

SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, OCTOBER 2, 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 5:00 P.M. on Tuesday, October 2, 2018, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane; Vice Mayor Guy Phillips; and Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield, Linda Milhaven, 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** – Troop 454, Leader Jane Bils

**INVOCATION** – Pastor David Joynt, Valley Presbyterian Church

**MAYOR'S REPORT**

Mayor Lane read a proclamation in honor of the 50<sup>th</sup> Anniversary of City Hall.

**PRESENTATIONS/INFORMATION UPDATES**

- **Celebrate '68**  
**Presenter(s):** Karen Churchard, Tourism and Events Director; Joan Fudala, Community Historian

Communications and Public Affairs Director Kelly Corsette gave a presentation on Celebrate '68 activities.

Community Historian Joan Fudala gave a PowerPoint presentation (attached) on the history of City Hall and Civic Center Library.

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

## **PUBLIC COMMENT**

- Pat Shaler presented a citizen petition (attached) asking the City to meet with Neptune Swim Foundation, investigate the issues outlined in the petition regarding lap-lane rental fees, and prepare a written response to the Council with a copy to the petitioner.
- Joseph Zematis spoke in support of Pat Shaler's citizen petition.
- George Cavaliere expressed frustration about the construction damage that was caused to his property by the adjoining property owner and the lack of City assistance in resolving the issue.

## **MINUTES**

**Request:** Approve the Special Meeting Minutes of September 11, 2018, and Regular Meeting Minutes of September 11, 2018.

## **MOTION AND VOTE – MINUTES**

Vice Mayor Phillips made a motion to approve the Special Meeting Minutes of September 11, 2018, and Regular Meeting Minutes of September 11, 2018. Councilmember Korte seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

## **CONSENT AGENDA**

- 1. On-Call Water Resources Engineering Services Contracts**  
**Request:** Adopt **Resolution No. 11249** authorizing the following one-year contract modifications to increase the annual contract term amount from \$750,000 to \$1,000,000 per contract for the design of various water resources projects:
  1. Contract No. 2014-076-COS-A4 with GHD, Inc.
  2. Contract No. 2014-077-COS-A4 with Water Works Engineers, LLC**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
- 2. Indian School Park Underground and Overhead Power Distribution Easements**  
**Request:** Adopt **Resolution No. 11251** authorizing the granting of an underground power distribution easement and an overhead power distribution easement to Salt River Project Agricultural Improvement and Power District at Indian School Park.  
**Location:** Northeast corner of Hayden Road and Indian School Road  
**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
- 3. Fiscal Year 2018/19 Rassner Memorial Scottsdale Library Endowment Allocation**  
**Request:** Adopt **Resolution No. 11164** authorizing the distribution of interest income in the amount of \$18,200 from the Rassner Memorial Scottsdale Library Endowment to the Scottsdale Public Library to support educational and technological needs, as recommended by the Library Board.  
**Staff Contact(s):** Bill Murphy, Community Services Director, 480-312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)

**4. Firehouse Subs Foundation Grant**

**Request:** Adopt **Resolution No. 11257** to authorize:

1. The acceptance of a Firehouse Subs Foundation grant in the amount of \$23,496 to purchase a Polaris All-terrain Vehicle with a patient transport skid.
2. The Fire Chief, or designee, to conduct all negotiations and to execute and submit all documents in connection with the grant.
3. A budget transfer in the amount of \$23,496 from the adopted FY 2018/19 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center to record the related grant activity.

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

**5. Assistance to Firefighters Grant**

**Request:** Adopt **Resolution No. 11262** to authorize:

1. The acceptance of a FY 2018/19 Federal Emergency Management Agency Assistance to Firefighters grant in the amount of \$145,690, with a \$13,244 City match, requirement for Fire Department training.
2. The Fire Chief, or designee, to conduct all negotiations and to execute and submit all documents in connection with the grant.
3. A budget transfer in the amount of \$145,690 from the adopted FY 2018/19 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center to record the related grant activity.

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

**6. Fire Department Staffing for Adequate Emergency Response Grant**

**Request:** Adopt **Resolution No. 11255** to authorize:

1. The acceptance of a FY 2018/19 Federal Emergency Management Agency Staffing for Adequate Emergency Response grant in the amount of \$1,285,056 over three, 12-month periods beginning in December 2018.
2. The addition of six new, full-time equivalent positions at the job classification of firefighter during FY 2018/19.
3. A budget transfer in the amount of \$172,988 from the adopted FY 2018/19 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center within the Fire Department's operating budget to record the related grant activity. The budget transfer will cover 14 pay periods from December 2018 through June 2019 to be funded by the grant.
4. The Fire Chief, or designee, to conduct all negotiations and to execute and submit all documents in connection with the grant.

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

**7. Bennie Gonzales Way Street Naming**

**Request:** Adopt **Resolution No. 11250** authorizing changing the name of a section of 1<sup>st</sup> Avenue to "Bennie Gonzales Way" in honor of Mr. Gonzales' contribution to the City.

