

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, JANUARY 23, 2018**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:01 P.M. on Tuesday, January 23, 2018, in the City Hall Kiva.

ROLL CALL

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

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Scottsdale Bobcats

INVOCATION – Pastor Ken Montgomery, Scottsdale Bible Church

MAYOR'S REPORT

Mayor Lane requested a moment of silence in remembrance of prominent Scottsdale developer Fred Unger.

PRESENTATIONS/INFORMATION UPDATES – None

PUBLIC COMMENT – None

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

CONSENT AGENDA

1. **El Chameleon & Wadaa Street Tacos Liquor License (101-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 7318 E. Stetson Drive
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Lou Malnati's Pizzeria Liquor License (103-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.
Location: 17787 N. Scottsdale Road, Building B
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
3. **El Dorado Bar & Grill Liquor License (104-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 6 (bar) State liquor license for an existing location with a new owner.
Location: 8708 E. McDowell Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
4. **Teharu Sushi Liquor License (105-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 15801 N. Frank Lloyd Wright Boulevard, Suite 120
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
5. **Sprouts Farmers Market No. 39 Liquor License (106-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 10 (beer and wine store) State liquor license for a new location and owner.
Location: 8787 N. Scottsdale Road, Suite 124
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
6. **Blind Dragon Liquor License (107-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for an agent change for an existing Series 6 (bar) State liquor license.
Location: 7419 E. Indian Plaza
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
7. **The Outpost Conditional Use Permit (11-UP-2016)**
(Moved to the Regular Agenda, see page 6)

- 8. Rosewood 17 Abandonment (5-AB-2017)**
Request: Adopt **Resolution No. 11003** authorizing the abandonment of the northern 15-foot portion of right-of-way, located along the north side of E. Hawknest Road, adjacent to Parcel No. 216-34-013C, with Single-Family Residential, Environmentally Sensitive Lands (R1-35 ESL) zoning.
Location: 8604 E. Hawknest Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 9. Rosewood 17 Final Plat (8-PP-2017)**
Request: Approve the final plat for a new 17-lot residential subdivision on a 21-acre site located on the northwest corner of E. Hawknest Road and N. 86th Street, with Single-Family Residential, Environmentally Sensitive Lands (R1-35 ESL) zoning.
Location: 8604 E. Hawknest Road
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 10. Wilshire Place Abandonment (8-AB-2017)**
Request: Adopt **Resolution No. 11004** authorizing the abandonment of 471± square feet of E. Wilshire Drive right-of-way and 518± square feet of alley right-of-way located along the northwestern and western boundaries of Parcel No. 129-05-010D, with Medium Density Residential (R-3) zoning.
Location: 7121 E. Wilshire Drive
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 11. Lawrence Abandonment (9-AB-2017)**
Request: Adopt **Resolution No. 10977** authorizing the abandonment of 630± square feet of right-of-way located along the southern boundary of E. Indian School Road, for a property with Single-Family Residential District (R1-7) zoning.
Location: 4013 N. 86th Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 12. Lewis Abandonment (10-AB-2017)**
Request: Adopt **Resolution No. 10984** authorizing the abandonment of a 33-foot GLO easement along the east and south boundaries of Parcel No. 217-32-017G, with Single-Family Residential Environmentally Sensitive Lands (R1-43 ESL) zoning.
Location: 12424 E. Cochise Drive
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 13. Singh Residence Hardship Exemption (1-HE-2017)**
Request: Adopt **Resolution No. 11010** approving a hardship exemption from the current Environmentally Sensitive Lands requirements pertaining to 15-foot setbacks for walls and fences from the side and rear property lines on a 47,312± square-foot property with Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning.
Location: APN 217-31-019F, southwest corner of E. Cochise Road and N. 130th Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

14. GLO Abandonment Process

(Moved to the Regular Agenda, see page 6)

15. Standard Terms for Wireless Communication Facilities in Public Rights-of-Ways

Request: Adopt **Resolution No. 11005** adopting the standard terms and conditions for antenna right-of-way license agreements for wireless communication facilities located within the public rights-of-way.

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

Mayor Lane opened public testimony.

Garry Hays, representing AT&T, expressed concerns about portions of the ordinance, which he hopes to see changed in the near future.

Mayor Lane closed public testimony.

16. WIFA FY 2018 Planning and Design Technical Assistance Grant

Request: Adopt **Resolution No. 10979** to authorize:

1. Intergovernmental Agreement 2018-002-COS with the Water Infrastructure Finance Authority of Arizona (WIFA) to accept a Planning and Design Technical Assistance Grant, in the amount of \$35,000, to create an Alternative Stormwater Management Guidance Handbook for Low Impact Development and Green Infrastructure Technical Standards.
2. A budget transfer in the amount of \$35,000 from the adopted FY 2017/18 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center to record the related grant activity.
3. The Office of Environmental Initiatives Manager to execute any other documents and take such other actions as are necessary to carry out the intent of Resolution No. 10979.

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov; Tim Conner, Office of Environmental Initiatives Manager, 480-312-7833, tconner@scottsdaleaz.gov

17. On-Call Surveying Services Contracts

Request: Adopt **Resolution No. 10986** authorizing the following one-year contract extensions in an amount not to exceed \$500,000 per contract for surveying services throughout the City:

1. Contract No. 2015-006-COS-A2 with EPS Group, Inc.
2. Contract No. 2015-007-COS-A2 with AZTEC Engineering Group, Inc.

Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

18. On-Call Electrical Engineering Services Contract

Request: Adopt **Resolution No. 10987** authorizing Contract No. 2013-185-COS-A4 with Kimley-Horn and Associates, Inc., in an amount not to exceed \$500,000 for a one-year contract extension for electrical engineering services at various locations throughout the City.

Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

19. On-Call Structural Engineering Services Contracts

Request: Adopt **Resolution No. 10988** authorizing the following one-year contract extensions in an amount not to exceed \$500,000 per contract for structural engineering services at various locations throughout the City:

1. Contract No. 2014-001-COS-A4 with Caruso Turley Scott, Inc.
2. Contract No. 2014-002-COS-A4 with Gannett Fleming, Inc.

Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov

20. Shea Boulevard at 124th Street Project Agreement

Request: Adopt **Resolution No. 10993** to authorize:

1. Agreement No. 2018-006-COS with Maricopa Association of Governments for project administration and reimbursement of eligible costs incurred by the City for Arterial Life Cycle Program (ALCP) funds for the Shea Boulevard at 124th Street capital project.
2. A FY 2017/18 capital budget appropriation transfer in the amount of \$248,779 from the Trail Improvement Program capital project to the Shea Underpass Access at 124th Street capital project to replace a portion of the ALCP funding source with the Transportation Sales Tax funding source.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov

21. Raintree Drive: Hayden Road to Loop 101 Project Agreement

Request: Adopt **Resolution No. 10994** authorizing Agreement No. 2018-007-COS with Maricopa Association of Governments for project administration and reimbursement of eligible costs incurred by the City for the Raintree Drive: Hayden Road to Loop 101 capital project.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov

22. Happy Valley Road: Pima Road to Alma School Road Project Agreement

Request: Adopt **Resolution No. 10995** to authorize:

1. Agreement No. 2018-008-COS with Maricopa Association of Governments for project administration and reimbursement of Proposition 400 Regional Transportation Sales Tax funds for eligible costs incurred by the City for the Happy Valley Road: Pima Road to Alma School Road capital project.
2. A FY 2017/18 budget appropriation transfer in the amount of \$1,000,000 from the Redfield Road: Raintree Drive to Hayden Road capital project to the Happy Valley Road: Pima Road to Alma School Road capital project to be funded by the Proposition 400 Regional Sales Tax funding source.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov

23. Amendments to 2018 State Legislative Agenda

Request: Accept the amendments to the City of Scottsdale's 2018 State Legislative Agenda.

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

24. Monthly Financial Report

Request: Accept the FY 2017/18 Monthly Financial Report as of November 2017.

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

MOTION AND VOTE – CONSENT AGENDA

Vice Mayor Korte made a motion to approve Consent Agenda Items 1 through 24, absent Items 7 and 14, which were moved to the Regular Agenda. Councilwoman Klapp seconded the motion, which carried 7/0.

REGULAR AGENDA

7. The Outpost Conditional Use Permit (11-UP-2016)

Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 11000** approving a Conditional Use Permit for a gas station on 2.25± acres of an 8.61±-acre site, with Planned Neighborhood Center, Environmentally Sensitive Lands Foothills Overlay (PNC/ESL/FO) zoning.

Location: 8738 E. Dynamite Boulevard

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

Senior Planner Jesus Murillo gave a PowerPoint presentation (attached) on the Outpost Conditional Use Permit application.

Applicant Representative Paul Gilbert spoke in support of the Outpost Conditional Use Permit application.

