandonment. This is 25-ZN-2016 and 2-AB-2017. We have Mr. Keith Niederer, our senior planner making his way forward.

[Time: 00:38:35]

Senior Planner Keith Niederer: Thank you, Mayor. Members of the Council. Sorry for the delay. This is case 25-ZN-2016 and 2-AB-2017. The request this evening is for a zoning map amendment from R1-90 ESL and R1-30 ESL to R1-130 ESL, R1-70 ESL and R1-43 ESL on approximately 68 acres of an 80-acre site to allow a new 51 lot single family subdivision located near the northwest corner of 118th Street and Jomax. Part two of the request is to abandon certain roadway and public utility easements along the north 120th Street alignment, as well as along the Jomax Road alignment and the Redbird Road alignment. The final portion is to adopt Resolution 10797 authorizing development agreement contract number 2017-071-COS regarding the agreement between the city and Toll Brothers, regarding the construction of 118th Street to Rio Verde Drive. The site is located at the northeast corner of 118th Street and Jomax as outlined in yellow on the screen. To the north of this area, are meets and bounds, single family lots, R1-190 on the west side and R1-130 on the east. To the east is the McDowell Sonoran Preserve. To the south, a single family subdivision as well as undeveloped land owned by the State Land Department. To the west is the Desert Summit subdivision zoned R1-170 ESL and R1-135 ESL zoned in the late 1990s.

Next slide. The General Plan land use designation is rural neighborhoods, one dwelling unit per acre or less. The current zoning on the property, R1-190 ESL on the western 40 acres and R1-130 ESL on the east. The zoning has been in place since shortly after annexation in 1984. The request is for a zoning map amendment from R1-190 and R1-130 ESL to a combination of R1-130, R1-70 and R1-143 ESL on 68 acres of the approximately 80 acre site. The remaining 12 acres not part of the zoning map amendment will be part of the future subdivision plat and will remain R1-130 ESL. This slide shows the proposed zoning overlaid with the proposed site plan. The perimeter of the project will match the R1-170 to the west as well as it will match the zoning to the south with the State Land property.

Next slide. This is the proposed site plan consisting of 51 lots. Access to the main 48 lots will be from Jomax Road to the south entrance. The northern three lots will access off Redbird Road on the north side. The applicant will be requesting amended development standards approved with the

Development Review Board application for the pre-plat. This exhibit shows some boulder features on the site which will be preserved as natural area open spaced easements as well. The boulder easements are shown in red. The yellow and green areas in this graphic are natural space open area easements. The majority of the open space easements are on lot as opposed to commonly owned tracts. Despite that there are two acres beyond what is required. Associated with the zoning map amendment is an abandonment request to abandon a 110-foot wide roadway easement along the 120th Street alignment undeveloped between Jomax Road and Redbird Road and there will be a request for abandonment of 20 feet of a 55-foot easement alongside Jomax Road as well as an 15-foot roadway easement along the east end of Redbird Road. The developer will construct a trail along north 118th Street alignment and Jomax Road which will lead to the east which will access the McDowell Sonoran Preserve.

You can see that in the turquoise line the main entrance to the Preserve boundary. This exhibit shows the local infrastructure plan which shows north 118th Street being built along with a trail north to Rio Verde drive. 118th Street currently ends at the Pinnacle Vista Drive. It shows 120th Street will be built between Jomax and Rio Verde along with the trail northeast through the site. The Transportation staff has determined that 120th Street in this area would not be required in the event 118th Street is constructed to Rio Verde. As compensation for the abandonment, I mentioned earlier, the developer has offered to construct 118th Street from its current terminus to Rio Verde drive. It was included as part of the Council report which would outline the timing and details regarding the 118th Street construction.

This exhibit is from the 1991 General Plan circulation map which shows 118th Street was planned as far back as 1991 to connect to Rio Verde. The Planning Commission did hear the case May 10th and recommended approval by a vote of 4-0. I want to mention that there is a revised stipulation number 10 on the dais, there is not a retirement to obtain a utility easement from Desert Summit to connect the sewer. That's already in place. That concludes staff's presentation. The applicant is here to give their presentation and staff is here to answer any questions you have.

Mayor Lane: Thank you. We have requests to speak on the subject. We'll go to those first. I'm sorry. Go ahead.

[Time: 00:47:32]

Attorney John Berry: Mayor, members of the Council, John Berry, 6750 East Camelback Road in Scottsdale. How many cards do you have from the public?

Mayor Lane: Three.

John Berry: I think staff has given you a comprehensive presentation. It's a straightforward zoning case. It's a General Plan adopted by the voters would allow up to one unit per acre translating to 80 homes on 80-acres. The request is not 80 or 79. It's 51. 51 homes on 80-acres, much less than the General Plan would allow. As staff noted, this is a case we are providing more than two acres of additional Preserve desert. This is a case that your staff report notes. You saw the graphic with the boulder outcroppings on it, our very strict environmentally sensitive lands ordinance requires us to preserve many of those, but by no means all of those boulder outcrops, but this case will preserve all of

these, even those not required to be preserved by our ELSO. Mayor, members of the Council, I'm going to complete my presentation by noting in conclusion that this is a case that was supported by your professional Planning staff. That it had unanimous recommendation to you by the Planning Commission. The issue at our Planning Commission hearing focused on the extension of 118th Street, whether to extend it or not. With that in mind, I would be delighted to finish my presentation and save additional time to address Public Comments in that portion of the hearing, Mayor, and member of the Council. Happy to answer questions at this time or after public testimony.

Mayor Lane: Thank you. We'll proceed with the requests to speak and take it from there. Starting with Emily Rose.

[Time: 00:49:55]

Emily Rose: My name is Emily Rose. 7035 East Cypress Street in Scottsdale. I would like to read the following at the request of Linda and Terry Bradley. We are the owner of parcel number 216-79-0150. We have lived at this residence since 2006. We were made aware that there is a plan to come before City Council to pave the road 118th Street by Toll Brothers for the next stage of development. We found this out by a phone call from a neighbor wanting us to sign a petition against this movement. We wish to make our wishes very clear. We want the road paved. This petition was being circulated by a Mr. David Igle stating concern about increased traffic. No one will be more affected by increased traffic than us as we are the closest property to 118th Street. We feel strongly that the trade-off is well worth it. Please consider our point of view. We now know that Mr. Igle has ended his petition in light of the support for 118th Street extension. We want the road paved. Linda and Terry Bradley.

Mayor Lane: Thank you. Next is Richard Bailey.

[Time: 00:51:20]

Rickard Bailey: Mayor, Vice-Mayor and City Council, it's Rickard Bailey. I represent Joseph and Margaret Kean and Brian and Lisa Russo, East Redbird Road. My wife and I moved to the area. We are just north of the subject property here, so we live on Redbird Road. We are at ground zero in terms of the north end of the property. We moved there approximately three years ago for a number of reasons. Each of us who have residence on five acres or three acres moved out there because of the beautiful desert, wonderful views, peace and quiet. Yet, we are here, the group of three of us, with me representing them to approve this particular rezoning request and the abandonment of 120th. How could that be? The reason is, as we moved in, it became evident that the two 40-acre parcels to the south of Redbird Road were prime for development. All you have to do is look at Desert Summit to the west to see what's happening there. Because of that, we have been sensitive to who is looking at the property and who might consider it. As such, when we heard Toll Brothers was doing that, we picked up our ears and began to communicate with them. They have been extremely responsive to us as a homeowner group. We have met them a number of times including in our own homes to review the plan. We like the plan. The property though wonderful and pristine, really needs to be developed.

Toll Brothers has been responsive in reducing the number of lots from possible 80 down to not just 70 or 60, but down to 51. They have been responsive in creating larger lots along Redbird Road echoing our

side of the development including making two, five acre and one three parcel equine capable. We have horses on our property. They have been responsive to give additional open space to preserve the outcroppings which are beautiful in the area. We ride weekly around the boulders. For that and a number of other reasons they have been responsive to providing architecture, preserving the ranch history of the property. We approve and support the rezoning. We also support the abandonment of 120th. There is no need we feel for the cross street to go through the area. It's not needed. We support 118th being paved to Rio Verde. It's the natural thoroughfare. It needs to happen so we don't create a bottle neck coming down Jomax. For that and a number of other reasons, we unanimously as a group living on Redbird support this rezoning. Thank you.

Mayor Lane: Thank you. Next is Mr. Mark Stuart.

[Time: 00:54:48]

Mark Stuart: Hi, I'm Mark Stuart. I don't live in that area. And I'm going to ask City Council to vote no on this. And there's a simple reason why. I'm a greedy capitalist. And so when I see another greedy capitalist saying I want this land to be abandoned for my use, the immediate question that pops into my mind is, what's the fair market price of that land? Now, what I've heard here is that they're going to pave a road. What's the fair market price of paving that road? Who is responsible for maintaining the road in the future? The State Land Trust does these types of things fairly frequently and they have standard appraisal techniques. And I don't see that here. So, I sense, knowing this Council's proclivities to give away money and to do favors to their cronies, that you are doing this once again. But it would be quite easy for Toll Brothers to show you this, here's the market price. Here's how we came up with it. Here's the market price for paving the street. The second thing I'm a little concerned about is, you have two people speak for it, but what about all the other people that live up there? Did anybody make any attempt to get a hold of them? I know that's not what staff does, but we have a lot of staff that don't do a whole lot and they could certainly go knock on doors, pick up phones, call people and say do you want this or do you not want it. So in the future, I'm going to send Toll Brothers a letter and I'm going to ask them what the fair market price of this exchange is. They know what I'm talking about because I'm an expert on all things financial. So I'm going to ask them and if the answer doesn't seem right, then I'll go ahead and challenge it. As you know, that's one of my specialties here, is recovering public monies that have been given away illegally by the City Council. So thank you for your time.

Mayor Lane: Thank you, Mr. Stuart.

[Time: 00:57:31]

John Berry: Mayor, members of the Council, first off, we appreciate Rickard and his neighbors' support. I think it's indicative of the work with Toll Brothers. We work hard to address the issues when they come up. As to the question of relative value, my recollection is that for the abandonment our appraisal was about \$60,000. The city's appraisal was \$215,000 or so. It's amazing what the city's appraiser will do when you are the seller opposed to the buyer. That's the appraisal the city came back with. The amount Toll Brothers is committing to pave the missing link of 118th Street is \$973,000 for the paving of the missing link of 118th Street. I'm happy to answer any other questions you may have. Thank you.

Mayor Lane: Thank you. We have no further comments from the public. I see no further questions from the Council. With that prompting, I'll ask Councilman Smith to lead off.