**Location:** E. 1<sup>st</sup> Avenue from the intersection of N. Drinkwater Boulevard to the intersection of N. 75<sup>th</sup> Street

**Staff Contact(s):** Brent Stockwell, Assistant City Manager, 480-312-7288,  
[bstockwell@scottsdaleaz.gov](mailto:bstockwell@scottsdaleaz.gov)

### **MOTION AND VOTE – CONSENT AGENDA**

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 7. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

### **REGULAR AGENDA**

#### **8. Forest Watersheds Memorandum of Understanding**

**Request:** Adopt **Resolution No. 11239** authorizing Contract No. 2018-131-COS with the National Forest Foundation to contribute a total of \$150,000 over three years toward improving the forest watersheds that are critical to the City's water supply.

**Presenter(s):** Brian Biesemeyer, Water Resources Director

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

Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the forest watersheds memorandum of understanding.

Southern Rockies Field Program National Forest Foundation Director Rebecca Davidson gave a PowerPoint presentation (attached) on national forest watershed projects.

### **MOTION AND VOTE – ITEM 8**

Vice Mayor Phillips made a motion to adopt Resolution No. 11239. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

### **PUBLIC COMMENT – None**

### **CITIZEN PETITIONS**

#### **9. 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 agendize 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](mailto:cjagger@scottsdaleaz.gov)

### **MOTION AND VOTE – CITIZEN PETITIONS**

Councilwoman Klapp made a motion to direct the City Manager to investigate the citizen petition submitted by Pat Shaler asking the City to meet with Neptune Swim Foundation, investigate the issues outlined in the petition regarding lap-lane rental fees, and prepare a written response to the Council with a copy to the petitioner. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

### **ALTERNATE MOTION – CITIZEN PETITIONS**

Councilman Smith made an alternate motion to direct the City Manager to agendize the petition for further discussion. The motion died for lack of a second.

## MAYOR AND COUNCIL ITEMS

### 10. **Boards, Commissions, and Task Force Nominations (Note: Interviews and appointments scheduled for October 16, 2018)**

Building Advisory Board of Appeals (*one vacancy*) – Vice Mayor Phillips nominated Ed Peaser.

Environmental Quality Advisory Board (*two vacancies*) – Councilman Smith nominated Steve Schlosser and David Abromivic, Councilmember Korte nominated Stephanie Foote and Jann-Michael Greenburg, and Councilwoman Klapp nominated Walter Cuculic and Adam Wasserman.

Human Services Commission (*one vacancy*) – Councilmember Korte nominated Ashley Blaine, Mayor Lane nominated Patricia Nightingale, and Councilwoman Klapp nominated Kanagaratnam Chinasamy.

Loss Trust Fund Board (*one vacancy*) – No nominations.

McDowell Sonoran Preserve Commission (*one vacancy*) – Mayor Lane nominated Mark Hackbarth, Councilwoman Klapp nominated Cynthia Wenstrom, Councilwoman Milhaven nominated Andrea Davis, Councilwoman Littlefield nominated James Bloch, Vice Mayor Phillips nominated Debra Doss, and Councilmember Korte nominated Constance Moll.

Parks and Recreation Commission (*one vacancy*) – Councilwoman Klapp nominated Alexandra Albert, Councilwoman Littlefield nominated Victor Zafra, and Mayor Lane nominated Brianna Olmos.

Transportation Commission – Path and Trails Subcommittee (*one vacancy*) – Councilwoman Milhaven nominated Peggy Young, Councilwoman Littlefield nominated Kyle Davis, Vice Mayor Phillips nominated Justin Driscoll, Councilmember Smith nominated Candice Carroll, Mayor Lane nominated Ryan Dick, and Councilwoman Klapp nominated Gretchen Evans.

## ADJOURNMENT

The Regular City Council Meeting adjourned at 6:11 P.M.

### SUBMITTED BY:



Carolyn Jagger  
City Clerk


Officially approved by the City Council on November 13, 2018

**C E R T I F I C A T E**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 2<sup>nd</sup> day of October 2018.

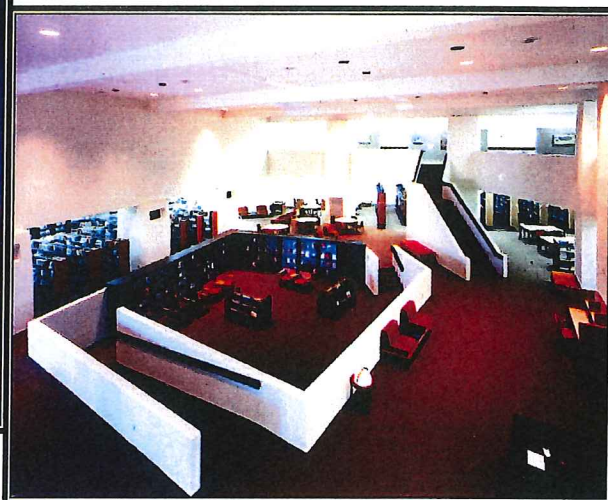
I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 13<sup>th</sup> day of November 2018.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