MOTION AND VOTE – ITEM 7

Councilwoman Klapp made a motion to find that the conditional use permit criteria have been met and to adopt Resolution No. 11000 for a gas station use on 2.25± acres, with Planned Neighborhood Center, Environmentally Sensitive Lands Foothills Overlay zoning, located at 8738 E. Dynamite Boulevard. Councilwoman Milhaven seconded the motion, which carried 5/2, with Councilmembers Littlefield and Phillips dissenting.

14. GLO Abandonment Process

Request: Adopt **Resolution No. 11014** simplifying the GLO abandonment process by eliminating the requirement for written liability releases from owners, lenders, and tenants for the purpose of streamlining the GLO abandonment process.

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

City Attorney Bruce Washburn gave a presentation on the proposed GLO abandonment process.

MOTION AND VOTE – ITEM 14

Councilman Smith made a motion to adopt Resolution No. 11014 simplifying the GLO abandonment process by eliminating the requirement for written liability releases from owners, lenders, and tenants for the purpose of streamlining the GLO abandonment process. Vice Mayor Korte seconded the motion, which carried 7/0.

25. Public Hearing on Water and Wastewater Land Use Assumptions and Infrastructure Improvement Plans

Request: Accept citizen comments regarding the proposed water and wastewater land use assumptions and infrastructure improvement plans related to the proposed changes to development fees.

Presenter(s): Brian Biesemeyer, Water Resources Director

Staff Contact(s): Brian Biesemeyer, Water Resources Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the proposed water and wastewater land use assumptions and infrastructure improvement plans.

Mayor Lane opened the public hearing on the proposed water and wastewater land use assumptions, noted for the record that there were no requests to speak, and closed the public hearing.

Mayor Lane opened the public hearing on the proposed infrastructure improvement plans, noted for the record that there were no requests to speak, and closed the public hearing.

26. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of November and December 2017.

Presenter(s): Jeff Nichols, City Treasurer

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

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of December 2017.

City Engineer Dave Lipinski gave a PowerPoint presentation (attached) on the City's CIP status as of December 2017.

PUBLIC COMMENT – Bradley Tweit expressed concern about roof rats.

CITIZEN PETITIONS

27. Receipt of Citizen Petitions

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

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

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS

28. Ethics Refresher Training

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

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

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

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

Presenter(s): Bruce Washburn, City Attorney

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

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

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:46 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

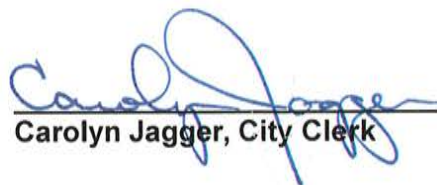
February 13, 2018

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 23rd day of January 2018.

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

DATED this 13th day of February 2018.



