

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL RETREAT
THURSDAY, MARCH 14, 2019**



**SCOTTSDALE AIRPORT CONFERENCE ROOM
15000 NORTH AIRPORT DRIVE
SCOTTSDALE, AZ 85260**

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Retreat of the Scottsdale City Council at 9:31 a.m. on Thursday, March 14, 2019.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Linda Milhaven; and Councilmembers Suzanne Klapp, Virginia Korte, Kathy S. Littlefield, Guy Phillips, and Solange Whitehead

Also Present: City Manager Jim Thompson; Acting City Attorney Sherry Scott; City Treasurer Jeff Nichols; City Auditor Sharron Walker; and City Clerk Carolyn Jagger

1. OPENING REMARKS

City Manager Jim Thompson reviewed the discussion points listed on the agenda.

2. PRESENTATION, DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING THE CITY COUNCIL'S PRIORITIES AND OTHER AREAS OF INTEREST, PRIMARILY FOCUSING ON THE NEXT TWO YERS, INCLUDING TIMELINES AND IMPLEMENTATION STRATEGIES TO ACHIEVE ITS PRIORITIES AND OTHER OBJECTIVES:

- **2018 National Citizen Survey Results**

Assistant City Manager Brent Stockwell gave a PowerPoint presentation (attached) on the 2018 National Citizen Survey results.

- **Consider Expansion of Development Impact Fees**

City Manager Jim Thompson and Planning and Development Services Director Randy Grant gave a presentation on development impact fees.

Council suggested:

- Creating a 10-year plan to calculate development impact fees using other methods.

- Building technology allowances into development projects.
- Increasing the 1% downtown impact fees to be used toward public arts.
- Incorporating enhancement and/or improvement projects (e.g., fiber optics) into development fees.
- Reviewing recent development agreements to determine if the developer did enough to offset the community impact.

City Manager Jim Thompson said staff will do an analysis of development agreements to determine if community impact costs were offset. He added that staff may bring forward additional development impact fee formats for Council consideration

- **Enhance Event Activity, and Improve Financial Performance at WestWorld**

City Manager Jim Thompson gave a presentation on the Crossroads Consulting plan.

Council suggested:

- Considering sale of the City's 81 acres near WestWorld.
- Extending the City's lease terms for WestWorld.

City Manager Jim Thompson said lease agreements will be included in discussions with the Bureau of Land Management. Staff will return with a plan associated with enhanced usage of the WestWorld facility.

- **Become a More Age-Friendly Community**

Assistant City Manager Brent Stockwell gave a presentation on the City's demographics.

Council suggested:

- Exploring additional transportation options for people with mobility issues.
- Partnering with HonorHealth and similar agencies and define the City's role in providing services.

City Manager Jim Thompson said staff would complete an AARP assessment and formulate a plan to provide services based on the assessment results.

- **Improve Public Safety Through Reducing Accidents and Improving Preparedness**

City Manager Jim Thompson, Assistant Police Chief Scott Popp, and Transportation Director Paul Basha gave a presentation on public safety statistics and the City's preparedness efforts.

Council suggested:

- Including data on the impact of bicycles and scooters on traffic into the 2020 Transportation Plan.
- Including questions in the 2020 survey on the use of bicycles and scooters primarily in downtown and what impact that has on the quality and safety of our streets.
- Planting additional shade trees near City sidewalks to reduce jaywalking.

City Manager Jim Thompson stated that staff will implement a preparedness outreach program. Mr. Thompson added that staff was working on a distracted driver's ordinance for Council consideration.

- **Seek Cost-Effective Environmental Sustainability**

Water Resources Director Brian Biesemeyer gave a PowerPoint presentation (attached) on water strategic planning.

City Manager Jim Thompson gave a presentation on strategies for sustainability initiatives.

Council suggested:

- Conducting an energy baseline and energy audit (using APS grant) to evaluate 2018 energy data by building structures from Arizona Public Service and Salt River Project.
- Considering an updated energy audit via APS.
- Investing in software to import APS daily and monthly information into a staff-required format for analysis on progress.
- Making green construction building standards mandatory City-wide.
- Developing RFPs for a power purchase agreement for all City buildings and parking lots.
- Implementing a street lighting conversion program like the one developed in Phoenix.
- Prioritizing the completion of the solar-battery project at the Water Campus and review the existing contract.
- Applying for an SCI Resilience Grant from the National League of Cities to develop a climate resilience plan.
- Hiring an Energy or Sustainability Director using financial assistance provided by Arizona State University.