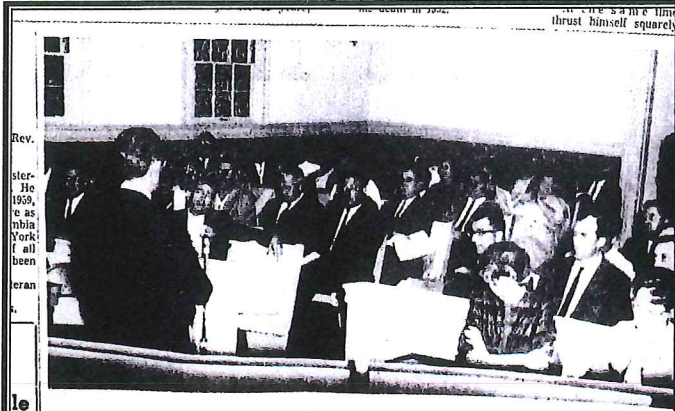


**SCOTTSDALE CIVIC CENTER EVOLVES:  
CELEBRATE '68 !**



**Presented by  
Joan Fudala  
community historian**

# CIVIC CENTER A 1964 STEP PRIORITY



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## First STEP

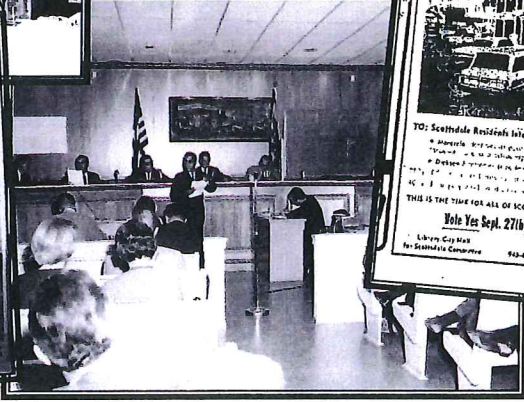
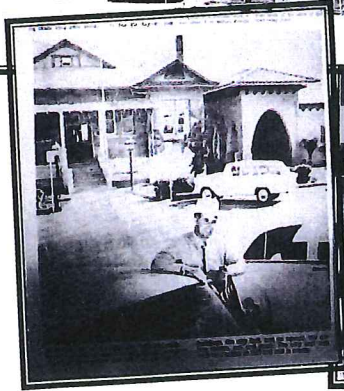
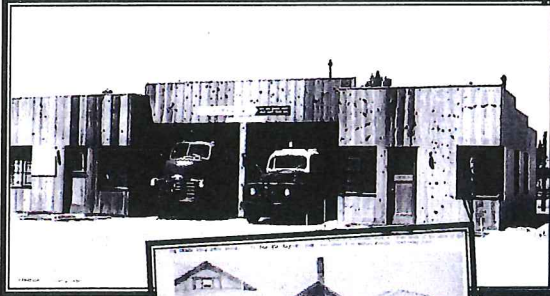
More than 100 committee members and city and technical representatives attended the first meeting of the Scottsdale Town Enrichment Program (STEP) this week. Mayor Bill Clayton welcomes the group at left. Subcommittees will study and recommend priorities for capital improvement projects in areas of public works, public utilities, airport, civic center, public health and safety, libraries and museums and parks and recreation. Reports are due Jan. 15.

## CIVIC CENTER TASK GROUP



*Seated L. to R.* - Troy Murray, Councilman Herb Caywood, Chairman; Carlton Plumb.  
*Standing L. to R.* - Robert Davis, Councilman Leonard Johnson, Gordon Miller, George Fritz.  
*Others not shown* - Dr. Charles Holt, Phil Messinger, Dr. Chester Leathers, Harry Cohrentz, Paul Messinger, Harold Kennedy, Mrs. Ronald Gregory, M. C. Murrell, Don Chambers and Mrs. Thelma Heffel, Secretary.

# AD HOC CITY HALLS



**YOUR CITY HALL... RENT \$2,500 PER YEAR**



**TO: Scottsdale Residents interested in their City**

It is hereby announced that the City of Scottsdale is seeking proposals for the construction of a new City Hall building. The building is to be located on the corner of Scottsdale Road and Camelback Road. The estimated cost of the building is \$1,000,000.00. The building is to be completed by the end of 1964. The City of Scottsdale is interested in proposals from qualified contractors who are willing to accept the responsibility for the design and construction of the building. The proposals should be submitted to the City of Scottsdale, 334 N. 44th Street, Scottsdale, Arizona, by the date specified below.

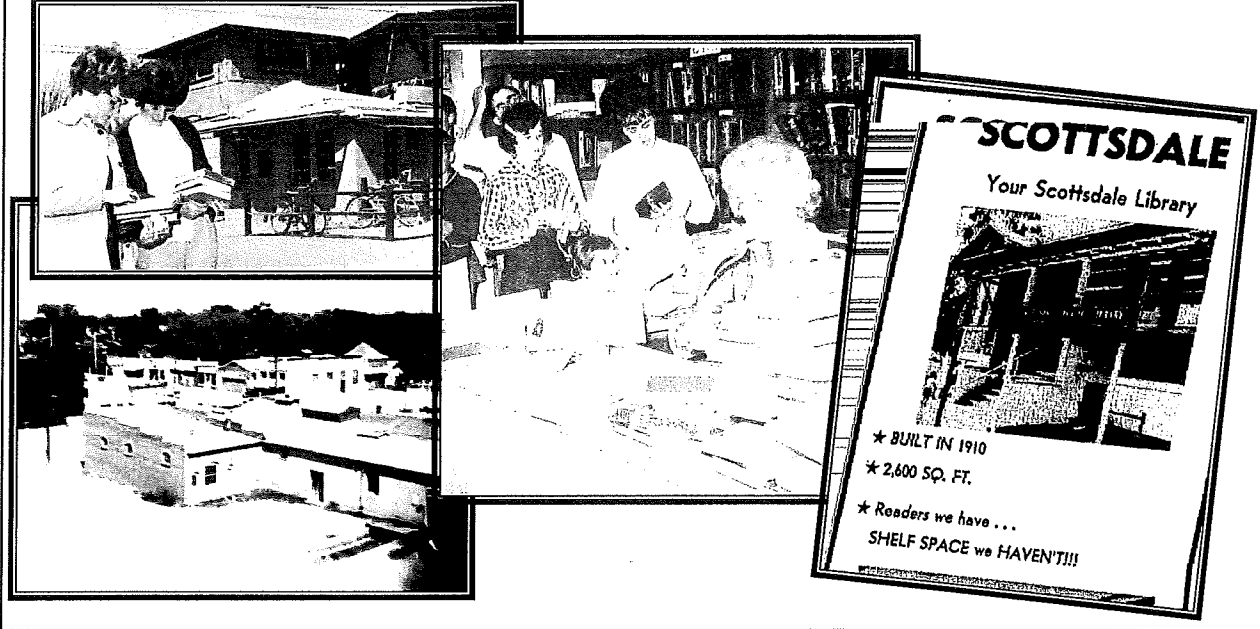
**THIS IS THE TIME FOR ALL OF SCOTTSDALE TO PULL TOGETHER**

