
This document was created from the closed caption transcript of the January 19, 2021 City Council Work Study and has not been checked for completeness or accuracy of content.

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CALL TO ORDER

[Time: 00:00:03]

Mayor Ortega: The January 19th, 2021 work study session. The work study sessions provide a less formal setting for the Mayor and the council to discuss specific topics with each other and city staff and provide staff with an opportunity to receive some direction from the council. I would ask city clerk just to call the roll for the record, please.

ROLL CALL

[Time: 00:00:30]

City Clerk Carolyn Jagger: Mayor David Ortega.

Mayor Ortega: Present.

City Clerk Carolyn Jagger: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Here.

City Clerk Carolyn Jagger: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

City Clerk Carolyn Jagger: Tom Durham.

Councilmember Durham: Here.

City Clerk Carolyn Jagger: Betty Janik.

Councilwoman Janik: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilmember Milhaven: Here.

City Clerk Carolyn Jagger: And the clerk all present. Thank you.

ITEM 1 – MONTHLY FINANCIAL UPDATE AND QUARTERLY CIP UPDATE

[Time: 00:01:12]

Mayor Ortega: Well, we have two items on the work study session. First, we have the monthly financial update and the quarterly CIP update. The presenter is Judy Doyle. Please proceed.

Budget Director Judy Doyle: Good evening. Thank you, Mayor and councilmembers. Tonight is the monthly financial update through December. Just a quick note for those new to council, each month the city treasurer presents an update of how the actual sources and uses are doing compared to the budget. The update focuses on the general fund as that is the fund of most interest since it does not have any restrictions and then quarterly, David Lipinski follows up on the capital improvement or the CIP, which he is doing this evening as the Mayor mentioned. Next slide, please.

So looking at the fiscal year-to-date, general fun sources, we are in total 23.3 million or 16% favorable when compared to the budget. As you can see, we are only down \$500,000 from this same period a year ago, and up over \$14 million from the same period two years ago. I will touch on those categories that are driving the significant variance. The majority of the overall increase is the taxes local category, at 15.1 million, favorable or 26%. Virtually all of which is sales tax, which I will cover then on the next slide. State shared revenues are favorable, \$4.7 million or 14%. State shared sales tax is the majority of this variance at \$3.7 million which is consistent with what we are seeing here at the city, with our local sales tax which, again, I will cover on that next slide. Auto is the remainder of the favorable variance in this category. Generally considered to be driven by aggressive sales on the part of car dealers. They have been offering steep discounts and incentives to maintain cash flow during the pandemic. We had expected to see auto lieus to go off.

Charges for services is showing a favorable variance of 23% or 1.2 million. This is due to hosting a much larger equestrian show at WestWorld than originally planned and there's reimbursements from the state and Maricopa County for costs related to the assistance that our fire department provided in had response to fires around Arizona and then finally contributing to the favorable variance is the TPC payment for the fourth quarter of last fiscal year that we received in the current 2021 fiscal year. And then finally the license, permits and fees is reporting a million dollars favorable variance, primarily due to the difficulty during budget development to accurately predict what the occupancy would be at our recreational facilities during the pandemic and it turns out that the occupancy has been better than expected. Next slide, please.

Looking at the 1% sales tax. We are 14 million or 30% favorable to our budget. The big favorables are automotive, primarily due to the auto dealers doing better than expected. And construction, increase of construction activity and speculative sale activity. The dining and entertainment category. Restaurants are doing better than anticipated, even with their reduced capacity as a result of the pandemic. Hotel/motel is favorable due in part to hotels doing better than anticipated, despite less people traveling. And an increase in bookings with short-term vacation rental properties. Miscellaneous retail stores primarily due to increased online shopping and then other activity, due to an increase in taxable sales from computer software, hardware sales at wholesalers and manufacturers.

So another month of trending favorably and another month that we do continue to remain cautious due to the uncertainty surrounding the pandemic. Our hope is that with continued vaccinations, shutdowns will be a thing of the past. I will note that a well-respected local economist said that while a poor economy over the next couple of quarters is unavoidable it's temporary. He suggests that we focus on the periods that will follow. He believes virtually all of the economic indicators will return to February 2020 levels very quickly, once vaccinations are available for enough Americans. Next slide, please.