Mr. Thompson summarized four initiatives being evaluated by staff: Change responsibilities for the Environmental Quality Advisory Board to include recommendations on the Sustainability Initiative; evaluate the return on investment of various environmental initiatives, such as solar and LEED; improve public understanding of water conservation and drought contingency planning; and determine how to expand or increase recycling practices.

The Council recessed at 12:27 p.m.

The Council reconvened at 1:05 p.m.

- **Improve Citizen Engagement and Increase Volunteerism**

Assistant City Manager Brent Stockwell gave a presentation on improving citizen engagement and increasing volunteerism.

Council suggested:

- Using social media to advertise for volunteers and engage citizens.

- **Develop a Strategy For Implementing Smart Cities Technologies to Improve Livability**

Assistant City Manager Brent Stockwell and Chief Information Officer Brad Hartig gave a presentation on Smart Cities technologies.

Council suggested:

- Developing private/partnership agreements with existing technology companies in the City.

Staff will submit a funding proposal to the Industrial Development Authority to develop a Smart City strategic roadmap assessment.

- **Evaluate Opportunities in Old Town Scottsdale**

City Manager Jim Thompson gave a presentation on the City's ongoing investment in Downtown.

Council suggested:

- Conducting an objective review of the parking needs in the downtown area.
- Building a parking garage or provide additional parking spaces in the downtown area.
- Reinvesting proceeds from the potential sale of Museum Square to projects located within the downtown area, including identified parking needs, amenities, trails, and the Museum of the West.

- **Other Topics Identified During the Presentation and Discussion**

Council suggested:

- Redefining the McDowell Corridor to include Scottsdale Road from McKellips Road to Earll Drive.
- Renaming McDowell Road Corridor to Scottsdale Road Corridor or something similar.

City Manager Jim Thompson provided an update on the installation of lighted street and monument signs in the downtown area.

ADJOURNMENT

The Retreat adjourned at 2:57 p.m.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on April 15, 2019

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Retreat of the City Council of Scottsdale, Arizona held on the 14th day of March 2019.

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

DATED this 15th day of April 2019.



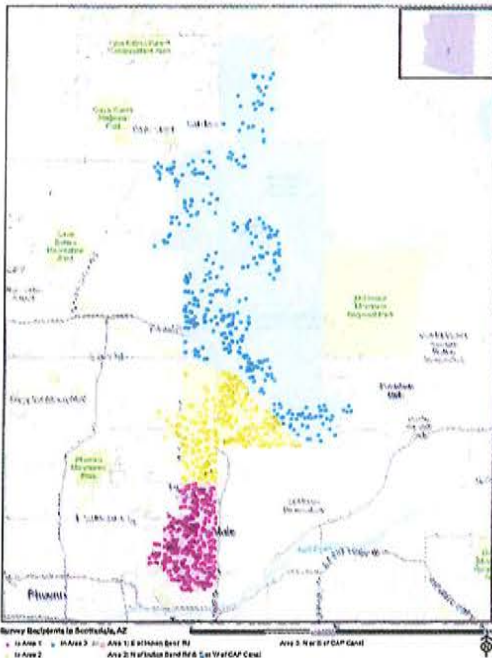
Carolyn Jagger, City Clerk

Highlights of Results from Scottsdale's 2018 National Citizen Survey

City Council Retreat
March 14, 2019

Survey results are available at ScottsdaleAZ.gov, search "citizen survey"

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Overview

- National Citizen Survey was conducted by the National Research Center
- Similar surveys done in 500+ communities
- Similar surveys in 2003, 2004, 2006, 2010, 2013, 2016
- Scientific, random sample of 1,600 residents with a 21% response rate
- Margin of error $\pm 6\%$

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Summary

- Residents continue to enjoy a high quality of life and a strong sense of safety.
- The economy is a priority, and residents applaud shopping and employment opportunities.
- Scottsdale residents are pleased with health and wellness opportunities in their city.

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Residents continue to rate their quality of life positively

	2010	2013	2016	2018	Benchmark
Scottsdale as a place to live	96%	98%	98%	97%	↑
Scottsdale as a place to visit	-	94%	95%	96%	↑↑
Scottsdale as a place to work	88%	86%	92%	90%	↑↑
Scottsdale as a place to retire	91%	91%	92%	90%	↑↑
Overall appearance of Scottsdale	94%	96%	93%	90%	↑

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Several areas were rated much higher than other benchmark communities, including:

- Scottsdale as a place to retire
- Shopping opportunities
- The Scottsdale McDowell Sonoran Preserve
- Scottsdale as a place to visit
- Scottsdale as a place to work
- A vibrant downtown/commercial area

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Residents identified safety, economy and transportation as priorities for next two years

How important, if at all, is it for the Scottsdale community to focus on each of the following in the coming two years?