**Vote Yes Sept. 27th to Improve Our City**

Lavern Gray Head  
 City of Scottsdale Committee      948-3228      334 N. 44th Street, Scottsdale, Arizona



## AD HOC PUBLIC LIBRARIES



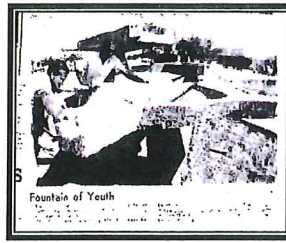
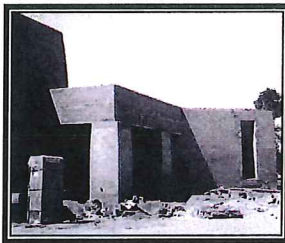
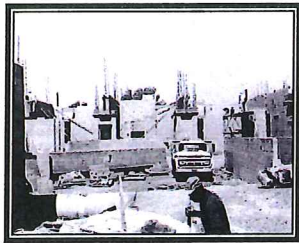
## CHOOSING AN ARCHITECT: BENNIE GONZALES



# '65, '66 BOND VOTES TO FUND CIVIC CENTER



# SITE SELECTION, CONSTRUCTION, ART



# DEDICATION - OCTOBER 1968

**A Family Festival Evening - A Tour of the New City Hall  
For All the Citizens of Scottsdale**

The Scottsdale City Council  
and the  
**SCOTTSDALE  
YOUTH ENRICHMENT PROGRAM  
COMMITTEES**

cordially invite the families of Scottsdale to attend  
a total experience of some quality activities for the  
**Opening of Their New City Hall  
in the Civic Center**

**Friday, October 11, 1968 8 to 10:30 P.M.**

**Fireworks, Music and Dancing but no speeches**

All requests for more information should be directed to the program committee, P.O. Box 1000, Scottsdale, Arizona 85251. Telephone: 948-4444.



**THE WALK**  
Long anticipated opening of Civic Center was preceded by community gathering and walk the mile length of Main Street October 11. Left, Mayor Tiers presiding shows STEP groups City Hall. Above, The Walk.



**OPENING NIGHT OF MAIN STREET**  
An eye for the new way of thinking arrived at the Scottsdale Civic Center was an estimated 5000 citizens gathered to witness the opening of the new City Hall. The event was a grand affair with fireworks, music and dancing but no speeches. The atmosphere is shown in this photo.

**Schools may top limit on budget** *Scottsdale Progress*

**YOUR AWARD WINNING NEWS PAPER**

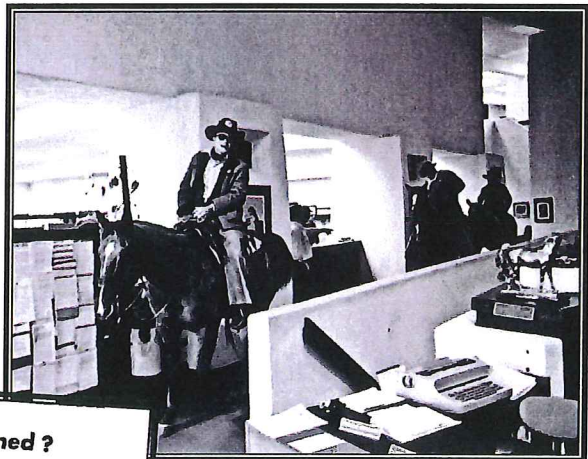
10000 N. CENTRAL AVENUE, SCOTTSDALE, ARIZONA 85251



**Or is eyesore to be removed?  
Historic site threatened?**

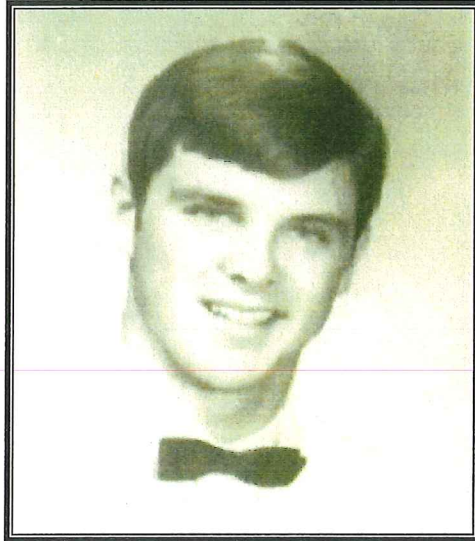
*By Emma Harris*

The Scottsdale library built in 1920 - should it be preserved as an historical site or razed in the name of economy?