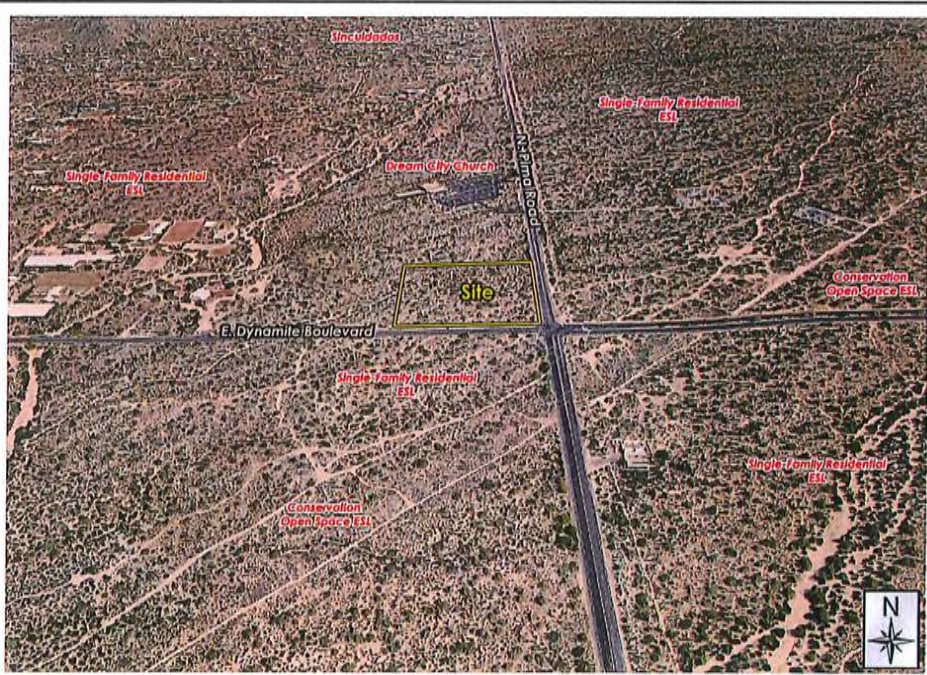
Carolyn Jagger, City Clerk

Item 7

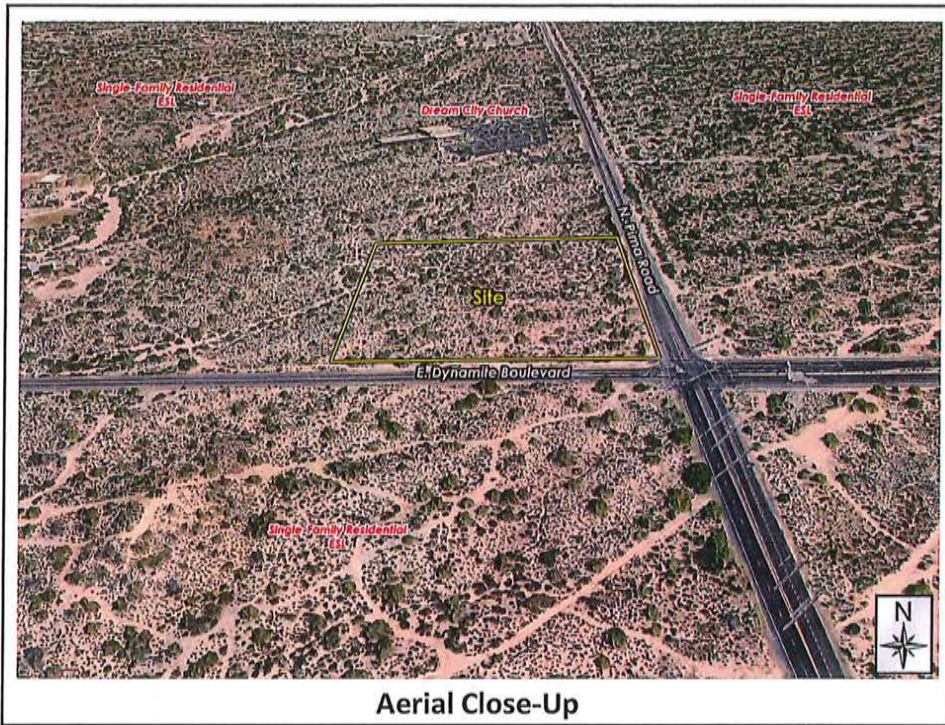
The Outpost 11-UP-2016

City Council
January 23, 2018

Coordinator: Jesus Murillo



Context Aerial



Aerial Close-Up

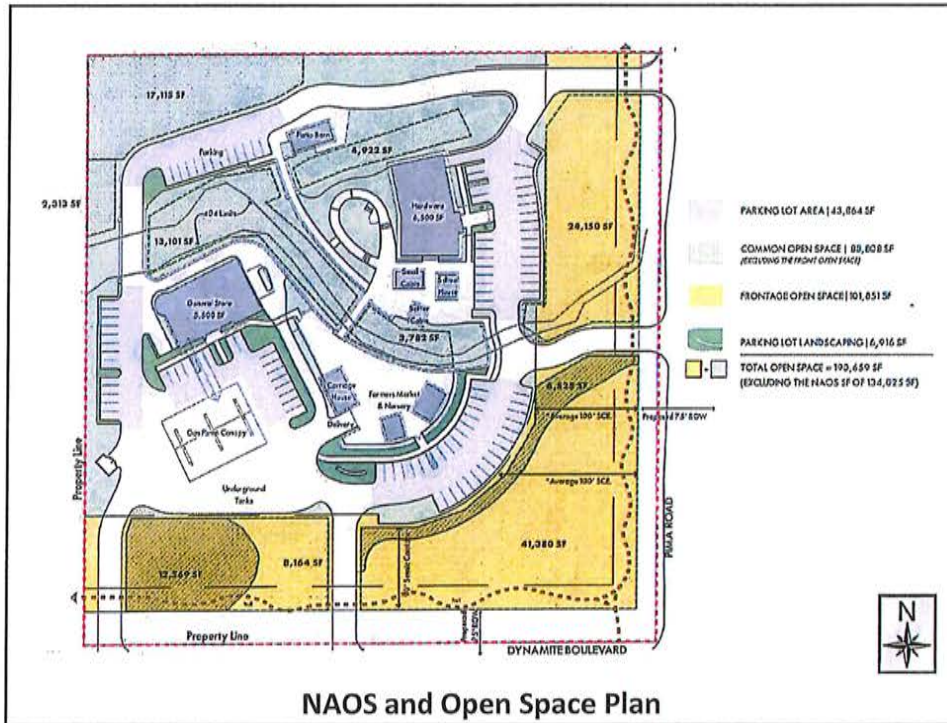


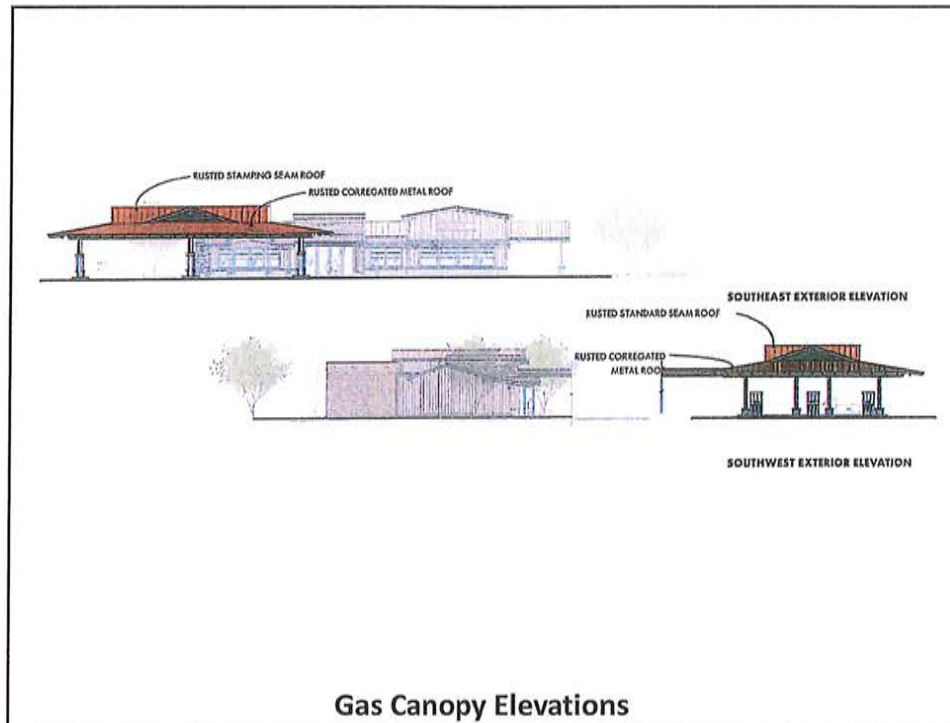
Zoning Map



DEVELOPMENT INFORMATION

Existing Use:	Vacant
Approved Use:	General Store, Gas Station, Hardware Store with Feed and Tack, Flower and Garden Shop, Restaurant, Horse Barn and Pens
Proposed Use:	General Store and Gas Station (2.25 acres)
Parcel Size:	8.6 acres (overall net lot area)
Height Allowed:	24 feet
Height Proposed:	24 feet
Parking Required:	12 Spaces
Parking Provided:	29 Spaces
Open Space Required:	223,197 square feet (Overall Project)
Open Space Provided:	190,659 square feet (With this phase)
Floor Area Allowed:	19,500 square feet (Overall Project)
Floor Area Proposed:	5,500 square feet (With this phase)





Key Considerations

- Gas Station Conditional Use Permit Criteria, and additional criteria as found in Zoning Ordinance Section 1.403.N.
- Desert Foothills Character Area
- Scenic Corridor Design Guidelines
- Zoning Case 10-ZN-2015 (Ordinance 4229)
- No Public Comment
- Planning Commission, December 13, 2017, voted to Recommended Approval with a vote of 5-0.





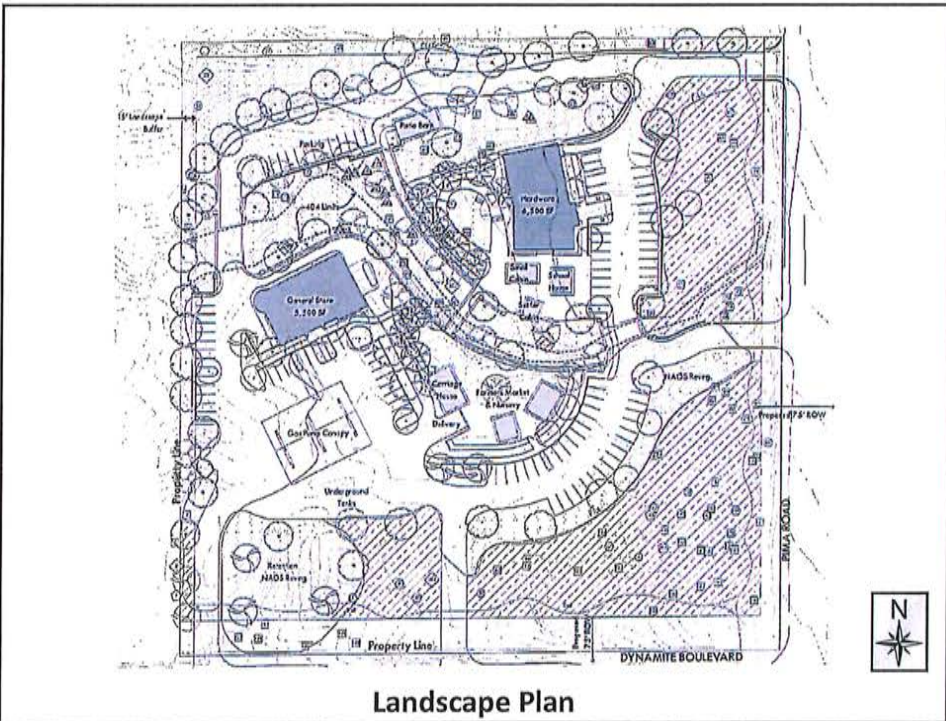


The applicant also requests conceptually support the following:

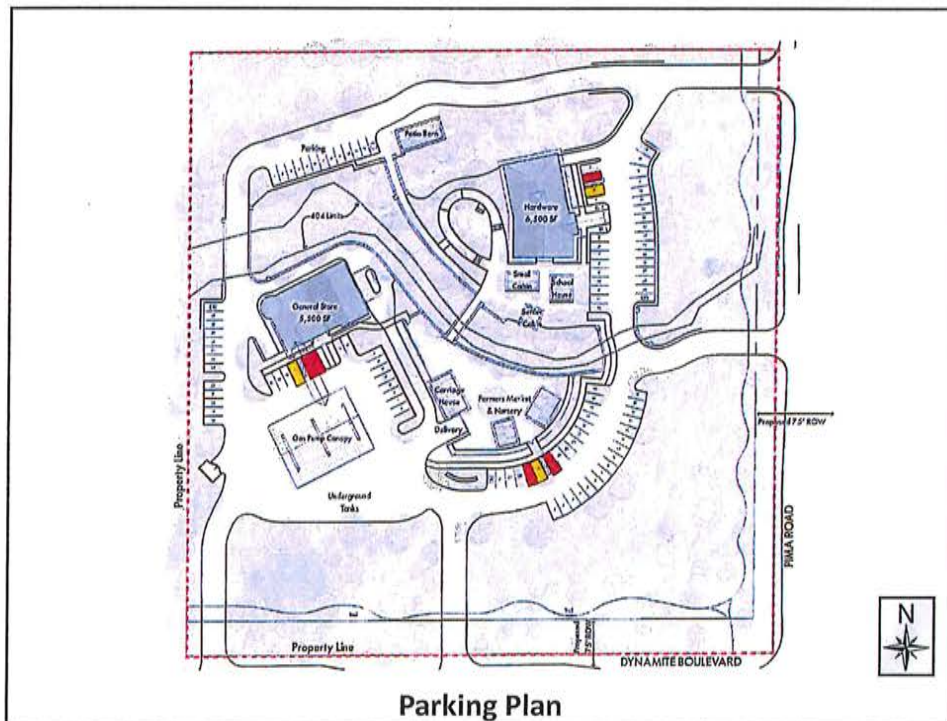
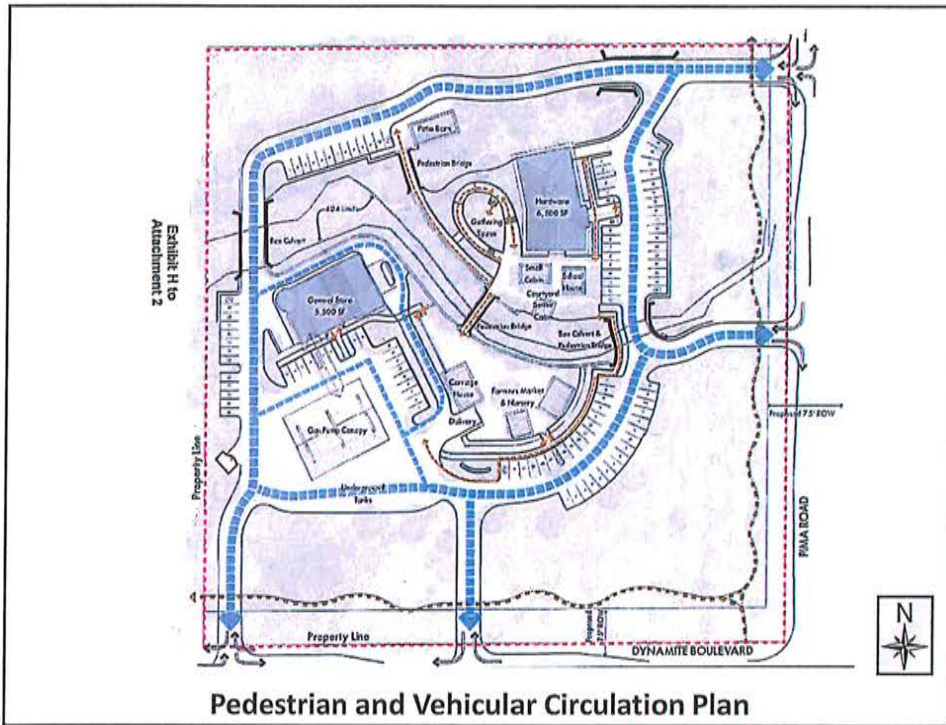
- Delay dedication and construction of 8-foot-wide sidewalk and trail.
- Provide no shared access easement.
- Removing, or thinning out, vegetation located within the Scenic Corridor Easement.
- Use more than 25 % of the proposed SCE for drainage improvements.
- Provide no parking lot screen walls between the parking areas and the street .
- Variance to the not provide required landscape islands.