Overall feeling of safety in Scottsdale	95%
Overall economic health of Scottsdale	92%
Overall ease of getting to the places you usually have to visit	92%
Quality of overall natural environment in Scottsdale	88%
Overall "built environment" of Scottsdale	86%
Sense of community	86%
Overall opportunities for education and enrichment	84%
Health and wellness opportunities in Scottsdale	81%

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Residents identified roads and technology as important investments in next 10 years

How important, if at all, is it for the City of Scottsdale to invest in each of the following over the next 10 years?

Repave roads and improve roadside appearance	80%
Upgrade outdated City technology such as the 911 dispatch and building permit systems	76%
Build structures to better manage storm-related flooding and run-off	70%
Remodel fire and police stations and training facilities to meet current safety and operational standards	68%
Repair or replace aging parks, libraries and arts facilities	68%
Build new public parking garages and improve event spaces downtown	43%

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Residents are generally pleased with the quality of services and with customer service

	2010	2013	2016	2018	Benchmark
Services provided by city of Scottsdale	88%	87%	89%	86%	↑
Overall customer service by Scottsdale employees	83%	80%	90%	79%	↔
Value of services for taxes paid	74%	70%	71%	64%	↔

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Highest ratings were given to the following:

	Percent positive	Trend	Benchmark
Safety in your neighborhood during the day	98%	↔	↔
Scottsdale as a place to live	97%	↔	↑
The overall quality of life in Scottsdale	96%	↔	↑↑
Shopping opportunities	96%	↔	↑↑
Would recommend living in Scottsdale to someone	96%	↔	↑
Your neighborhood as a place to live	95%	↔	↑
Overall feeling of safety in Scottsdale	95%	↔	↑
Fire services	95%	↔	↔
Ambulance or EMS	95%	↔	↔
Public library services	93%	↔	↑

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Lowest ratings were given to the following:

	Percent positive	Trend	Benchmark
Contacted Scottsdale elected officials	17%	↔	↔
Attended a local public meeting	18%	↔	↔
Used public transportation instead of driving	19%	↔	↔
Stocked supplies for an emergency	21%	↔	↓
Watched a local public meeting	22%	↔	↔
Participated in a club	32%	↔	↔
Contacted Scottsdale employees	34%	↓	↓
Campaigned for an issue, cause or candidate	34%	↓	↓
Volunteered	35%	↔	↔
Affordable quality housing	36%	↓	↔

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Scottsdale Water Strategic Plan