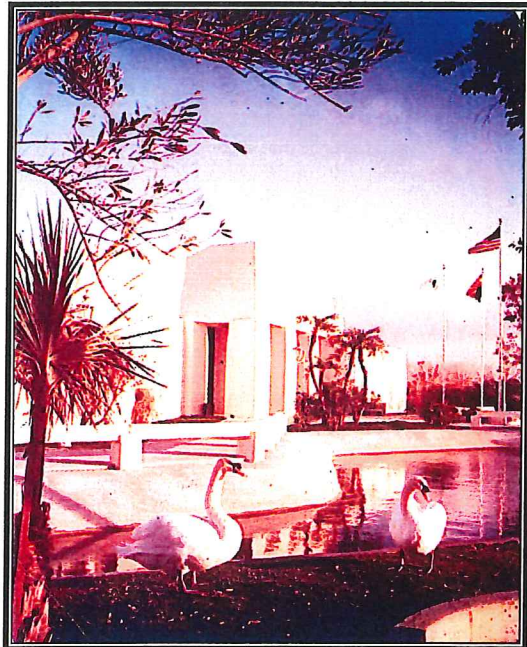
**DID YOU  
KNOW THIS?!**

## CELEBRATE '68!



## PHOTO CREDITS

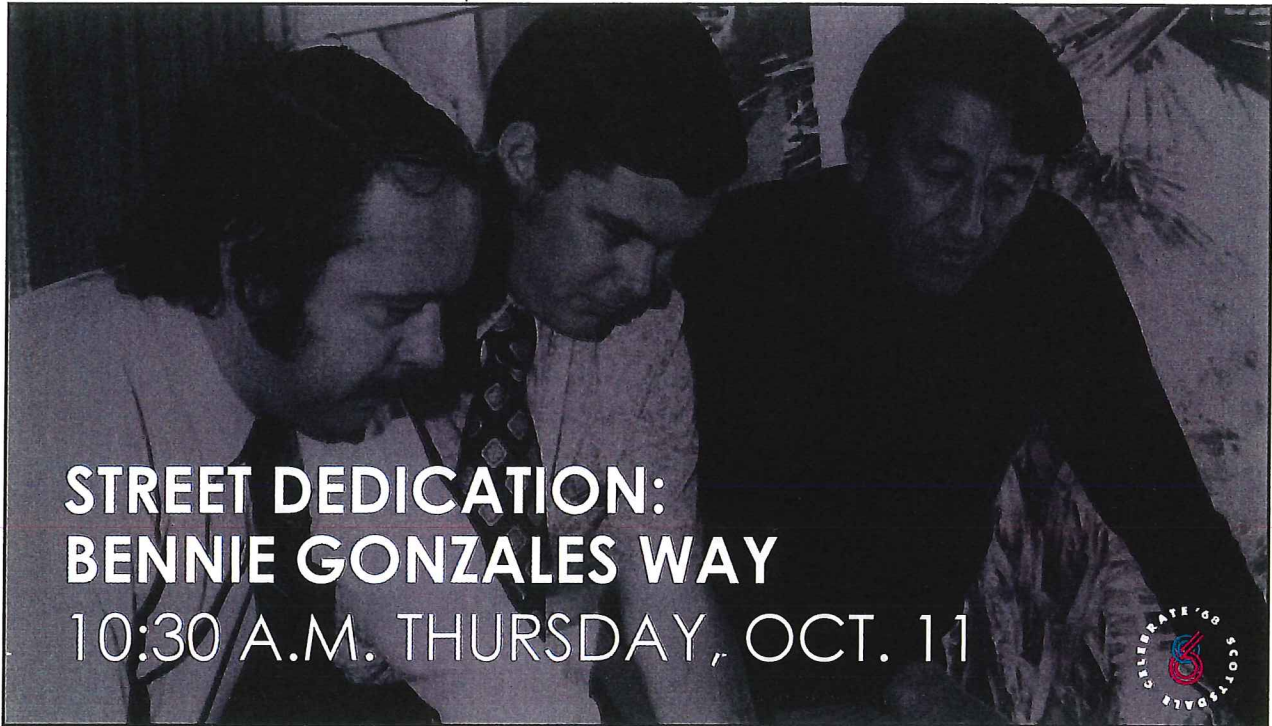
- ▶ Scottsdale Public Library/Scottsdale Heritage Connection
- ▶ Scottsdale Historical Society
- ▶ *The Arizonian, Scottsdale Progress, The Arizona Republic/Phoenix Gazette archives*
- ▶ Diane Gonzales





**TURNING POINT:  
HOW 1968 SHAPED SCOTTSDALE  
AND ITS RESIDENTS**  
6 – 7:30 p.m. Thursday, Oct. 4  
Civic Center Library Auditorium

A photograph of a modern building at night, illuminated with blue light. The building has a flat roof and large windows. In the bottom right corner of the photograph is a small version of the 'Celebrate '68 Scottsdale' logo.