[Time: 00:58:56]

Councilman Smith: Thank you, Mr. Mayor. We have to get questions in here to keep it lively. Let me ask the staff, in the staff Council report on page four, you talk about the NAOS that is required and the NAOS provided, 27-acres required. 29 or 30-acres provided. Is this computed off of the 80-acre site or off of the 68.32-acre site?

Keith Niederer: Mayor Lane, Councilman Smith, that is done off of a slope analysis based on the 80-acre site.

Councilman Smith: Well, then, are we looking at the 80-acres as a whole site? Is that what we are talking about? Are we talking about the 68-acres? We can't use the 12 acres in the corner. We can't use that to count as NAOS space if it's not part of the package, can we?

Keith Niederer: Mayor Lane, Councilmember Smith, the rezoning application leaves out that those areas zoned R1-130. However, they'll be part of the subdivision plat when it comes in. When we did slope analysis, it was based off of the boundary of what the plat will be in the future.

Councilman Smith: Is that, when you tell us it's .64 dwelling units per acre, is that computed on the 80 acres or the 68-acres we are looking at?

Keith Niederer: Councilman Smith, I believe that number is based off of the rezoning of each category, so that would be just the rezoning map amendment area.

Councilman Smith: I think the, my concern, and it's applicable to this case, but maybe any other case in the future. When we are presented with a rezoning request, from my point of view, it would be clearer if we were talking about all of the compliance issues in terms of the rezoned area. It's a little confusing to say, I want to rezone this in a preferable sort of way, and this is what I'm going to get for it, and find out the numbers are computed off of a larger parcel acreage site that will be the whole development. I understand the math of what you are doing. I think it's confusing when we include areas that are not currently deliberating a change in the zoning law. Of those areas where we are changing the zoning, much has been said about the reduced home building that will occur there from 80 acres. I guess we are back to the whole 80-acre site, 80 acres down to fifty-one. The actual entitlement under the current zoning for the property is, as I understand it from your staff report, is 20 lots. Is that correct?

[Time: 01:03:11]

Keith Niederer: Yes, that is correct. The current zoning on the west 40-acres is R1-190 and R1-130 on the east. That would yield about 20 total homes.

Councilman Smith: In the interest of full disclosure to the public what we're really talking about is not

a decrease in zoning from 80 to 51, but an increase in zoning from 20 to 51. Would that be a correct statement?

Keith Niederer: Councilman Smith, yes, they are looking to increase the density on the property, asking for R1-143 zoning and R1-70 zoning.

Councilman Smith: On the R1-43, almost 50 percent of the entire 80 acre block will be rezoned. It's going down to this denser zoning, and it is that denser zoning that would suggest an allowance or the General Plan says has to be one house per acre or one acre per house. Is that correct?

Keith Niederer: Councilman Smith, yes, it's on the overall, one to the acre.

[Time: 01:04:39]

Councilman Smith: Let me pick on that word overall, for a minute. Can you tell me how many lots come in under one acre or over? You seem to be using the average. I'm not sure that's what the General Plan meant. Can you tell me which are less than an acre in size?

Keith Niederer: Councilman Smith, I don't have the number in front of me. There are, using the allowed amended development standard process, lots could go down as low as 32,250. Perhaps the applicant has the lot size information.

Councilman Smith: Mr. Berry, he seems to be flinging that question to you.

[Time: 01:05:31]

John Berry: Mayor Lane, Councilman Smith, the environmentally sensitive land ordinance when it was drafted and amended four or five times over the last couple of decades took into account that north Scottsdale development is different than what we call the flat lands. The reason for that is you have washes, you have boulder outcroppings, you have sensitive desert habitat. The Council back in those days, in approving the ESLO, what it's demonstrated, in Troon, Troon North, many areas in north Scottsdale where you have homes that are maybe R1-43 zoning which would require theoretically minimally a 43,000 square foot lot, the purpose behind the ESLO ordinance allowing the Development Review Board to reduce the size of those lots by up to 25%, from 43,000 square feet down to whatever 25% of it is, the theory behind it was not a giveaway to developers. It was not to create neighborhoods less sensitive to the north Scottsdale environment. It was designed because you can't have more density than if the lots are R1-43. It's not a vehicle to sneak more lots in. It's a vehicle to respond to the unique Sonoran desert environment in north Scottsdale by allowing homes to be smaller, you preserve more desert. If you were required to have 43,000 square foot lots, your building envelope might be larger, you might destroy more desert.

With smaller lots, you have the opportunity to preserve more desert by being flexible to those unique topographical features like boulder outcrops. In this case, where you have washes and boulder outcroppings, by reducing the size of those lots, as allowed by and encouraged by ESLO, by doing that, we end up with a more environmentally designed neighborhood. Open space that's connected to each other, not open space that stands alone. Boulder outcroppings that are preserved, otherwise would

be bulldozed. It's not an effort for developers to do more to the desert. It's an opportunity for developers who are sensitive enough to do less on the desert. I give you that background some of the lots may not be 43,000 square foot, it's done with a very distinct purpose. Before this site plan comes to you, Staff and the applicant and their civil engineer go out on the 80 acres and walk the entire 80 acres and look at the boulder outcrops, the washes, and decide, where should the lots go? It's not an engineer in an office with a CAD system putting lines on the map. That's the effort that goes into developing in north Scottsdale and creating land value and the unique neighborhoods you and many others live in. The ELSO ordinance is not designed to be nefarious. It's designed to be purposeful and positive.

[Time: 01:08:59]

Councilman Smith: I don't think he answered the question of how many are less than 43,000.

John Berry: I'm a lawyer. You expect me to answer the question?

Keith Niederer: We did some counting. It appears 21 of the 38 lots are an acre or larger. The others would come in slightly below that.

Councilman Smith: Let me switch gears for a moment and talk about the valuation. The comment was made that the applicant's valuation for the abandonment was \$60,000, and staff's evaluation was from the staff report \$215,000. How much, do you know how much acreage is included in the abandonments?

Dan Worth: Mayor, Councilman Smith, I understand it's about three acres.

Councilman Smith: Three acres by the applicant was deemed to be worth \$20,000 an acre and by staff it's worth \$70,000 an acre?

Dan Worth: Councilman Smith, that's correct. We used actually the value of the half of the entire 80-acres that they bought in 2015 as the comparable to come to that number. We valued the abandonment at \$1.65 per square foot. That's what they paid for the property.

Councilman Smith: To some of the people out there, that may not seem like much. It's currently undeveloped property. It has washes boulders and I don't know what all in it. The number of \$20,000 an acre or \$70,000 an acre does not seem consistent with the development which, will one day when it is finished, be selling homes that will sell for \$2 or \$2.5 million. Seems like a bargain. Let me ask a question, the comment was made in the Council report that after evaluating the proposal, we were going to abandon 120th Street. 120th Street is available for transportation, is it not, from Rio Verde Drive or Dynamite Road, whatever the street is. I see Mr. Basha coming to the microphone. A person can drive from Rio Verde drive, and I see it here on the screen. 120th Street is penciled in there. You can drive from Rio Verde drive south to the northern border of this property, right? 120th Street is a navigable, perhaps ugly, but navigable street from Rio Verde drive south to Redfield Road. Or to, whatever, Redfield Road.

[Time: 01:12:39]

Transportation Director Paul Basha: I'm Paul Basha, Transportation Director. There is a navigable road in that vicinity.

Councilman Smith: If I was to go south, immediately south is state land that's not developed and doesn't have a road through there because there is nothing to go to nor is the road developed through this property. If I was to go further south of something called 120th Street also is navigable from Ranch Gate all the way to Alameda. Is that also true?

Paul Basha: Mayor Lane, Councilman Smith, I believe that is true.

Councilman Smith: The only pieces that are not navigable road are fundamentally the state land and the applicant's property here. If that's the case, I guess I'm wondering, why would we foreclose the opportunity to ever complete 120th Street? We have it to the north. We have it to the south. I'm not approaching this as a traffic engineer. I'm not one. You are. I'm approaching this as a layman looking at a map saying why on earth would I foreclose forever the right to complete a north south road in an area where we have a paucity of exits. I guess explain what you're thinking was there.

Paul Basha: Councilman Smith, there's a difference between a navigable road and a road that's constructed to proper national and local standards. It would be expensive to construct a standard paved road on the 120th Street alignment from the south to the north. And there would be minimal benefit in having such a road. The density in the area is currently quite sparse...

Councilman Smith: Let's not confuse the public. We're not talking about the current density, we're talking about, this area is eventually going to be all developed. It's what we're here tonight talking about, is development.

[Time: 01:15:06]

Paul Basha: And the future density will also be relatively sparse. The point I'm trying to make is there would be a great expense for such a street, on the 120th Street alignment, and minimal use compared to the expense, from the homes in the area.

Councilman Smith: Well, I'll just make my observation. It may be difficult in your mind but depending on how we vote tonight, it will move from difficult to impossible because we will have officially abandoned a critical component of 120th Street and there is no longer any possibility for it to go north and south. I guess my, I think Toll Brothers is a high quality developer, sensitive to the neighbors and sensitive to the quality of construction throughout the city. I would like to see 118th Street completed. I want to see 128th Street completed. I want to see as many north-south roads as we can complete to accommodate what I think will be the future development. I'm just not sure all of my hopes and likes and dreams justify the density into this parcel of land. I am keenly sensitive to the density. This land abuts the billion dollars Preserve that we have accumulated on behalf of the citizens. I don't think the abandonment price, \$60,000 or \$215 or completing 115th Street, I don't think it's commensurate with what we are giving up, and I'm concerned about giving up forever, which is an incredibly long time, the right to complete 120th Street as part of the northbound part of town. Thank you, Mayor.

Mayor Lane: Councilwoman Littlefield.

[Time: 01:17:47]

Councilwoman Littlefield: Thank you, Mayor. Councilman Smith addressed a number of questions I had. I would like to ask a couple of other questions on a slightly different topic. Can you tell me, Mr. Berry, the timing of construction for 118th Street. We have received a lot of concern by citizens that live in that area about development traffic, heavy trucks going back and forth doing this development and going through the neighborhoods, the roads of which are not designed to carry heavy construction trucks and traffic. I would like to know, what is the route expected for the construction, what is the timing for the construction? Not only for the road, 118th Street, but also 128th Street, which would be an alternate route, and also, what is the construction timing for the project itself.

John Berry: Mayor, Councilwoman Littlefield, I'm not sure about the construction of 128th Street. We are required to complete construction on 118th Street within one year, 12 months after the city delivers to us the right of way to build it. The right of way does not yet exist. The city's responsibility to provide that to us. Once we have it, we have 12 months to build it. As to the timing of construction of our subdivision, we don't anticipate being in the field, so to speak, doing any type of major which would be horizontal, Jeff how long, a year, a year and a half? A year to a year and a half before we would be out there, moving dirt, putting in pipes and doing things you need to do before you can build a home out there. We've got to go through the planning process, where we'll ensure we get the open space. We have to go through the engineering process, a year-to-year and a half.