Now turning to the uses slide. This reflects an unfavorable variance of 1%. The driver of this unfavorable variance is that \$4.8 million unfavorable variance in the transfers out. This is a transfer out to the CIP related to the purchase of land from the Arizona State land department for the WestWorld main access and master plan project which was approved by council at the December 1st meeting. So if you were to remove that from the equation, we are reflecting a favorable 3% variance or 2%. I will touch on personal services in more detail on the next slide, but the majority of that favorable variance is in the contractual services category with the majority related to timing of invoices and in purchasing delays due to backorders. We are also seeing savings in jail services, due to the fewer offenders being arrested and sent to Maricopa County jail in an attempt to mitigate the spread of COVID. Contracts payable and COPs certificates of participation has a favorable variance of 400,000 due to the timing of the service concession arrangements we have with the Bureau of Reclamation. Next slide, please.

The total personnel services variance is showing 400,000 favorable variance. Overtime is unfavorable, primarily due to firefighters that are out of work as a result of workers' compensation, off-duty injuries and FMLA. However, that unfavorable overtime variance is being offset by a favorable variance in salaries and retirement. Next slide, please. This last slide summarizes the expenditure variances I just

walked through but at a division level, and, again, the majority in contractual services related no timings and delays due to those backorders. Next slide, please.

And finally, the change in the general fund, fund balance, through December is favorable by 21.5 million and that concludes my portion of the presentation. So I'm happy to turn over to Dave Lipinski to give the CIP quarterly update.

[Time: 00:08:59]

City Engineer Dave Lipinski: Next slide, please, Brian. Good evening, Mayor Ortega, and members of council, this is Dave Lipinski the city engineer. Can you hear me okay?

Mayor Ortega: Yes.

City Engineer Dave Lipinski: Thank you. Next slide, please. We started with expenditures, actually by funding source. The first three slides, we will walk through the same data and grouped differently in a different format. You see the inception of today's budget for the 2021 CIP and the green bars. That shows for the entire year. The orange bar shows what we have spent through the first two quarters of the year. Projects are funded up front. So our spending over time should always be behind the budget and should -- we'll never catch the budget's. And if the CIP projects are funded, some of them do carry over multiple years, the budget stays out for the duration for the expenditures that are caught up. Next slide, please.

This is expenditures by program. They are just kind of run through each of the city programs, and it shows you the actuals, and it's actually a budget match for the remaining balance that we have. Next slide, please. Again, this is the same information just broken down to that other layer by funding source. This matches the graph that was on the second slide that I did show you. Next slide, please.

So what I will do now is walk through currently active projects. The bond 2019 project that have started and then two standalone CIP projects being the water treatment facility. Next slide, please. For 2015, there were five projects included, three of which are complete. The pavement overlay program, the reconstruction of fire station 605, and the construction of a new fire station 603 have all been completed. This is an architect's rendering as this was designed. And this is just before the fire department moved in. It's now on Indian Bend and Hayden and Pima roads. Next slide, please. 603 was put into service on December 3rd. And we're currently working just on some punch list items and waiting delivery of some exterior metal panels that were delayed in shipping due to COVID-19, but we hope to have those towards the end of this month, beginning the next month. So I will be all wrapped up by the next quarterly updates. Next slide, please. Fire station 616 is located on Cave Creek Road and 110th Street. Construction is ongoing and they are finishing out interiors and site work, hoping to move in in the next two months. Next slide, please.

Currently we are having some delays on equipment and shipping, actually the operators for the overhead garage doors are one of our latest delays. We are expecting those possible little in mid-March but that's the last outstanding items on the station before it's put into service. And with that, that wraps up the bond 2015 projects that are outstanding. I'm hoping to complete all of those in short

order, here.

And now we will walk into Bond 2019. Bond 2019 is made up of 58 projects totaling approximately \$319 million. The bond was broken into three questions. What I will do is I will walk through by question in order. So that way, we can kind of follow along. Next slide, please.

Question one, was replacing tennis courts. Scottsdale Ranch Park was and the Indian School Parks opened Monday, yesterday. Next slide, please. The last two courts are waiting for a final surface treatment. We need to wait for the rain to leave town and also for temperatures to increase. One the courts is actually shaded the majority of the day. So we have to wait until we get specific surface temperatures until we apply the final surface coat. Hopefully we will wrap that up later this month if temperatures play along. Next slide, please.

The sports lighting. Three of these four facilities have been completed. The last facility is the Scottsdale Sports Complex. And there are two fields that we'll be bringing lighting to. We are looking to finalize the contract values on that. There's public outreach prior to beginning that project. Next slide, please. Largest one, the build the multiuse sports fields in the area of Bell Road. Many of you are familiar with this project. This is the centralized area the Bell Road Sports Complex. We have started construction last week on this parcel, and we are working quickly to get this parcel moving. As part of this project, the irrigation system will be constructing a lake within the DC Ranch Community Park. And reclaiming the water down to the sports field to this phase of the sports field for irrigation. Until phase two, which will be in the WestWorld -- the WestWorld area, we were successful December 28th at the Arizona State Land Department auction in purchasing the 7 acres that we were trying to acquire for this phase two. Next slide, please.