Brian K Biesemeyer, Scottsdale Water Executive Director



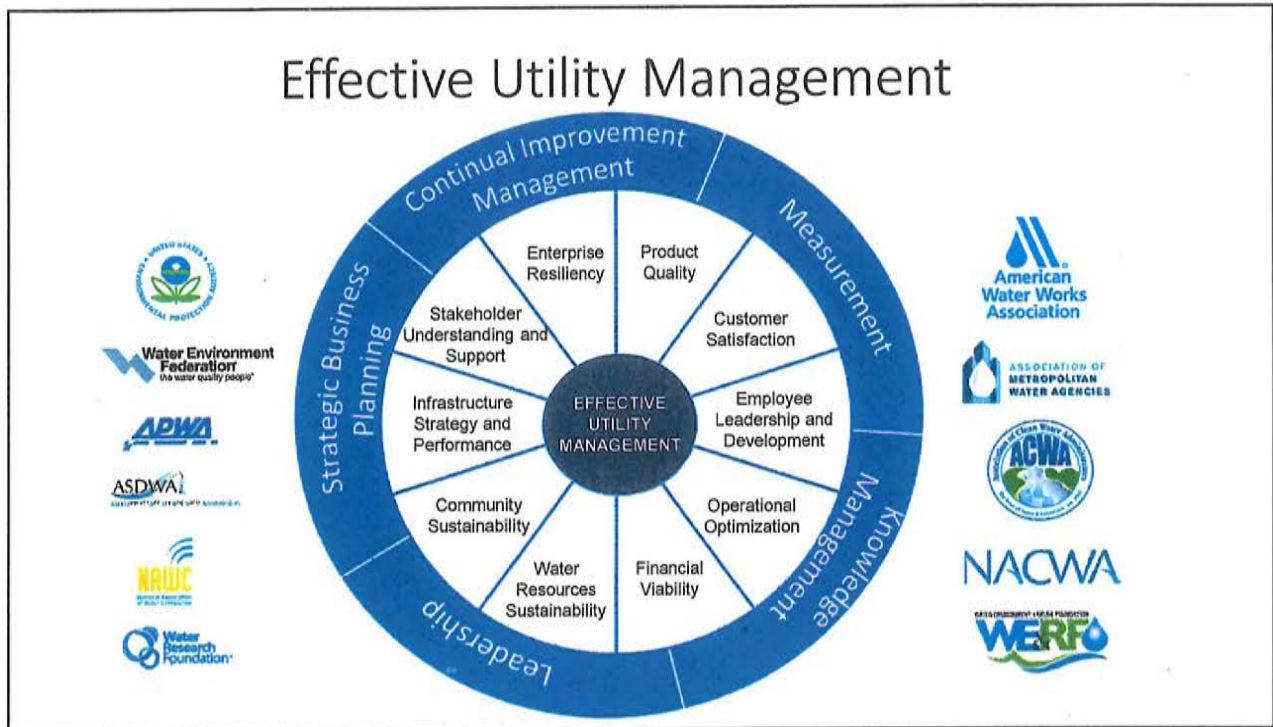
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Planning Umbrella

- Integrated Water Resources Master Plan
 - ✓ Long term (25 years); asset based
- Effective Utility Management (EUM)
 - ✓ Annual assessment for full spectrum of utility attributes
 - ✓ One to two year programs/projects
- Strategic Plan
 - ✓ Based on the EUM process
 - ✓ Re-assessment of Vision, Mission, Values and Standards
 - ✓ Three to five year programs/projects
- Other plans
 - ✓ Multi-year Financial Plans
 - ✓ Infrastructure Investment Plan (IIP)
 - ✓ Technology Master Plan

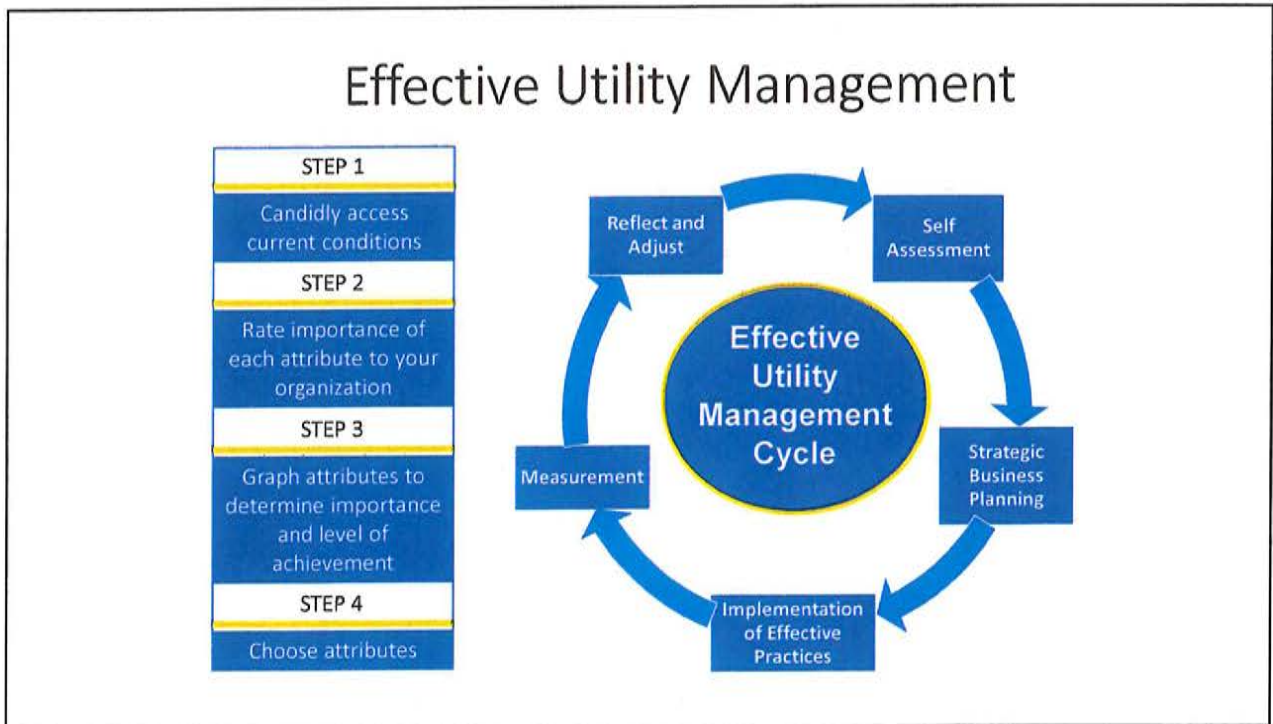
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Effective Utility Management