Councilwoman Littlefield: Thank you. One final question, either to Mr. Thompson or Mr. Basha, whoever can answer best, what do you anticipate the timelines to be to get those rights along 118th Street?

Dan Worth: Mayor, Councilwoman Littlefield, that should be a fairly quick process. There are about ten parcels we have to deal with. We'll make offers to individual property owners. We are certainly capable of acquiring that within a year or less.

Councilwoman Littlefield: So you would feel confident that the majority of the construction for the new area would go down 118th Street, a road that would be built to handle and to be able to carry that kind of heavy load?

[Time: 01:21:23]

Dan Worth: I'm not sure I'm the right person to answer that. What I have heard, what I understand of the timeline, it sounds like we will hit the trigger for them to construct the road well before the subdivision, so it should be there.

Councilwoman Littlefield: Thank you very much.

Mayor Lane: Thank you. Councilmember Phillips.

Councilman Phillips: I guess I have housekeeping questions going on. Along line of 118th Street widened, we got a lot of e-mails about that. People wanted the road done before the construction. I know Jomax is a straight road. Is there any kind of agreement that's going to tell the construction traffic that they'll have to take 118th to Dynamite?

Keith Niederer: Mayor Lane, Councilman Phillips, there is currently no requirement to do that.

Paul Basha: Mayor Lane, Councilmember Phillips, if I can offer an opinion for that question. For construction traffic there is always a truck route plan for any construction activity. We in the Transportation Department and Planning Development division determine the truck route. We could require a different route other than using Jomax Road. Our inspectors, police, those construction truck routes, require they be adhered.

Councilman Phillips: Thank you. I know we have done that in the past. I appreciate that. I think the neighborhoods appreciate that. Talking about 118th Street, I take it now, it's a rough road to Dynamite but it's quicker, so I do it anyway. Is it going to be straightened out and leveled? You have to go up and down hills for construction traffic, cement traffic to take a road like that wouldn't make sense unless it was leveled.

Paul Basha: Councilmember Phillips, yes.

Councilman Phillips: The abandonment we are talking about here, is there an outcropping there? I thought I saw the earlier map. Is that one of the reasons for the abandonment of 120th Street, because we can't really go through there anyway?

[Time: 01:24:08]

John Berry: Mayor, Councilman Phillips. The short answer is yes. I get paid by the hour, so I'll expand on it. The line was laid down on a map unlike looking at the environmental features, it was laid down in someone's engineering office a long time ago and put that on the map. It does, in fact, would require the destruction of more than one boulder feature in that right of way. It was not sensitively planned in location of the right of way.

Councilman Phillips: I was for 118th Street anyway. When the 118th hits Dynamite, is there going to be a turnout on Dynamite to get to it? It's at the top of the hill. As soon as you go down, it's right there. I don't know if you will be rear ending people unless you have a turn out to get them off the main road.

Paul Basha: Councilman Phillips, again, yes.

Councilman Phillips: You really need to expand on your answers but I appreciate it. If I may ask this question, and you explain it very well why some will be less than an acre, and I understand that because of the topography. What would be the average price tag of the homes? In another question, let's go along with the question, is Toll Brothers building or selling the homes or custom lots or both?

John Berry: Mayor, Councilman Phillips, they are building them and selling them. It's not a cookie

cutter home. It's called semi custom is what it is. Across the street in Talon, which is three homes from being completed, which will cut down on construction traffic significantly, \$1 to \$3 million is the price range in Talon Ranch across the street.

Councilman Phillips: Obviously, these are luxury homes mostly on an acre for the affluent society. With that, I'll make a motion to approve Ordinance Number 4307 and adopt Resolution 10796 and Resolution 10797.

Councilmember Korte: Second.

Mayor Lane: Motion made by Councilman Phillips to approve and seconded by Councilmember Korte. Mr. Washburn has asked to chime in.

[Time: 01:27:24]

City Attorney Bruce Washburn: It's brief. I just want to make it clear that this motion also includes the amendment stipulation that Mr. Niederer referenced.

Councilman Phillips: And included the amended stipulation.

Councilmember Korte: And second.

Bruce Washburn: And the adoption of the development agreement.

Councilman Smith: And the adoption of the development agreement.

Bruce Washburn: Thank you.

Councilmember Korte: I support this project, but I just want to clarify this abandonment, the right of way. Dan Worth is somewhere, I know. Dan, do you expect the right of way will cost \$210,000?

Dan Worth: Mayor, Councilmember Korte, we expect it will cost more than that.

Councilmember Korte: How much is that?

[Time: 01:28:29]

Dan Worth: We have requested the budget for a capital project to pay for the right of way. That's one of the Resolutions, parts of the motion you made. The capital budget we requested was \$650,000. We don't expect to spend all of that. We think it will be substantially less than that. We want to make sure it's covered in the event that there are unforeseen circumstances that arose.

Councilmember Korte: Perhaps this is for Keith. That right of way expense is, shall I say the pavement and improvement of 118th Street is in lieu of the right of way expense for the city. Is that correct?

Keith Niederer: Councilwoman Korte, with regards to the abandonment, the construction of 118th Street north to Rio Verde would be the compensation for the abandonment of the right of way in the event that the city is able to clear the right of way, the applicant would pay the number staff came up with in response to the appraisal submitted by the applicant.

Councilmember Korte: What do you think that possibility is that we will not be able to acquire the abandonment?

Dan Worth: Councilmember Korte, if we make offers and negotiate an acceptable agreement with each ten property owners, we'll acquire the property in time. If it's condemnation, then it depends on the Council's direction.

Councilmember Korte: Am I correct in some of these numbers we are floating around that the cost of 118th improvement is in the \$900,000 range? Is that what it is? Can we equate the cost of the abandonment right of way \$600 to \$900 so the city is coming out ahead of this? Can we equate that?

Dan Worth: Councilmember Korte, the math I would do, the value of the abandonment, about \$215,000 is compensated by the value of the construction \$900,000. I think we are coming out way ahead.

Councilmember Korte: It will cost the city \$600,000 plus to do it. It would cost that anyway regardless?

Dan Worth: Correct. I think we'll spend closer to \$400,000, but use the \$600,000 number, to get a million and a half worth of road.

Councilmember Korte: Our plan is that 118th Street will be approved and completed. That's part of the stipulation, correct?

[Time: 01:31:44]

John Berry: Mayor, Councilmember Korte, no, that is not the case. We hope the timing works out in the manner we have described. The requirements are, if we don't complete 118th Street within the one year time frame after you give us the right of way, you can withhold building permits. If we don't get it done within a year, we can't build anymore houses.

Councilmember Korte: Thank you. I think this is a great project. I think the density of this project, you have done a great job working with the neighbors and mirroring the density of the surrounding areas. R1-70 to with west and east matches that existing zoning today and the R1-30 to the north and the lower portion of the east matches the zoning, which I think is appropriate. That's why I'm supporting this. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Phillips, your intent is that for the first item here, the Ordinance 4307 with amended stipulation. Is that correct?

Councilman Phillips: I don't understand what you are asking?

Mayor Lane: We have three items.

Councilman Phillips: I said all of them.

Mayor Lane: Inclusive of the \$650,000?

Councilman Phillips: Yes.

Mayor Lane: Thank you. Vice-Mayor Klapp?

[Time: 01:33:27]

Vice Mayor Klapp: I think you just said it. I had a question. I had four items in my packet, authorize a budget appropriation of \$650,000 for the work on 118th Street. Was that included in the motion? I didn't see it. I didn't hear it.

Councilman Phillips: I'll defer that to our attorney.

Bruce Washburn: Mayor, may I clarify? As I understand it, the intention of the maker of the motion was to move the adoption of Ordinance 4307 included the amended stipulation adoption of Resolution 10796 and 10797 which includes development agreement and budget transfers.

Councilmember Klapp: Thank you.

Mayor Lane: Very good. Thank you for the clarification. Councilmember Smith.

Councilman Smith: Since we are also doing this Resolution 10797, that says where we'll get the \$650,000 to buy the right of way, maybe my question is to the City Manager or Mr. Worth, I don't know who, but I'm sensitive to the fact that citizens are sometimes surprised when we find something we want to do, we can find the money. I don't know whether the implication is that we padded funds we are going to move money out of, or whether those in the city are making some sacrifice in order to get together \$650,000 to buy this, buy these easements for the road. But you're taking, we're approving your taking I guess, \$100,000 from the trail improvement program, \$150,000 from the sidewalk improvement program, \$250,000 from traffic signal construction projects and \$150,000 potentially from the bikeways program project. Somehow this is to my simple mind, it sounds like less for everybody else so we can buy the right of ways, and talk to my question of whether we have funds padded with extra money or are we actually foregoing projects?

[Time: 01:36:07]

Dan Worth: Mayor, Councilmember Smith. We don't have extra money in the accounts. These are accounts that we add annual funding, every year we add another year's worth of funding. The intent of the accounts is to meet smaller projects, unmet needs as they arise during the course of the year. I would point out that the effect of taking money from the four accounts, because they are annually funded accounts, we put more funds into the account next fiscal year. There are things we might have

done this year. We'll defer them to next fiscal year which starts in a month. The practical impact will be minimal.

Councilman Smith: I guess I'll leave it to your discretion to where you want to take the money away from. Looks like things that should be done won't be done because we are diverting the money to this exercise. I suggest a good place to find money would be the concrete sidewalk we were planning to build in the Preserve. That's a different subject. Thank you, Mayor.

Mayor Lane: Thank you, Councilman. Motion maker, Councilman Phillips.

Councilman Phillips: My point, the way I look at it is, when we are talking about in the subcommittee, when you have a project coming up, funds from the government, they say give you this money, you have until July 1st to do it, we have to find funds to do it or we'll be paying the whole cost. That's what we are doing here. We are pulling out ahead of time. We have one year to get the road in and we'll be reimbursed to a point from the applicant. Sometimes you have to shovel projects around to save money for other projects.

Mayor Lane: With that, we have no further requests. We have a motion and second on the table. I think we have clarified to the point of everyone's satisfaction. As I get a nod from the City Attorney, I'm ready to vote. All in favor aye, opposed nay. It's unanimous, 7-0. Thank everyone for the input. Thank you, staff, for the presentation, for the information relevant to the city. Thank you. And thank you to the applicant.