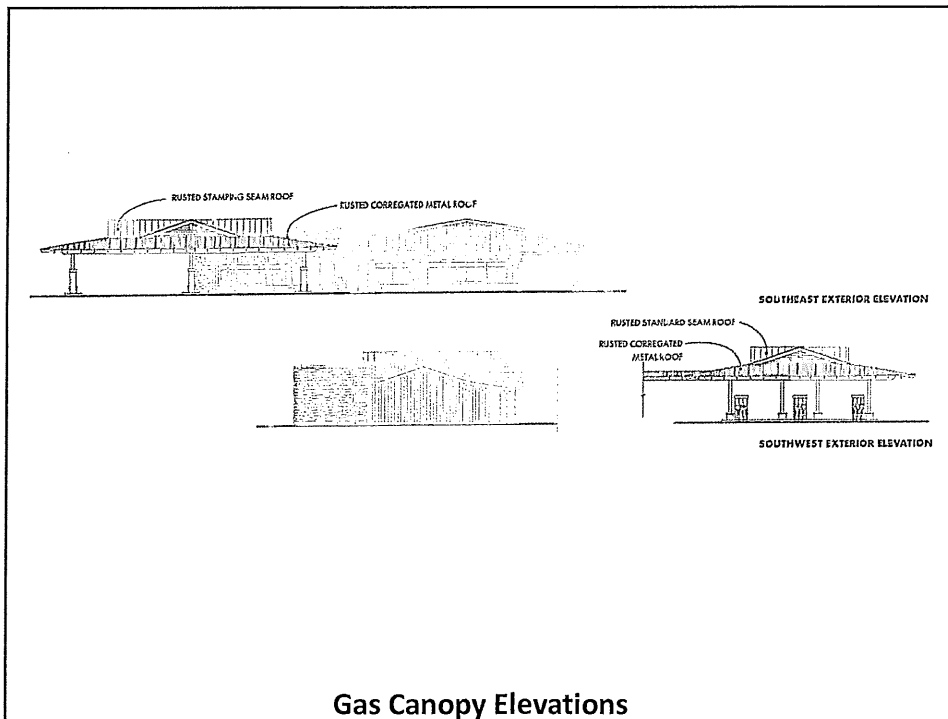
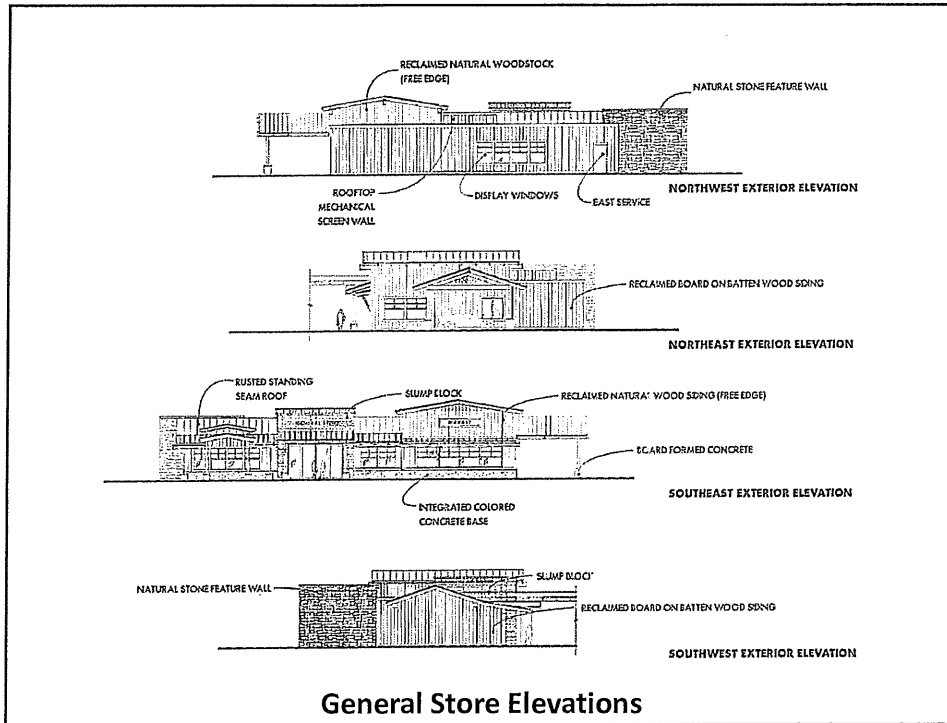


NAOS Plan



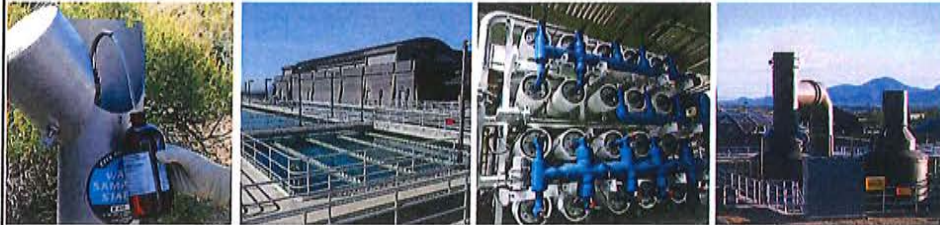
Landscape Plan





PUBLIC HEARING - January 23, 2018

**Land Use Assumptions and
Infrastructure Improvements Plans
for Water and Wastewater**



Brian K. Biesemeyer, PE
Scottsdale Water Director

Development Fee Process

- Arizona Revised Statute §9-463.05 requires cities to adopt a Land Use Assumptions and an Infrastructure Improvements Plan prior to the adoption or amendment of development fees after August 1, 2014.