**STREET DEDICATION:  
BENNIE GONZALES WAY**

10:30 A.M. THURSDAY, OCT. 11



**BENNIE GONZALES EXHIBIT**

SCOTTSDALE MUSEUM OF CONTEMPORARY ART

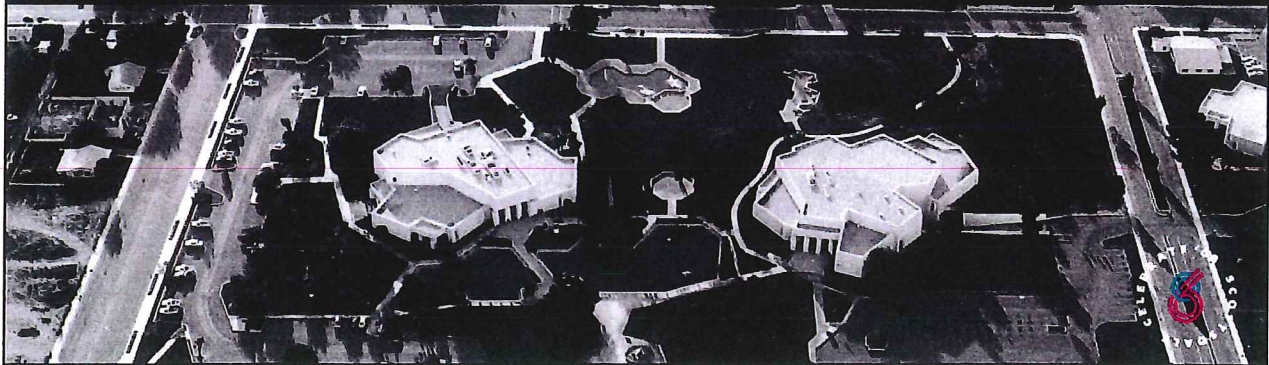
OPEN NOW THROUGH OCT. 14



# CELEBRATE '68

## PRESENTATION & DISCUSSION

HISTORIAN JOAN FUDALA AND ARCHITECT DOUG SYDNOR  
6 P.M. THURSDAY, OCT. 11  
CIVIC CENTER LIBRARY



**SCOTTSDALE  
CELEBRATE '68**

**A free family festival from  
City Hall to the Hotel Valley Ho**

5 – 8 p.m. Saturday, Oct. 13

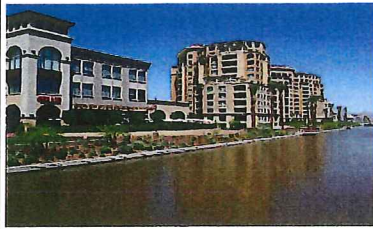
Featuring rock 'n roll, art, classic cars, a scavenger hunt and fireworks (but no speeches)

ScottsdaleAZ.gov, search "Celebrate 68"

# Item 8

## Forest and Watershed Health Initiative: Northern Arizona Forest Fund

Brian K. Biesemeyer, Scottsdale Water Executive Director



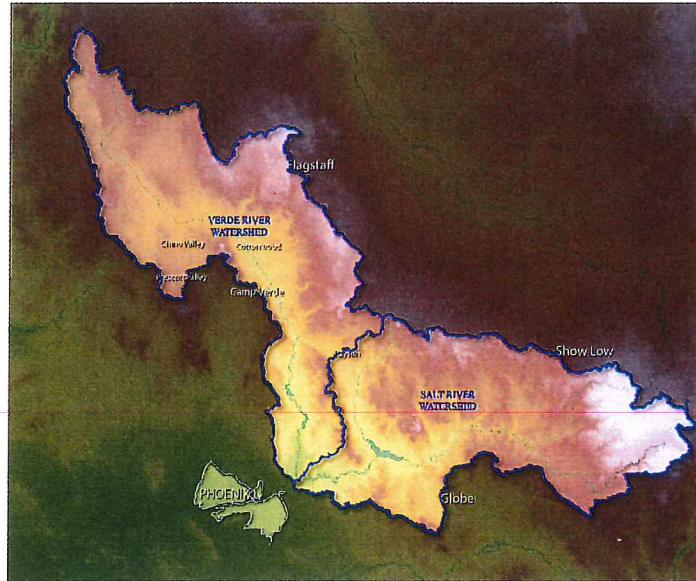
Water Sustainability through Stewardship, Innovation and People

### Salt River Project Watersheds





## Salt River Project Watersheds



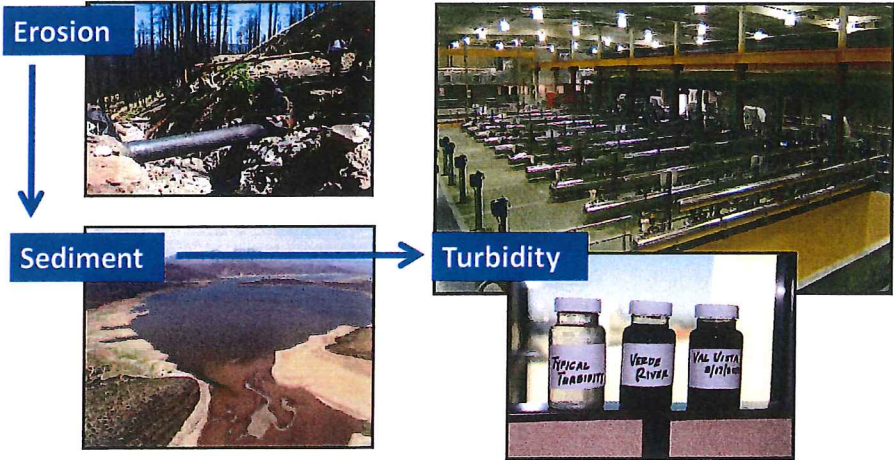
## The Problem: Unhealthy Forests



# Unhealthy Forests = Catastrophic Wildfires



# Water Resource Impacts



## Added Treatment Costs

- Impaired watershed runoff translates into higher costs for rate payers:
  - Increased organic loading requires more GAC material to control Disinfection Byproducts (DBPs)
  - Capital deployed for new infrastructure and technology
  - Added sediment forces premature replacement of pumps, strainers, and filters