ITEM 28 - Truth in Taxation Hearing and Public Hearing on the Proposed Fiscal Year 2017/18 Property Tax Levy

Mayor Lane: All right, our next item on our regular agenda is the Truth in Taxation Hearing and Public Hearing on the Proposed Fiscal Year 2017-18 Property Tax Levy. Our presenter is Judy Doyle, our budget director. She's at the podium. Welcome.

[Time: 01:39:26]

Budget Director Judy Doyle: Thank you. Just waiting for the presentation.

Mayor Lane: All right.

Judy Doyle: There we go. Good evening, Mayor and members of the Council. This is the truth in taxation hearing on the 17-18 property tax rates and levies. State statute requires a truth in taxation hearing and public hearing be held 14 days prior to the actual adopting of the levy scheduled for June 27th. The numbers on the screen should look familiar as they are unchanged from the amounts you adopted in our tentative budget May 23rd. The total primary levy used for police, fire, parks, etc., is an increase of \$800,000.00 from 16-17 including the 2% statutory adjustment and new growth.

The total primary levy \$28.2 million includes \$1 million for involuntary tort claims that go to the risk fund. The secondary property tax rate to be used for general obligation bonds that the voters have authorized remains flat, \$33.6 million. The combined property tax rate at \$1.08 per \$100 assessed

value is 4.5 cents less than the combined rate for 16-17. Our combined rate is in compliance of the debt management financial policy that states that the combined rate will not exceed \$1.50 per hundred dollars of assessed value. The action tonight is a roll call vote to approve a motion to levy the proposed 17-18 property taxes which you will officially assess by Ordinance on June 27th.

Mayor Lane: Very good. Thank you very much, Ms. Doyle. I do not have any requests from the public to address this issue. If there are questions from the Council, time is now. Otherwise, we'll proceed with a roll call vote on the, okay. Magically. Councilman Phillips?

Councilman Phillips: Thank you, Mayor. This is a simple question. By voting yes, are we increasing property taxes or not?

Judy Doyle: The actual rate, the combined rate is a decrease. Homeowners or property owners will approximately see an increase of 3% or \$3.60.

Councilman Phillips: Overall, it's a decrease.

Judy Doyle: Overall the rate is a decrease.

[Time: 01:42:50]

Mayor Lane: Thank you. We'll say that we have got to make a roll call vote to approve a motion to levy the proposed property taxes to be assessed by Ordinance June 27th. This is a roll call vote to approve a motion to levy the property taxes to be assessed by Ordinance June 27th. If you want to read that specific line, no, it would be in your agenda. I'll give it to you if you want to confirm it. Roll call vote is what we are asking to approve a motion to levy the proposed property taxes and taxes are to be assessed by Ordinance on June 27th. We'll vote at that time.

Councilmember Korte: Second.

Mayor Lane: Motions are made and seconded. Now I ask for a yay or nay. I'll start with Councilwoman Littlefield.

Councilwoman Littlefield: Yay.

Councilwoman Milhaven: Aye.

Vice Mayor Klapp: Yes.

Mayor Lane: Okay.

Councilmember Korte: Aye.

Councilman Smith: Okay. Yes.

Councilman Phillips: Yay.

Mayor Lane: All right. I think, no matter what language, I think we've got it covered. Thank you very much on that.

ITEM 29 - Public Hearing on Proposed Fiscal Year 2017/18 Municipal Streetlight Improvement District Expenses and Property Tax Levy (by District)

Mayor Lane: I think we have, Ms. Doyle at the podium for the Public Hearing on Proposed Fiscal Year 2017-18 Municipal Streetlight Improvement District Expenses and Property Tax Levy. I'll ask the City Clerk, is that by roll call as well? It's not so noted.

Judy Doyle: Mayor and members of the City Council, no. A roll call vote is not needed.

Mayor Lane: Proceed, then, please.

[Time: 01:45:11]

Judy Doyle: Hello again. This is similar to the last agenda item. This just relates to the various streetlight districts within the City of Scottsdale. The city street light districts were established in 1971 to allow the taxpayers residing in the benefiting area to pay for the operation of street lights. There are approximately 355 street light districts or nearly 34,000 properties formed by petition of the property owners. The streetlight levy is calculated solely by estimated energy costs. The levy for 17-18 is almost \$585,000. An estimated \$21,500 of reserves will be available at the end of 17-18 belonging to several of the districts with a zero levy in fiscal year 17-18, and we'll draw down those reserves in future fiscal years until all of the reserve balances are depleted. This requires an action tonight with the formal adoption by Ordinance on June 27th. The action would be to approve a motion, not needing a roll call vote, to consider adoption of the proposed 17-18 street light improvement district property tax levies on June 27th.

Mayor Lane: Thank you very much. I would ask for a motion to consider the adoption of proposed fiscal year 17-18 streetlight improvement district property tax levies to be voted on during the Council meeting on June 27. Moving to the front of the line is the City Attorney.

City Attorney Bruce Washburn: I wanted to note for the record that there has not been request for the public testimony.

Mayor Lane: Sorry. And for the record, there is no indication and no request to speak on this subject from the public nor any comments.... well, we do now have comments from Councilman Smith.

Councilman Smith: Just a clarification for the slide up there says we are going to consider adopting a motion. We approve a motion to consider adoption. Are we making a motion to adopt?

Judy Doyle: No. You are making a motion to adopt June 27th. I don't write the state statutes.

Councilman Smith: That's complicated.

Judy Doyle: Tonight is just, basically your intent that you will adopt on June 27th.

Mayor Lane: Technically we could....

Judy Doyle: Mayor and members of Council, our City Attorney indicated that this actually tonight, is what you are adopting is the proposed 17-18 streetlight improvement district, and on the 27th, it will be the levy you will be adopting by Ordinance.

Mayor Lane: So we are adopting the proposed fiscal year 2017-18 streetlight improvement district but not the levies. Is that.....

Bruce Washburn: If I may?

Mayor Lane: Please, go ahead.

[Time: 01:49:08]

Bruce Washburn: The motion tonight is to adopt the proposed fiscal year levy. On the 27th, you actually do the assessment. If somebody wants to reference this, I believe, if you want to move forward with this action, that the motion should be to adopt the 2017-18 streetlight improvement district tax levy to be assessed by ordinance on June 27.

Councilman Smith: I would make that motion.

Mayor Lane: All right.

Vice Mayor Klapp: Second.

Mayor Lane: Motion to be made by Councilman Smith. And seconded by Vice-Mayor Klapp. Now we have the board cleared but the City Attorney is with us. You can clear that as well. We have a motion and second as so stated. All in favor, indicate by aye, opposed nay. It's unanimously accepted.

ITEM 30 – FINAL PUBLIC HEARING ON THE FISCAL YEAR 2017/18 BUDGET

Mayor Lane: As you said, finishing out with Item 30, we have the Final Public Hearing on the 2017-18 Budget on the operating budget and capital improvement plan as tentatively approved on May 23rd. Ms. Doyle?

[Time: 01:50:42]

Budget Director Judy Doyle: Thank you. Tonight is the final hearing on the city's 17-18 budget. On

May 23rd, you adopted the tentative budget setting the expenditure limit. Tonight, per state law, you may reduce or reallocate total budget expenditures, however you may not increase the total amount of expenditures adopted during the tentative budget. Tonight's presentation will be short, and will highlight the significant changes since the tentative budget adoption all of which didn't increase the maximum limit you set during the tentative budget adoption. Beginning with the changes to our sources, on May 25th, exactly two days following the tentative budget discussion, we received updated state shared revenue estimates from the League of Arizona Cities and Towns which translated to a 17-18 increase of \$600,000 in the sales tax and \$200,000 in auto lieu. Our Transportation Fund saw an increase of almost a million dollars.

There were three changes within public safety police. The three changes had an overall decrease to the General Fund adopted May 23rd. The first is for shift differential. We no longer pay shift differential for those employees working a mid shift. The reduction was enough to offset a slight increase to primarily address, compression issues amongst the lieutenants and adding a full time forensic scientist II to help address the increased workload of processing DNA requests at the police department crime lab. The sum of the three changes resulted in an overall decrease of \$20,000 in our General Fund. We had one change in the CIP. That was to modify the spread of the renovate Vista del Camino park-Indian Bend Wash area project to properly align with the CIP subcommittee recommendation. The impact to 17-18 was a decrease of \$700,000 but overall to the entire project, there was no change. It was a budget spread if you will, over the five years.

[Time: 01:53:33]

To wrap up the Council budget review schedule per state statute, Council will reconvene tonight after the Regular Agenda into a Special Meeting to formally adopt the 17-18 budget, and on June 27th, we have a public hearing and final adoption of the tax levies. With that, I conclude the presentation. I'm happy to answer any questions.

Mayor Lane: Thank you, Judy. Just a point of quick clarification for the public as well. When we have use changes under public safety, you have a net impact of negative \$20,000 to the General Fund. This is a reduction and expense to the fund.

Judy Doyle: Mayor and members of Council, that's correct.

Mayor Lane: Favorable reduction. The second part of the question is, the shift differential budget, for civilian positions, I'm presuming that is just for civilian positions or is that for sworn officers as well?

Judy Doyle: Mayor and members of Council, it is my understanding it is both sworn and civilian during the mid shift.

Mayor Lane: Maybe just a little improperly stated there. Do we have any idea what that change affected?

Judy Doyle: It was about a \$130,000 reduction.

Mayor Lane: You set that against the lieutenant reclassification and compression?

Judy Doyle: About \$27,000.

Mayor Lane: Netting somewhere in that \$20,000 favorable to the expense category, you were able to add the forensic science two positions.

Judy Doyle: That's correct.

Mayor Lane: Councilman Smith?

[Time: 01:55:24]

Councilman Smith: Thank you, Mayor. This is the last moment that we can do, let me ask the question differently. When you talk about increasing expenditures, does that also cover transfers out? What I'm thinking is, at some point in time we want to look at the possibility of transferring some of the unencumbered carry over money in the General Fund, transferring a portion of it to a CIP fund. We have talked about it but the timing has never been right. Can we do that tonight or are we precluded from ever doing it if we don't do it tonight?

Judy Doyle: Mayor and members of Council, you could do that this evening. Our transfers do not, are not included as part of the expenditure limitations. You can include that if you wish.

Councilman Smith: Mayor, when we talked about this before we didn't have a lot of excitement to do it, but I'm looking at the reality that we now have, in addition to the money that we thought we had, in carryover, we're going to have another \$1.8 million in the budget because of revised estimates from the state. So at the risk of falling on total silence, I would like to again make a motion that we authorize a transfer of \$5 million from the unencumbered carryover funds in the General Fund to the CIP fund as we have done in previous years.