Currently, there have been several contracts that have come across to city council. We expect the next round of contracts to come through February 2nd. This will complete the construction contracting for the off-site irrigation system. We expect the third contract for the fields themselves, and the last contract will contain the majority of the building structure on site. And you will see those again February 2nd. Next slide, please.

The remainder of the question open projects that were funded in fiscal year 2021, there's a list here. This splash pack at McCormick Stillman. This is on hold due to a drop in revenue due to COVID-19 and there are other two projects that will come together once we get the go-ahead to move those forward together again. There's links to irrigation, and the Indian Bend Wash. We are negotiating the design contract with that design firm. We hope to get that to city council, probably in March until we get the details ironed out. And then this we have started the design contract. Project 50, arena, this is complete. I processed the final pay. This is an arena to provide movable space so for large events out there.

The replacement of the civic center. This is off and running. City staff has been working with Scottsdale arts and working with some of the event producers and community services and other city departments who own and operate and manage the park, to start to refine some of the concepts that the design team has come up with. The design is once we refine them, they will bring them out for public comment to truly hone in so we have some direction before we take it out to the public. Next slide,

please. The only contract committed at this time is for the design of the project. We are working through selecting the contractor to begin phase one of the improvements to have him on board to help influence how the phasing work and the actual construction sequence. Next slide, please.

So the question two projects, the way they correspond to increased rentable space at WestWorld, that design build contract went to city council last week. They are off and running, starting their design development, replacement of those barns. The public address system in WestWorld arena lights are both in design, and we are anticipating construction this summer, right after the event season. And the same with the WestWorld north hall restroom construction, we are hoping to get that completed this summer also. Staff it also working on the solar system in north courtyard and working with the electric providers and the energy savings performance contractors to determine the best way to deliver this project. Next slide, please.

And question three, the outdated emergency response equipment for the fire department. The equipment that was delayed has finally shipped. We are just waiting for delivery and that will complete this project, as soon as we have receipt of that equipment. Next slide, please. Replacement of the fire utility truck. This truck was ordered last year and we anticipate delivery late this fiscal year. That would be immediately put in service. Next slide.

Question 3. There's some that are just getting started or delayed. The 911 computer aided dispatch is moving forward. The police department is looking to get that moving relatively quickly and I believe have something to city council in the next two months to get that project going. Next slide, please.

This is a continuation of the question three projects. The city's obsolete training software. When I updated this, we were working with the vendor. We just got an email last week on the 13th that the training software is now live for city staff. Projects 26, 27, and 38 are in design. In the reconstruction of the Tom house training facility for both the police and the fire department. The construction manager at risk for services were improved in November and we are integrating the contractor into these discussions to again, work through phasing of the implementing -- phasing the construction and how we keep portions 69 site active during construction. Next slide, please.

We are out of the bond 2019 projects and into the range-free drive. This has been around for a while. We have anticipated start of construction in February for phase one. Phase one will be the reconstruction from 76th Place up to, but not including, the Hayden Road intersection. So from Hayden Road to the west. Right now, we're just waiting for the utility companies to complete their relocations so our contractors can begin. It will take about 16 months to complete. Next slide.

I will highlight the Thomas Groundwater Treatment Center. It's used to treat groundwater contaminants such as nitrates and arsenic that are not superfund related. These have had increased concentrated in the wells in south Scottsdale over the past several years. One positive side effect of this project is that also helps with the hardness of the water. It helps to reduce some of the hardness. After two years of construction, we are looking to be fully online next month. Next slide, please.

Projects completed in quarter two, some of these were completed. Some were closed. But these projects have been moved on and no longer active. Next slide. And as a result, what we were able to do

is return just over \$1 million positive variance back to fund balances. These are unspent funds within capital projects. Anything that's spent goes back to the funding source that it original came from. That is all I have tonight. I will take any questions, if there are any.

[Time: 00:22:38]

Mayor Ortega: Well, thank you very much. What we'll do is I will ask the city councilmembers one by one if they have a comment or a question. Directed to Judy Doyle or Dave Lipinski, any question or comment beginning with Vice Mayor Whitehead?

Vice Mayor Whitehead: Hi, Mayor, just thank you. And things look good. So thank you very much.

Mayor Ortega: Very good. Councilwoman Milhaven?

Councilmember Milhaven: Thank you, Mayor. I just want to thank the staff. You know, when we were doing the budget and looking at COVID, we just had no idea what to expect and I know we took a very, very, very conservative stance. I want to thank staff for their leadership in taking that conservative stance and we should all celebrate that we are doing as well as we can, but we were really ready for the worst. I want to thank staff for all of their great work. Thank you.