Development Fee Process Timeline

Jan. 23, 2018	Public Hearing on IIP and LUA
March 6, 2018	Request City Council to adopt IIP and LUA
April 10, 2018	Public Hearing on Development Fee Report
May 22, 2018	Request City Council to adopt new development fees
Sept. 1, 2018	New development fees become effective

Development Fees

- Development Fees are one-time fees charged to offset costs associated with providing necessary public services to a new development
- Development Fees must result in a beneficial use to the development
- Scottsdale has adopted only water and wastewater Development fees

Land Use Assumptions (LUA) Report

- Covers the period 2017 to 2027
- Must be updated at least every five years
- Shows projections of changes in land uses, densities, intensities and population for a specified service area for ten years or more pursuant to the General Plan
- Defines Service Areas and exceptions

Service Areas

- Water service area as defined by State Statute is the City limits with the exception of:
 - EPCOR service area
- Wastewater service area as defined by State Statute is the City limits with the exceptions of:
 - Fountain Hills Sanitary District service area
 - Black Mountain Sewer service area

Infrastructure Improvement Plans (IIP)

- Covers the period 2017 to 2027
- Must be updated at least every five years
- Defines Equivalent Demand Units
- Defines existing and future Level of Service
- Estimates cost of future facility and system expansions based on the land use assumptions

Equivalent Demand Units (EDUs)

- Water Equivalent Demand Unit
 - Equal to one detached single family dwelling unit
- Wastewater Equivalent Demand Unit
 - Equal to one detached single family dwelling unit

Existing and Future Level of Service (LOS)

- State law requires that a LOS be established:
 - Water LOS is defined as the system’s ability to meet the peak day demand per EDU
 - Wastewater LOS is defined as the system’s ability to meet the average annual day demand per EDU

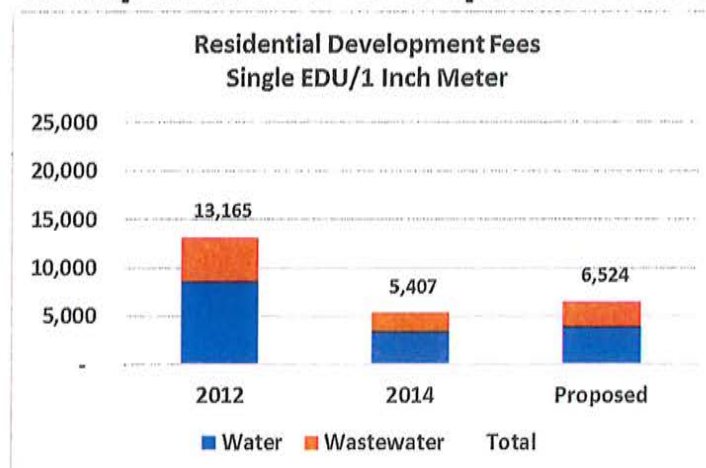
Future Facility and System Expansion Planning Estimates

- Water planning estimates for 2017 through 2027
 - Water treatment expansion, \$30 million
 - Distribution system expansion, \$22.5 million
 - Supply expansion for wells, \$7.2 million
- Wastewater planning estimates for 2017 through 2027
 - Collection system expansion, \$12.5 million

Current Development Fee Estimates

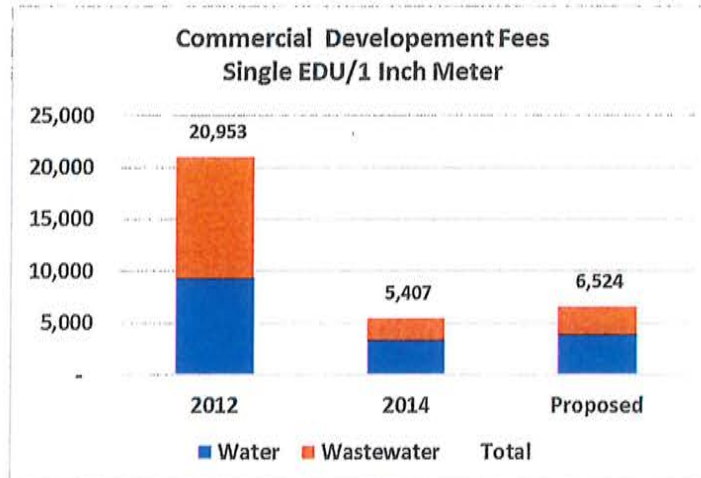
- Water Development Fee per EDU = \$3,915
- Wastewater Development Fee per EDU = \$2,609

Comparative Development Fees



Note: The 2012 residential fees were assessed based on the parcel size. The 2012 fees are for a 17,300 square foot parcel. The 2014 and proposed fees are for a 1 inch meter or single EDU.

Comparative Development Fees



What's Next

- The Development Fee Report is currently being finalized and is tentatively scheduled to be available in March.
- The Development Fee Report will be based on current assumptions as documented in the Land Use Assumptions report and the Infrastructure Improvement Plans report.

Questions?



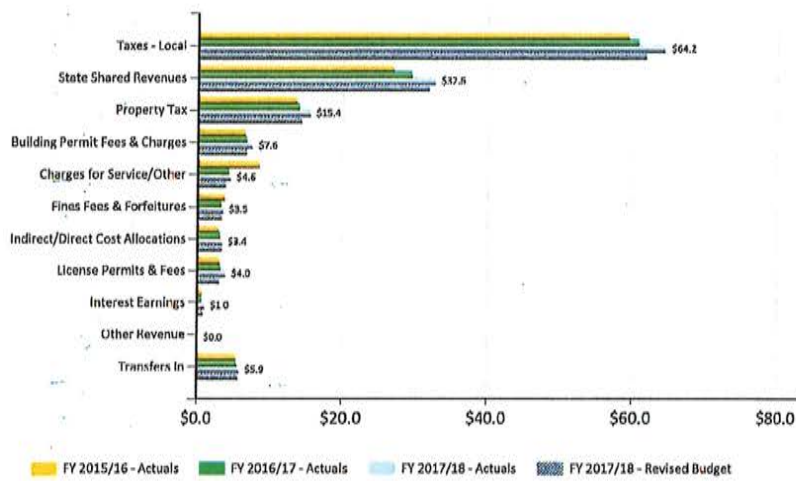
Item 26

Monthly Financial Update As of December 31, 2017

City Council
January 23, 2018

General Fund Operating Sources December 2017: Fiscal Year to Date

(in millions: rounding differences may occur)



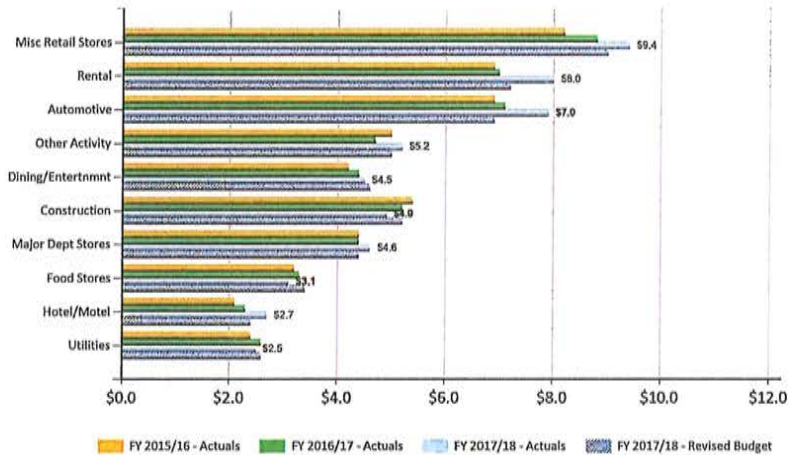
General Fund Operating Sources December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$59.4	\$60.7	\$64.2	\$61.7	\$2.6	4%
State Shared Revenues	27.0	29.4	32.6	31.7	0.8	3%
Property Tax	13.6	14.0	15.4	14.3	1.1	8%
Building Permit Fees & Charges	6.6	6.9	7.6	6.9	0.7	10%
Charges for Service/Other	8.6	4.4	4.6	4.0	0.6	16%
Fines Fees & Forfeitures	3.9	3.3	3.5	3.4	0.2	6%
Indirect/Direct Cost Allocations	3.0	3.2	3.4	3.4	-	-
License Permits & Fees	3.1	3.2	4.0	3.1	0.8	27%
Interest Earnings	0.6	0.7	1.0	0.8	0.2	23%
Other Revenue	-	-	-	-	-	n/a
Transfers In	5.5	5.6	5.9	5.8	0.1	1%
Total Sources	\$131.3	\$131.6	\$142.2	\$135.1	\$7.1	5%

General Fund Operating Sources: Sales Tax December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



General Fund Operating Sources: 1% Sales Tax December 2017 : Fiscal Year to Date

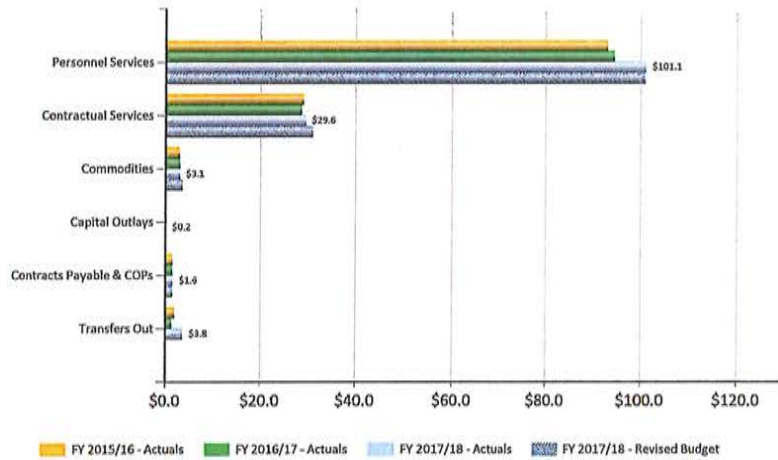
(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$8.2	\$8.8	\$9.4	\$9.0	\$0.4	4%
Rental	6.9	7.0	8.0	7.2	0.9	12%
Automotive	6.9	7.1	7.9	6.9	1.0	14%
Other Activity	5.0	4.7	5.2	5.0	0.2	4%
Dining/Entertainmnt	4.2	4.4	4.5	4.6	(0.2)	(4%)
Construction	5.4	5.2	4.9	5.2	(0.4)	(7%)
Major Dept Stores	4.4	4.4	4.6	4.4	0.2	4%
Food Stores *	3.2	3.3	3.1	3.4	(0.3)	(8%)
Hotel/Motel	2.1	2.3	2.7	2.4	0.3	13%
Utilities	2.4	2.6	2.5	2.6	(0.1)	(5%)
Sales Tax Total	\$48.7	\$49.8	\$52.8	\$50.8	\$2.0	4%