Mayor Lane: If I might, we are talking about in addition to those monies that are allocated right now as construction sales tax percentage. Is there any, this is probably the question I should know the answer to, but have we allocated anything from the unallocated reserves to this point in time to CIP?

Judy Doyle: No, we have not.

Mayor Lane: Even though this is a subject that the subcommittee, CIP subcommittee has been pondering as to how we might fund the CIP from different sources, I would second this motion, and it was \$5 million that you suggested. Off the top of my head, I don't know what the balance is in a given add. Do we have that?

Judy Doyle: Mayor and members of Council, we estimate end of fiscal year 2017-18 the undesignated, unreserved balance to be \$16.4 million.

Mayor Lane: Okay. I'll stand on that second. We have Public Comment on this, though. I didn't anticipate that coming up quickly as it did.

Councilman Smith: Could I ask a clarifying question, when you said \$16.4, does that include the \$1.8 you found a few moments ago?

Judy Doyle: Mayor and members of Council, no, it includes \$800,000 because \$1,000,000 of this newly found money is for the Transportation Fund, specifically to the General Fund.

Councilman Smith: So it does have in the General Fund.

Judy Doyle: Yes, it does.

Mayor Lane: I'll go with the comments we have on the motion first, and then we have a request to speak on this item. I'll start with Councilman Phillips.

[Time: 1:59:16]

Councilman Phillips: Thank you, Mayor. I don't want to speak for the subcommittee, but I believe our next fiscal budget will have a policy in place for doing this. It's a last minute thing. We are not talking about what it's going to be used for. If it's available and not going to put a hardship on some area we haven't discussed, it's prudent to lock in the \$5 million so we do have that and wouldn't be able to get to it later.

Mayor Lane: Thank you, Councilman. Vice Mayor Klapp.

Vice Mayor Klapp: I have always supported putting money into the CIP from the undesignated funds in past years. However, because we have a CIP subcommittee, I would have preferred that a recommendation to come from the subcommittee rather than us make the decision here. It's stated by Councilman Phillips. There's something, they're apparently talking of putting something in place that deals with undesignated funds. Because of that, I'm hesitant to support transferring \$5 million without asking the CIP subcommittee to give us a recommendation on this.

Mayor: Thank you, Vice Mayor. Councilwoman Milhaven.

>Councilwoman Milhaven: I agree with the Vice Mayor. We have a subcommittee who is discussing this. I would rather have a recommendation from the subcommittee. I understand from what you said that this doesn't fall into the budget cap so we can do a transfer at any time. If three months from now we want to do the transfer, we can do that. Because we've already set the spending cap and this is excess reserves, this money is not going to get spent.

Judy Doyle: That's correct.

Councilwoman Milhaven: so there's no need to protect this money from anything. It seems like a symbolic gesture. I think we all agree that we need to be smart about investing in capital but there's no urgency in my mind to do this tonight. I would rather wait for a recommendation from the subcommittee. Thank you.

Mayor Lane: Thank you Councilwoman. Councilwoman Littlefield?

Councilwoman Littlefield: Thank you, Mayor. I think my questions were answered. We have an unallocated fund balance of \$16.4. Is that correct? \$1.8 million excess that we are talking about here, that has been allocated appropriately either to the fund balance or to the General Fund. If we took the \$5,000,000, that would leave us \$11.4.

Judy Doyle: Mayor and members of Council, that is correct.

Councilwoman Littlefield: I kind of fall into the same category even though two of the CIP subcommittee members have been speaking and support it, I would like a formal request to come before us. We can do this at any time, we can transfer money from the normal budget to the CIP, can we not?

Judy Doyle: Yes you can.

Councilwoman Littlefield: I would not be opposed to doing that, but I would like to have it come from the subcommittee rather than the dais at this time. Thank you.

Mayor Lane: Thank you. I'm going to interrupt this line of commentary because we have one request to speak on this. I would like to allow Mr. Stuart to weigh in on this. We'll hear from Mr. Stuart and come back to our comments. If you would, go ahead and lead me.

[Time: 02:03:20]

Mark Stuart: I would like ten minutes for this presentation if that's possible. Who do I address that request to?

Mayor Lane: No, I'm sorry. It's a three minute time period for Public Comment.

Mark Stuart: I don't think I can effectively present this to the Council in three minutes. In fact I need interaction from staff because I thought the presentation was very incomplete. I would like to ask questions and have them give me an answer and I'll add the numbers up right here.

Mayor Lane: That also is not part of the Public Comment process. That is something you have to arrange for in a completely different forum for. So if you have a public comment....

Mark Stuart: So you are denying me extra time, is that correct?. Because you don't like my viewpoint. I get that. OK.

Mayor Lane: Mr. Stuart, we are fair....

Mark Stuart: Please don't interrupt me. I'm going to go on. You gave your girlfriend you're your boyfriend here ten minutes at the beginning of the meeting to prattle on about nothing. I just want to do something that's important which is real money, how we can manage our money better, and how we can serve the people of Scottsdale better.

Mayor Lane: I appreciate that.

Mark Stuart: I would like to do that. I know you can't stop yourself. I know you have an impulsiveness issue. But I'm asking you just to stop and let me do this. Are you good now, Mr. Lane?

Mayor Lane: Mr. Stuart, continue with your Public Comment, three minutes. Thank you.

Mark Stuart: Can you start over? Thank you.

Mayor Lane: It never moved.

[Time: 02:04:38]

Mark Stuart: Okay. I'm not sure, I've heard discussion here about ending the food tax in Scottsdale. I'm not really sure whether you've actually done that. So could somebody nod their head if you have done that? If you could end the food tax in Scottsdale, would you do it with no budget impact? I know Kathy Littlefield would, so. If you could find the dollars to permanently waive all park district fees for all Scottsdale residents, would you do that? I know Kathy Littlefield would. She actually cares about the families down here. I was at down at Chaparral Pool, oh, a couple of days ago. It shocked me how much lower the quality of that is than McDowell Mountain pool. But the thing that really shocked me, was that you charge people money to use it that live in Scottsdale. I've got a simple proposal for you. To bring in, well I would like the staff to do is say we waived all fees for all Scottsdale residents for all park district activities. What is the dollar cost of that? So they should be able to snap that outright. If they are really budget people they would know that off the back of their hand. How much do we pay out for the Scottsdale Center for the Arts contract? Can anyone tell me that? I didn't see that in the budget. Is it more than zero? Everywhere else in the United States, the manager comes in. It's zero cost to the city. If they don't meet performance goals, they are out. That's a beautiful facility, I can bring some people in who will put together a proposal and manage it at zero cost. I don't know for sure how much we gave them last year, but I'm going to just guess it's \$4 million. Is that enough to waive all park district fees for all Scottsdale residents? I don't know. But it's getting in the right direction. Let's rescind the SkySong ground lease. At this point, we get no revenue from that. A standard term is 8% of the gross. I'm pretty sure that we have no idea what we get there because I put in a fairly detailed public records request and I didn't get any response. The first response I got was, oh, did you put in a public records request? We forgot. Then 35 days later, I put in the same public records request, still no response. So it's 60 days. So Mayor Lane, if you could have the courage to order Bruce Washburn to produce the records that I requested on May 3rd I would

appreciate it. If we bring that into compliance, I'm guessing it's \$2-3 million a year minimum. There are state land leases in the vicinity that we can benchmark that against. Experience Scottsdale is I'm sure all of you know, is two to three times fair market terms for the goods and services they provide the city. In fact an identical contract was attacked by the Auditor General in 1999 and they were told if you do this again you will be in jail and you're going to have to pay back the money. So that will bring in at least \$3.5 million a year. So just assuming now.....

Mayor Lane: Thank you, Mr. Stuart. The time is expired but thank you.

Mark Stuart: Are you going to let me finish this so we can have a productive discussion?

Mayor Lane: No, your time has expired. Thank you though very much. Appreciate it. That completes the public testimony on that item. We'll continue with the conversation with regard to the motion and second on the table with regard to our item. I'll go to Councilwoman Korte.

[Time: 02:08:28]

Councilmember Korte: Thank you Mayor. Back to the unreserved fund balance, we're looking at about \$16.4, what is the historical trend of this unreserved fund balance in the last five years?

Judy Doyle: Mayor and members of Council, ranging anywhere from \$34 million to anticipated about \$15.4 looks like the low on my five year.

Councilmember Korte: So in the good old days of 2004, 2005, I'm thinking, it was around \$34,000,000?

Judy Doyle: Mayor, members of Council, no, at that time we were in a position I think at the peak we transferred about \$46 million into our CIP at that time.

Councilmember Korte: When was the \$34,000,000?

Judy Doyle: I believe it was '05-06, somewhere around that time.

Councilmember Korte: That's what I thought. The fact that we are half of that perhaps should bring some concern. I wanted to get a feel for where we have been historically because that trend doesn't seem to be changing. Thank you.

Mayor Lane: Thank you, Councilwoman. I wanted to explain that one of the reasons I chose to second the motion to \$5 million, I'm not looking to circumvent the CIP subcommittee. I certainly put that in place and appointed the people that are on it for a precise reason of looking at this year but also a longer range look at this. The reason Councilmember Smith heard crickets last time he asked about this because I felt strongly that they were in the process of consideration items for this fiscal year. We typically do draw down and take money from the unallocated reserves as you noted on the history of it, when there are greater, in the high times of the official economy we had prior to 2009 that we had substantial sums to redirect in that direction. In the meantime, that's gone away. We have not been

able to get the bond measures. Anything we decide beyond reallocation on the unallocated reserves is going to be something that has to be calculated, decided and voted on by this Council much the same way as the transfer is. I'm fine with \$5 million. It may be more in the current year to be considered on this. It's only after that we some time as we do some reallocation to determine what we need to do in the long run, whether there is another mechanism we have to employ. That's what I hope the subcommittee is bringing forward. That's why I supported it. With that, Councilmember Phillips?

Councilman Phillips: Thank you, Mayor. We are working on it. I don't know that we could give a recommendation on any specific project that the \$5 million would go to. Excuse me for maybe misunderstanding at the beginning of this discussion but I heard the comments that if we don't do it now, we can't dig it out. And that's obviously not the case.

Judy Doyle: That's not the case.

Councilman Phillips: We'll continue with the subcommittee. I'll withdraw my support at this time.

Mayor Lane: Okay, I'm sorry. You've removed the motion? Your support on it. Okay. Then I guess we are ready to vote on it.

Time: 02:12:34]

Judy Doyle: Mayor and members of Council, I might have to interject with the Attorney. This item is for public input. Later, during the special meeting when we adopt the budget is when you could make the motion to include or exclude the \$5 million transfer.

Mayor Lane: That got us off the hook on that. Thank you, Judy. Appreciate that. Thank you, Mr. Washburn.