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Effective Utility Management



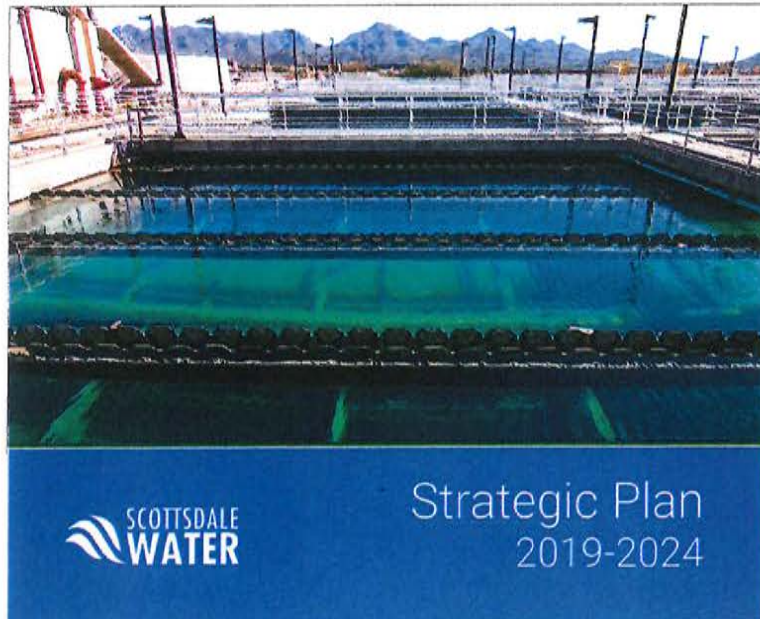
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EUM Project Spotlight

- Citizen Academy
- Technology Master Plan
- *Choose Tap!* Water Trailer and Bottle Filling Stations
- Quarterly supervisor training program
- Apprenticeship Program
- High School Career Fairs



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ABOUT SCOTTSDALE WATER

Scottsdale Water – the city's municipal water utility – has been providing drinking water and advanced water reclamation services to Scottsdale businesses and residents for over 40 years. An industry leader, the utility has been recognized with the Association of Metropolitan Water Agencies' Sustainable Water Utility Management Award – the highest industry recognition conferred to municipal water agencies – and as a Utility of the Future Today by the U.S. Environmental Protection Agency and its partners.

VISION

Water Sustainability through Stewardship, Innovation and People

MISSION

Provide simply better sustainable water services for a world class community.

EFFECTIVE UTILITY MANAGEMENT

Scottsdale Water was among the first municipal water agencies to adopt Effective Utility Management as a framework for continual improvement and strategic planning.

Focusing on the ten Attributes of Effectively Managed Utilities and the five Keys to Management Success helps Scottsdale Water improve our products and services, increase community support, enhance the stewardship of our water resources and infrastructure, improve operating efficiencies, respond to current and future challenges and ensure a viable utility long into the future.

SUCCESSFUL MANAGEMENT PRACTICES

- Leadership
- Continual Improvement Management
- Measurement
- Strategic Business Planning
- Knowledge Management

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VALUES

PLAN AND INNOVATE FOR THE FUTURE

We continuously explore new possibilities and develop unique solutions to common challenges. We take appropriate risks and strive to be innovative in planning for our changing environment and preparing for the future. We consider how our work will be sustained by future generations.

LISTEN, COMMUNICATE, TAKE ACTION

At all levels of the organization, we listen to what our customers, our citizens, and our fellow employees have to say. We communicate to ensure we understand what is being said. We take appropriate action to address or resolve issues or concerns.

RESPECT THE INDIVIDUAL

We believe in the integrity of others and in creating an environment of mutual respect. We value one another, regardless of who we are, what we do, where we work, where we live, where we are from, our ethnicity, age, or gender, because we bring unique perspectives to our jobs and personal lives.