*YTD CIP transfer = \$2 million

General Fund Operating Uses: by Category December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



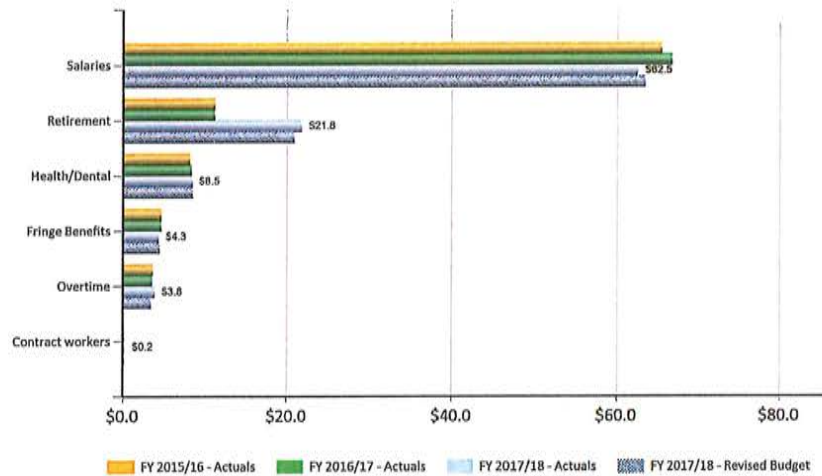
General Fund Operating Uses: by Category December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual Favorable / (Unfavorable) Amount	vs. Budget Percent
Personnel Services*	\$93.1	\$94.7	\$101.1	\$100.9	(\$0.2)	0%
Contractual Services	29.2	28.8	29.6	31.2	1.5	5%
Commodities	3.0	3.1	3.1	3.6	0.6	15%
Capital Outlays	0.1	0.3	0.2	-	(0.2)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	2.0	1.4	3.8	-	(3.8)	n/a
Total Uses	\$129.0	\$129.9	\$139.4	\$137.4	(\$2.0)	(1%)
*Pay Periods thru December:	14	14	13			

General Fund Operating Uses: Personnel Services December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



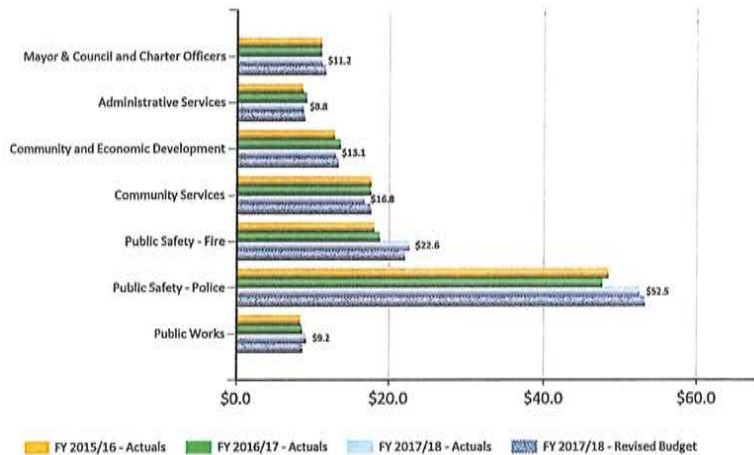
General Fund Operating Uses: Personnel Services December 2017 : Fiscal Year to Date

(in millions; rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries*	\$65.4	\$66.7	\$62.5	\$63.4	\$0.9	1%
Retirement	11.3	11.3	21.8	20.9	(0.8)	(4%)
Health/Dental	8.2	8.4	8.5	8.6	0.1	2%
Fringe Benefits	4.6	4.6	4.3	4.4	-	-
Overtime	3.6	3.5	3.8	3.4	(0.4)	(13%)
Contract workers	0.1	0.2	0.2	0.2	-	-
Personnel Services Total	\$93.1	\$94.7	\$101.1	\$100.9	(\$0.2)	0%
*Pay Periods thru December:	14	14	13			

General Fund Operating Division Expenditures December 2017 : Fiscal Year to Date

(in millions; rounding differences may occur)



General Fund Operating Division Expenditures December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$11.2	\$11.1	\$11.2	\$11.8	\$0.6	5%
Administrative Services	\$8.7	\$9.1	\$8.8	\$9.0	\$0.2	2%
Community and Economic Development	12.9	13.8	13.1	13.5	0.4	3%
Community Services	17.7	17.7	16.8	17.7	0.9	5%
Public Safety - Fire	18.1	18.8	22.6	22.0	(0.6)	(3%)
Public Safety - Police	48.5	47.7	52.5	53.2	0.7	1%
Public Works	8.4	8.7	9.2	8.7	(0.5)	(5%)
Total	\$125.4	\$126.9	\$134.0	\$135.8	\$1.8	1%

General Fund Results: Summary December 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$131.3	\$131.6	\$142.2	\$135.1	\$7.1	5%
Uses	\$129.0	\$129.9	\$139.4	\$137.4	(\$2.0)	1%
Change in Fund Balance	\$2.3	\$1.7	\$2.8	(\$2.3)	\$5.1	

Quarterly CIP Financial Update As of December 31, 2017

City Council
January 23, 2018

CIP Programs

Community Facilities programs focus on enhancing and protecting a diverse, family-oriented community where neighborhoods are safe and well maintained by providing neighborhood recreation facilities, parks and libraries. These recreational needs are met by providing parks, park improvements, multiuse paths, neighborhood enhancements, youth sports lighting, aquatic centers, library facilities and senior centers.

CIP Programs

Drainage/Flood Control focuses on protecting a diverse, family-oriented community where neighborhoods are safe and well maintained by preventing property damage from flooding. This program achieves these goals through flood plain mapping, meeting regulatory requirements, and identifying and correcting hazards to reduce future flood damage potential. This is accomplished through the use of detention basins, culvert and channel projects, and a program of neighborhood drainage improvements.

CIP Programs

Preservation focuses on preserving the character and environment of Scottsdale. This goal is met by land acquisition activities for the McDowell Sonoran Preserve for the purpose of maintaining scenic views, preserving native plants and wildlife, and providing public access to the McDowell Mountains and Sonoran Desert. The 1998 election expanded the recommended study boundary from the original 12,876 acres to about 34,000 acres. The 2004 election provided an additional revenue stream (0.15 percent sales tax rate increase) as well as the bonding capacity (\$500.0 million) that continues to provide authority to carry on preservation efforts.

CIP Programs

Public Safety programs focus on enhancing and protecting a diverse, family-oriented community where neighborhoods are safe. This goal is met by providing fire and police stations, training facilities and automation systems related to fire and police operations.

CIP Programs

Service Facilities focus on coordinating land use and infrastructure planning within the context of financial demands and available resources. These programs achieve this goal through the renovation of current facilities and technology needs necessary for the efficient and effective operations of the city.

CIP Programs

Transportation programs focus on providing for the safe, efficient, and affordable movement of people and goods. This program meets this goal by attempting to offer real transportation choices in a way that meets the needs of the community. In 1989 voters authorized a 0.2 percent privilege tax to fund transportation operations and improvements. In 2004 voters approved a 20-year extension of a half-cent transportation sales tax in Maricopa County that was first approved in 1985 to fund freeway construction. This program looks for the best use of these funding sources and addresses the multi-modal concept.

CIP Programs

Water Management focuses on coordinating land use and infrastructure planning within the context of financial demands and available resources. This program achieves this goal by delivering safe, reliable water and providing water reclamation services. This program also reflects the city's commitment to federal and state regulations.