## Success through Partnership



## How It Works

- Funds are used for restoration projects in the Salt and Verde Watersheds:
  - Fire Risk Reduction: Forest thinning and prescribed burning
  - Water Replenishment: Stream, Meadow and Wetland Restoration
  - Reduced Erosion and Sediment: Drainage Improvement on roads, trails and across natural landscapes

## Supported Projects 2016 - 2018

- Salt Watershed
  - Sierra Ancha Trails Erosion Control
- Verde Watershed:
  - Oak Creek/Schnebly Hill Erosion Control
  - Red Flats Meadow Restoration and Erosion Control
  - Upper Hell Canyon and Twin Springs – Bill Williams Fire Risk Reduction



Rebecca Davidson, Director  
Southern Rockies Field Program  
National Forest Foundation

## Sierra Ancha Trails Erosion Control

- Trail network impacted by the Juniper Fire in 2016
- Trails act as conduits for sediment moving into the Salt River and Roosevelt Lake
- NAFF improved drainage on 26 miles this year – another 20 next year



## Oak Creek Erosion Control

- Highly used jeep road near Sedona
- Road is eroding and transporting sediment into Oak creek
- NAFF improved drainage on five miles of road, reduced sediment by 14 tons annually



## Red Flats Meadow Restoration

- Juniper encroachment and erosion pose unmitigated watershed risk
- NAFF removed juniper trees on 100 acres, performed gully stabilization, mulching, seeding, fencing, weed control



## Bill Williams Mountain Forest Thinning

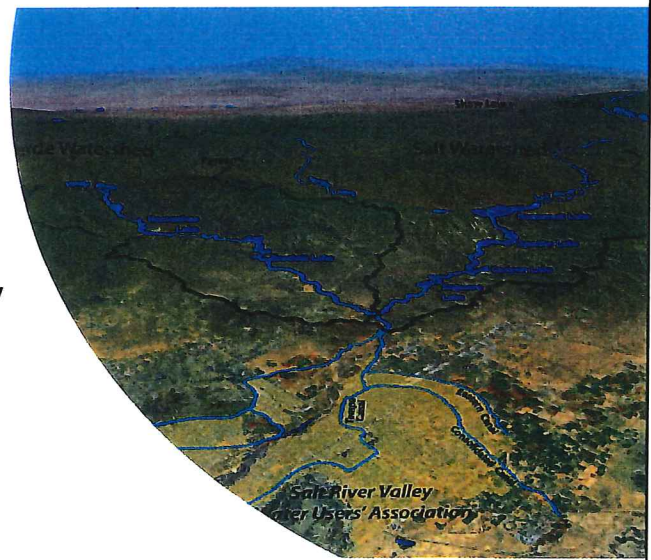
- Overgrown forest conditions at high risk of wildfire and post-fire flooding
- Upper Hell Canyon in 2017 – completed 281 acres
- Twin Springs in 2018 – working to complete 150 acres



## Summary

The direct benefits to the city of proactive, comprehensive management of our forests and watersheds include:

- Lowers water treatment and delivery costs
- Protects the reliability of water supplies
- Minimizes the risk of costly infrastructure damage caused by fire and flooding



Questions?





**PETITION**

**CITIZEN'S PETITION  
Gift-Clause Violation**

**OFFICE OF THE  
CITY CLERK**

**Action Requested**

**2018 OCT -2 PM 4:27**

The City Council has a legal obligation and a fiduciary responsibility to Scottsdale Taxpayers to amend Resolution No. 11120 to bring it into compliance with the City Charter and the Arizona Constitution.

Amend: Resolution No. 11120, Community Services division schedule of program charges, rental fees and fines, effective July 1, 2018. Specifically, in Exhibit "A" on page 6, "Facility and Equipment Charges," under the section identified as "Aquatics-Lap Lane Rental Fees," replace every \$3 and \$7 amount with \$12 per hour per lane under the columns identified as "resident," "non-resident" and "Commercial." If the City changes or eliminates the term "Sponsored Team," the Aquatic-Lap Lane Rental Fees for all Scottsdale pools Short-Course and Long-Course will be \$12 per hour per lane for any youth competitive Swim Team.