COLLABORATE AS A TEAM

We effectively collaborate in formal or informal teams, within and across departments, and with citizens, to accomplish organizational goals and to identify and resolve problems.

LEARN AND GROW CONTINUOUSLY

We encourage the learning and applications of new skills and information for improved performance, business results and career growth.

FOCUS ON QUALITY CUSTOMER SERVICE

We provide quality service and strive to exceed the expectations of our customers.

ACCOUNTABLE AND ACT WITH INTEGRITY

We are accountable for our actions and decisions. We have uncompromising integrity. We are responsible for the stewardship of public funds and organizational resources.

SHOW CARING AND COMPASSION FOR OTHERS

We show and share compassion for others (citizens, customers and other employees) in times of need. We believe in helping.



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STANDARDS

PRODUCT QUALITY

- Meet or exceed all water quality standards.
- Monitor and prepare for all future regulatory requirements.

CUSTOMER SATISFACTION

- Ensure timely and accurate billing.
- Respond to after-hour emergency calls within two hours or less.

EMPLOYEE AND LEADERSHIP DEVELOPMENT

- Retain and hire best in class workforce.
- Maintain a minimum of 20 hours of training and professional development hours per employee annually.

INFRASTRUCTURE STRATEGY AND PERFORMANCE

- Implement Integrated Water Master Plans every five years.
- Maintain an asset management system that guides the creation of the CIP budget and maximizes the value of capital assets.

FINANCIAL VIABILITY

- Maintain a balanced budget by proactively managing operating expenses.
- Assist city in maintaining AAA Bond ratings.

Scottsdale Water standards are based on the ten attributes of Effective Utility Management.



Ultrafiltration trains at the Advanced Water Treatment Plant

ENTERPRISE RESILIENCY

- Maintain an active emergency management program that includes annual EOC exercises.
- Reduce our carbon footprint and increase our power source redundancy through increased use of alternative energy sources.

WATER RESOURCES SUSTAINABILITY

- Maintain safe yield.
- Maintain a proactive conservation program.

OPERATIONAL OPTIMIZATION

- Minimize cyber security risk for SCADA and technology systems through active security measures and programs.
- Maintain non-revenue water below 7 percent.

STAKEHOLDER UNDERSTANDING AND SUPPORT

- Conduct at least one Citizen Academy annually.
- Maintain an active presence in local, regional and national water advocacy organizations.

COMMUNITY SUSTAINABILITY

- Maintain rates that are affordable and emphasize conservation.
- Emphasize support for Scottsdale Cares and SECC.



SCADA control room for the Advanced Water Treatment Plant



SCOTTSDALE WATER PRESENTS THE 2019 COMMUNITY ACADEMY

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STRATEGIC INITIATIVES

1 ESTABLISH FIBER OPTIC COMMUNICATIONS NETWORK TO ALL MAJOR OPERATING SITES BY 2023

Establishing a fiber optic data communication network to all major operating sites will exponentially increase data transmission rates and capacity among interrelated facilities, our major sites and the various SCADA and Public Safety control centers. Subsequently, this will substantially improve inter-facility operations, enhance utility response activity, enable increased facility data collection and strengthen facility safety and security.

2 CONVERT ALL WATER METERS TO AUTOMATED METER READING TECHNOLOGY BY 2022

Scottsdale has over 90,000 water meters that will be fitted with Automated Meter Reader technology. All of the city's manually read services will be converted by 2022 by adding Electronic Reading Technology to young meters or installing new meters with internal Electronic Reading Technology.



Scottsdale Water Campus

3 DOUBLE POTABLE WATER RECHARGE CAPACITIES WITHIN THE CITY BY 2024

Doubling of the potable water recharge capacity within the service area will allow Scottsdale Water to reduce the amount of recharge done outside of the area of impact for groundwater, thereby increasing the available groundwater supply in the area it is being withdrawn. Increased recharge in Scottsdale improves Scottsdale Water's ability to meet customer demands during severe drought scenarios or potential CAP water delivery outages.

4 IMPLEMENT REAL-TIME CUSTOMER INTERFACE BY 2023

Scottsdale's water customers will have the capability to track their water usage by logging into a web-based customer interface. The web interface will give the customer the water analytics to determine appropriate water usage to aid in water conservation and cost reduction.



THE CITY OF SCOTTSDALE, AZ

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Discussion