Councilman Smith: Mr. Mayor, I withdraw the motion.

Mayor Lane: I withdraw the second. Okay, we have other requests to speak on this item. I start with Diane Divine.

City Clerk Carolyn Jagger: Your honor, I apologize. Those are for the next item open call to the public.

Mayor Lane: I'm sorry. Thank you.

Carolyn Jagger: We have concluded the public hearing.

Mayor Lane: Same with the written comments?

Carolyn Jagger: That's correct.

Mayor Lane: Okay. We have completed that item then.

PUBLIC COMMENT

Mayor Lane: We have completed Item 30 and we move on to Public Comment officially. With that, just for the record, to be restated, Public Comment is reserved for citizen comments regarding non-agendized items with no official Council action taken on these items. Comments are limited to issues within the jurisdiction of the City Council. Speakers are limited to three minutes each with a maximum of five speakers. There will be another opportunity for Public Comment at the end, which is what we're in the process of doing right now. So there are four additional, I'm sorry there are five Public Comment speaker cards and some written comments that are for Public Comment too. I'll distribute those. We'll start with as I was about to say before, Diane Divine. Followed by Mark Stuart.

[Time: 02:14:52]

Diane Divine: Good evening. My name is Diana Yazzie Divine. I live at 1263 W. Mountain View Drive. For the record, it's getting close to my bedtime. My family moved to the valley in 1955. They have been affiliated with Arizona State University for over 60 years. For the past 38 years I have been employed as the CEO of a nonprofit called Native American Connections that provides housing, healthcare, jobs and community development activities in the Native American community throughout the valley. I spend most of my nonworking time hiking outdoors, and the Gateway Trailhead is my base. I think I have hiked every trail in the McDowell Mountain Preserve. Therefore, I decided to volunteer my time with the Desert Discovery Center.

One of the things I was asked to do as part of my volunteerism was to engage the local tribal community. It was my honor to reach out to Gila River and Salt River and ask them to be a partner in the DDC. They were very open and gracious and excited about the opportunity to include their historical story telling of the indigenous people, their ancestors, the Hohokam, that were the original inhabitants of the valley. Then I was also asked tonight to share a little bit about the exciting work that's happening in the educational arena with children in the valley around the DDC. The Desert Discovery Center, Scottsdale Pilot Education Program one of the deliverables for the contract, kicked off last week at Scottsdale Community College. Stem in the Desert, this innovative and unique program is a collaborative of the DDC staff, Arizona State Global Institute of Sustainability and Scottsdale Community College. Education is the primary mission of the Desert Discovery Center. Focusing on the concept we conserve what we love, love what we understand, and understand what we are taught. Stem in the Desert is the type of curriculum the DDC will be sharing with visitors and its educational outreach program. 16 elementary school teachers 3rd through 5th grade from three school districts, two charter schools were joined by the McDowell Sonoran Conservancy leaders for three days of instruction by ASU's Julie Wrigley, Global Institute of Sustainability. Stem in the Desert included three full days at Scottsdale Community College included a guided tour in the Gateway of the McDowell Mountain Sonoran Preserve. Over three days, participants were taught brand new ecological explorer lesson plans designed for the DDC inspired programs. Teachers will be implementing those lesson plans during the coming year. We anticipate this will result in hundreds of school children getting the

new Stem curriculum in the fall and the pilot program workshop was underwritten by three community sponsors. ASU provided in-kind program services to the professional program design, instruction, and materials through their National Science Foundation, funded and ecology explorers program.

Mayor Lane: Miss Divine, if you could, your time is expired.

Diane Divine: I have three children and nine grandchildren. I'm excited about a place for them to learn, to influence change, to how they live in their environment by respecting the past, understanding present, and enjoying the future.

Mayor Lane: Next is Mark Stuart. Followed by Joseph Durnell.

[Time: 02:19:18]

Mark Stuart: I really have two related topics, but they are important topics, I'm going to quickly update you on the Save our Preserve, the city of Scottsdale's ballot initiative. We have these great new shirts. I get lots of compliments with them. Mayor Lane, you would look great in one of these. And we would like you to become a volunteer signature collector. Our motto, spread the word and Save our Preserve is catching on like wildfire with all the kids. Second topic, if you could fix an election, how would you do it? There is the old fashioned way. Destroy ballots, falsify ballots, exclude voters. There is a Scottsdale City Council way, use city employees, public dollars and other resources to form and mold public opinion before the ballots are even voted. No court in the United States has ever allowed that to happen. The Scottsdale way violates and disenfranchises voters and destroys their civil rights. The Scottsdale way fortunately carries great risk for all involved in the conspiracy to disenfranchise the voters including the elected officials who went along with the scheme. Arizona law mandates individual liability for all coconspirators and that includes legal fees and costs, and punitive damages must be borne by the individual and cannot be indemnified by the municipality.

What's a proper equitable remedy to create a free and fair election? After the city has spent a million dollars in public funds to convince the public of the desirability to build on the Preserve while this ballot initiative seeks to prohibit any construction without voter approval is in play. That's the issue that a judge will have to decide. Generally, there was all that with prohibition about candidates or projects being on the ballot. So a similar case was decided out in 2014 in Peoria. They also, as an equitable remedy, you would get equal time, calendar time, and dollar resources to undo the damage if possible. So you delay the vote for two or three or four years under some equitable remedy. What amount of punitive damages should and would a jury reward? I'm going on a business trip for the next ten days. And when I get back, I'm going to bring suit to stop the spending of public money to disenfranchise voters and to recover that money. I want you to think about that while I'm gone. The time for fun and games is over.

Thank you, Mr. Stuart. Next is Joseph Durnell followed by Christine Kovach.

[Time: 02:22:54]

Joseph Durnell: Mayor, City Council, my name is Joe Durnell, 8418 East Kalil Drive. I've lived there for 25 years. Living there for that long means I have seen the entire Preserve and DDC process play out in front of me. There are many points I'd like to make with respect to that but I'll limit myself to a couple tonight. My overarching position is that I strongly believe that any proposal to place a DDC museum inside the Preserve boundaries should go to public vote. One part of the evolution of the Preserve that I was involved in is the Arizona Preserve Initiative. I spoke at the February 2001 State Land Department hearing on Scottsdale's petition for preserving 16,000 acres in the Granite Mountain area. While researching that hearing to check dates, I found a couple of articles that reminded me of the details, and I think are of some relevance right now, two in particular. First, there has always been amazing citizen support for the Preserve. Beyond taxing ourselves to pay for it. The attendance of that API hearing was unprecedented according to media reports at the time. That comports with my recollection of waiting and waiting and waiting to speak. But I did speak. The fire marshal had to close the doors of the venue because there were so many people there. The nature of the comments regarding the Scottsdale hearing was described by a city staffer as person after person saying, we love this land. Let's protect it. It was boring after a while, unquote. The second relevant point I would like to make is determination and courage of the late Senator Carolyn Allen. The media reports at the time quoted her as saying my constituents are concerned about protecting the Sonoran desert. Listening to constituents and fighting for what they tell you is important to them. Now think about the current process of the DDC and what your constituents are telling you. I don't believe the Mayor and the majority of the City Council are listening to the constituents. I don't believe that the Mayor and majority of the City Council are fighting for what their constituents are telling them they want. Please listen to us. Put to a citizen vote any proposal for any museum in the Scottsdale Preserve. Thank you.

Mayor Lane: Thank you. Christine Kovach? Dina Hudson?

[Time: 02:26:04]

Dina Hudson: Hi, I'm Dina Hudson, 9256 East Desert Park Drive. I came here to talk about the DC Ranch Park, the deal on the table with Great Hearts and the city of Scottsdale. I've seen some of you many times at different meetings and so on about this, and I don't want anyone to think I'm the only one or there are five or ten of us that care about this issue. There are many, many more. Some of us have more time than others. Some have more ideas of who to speak to but there are many, many, many residents opposing this sports complex that could be built by Great Hearts on city land on the corner of 91st and Trailside View. Today I came to read to you some thoughts from residents like me and others. I want you to keep in mind that sometimes people say things that may not exactly be true, but the perception that the residents have about what's happening on that corner, 91st Street and Trailside is just as important as the facts, so if they perceive something is happening, they are talking to their neighbors and friends, and I think that's an important distinction.

Some things people have said on our petition that has 674 signatures, opposing this deal are, public funds and/or land should not be used to build an intrusive sports complex for the primary use of Great Hearts academy and violates the land use purpose. No park of any kind. All DC Ranch neighborhoods have their own exclusive parks. No to the sports complex. The deed is for a neighborhood park.

Please, uphold the deed restriction. This would have a terrible effect on the dynamics of our community. We live at DC Ranch #303. We oppose this. I'm a resident and I oppose this sports complex. It was not what we were promised. When they bought their homes, I haven't lived there as long as many of these people have, they were told that on that corner, there would be a small neighborhood park. I want all of the land originally dedicated to parks and empty space to stay that way. It's one of the main reasons I purchased a home in DC Ranch. No athletic fields or events on this city of Scottsdale parcel. This was not in the master plan when I bought here. The character and scale of the sports complex is inappropriate for DC Ranch and the nearby community. The dedication of the park property to the city was not a blank check to politicians to gain political favors at the expense of the residents who were intended beneficiaries of the land donation. Thank you.

[Time: 02:29:23]

Mayor Lane: Thank you, Miss Hudson. That completes the testimony at this time, for Public Comment. I want to thank everyone for their comments on the issues that are at hand. We are coming to the end. Next item, do we have any citizen petitions? Mayor Council items? Seeing and hearing none?

Councilman Smith: Mayor?

Mayor Lane: Yes?

Councilman Smith: If I may, if this is the right point to ask for an agenda item in the future? Are we there?

Mayor Lane: You can be. It depends on what your item is.

Councilman Smith: I'm aware that as we all are, June 5th of this year, Governor Ducey declared a state of emergency in Arizona, a state of health emergency. He said as the number of opioid deaths increase at an alarming rate, we must take action, call it what it is, an emergency. Therefore, I would like to make a motion to direct staff to agendize a presentation, discussion, and possible direction to staff regarding the opioid drug issues in our city including the implications of the governor's declaration of a public health emergency, and to understand the adequacy of the city's resources to address the issue as well as possible interventions and solutions. Thank you, Mayor.

Mayor Lane: Thank you. If I might add a comment to that, I understand and take no exception to that, I don't know whether we need a consensus or agreement on that, I think we do. To add to it certainly this is a collaborative and cooperative effort with the state. It's important that we work hand in hand to the best of our ability with regard to this issue on the overall inclusive of our healthcare community as well. It's something we won't be off on our own to do. I welcome the discussion as I think it's something that needs to be done, not just a presentation in a vacuum, but absolutely with regard to our region and our state in addressing it. Councilmember Phillips?