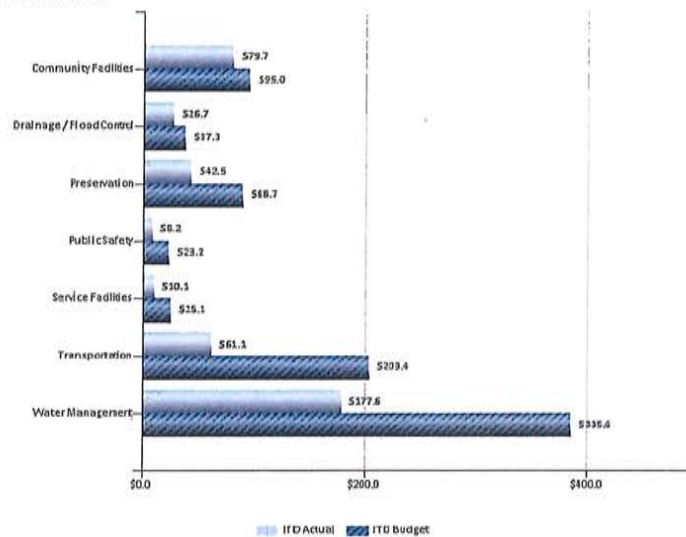
CIP Expenditures by Program FY 2017/18 – Quarter 2

(In millions: rounding differences may occur)

Program	FY 2017/18	FY 2017/18	FY 2017/18	Remaining
	Quarter 2 Actuals	ITD Budget	ITD Actual	Budget Balance
Community Facilities	\$1.4	\$95.0	\$79.7	\$15.3
Drainage / Flood Control	0.7	37.3	26.7	10.6
Preservation	0.5	88.7	42.5	46.2
Public Safety	2.3	23.2	8.2	15.0
Service Facilities	2.6	25.1	10.1	15.0
Transportation	14.1	203.4	61.1	142.3
Water Management	10.5	385.6	177.6	208.0
Total	\$31.9	\$858.3	\$406.0	\$452.3

CIP Expenditures by Program FY 2017/18 – Quarter 2

(In millions: rounding differences may occur)



CIP Significant Projects FY 2017/18 – Quarter 2

(In millions: rounding differences may occur)

	5 - Year Budget	FY 2017/18 Quarter 2 Actuals	FY 2017/18 ITD Budget	FY 2017/18 ITD Actual	Remaining Budget Balance	Completion Date
<u>Community Facilities</u>						
Aquatics Chemical System Replacement	\$3.0	\$ -	\$2.0	\$0.2	\$1.8	Jun-19
Civic Center Mall Renovations	0.3	-	0.3	0.2	0.1	Jul-18
<u>Drainage / Flood Control</u>						
Granite Reef Watershed	50.0	0.6	12.2	6.7	5.4	2023
Reata Wash Flood Control	2.3	-	2.3	1.3	1.0	Aug-19
<u>Preservation</u>						
Fraesfield and Granite Mountain Trailheads	7.0	-	6.0	-	6.0	Jun-19
Pima/Dynamite Trailhead	4.5	0.1	4.5	0.2	4.3	Feb-21

CIP Significant Projects FY 2017/18 – Quarter 2

(In millions: rounding differences may occur)

	5 - Year Budget	FY 2017/18 Quarter 2 Actuals	FY 2017/18 ITD Budget	FY 2017,18 ITD Actual	Remaining Budget Balance	Completion Date
<u>Public Safety</u>						
Fire Station 603 Relocation *	6.9	0.1	6.9	2.9	4.0	Dec-19
Fire Station 605 Renovation *	0.8	0.2	0.8	0.3	0.5	Feb-18
Fire Station 613 Construction *	5.3	0.8	5.3	1.0	4.3	May-18
Fire Station 616 Design and Construction *	3.8	-	3.8	0.1	3.7	Feb-20
<u>Service Facilities</u>						
Additional Compressed Natural Gas (CNG) Station	2.6	-	2.6	0.1	2.5	May-19
Facilities Repair and Maintenance Program	9.0	0.6	1.9	0.7	1.1	Ongoing

*Project is part of Bond 2015 Program

CIP Significant Projects FY 2017/18 – Quarter 2

(In millions; rounding differences may occur)

	5 - Year Budget	FY 2017/18 Quarter 2 Actuals	FY 2017/18 ITD Budget	FY 2017/18 ITD Actual	Remaining Budget Balance	Completion Date
<u>Transportation</u>						
Airport Terminal Area Redevelopment Project	28.4	2.1	28.4	5.0	23.4	Aug-18
Crosscut Canal Bridge and Path	1.2	-	1.2	0.3	0.9	May-18
Hayden/Thomas Safety Improvements	2.7	-	2.7	0.7	2.0	Aug-19
Pavement Replacement *	14.1	1.4	14.1	9.5	4.6	Jun-19
Raintree Drive: Scottsdale Road to Hayden Road	22.8	1.9	22.8	5.8	17.0	Dec-20
<u>Water Management</u>						
Chaparral Water Treatment Plant Pretreatment	25.0	-	10.2	8.0	2.2	Dec-21
Zone 14/16 Water Improvements Phase 2	15.1	0.5	15.1	2.0	13.1	Aug-18

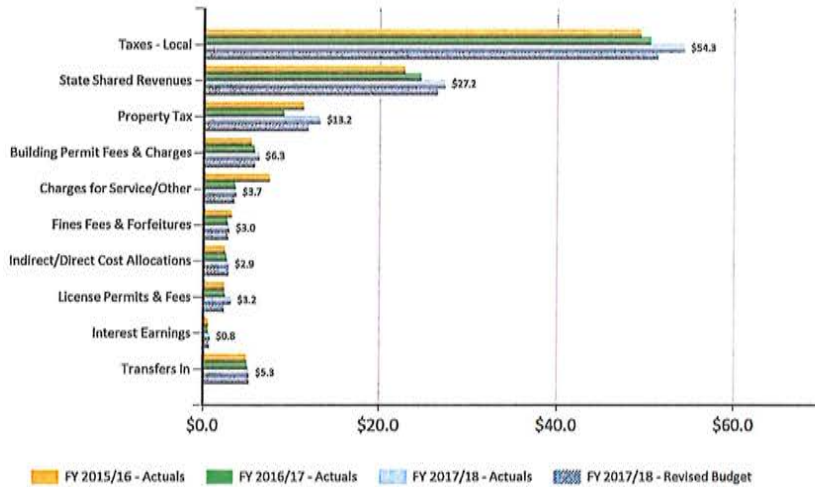
*Project is part of Bond 2015 Program

Monthly Financial Update As of November 30, 2017

City Council
January 23, 2018

General Fund Operating Sources November 2017: Fiscal Year to Date

(in millions: rounding differences may occur)



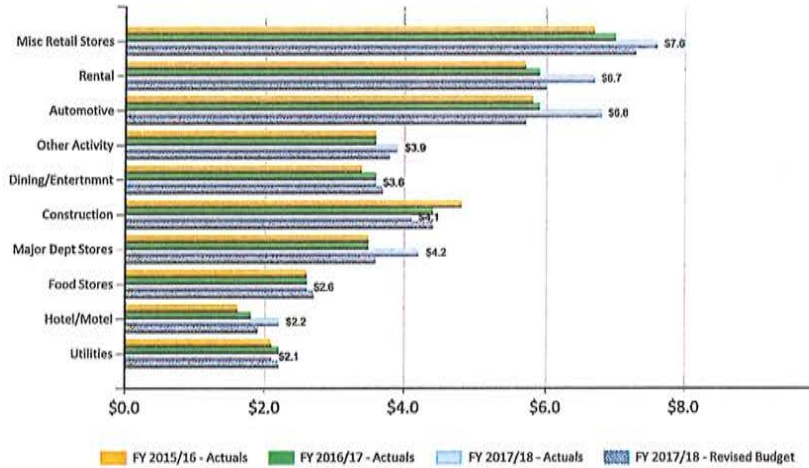
General Fund Operating Sources November 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$49.4	\$50.5	\$54.3	\$51.3	\$3.0	6%
State Shared Revenues	22.8	24.6	27.2	26.4	0.8	3%
Property Tax	11.3	9.1	13.2	11.9	1.3	11%
Building Permit Fees & Charges	5.4	5.8	6.3	5.8	0.5	9%
Charges for Service/Other	7.5	3.6	3.7	3.5	0.2	6%
Fines Fees & Forfeitures	3.2	2.8	3.0	2.8	0.1	5%
Indirect/Direct Cost Allocations	2.5	2.7	2.9	2.9	-	-
License Permits & Fees	2.4	2.5	3.2	2.4	0.8	32%
Interest Earnings	0.5	0.6	0.8	0.7	0.1	20%
Transfers In	5.0	5.1	5.3	5.3	-	-
Total Sources	\$110.1	\$107.3	\$119.9	\$113.0	\$6.9	6%

General Fund Operating Sources: Sales Tax November 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