On July 5, 2016, the City Council approved Contract No. 2016-107-COS, allowing the City to pick a "sponsored team" and charge special user fees for pool lane rentals. On August 8, 2017, the City received a gift-clause violation challenge. This Contract granted exclusive right to use Scottsdale's four pools at significantly below-fair market rates, without being in compliance with open bidding, violating both the City Charter and the Arizona Constitution. In response to the "monetary compensation" issue, City Attorney Washburn stated on August 24, 2017, "*the City is initiating a procurement process that will result in the award of a contract.*"

On January 4, 2018, the City issued RFP #18RP017, requesting public bids that "Established Aquatic Youth Competitive Swim Team." Three Evaluators scored two competing proposals fully-qualified, and awarded the RFP contract to the City's "sponsored team." When the City's admitted "*error in calculating points attributable to pricing*" was corrected, the Neptune Swimming Foundation (NSF) proposal received the highest score. Instead of awarding the RFP contract to NSF, the City claimed on May 11, 2018 that the RFP issued "*is not governed by the Procurement Code ... and is in no way bound by the requirements set forth in the Procurement Code for this RFP... it has been determined that it is in the best interest of the City to cancel the RFP.*" This decision violated the City's Procurement Code, ignored Arizona's case law, overruled the City Attorney's commitment to a "*procurement process that will result in the award of a contract*" and strengthened the 2017 claim of a gift-clause violation.

On May 22, 2018, the City Council was presented and approved Resolution No. 11120, "authorizing and approving adjustment to the Community Services Division Schedule of Program Charges, Rental Fees and Fines." The "Sponsored Team Lane Rental" special user fees were not adjusted from \$3 per hour short-course and \$7 per hour long-course lane rental fees set in 2010 to comply with the City's RFP #18RP017. The \$12 per hour short and long-course lane rental fees "winning-bid" established the "fair-market" pool fees and is in full compliance with the City's open bidding procurement process! Charging less than \$12 per hour per lane pool rental for aquatic youth competitive swim teams is prohibited by the gift-clause laws. Besides, eliminating this 400% taxpayer subsidy, the City will increase the revenue received from pool rentals by more than **\$1,000 per day!**

Respectfully Submitted and Presented to Scottsdale City Council on October 2, 2018

Patricia M. Shaler, Scottsdale Citizen, voter & taxpayer  
Board Member, Neptune Swimming Foundation

25550 N. 82<sup>nd</sup> Street

Scottsdale, AZ 85255

480-946-8069 pat.shaler@gmail.com

# Cactus Pool

Resolution No. 11120 failed to adjust the heavily subsidized, below-market Aquatic-Lap Lane Rental Fees for the City's "sponsored team." The City provides a 400% "user fees" discount subsidy to one swim team to the exclusion of other users; and excluding other swim teams from hosting USA sanctioned swim meets. The claimed "public benefit" and other "indirect benefits" do not satisfy the "consideration" condition of the Gift Clause in *Turken v. Gordon*. The missing condition is the fair market value established in compliance with open bidding. Here's how the subsidy impacts one pool:

## Cactus Pool

*(Lane usage data from "sponsored team" 2018 RFP Bid)*

	City "Sponsored Team"	Neptune Swimming Foundation
Est. total amount to rent short course lanes	\$ 76,678 (\$3 @ hr.)	\$306,711 (\$12 @ hr.)
Est. total amount to rent long course lanes	\$ 6,772 (\$7 @ hr.)	\$ 13,544 (\$12 @ hr.)
Est. total amount of pool lane rental	\$ 83,450	\$320,255

Est. total taxpayer subsidy of the City's "Sponsored Team" for Cactus Pool is \$236,805 annually. 2010 "sponsored team" special user fees have not changed. Before 2010, no rental fees were charged.

## Help Balance City's Budget by Cutting Unjustifiable Taxpayer Subsidies

"Sponsored Team" IRS Form 990	Total Revenue	"Pool Rental Practice" Expenses	Net Assets/ Fund Balances
2016	\$ 1,171,314	\$ 113,085 (9.65%)	\$ 248,054 (21.18%)
2015	\$ 964,652	\$ 87,158 (9.04%)	\$ 177,570 (18.41%)
2014	\$ 827,135	\$ 94,844 (11.47%)	\$ 123,036 (14.87%)

## Is it "in the best interest of the City" for...?

- Taxpayers to pay a 400% pool rental subsidy, roughly \$1,000 per day?
- Taxpayers to support the "sponsored team" whose "net assets/fund balances" at the end of the year are twice as much their pool rental expenses?
- The "sponsored team" to charge Scottsdale-resident swimmers who swim in Scottsdale pools 20% more than what Neptune currently charges its Scottsdale-resident swimmers forced to swim in non-Scottsdale pools?
- Taxpayers to support 43% of the "sponsored team" non-Scottsdale swimmers while denying Neptune Scottsdale-resident swimmers right of access?

## Neptune's Aquatic Youth Competitive Swim Team

...why NSF's RFP bid proposal received the highest score!

Their competitive team won Arizona Age Group State Championships eight times and consistently places in the top three every year. Their 501c3 non-profit was heavily involved in water safety and drowning prevention activities. They attained USA Swimming Level 4 designation, an achievement that has been reached by fewer than 4% of the USA Swimming clubs nationwide. Their RFP Bid proposal showed how to recruit new Scottsdale-resident swimmers to join their competitive swim team as well as programs focused on water safety and drowning prevention. Six of the sixteen USA-certified coaches have been head coaches with other USA Swimming Club teams. They hosted over fifty USA swimming "sanctioned meets" and an additional fifty developmental and summer league meets. Neptune's head coach is on the Board of Directors and Administrative Vice Chair of Arizona Swimming, Inc. Neptune Swimming Foundation is a 501c3 nonprofit (ID #82-4291455)