Councilman Phillips: I second the motion.

Mayor Lane: I think this is more of a directive, is it not?

City Attorney Bruce Washburn: No, Mayor. This is the point a motion can be made to put something on a future agenda.

Mayor Lane: So it's an action item from the standpoint of putting something on the agenda. Thank you for the second then. Are we ready to vote on that item? All in favor vote aye. Those opposed, nay. Aye. It's unanimous to move forward on that discussion. Thank you, Councilman.

MAYOR AND COUNCIL ITEMS

[Time: 02:32:42]

Mayor Lane: All right, so, we are to our final item in this meeting now for the Boards and Commission meeting. I'm returning the Regular meeting and convening the City Council Special meeting. I'm sorry, before we do that, we'll have, I'll turn this over for the Boards and Commissions to the Vice Mayor.

Vice Mayor Klapp: Thank you, Mayor. This evening, the Council will be nominating residents interested in serving on citizen advisory Boards and Commissions. Those nominated will be interviewed at the City Council meeting on Tuesday, the 27th of June and appointments will follow each set of interviews.

AIRPORT ADVISORY COMMISSION

[Time: 02:33:23]

Vice Mayor Klapp: We'll begin with the Airport Advisory Commission. This commission advises the City Council on policy matters relating to the operation of the airport, proposal for the land use fees and concerns. John Celigoy's term expires June 24th. He is eligible for reappointment and has submitted an application for consideration. We have one vacancy and 12 applicants you can see on the screen. Larry Bernosky, Larry Brow, John Celigoy, Nolan de Graaf, John Dinovo, Michael Gonzalez, Elizabeth Kaplan, Charles McDermott, Henry Olsen, Steve Ramsthel, James Smith, Renee Wittrock. I'll entertain nominations for this commission. Each Councilmember can vote for one person and we'll begin with Councilwoman Littlefield.

Councilwoman Littlefield: I nominate John Celigoy.

Councilwoman Milhaven: No additional.

Vice Mayor Klapp: No additional.

Mayor Lane: No additional.

Councilmember Korte: Renee Wittrock

Vice Mayor Klapp: Councilman Smith?

Councilman Smith: John Celigoy.

Councilman Phillips: No additional.

Vice Mayor Klapp: Okay. So we have two people who have been nominated for interviews, John Celigoy and Renee Wittrock.

HISTORIC PRESERVATION COMMISSION

[Time: 02:34:52]

Vice Mayor Klapp: Next is the Historic Preservation Commission. This commission oversees the development and management of Scottsdale's Historic Preservation program. Paula Scott resigned May 20th. There is one vacancy and we have one applicant. Regina Buzzello. I'll now entertain nominations beginning with Councilwoman Milhaven.

Councilwoman Milhaven: Regina Buzzello.

Vice Mayor Klapp: Regina Buzzello.

Mayor Lane: Regina.

Councilmember Korte: No additional.

Vice Mayor Klapp: We probably don't need that. We'll take Regina as the person we'll interview June 27th.

HUMAN SERVICES COMMISSION

[Time: 02:36:36]

Vice Mayor Klapp: We move to the Human Services Commission. We have one opening for that. This commission provides advisory recommendations to staff and City Council on Human Services priorities and programs. Josina Tishler's term expires June 14th. She's eligible for reappointment but she has not submitted an application for consideration. One vacancy, nine applicants. Jodie Anderson, Matthew Berg, Ashley Blaine, Jason Brayer, James Campbell, Linda Cohen, Yashira Frederick, Victoria Kauzlarich, Greg Pierce. I nominate James Campbell.

Mayor Lane: No additional.

Councilmember Korte: Ashley Blaine.

Councilman Smith: No additional.

Councilman Phillips: No additional.

Councilwoman Littlefield: Linda Cohen.

Councilwoman Milhaven: No additional.

Vice Mayor Klapp: We have three names that we will interview. James Campbell, Ashley Blaine and Linda Cohen.

JUDICIAL APPOINTMENTS ADVISORY BOARD

[Time: 02:36:52]

Vice Mayor Klapp: Next is the Judicial Appointments Advisory Board. This board makes advisory recommendations to the City Council regarding the appointment and reappointment of full-time city judges. The seven-member JAAB will consist of two active judges, one representative from both the State Bar and the Scottsdale bar associations, and three citizens appointed by the City Council, who are not judges in any official capacity, nor retired judges, nor members of the State Bar of Arizona. The city Ordinance 3254, the Council must appoint/reappoint members who are recommended from the Scottsdale bar association or the Arizona Superior Court. Donald Alvarez's term expires June 17 and he is not eligible for reappointment. There is one vacancy and three applicants. The applicants are: Max Covil, Wendy Harnagel-Roberts, Craig Rosenstein. I will now entertain nominations for this board beginning with Mayor Lane.

Mayor Lane: Craig Rosenstein.

Councilmember Korte: Wendy Roberts.

Councilman Smith: Max Covil.

Vice Mayor Klapp: We have three people nominated. We will interview Max Covil, Wendy Harnagel-Roberts and Craig Rosenstein.

LOSS TRUST FUND BOARD

[Time: 02:38:09]

Vice Mayor Klapp: Next we have Loss Trust Fund Board. Required by state statute, the Loss Trust Fund Board makes recommendations to the City Council regarding the administration of the loss trust

fund. The trustees shall meet at least once a year and submit a report to the City Council regarding the status of the trust fund. The report shall also include recommendations the trustees deem necessary as specified in the Scottsdale city code, the City Council shall appoint five joint trustees, of whom no more than one shall be a member of the City Council and no more than one trustee may be a city employee. Paul McKee resigned February 8. There is one vacancy and one applicant. The applicant is Brandon Perlow. I'll now entertain nominations, beginning with Councilmember Korte.

Councilmember Korte: Not to let this one go, Brandon Perlow.

Vice Mayor Klapp: We have Brandon Perlow nominated. We'll interview him June 27th.

NEIGHBORHOOD ADVISORY COMMISSION

[Time: 02:39:06]

Vice Mayor Klapp: Next is the Neighborhood Advisory Commission. This commission advises and makes recommendations to the City Council on policies, plans, strategies and programs for the preservation, improvement and revitalization of Scottsdale's housing and neighborhoods. Todd Becker's term expired January 27 and he has withdrawn his application for reappointment. There is 1 vacancy and 2 applicants. The applicants are William James and Amanda Nash. We'll begin with Councilman Smith.

Councilman Smith: Amanda Nash.

Councilman Phillips: William James.

Vice Mayor Klapp: We have two people nominated for interviews, William James and Amanda Nash.

PLANNING COMMISSION

[Time: 02:39:50]

Vice Mayor Klapp: Next is the Planning Commission. This commission makes recommendations to the City Council on all matters relating to the creation of zoning districts, the enforcement of zoning regulations, and amendments to all zoning ordinances. David Brantner's term expired and he is not eligible for reappointment. Larry Kush's term expired and he is eligible for reappointment and has submitted an application for consideration. Michael Minnaugh's term expires June 24, he is eligible for reappointment, however, he has not submitted an application for consideration. There are three vacancies and eight applicants. The applicants are Kevin Bollinger, Anthony Coletta, Andrea Davis, Mark Edelman, Larry Kush, Jill Moritz, Copper Phillips, and Christian Serena. We'll begin the nomination process with Councilman Phillips.

Councilman Phillips: Kevin Bollinger, Andrea Davis and Joanne Phillips.

Vice Mayor: Councilwoman Littlefield?

Councilwoman Littlefield: Andrea Davis, Joanne Copper Phillips, and Christian Serena.

Councilwoman Milhaven: I'll add Larry Kush.

Vice Mayor Klapp: I have no further nominations.

Mayor Lane: No further nominations.

Councilmember Korte: No additional.

Councilman Smith: No additional.

Vice Mayor Klapp: We have five people, Kevin Bollinger, Andrea Davis, Larry Kush, Copper Phillips and Christian Serena. We will interview those people near the end of the month.

TOURISM DEVELOPMENT COMMISSION

[Time: 02:41:30]

Vice Mayor Klapp: Next is the Tourism Development Commission. This 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 known as the bed tax designated for tourism development. Ren Hirose resigned May 21. He represented a hotelier position. There is one vacancy and two applicants. Applicants are Ken McKenzie and David Winter. We'll begin the nominations with Councilwoman Littlefield. You can vote for one.

Councilwoman Littlefield: Ken McKenzie.

Councilwoman Milhaven: David Winter.

Vice Mayor Klapp: We have two people, Ken McKenzie and David Winter nominated and they will be interviewed.

TRANSPORTATION COMMISSION

[Time: 02:42:18]

Vice Mayor Klapp: Next is the Transportation Commission. This commission is an advisory board to the City Council on matters related to transportation. Paul Holley's term expires June 24, he is not eligible for reappointment. Steve Rosenberg's term expired and he is eligible for reappointment and has submitted an application for consideration. There are two vacancies and 41 applicants. In the interest of time, you're not going to hear me read 41 names, but I will ask for nominations for the

Transportation Commission beginning with Councilwoman Milhaven. Each of you should have that list of 41 names in front of you.

Councilwoman Milhaven: Steven Rosenberg and Renee Higgs.

>>Vice Mayor Klapp: I nominate George Ertel and Scott Angell.

Mayor Lane: Sandra Adler. Grant Ludwig.

Councilmember Korte: Michael Kuzel and Amelia Burke.

Vice Mayor Klapp: What was the last one?

Councilmember Korte: Amelia Burke.

Councilman Smith: None further.

Councilman Phillips: Dave Dubner.

Councilwoman Littlefield: Stephanie Foote and Edward Kertman.

[Time: 02:43:59]

Vice Mayor Klapp: Let me see if I have them listed right. Maybe you can help me out here, Kelli. You nominated Steven Rosenberg and....

Councilwoman Milhaven: Renee Higgs.

Vice Mayor Klapp: My list shows, and tell me if I'm wrong here, Sandra Adler, Scott Angell, Amelia Burke, David Dubner, Stephanie Foote, Renee Higgs, Michael Kuzel and Steven Rosenberg. Did I miss anyone?

Management Assistant Kelli Kuester. I also have Edward Kertman and Grant Ludwig.

Vice Mayor Klapp: That's one, two, three, four, five, six, seven, eight, nine, ten. Correct?

Kelli Kuester: I have 11.

Vice Mayor Klapp: Let's go back again. That's what happens when we don't have it on the screen. I have Sandra Adler, Scott Angell, Amelia Burke, David Dubner, Stephanie Foote, Renee Higgs, Edward Kertman, Michael Kuzel, Grant Ludwig and Steven Rosenberg.