General Fund Operating Sources: 1% Sales Tax November 2017 : Fiscal Year to Date

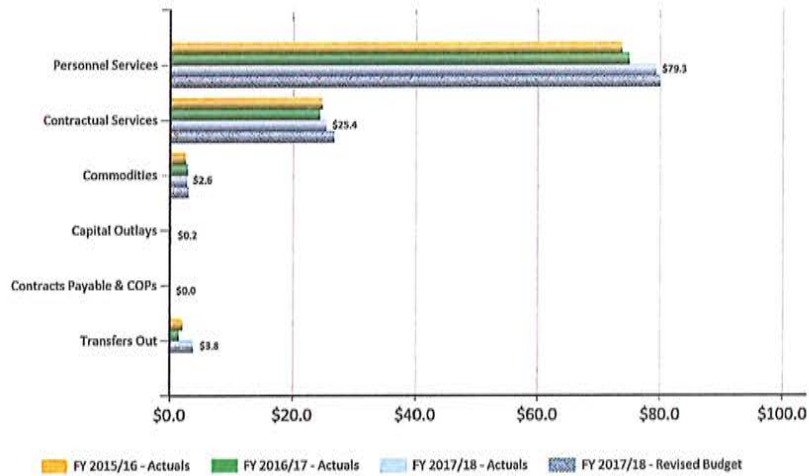
(in millions: rounding differences may occur)

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$6.7	\$7.0	\$7.6	\$7.3	\$0.3	4%
Rental	5.7	5.9	6.7	6.0	0.8	13%
Automotive	5.8	5.9	6.8	5.7	1.1	19%
Other Activity	3.6	3.6	3.9	3.8	0.1	2%
Dining/Entertainment	3.4	3.6	3.6	3.7	(0.1)	(4%)
Construction	4.8	4.4	4.1	4.4	(0.4)	(9%)
Major Dept Stores	3.5	3.5	4.2	3.6	0.6	18%
Food Stores*	2.6	2.6	2.6	2.7	(0.1)	(5%)
Hotel/Motel	1.6	1.8	2.2	1.9	0.3	16%
Utilities	2.1	2.2	2.1	2.2	(0.1)	(5%)
Sales Tax Total	\$39.7	\$40.6	\$43.8	\$41.4	\$2.4	6%

*YTD CIP transfer = \$1.7 million

General Fund Operating Uses: by Category November 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



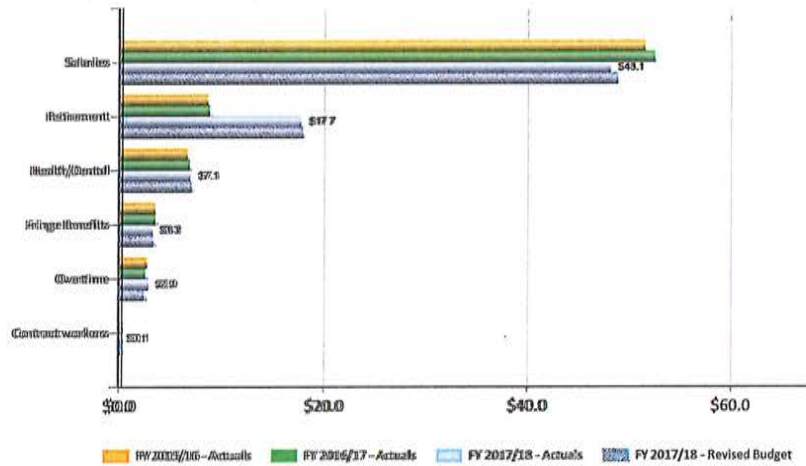
General Fund Operating Uses: by Category November 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2017/18 Revised Budget	Actual vs. Budget	
					Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$73.6	\$74.8	\$79.3	\$80.0	\$0.7	1%
Contractual Services	24.7	24.4	25.4	26.7	1.3	5%
Commodities	2.4	2.8	2.6	2.9	0.3	11%
Capital Outlays	0.1	0.2	0.2	-	(0.2)	nm
Contracts Payable & COPs	-	-	-	-	-	-
Transfers Out	2.0	1.4	3.8	-	(3.8)	n/a
Total Uses	\$102.8	\$103.6	\$111.2	\$109.6	(\$1.6)	(1%)
*Pay Periods thru November:	11	11	10			

General Fund Operating Uses: Personnel Services November 2017 : Fiscal Year to Date

(In millions: rounding differences may occur)



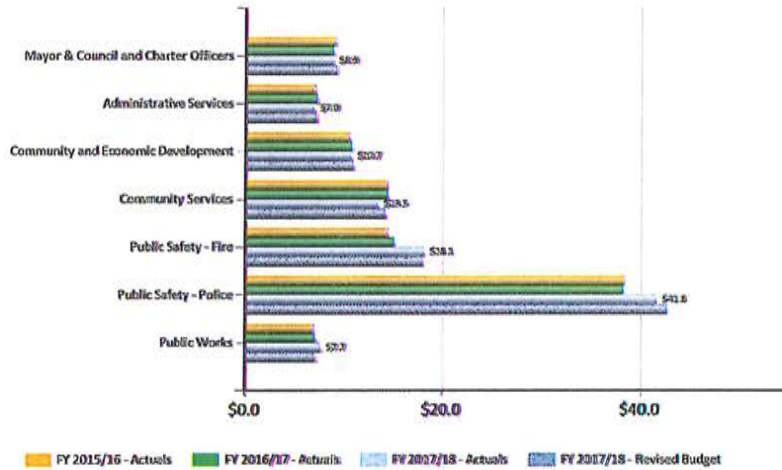
General Fund Operating Uses: Personnel Services November 2017 : Fiscal Year to Date

(In millions: rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries**	\$51.5	\$52.5	\$48.1	\$48.8	\$0.7	2%
Retirement	8.8	8.9	17.7	17.9	0.2	1%
Health/Dental	6.8	7.0	7.1	7.2	0.1	1%
Fringe Benefits	3.6	3.6	3.3	3.4	-	-
Overtime	2.8	2.6	2.9	2.5	(0.4)	(15%)
Contract workers	-	0.1	0.1	0.2	-	-
Personnel Services Total	\$73.6	\$74.8	\$79.3	\$80.0	\$0.7	1%
**Pay Periods thru November:	11	11	10			

General Fund Operating Division Expenditures November 2017 : Fiscal Year to Date

(in millions; rounding differences may occur)



General Fund Operating Division Expenditures November 2017 : Fiscal Year to Date

(in millions; rounding differences may occur)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$9.1	\$8.9	\$8.9	\$9.3	\$0.4	5%
Administrative Services	7.0	7.3	7.0	7.2	0.2	3%
Community and Economic Development	10.5	10.8	10.7	10.9	0.2	2%
Community Services	14.4	14.5	13.5	14.2	0.8	5%
Public Safety - Fire	14.4	15.1	18.1	18.1	(0.1)	0%
Public Safety - Police	38.4	38.2	41.6	42.7	1.1	3%
Public Works	6.9	7.2	7.7	7.2	(0.5)	(7%)
Total	\$100.8	\$102.2	\$107.5	\$109.6	\$2.1	2%

General Fund Results: Summary November 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 15/16	FY 16/17	FY 17/18	FY 17/18 Budget	Actual vs. Budget	
	Actual	Actual	Actual		Fav/(Unf)	%
Sources	\$110.1	\$107.3	\$119.9	\$113.0	\$6.9	6%
Uses	\$102.8	\$103.6	\$111.2	\$109.6	(\$1.6)	(1%)
Change in Fund Balance	\$7.3	\$3.7	\$8.7	\$3.4	\$5.3	

Item 28

***COUNCIL ETHICS REFRESHER
JANUARY 23, 2018***



1

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

1. OPEN MEETING LAW
 - a) Agenda language
 - b) Public forums
2. GIFTS
 - a) How to analyze
 - b) Reporting

2

AGENDA LANGUAGE

- Attorney General (AG) asked to investigate Kingman City Council
- Agendized to discuss TPT increase for “pavement preservation”
- Council approved increase for “capital improvement projects”
- AG determined OML violation

3

FACTORS AG CONSIDERED

- Materials in addition to agenda
- Listing of specific matters
- What is “reasonably necessary” to inform the public
- What are “other matters” that are related?

4

REMEDY FOR VIOLATION

- A.R.S. § 38-431.05(B) allows ratification within 30 days after discovery of violation
- Action void if not ratified within that time
- Other penalties could apply

5

PUBLIC FORUMS

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

6

A.R.S. § 38-431.09(B)
(CONTINUED)

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

7

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

- (a) Prohibitions
- ✘ Soliciting, receiving, accepting gifts
 - ✘ “of any kind”
 - ✘ From
 - Anyone engaged in general practice
 - or
 - Specific situation involving City decision-making or permitting processes
 - ✘ Exceptions – subpart (b)

8

EXCEPTIONS – SRC § 2-50(b)

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

9

EXCEPTIONS - SRC § 2-50(b) (Cont'd)

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

10

SRC § 14-135

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

11

SRC § 14-135 – NOT CONSIDERED GIFT

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

12

SPONSORED EVENTS

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

13

QUESTIONS?

14