Kelli Kuester: I believe George Ertel was also listed.

Vice Mayor Klapp: That was mine. I didn't check it off. We have 11 people who will be interviewed June 27th. Thank you to everyone who put in their names. I think this is probably a record to get 41 applicants for the Transportation Commission. This seems to be a hot commodity right now. Maybe Mr. Basha can feel good about that. That concludes our nomination process. 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 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, if there are additional vacancies. I'll turn the meeting back over to the Mayor.

Mayor Lane: Very good. Thank you very much, Vice Mayor. Nicely done with a numerous number of applicants to be selected from. I want to commend the effort to have that kind of participation by the public.

ADJOURNMENT

[Time: 02:46:36]

Mayor Lane: Our next order of business is actually to adjourn this Regular meeting.

Vice Mayor Klapp: Move to adjourn.

Councilman Phillips: Second.

Mayor Lane: All in favor of adjournment of the Regular meeting indicate by saying aye. We are adjourned.

SPECIAL MEETING

[Time: 02:46:51]

Mayor Lane: We'll now convene a Special meeting. There will be no call for Public Comment. The meeting agenda Item One is a final adoption of fiscal year 2017 budget estimates. We again will ask Judy Doyle to move to the podium for which she has done dutifully. Thank you for being here. This is the final adoption of fiscal year 2017-2018 budget. It is the request for the Ordinance 4314, setting the final estimates for FY 2017-18 operating budget and capital improvement plan as tentatively approved on May 23, 2017 in which we had the hearings earlier this evening on. Unless there are any other questions or a motion to approve or otherwise, we can start with Councilman Smith.

Councilman Smith: I'll make a motion we adopt Ordinance 4314 setting the final budget estimates for fiscal year 2017-18, the operating budget and the capital improvement budget tentatively approved May 23, 2017.

Vice Mayor Klapp: Second.

Mayor Lane: I think we are ready to vote. I'm sorry, the second would like to make a comment before we vote.

Vice Mayor Klapp: I want to thank everyone at the city for the work you do putting the budget together. This is a very difficult job to do. One of the most important things we do the entire year. I very much appreciate the way this has been communicated to us this year. The ease with which we could understand what you were doing, thank you very much. I appreciate all of the effort of the many, many departments, and obviously, your department in particular.

Budget Director Judy Doyle: Thank you.

Mayor Lane: I think all of us second the effort. It really is an outstanding effort. It was well done this year. I think it avoided a lot of angst that we have had in previous years. Thank you very much for the efforts. I'm sure I speak for everybody here. With that, we have the motion and Second. We are ready to vote. All in favor aye. It's unanimous acceptance. Judy, you have done a wonderful job.

ADJOURNMENT

[Time: 02:49:23]

Mayor Lane: I would ask that we now adjourn this special City Council meeting and convene our board of director meeting. Motion is made and seconded. All in favor indicate by aye. We have adjourned.

BOARD OF DIRECTORS MEETING

[Time: 02:50:00]

DC RANCH COMMUNITY FACILITIES DISTRICT

Mayor Lane: We are now in the process of our Community Facility District Board of Directors, starting with the DC Ranch Facilities District. I call to order that meeting with roll call. If I could have that facilitated please, for the record.

City Clerk Carolyn Jagger: Thank you, Mayor. Board Chair Lane.

Mayor Lane: Present.

Carolyn Jagger: Board Members Suzanne Klapp.

Vice Mayor Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: David Smith.

Councilman Smith: Present.

Carolyn Jagger: Mayor, can we stipulate for the all the rest of the boards.

[Time: 02:50:36]

Mayor Lane: Please. With this meeting we have now called to order and we had the roll call for this meeting and each of the others that we'll open and approve, the approval of minutes, do I have approval of Regular meeting minutes of Tuesday, June 7, 2016?

Vice Mayor Klapp: Move to approve.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made and seconded, all in favor indicate by aye. Aye. Next order of business can ask to I adopt Resolution 47 which sets out the proposed budget and calls for public hearing.

Vice Mayor Klapp: Move to adopt number 47 and Resolution number 48.

Councilwoman Milhaven: Second.

Mayor Lane: Motion made and seconded. All those in favor please indicate approval of adoption of Resolution 47. Those opposed? Adoption of 47.....

Councilmember Korte: And 48.

Mayor Lane: If you insist. We actually were doing it one at a time.

Vice Mayor Klapp: I did both. If you want me to do it separately, I will.

We have done it in the past. We can break with tradition. We can expedite it.

Vice Mayor Klapp: Anything to speed up the process.

Mayor Lane: No Public Comment on the budget item, the first item. Second item is approved. Let's adopt those separately. It calls for a separate attention to it.

Vice Mayor Klapp: I move that we adopt number 47 first.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made and seconded. All in favor aye. Opposed with a nay. No Public Comment on the budget items. We move on to adopt Resolution 48 to set the tax levy.

[Time: 02:52:30]

Vice Mayor Klapp: Move to adopt Resolution 48.

Councilwoman Milhaven: Second.

Mayor Lane: Motion made and seconded. All in favor aye. Opposed nay. Adopted Resolution 48. I ask for adjournment of the DC Ranch CFD board.

Vice Mayor Klapp: Move to adjourn.

Councilmember Korte: Second.

Mayor Lane: Motion made and seconded. All in favor. We are adjourned.

MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

Mayor Lane: We convene the McDowell Mountain Ranch Facilities District. Call this meeting to order. Do I have a motion to approve the Regular meeting minutes of Tuesday, June 7, 2016?

Vice Mayor Klapp: Move to approve.

Councilwoman Milhaven: Second.

Mayor Lane: Motion made and seconded. All those in favor indicate aye. Opposed, nay. Next

order of business is to adopt Resolution 59 which sets out the proposed budget and calls for a public hearing.

Vice Mayor Klapp: Move to adopt Resolution 59.

Councilwoman Milhaven: Second.

Mayor Lane: Motion made and seconded. All in favor indicate by aye. There is no Public Comment on this budget item. Number three, adopt Resolution 60, approves the budget and sets the tax levy.

Vice Mayor Klapp: Move to adopt Resolution number 60.

Councilwoman Milhaven: Second.

Mayor Lane: Motion has been made and seconded. Those in favor aye. Opposed nay. Aye. We have completed the business of this meeting. I ask for a motion to adjourn the McDowell Mountain Ranch CFD board.

[Time: 02:53:55]

Vice Mayor Klapp: Move to adjourn.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made and seconded. We are adjourned on that meeting.

SCOTTSDALE MOUNTAIN COMMUNITY FACILITIES DISTRICT

Mayor Lane: I convene the Scottsdale Mountain Facilities District moving this to order. I start with the approval of minutes. Do I have a motion to approve the Regular meeting minutes of Tuesday, June 7, 2016.

Vice Mayor Klapp: Move to approve.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's made and seconded. All in favor, indicate by aye. Next order of business, adopt Resolution number 62, which sets out the proposed budget and calls for a public hearing. No comments on the budget.

Vice Mayor Klapp: Move to adopt Resolution 62.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made and seconded. All in favor indicate by aye. Nay if you oppose. Third item is adopt Resolution 63 approving the budget and sets the tax levy.

Vice Mayor Klapp: Move to adopt Resolution 63.

Councilwoman Milhaven: Second.

Mayor Lane: Motion has been made and seconded to adopt Resolution 63. All in favor aye. Opposed, nay.

Carolyn Jagger: Your Honor, I want to make sure, we called for the public hearing between the two items, correct?

Mayor Lane: Yes, I did it before the first vote. I think we did vote on that. Did we get that in? I would ask we adjourn the Scottsdale Mountain CFD board.

Vice Mayor Klapp: Move to adjourn.

Councilwoman Milhaven: Second.

[Time: 02:55:23]

Mayor Lane: Motion's made and seconded. All in favor indicate by saying aye. We have adjourned that meeting.

VIA LINDA COMMUNITY FACILITIES DISTRICT

Mayor Lane: We convene the Via Linda Road Community Facilities District. Call to order and approval of minutes. Do I have a motion to approve Regular meeting minutes of Tuesday, June 7, 2016?

Vice Mayor Klapp: Move to approve.

Councilwoman Milhaven: Second.

Mayor Lane: Motion is made and seconded. Those in favor, aye. Nay if you disapprove. The motion to accept the minutes is approved. Next item, adopt the Resolution 43 which sets out the proposed budget and calls for a public hearing. We have no Public Comment on the budget. Therefore, I would ask for a motion to adopt Resolution number 43.

Vice Mayor Klapp: Move to adopt Resolution number 43.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All in favor, indicate by saying aye. Motion passes. Next item is the adoption of Resolution 44, which approves the budget and sets tax levy. Do I have a motion?

Vice Mayor Klapp: Move to adopt Resolution number 44.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All those in favor indicated by aye. Motion passes. I would ask for a motion to adjourn the Via Linda Road CFD Board.

Vice Mayor Klapp: Move to adjourn the board.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All those in favor of adjournment please indicate by aye.

SCOTTSDALE WATERFRONT COMMERCIAL COMMUNITY FACILITIES DISTRICT

[Time: 02:56:37]

Mayor Lane: I convene the Scottsdale Waterfront Commercial CFD with a call to order and approval of minutes. Do I have a motion to approve the Regular meeting minutes of Tuesday, June 7, 2016?

Vice Mayor Klapp: Move to approve.

Councilwoman Milhaven: Second.

Mayor Lane: Motion has been made and seconded. All in favor indicate by saying aye. Minutes have been approved. I next ask for adoption of Resolution 29 to set out the preliminary budget and calls for a public hearing. There are no Public Comments on the budget. Do I have a motion?

Vice Mayor Klapp: Move to adopt Resolution 29.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All in favor, indicate by aye. Motion for Resolution 29 is accepted. Adopt Resolution number 30, which approves the budget and sets tax levy.

Vice Mayor Klapp: Move to adopt Resolution 30.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All those in favor, indicate by saying aye. Motion passes for Resolution 30. I ask for a motion to adjourn the Waterfront Commercial CFD board.

Vice Mayor Klapp: Move to adjourn.

Councilwoman Milhaven: Second.

Mayor Lane: Motion's been made and seconded. All in favor of adjournment, indicate by aye. Aye. That completes the meeting in its entirety which included the CFD board meetings.

ADJOURNMENT

[Time: 02:57:31]

Mayor Lane: I now ask for a motion to adjourn.

Councilmember Korte: So moved.

Vice Mayor Klapp: Second.

Mayor Lane: Motion is made and seconded. All in favor, indicate by saying aye. We are adjourned.