Mayor Ortega: Councilwoman Caputi.

Councilwoman Caputi: I want to basically repeat what Councilwoman Milhaven has said. I'm in shock how great the city is doing. Kudos to everyone who made sure that we went very conservative and careful. These numbers are incredible. I mean, it's so inspiring and I know that there's probably some sort of scary times ahead or uncertain times ahead, but, wow, we are in a great position. Thanks to everyone for getting us there. This gives a lot of reason for optimism going forward. Thank you.

Mayor Ortega: Councilmember Durham?

Councilmember Durham: I want to add my thank you to the staff and also the prior councilmembers whose planning and work with staff put us in this position. It allows us to move forward with confidence.

Mayor Ortega: Councilwoman Janik.

Councilwoman Janik: Again, I also want to say thank you to the staff. They have done a really good job of presenting all the information and it really feels good to see those balances and I appreciate everything that they have done. So thank you very much.

Mayor Ortega: Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. Yes, thank you very much to everyone on staff that has worked to do this. The numbers look good and it's good to see that things are moving forward since I was on the bond committee and worked hard to get the bonds passed last time. It's really good to see that come to

fruition and I appreciate all the work you have done on doing that. So thank you.

Mayor Ortega: Well, thank you all. I had one comment, just clarify and highlight regarding the COVID -- or the CARES Act funds. Those were segregated and kept separately, correct, from the over -- over all balances and performance correct, Ms. Doyle?

Budget Director Judy Doyle: Mayor and councilmembers, yes, that is correct. We have moved the AZ CARES funding which was in total \$29.6 million to a special revenue fund to go ahead and ensure that we are monitoring and spending just as council had approved back in July of this fiscal year.

Mayor Ortega: Thank you. And, you know, for the record, that is outstanding performance but also just to note that in some cases, other municipalities have taken the CARES funding and put it in their general fund. We have not done that, and I -- I commend Mr. Thompson that those funds -- obviously they are associated with the direct cost relating to this crisis, and they are spent accordingly.

ITEM 2 – MONTHLY FINANCIAL STUDY SESSION

[Time: 00:26:45]

Mayor Ortega: With, that I would move on to the next monthly financial report by Jim Thompson.

City Manager Jim Thompson: Thank you, Mr. Mayor and members of council. I will walk through the budget, but just I will step back in time a little bit. Last year, when COVID started, March time frame, we were -- we were in the middle of the budget process. We started the budget process, actually, November, December, with submittals and people start working on their budgets. We probably start even as early as late October in some departments, some of the larger more complex ones. So staff takes their time and goes through. We walk through every single line item in the budget. All items associated with it, but as well as any adds or changes. We were pretty far into the budget getting ready to come to council when COVID hit and then obviously that's when we went very conservative. We made reductions in certain areas. We had froze all open positions in the city which was 138, which I will touch on shortly which we have not filled, except for the areas that are considered essential workers through the COVID crisis. We have been strict on that.

You see in personnel costs we had some savings, however, inherently we had additional overtime from some of the rest last year. Maybe contraction of COVID in the workforce because of our exposures and continuing to provide services on a daily basis, all the way over to other scenarios that we had such as wildland fires and such. So we had some -- quite a few crises in -- you know, from the start of the budget process until we are today, but yet we're still sitting in such a wonderful position. So I will talk about that here shortly.

I wanted to give a little walk down history lane, just a little built of why we are where it is. It was between the Mayor and the council and staff and all the discussions we have publicly to do what we had to do in an uncertain time, and to ensure that we didn't repeat ourselves with maybe what we have seen back in the recession that came years before and others. This is probably one of the few times where you have such uncertainty that we performed extremely well. In our presentation of the budget.

I'm very happy that staff took immediate action. We started taking action in March, from July to June. We started making reductions until we walked into this budget, which put us even in a better position because we carried forward about \$9 million this year that was savings from last year because of our reductions when we were hardest hit. So that said, I'm going to just cover where we are at today. Judy covered much of this in her presentation, but I will go a little bit deeper on a couple of the slides. Next slide, please.

So with this -- this slide, the remuneration of our sources, you see that our performance to the general fund for this fiscal year. The sources continue to nearly track last year's sources as Judy noted, we are about half million behind where we were last year, and last year in some of the categories it was a banner year. She alluded to the fact that we have seen a rise in the state-shared revenue. Keep in mind that when you shop online, the online funds go to the state and then redistributed through the state shared revenue equation. So, in fact, if, in fact, normally historically we see greater buying power out of Scottsdale, and maybe some of the neighboring jurisdictions, the jurisdiction is on their formula which is based on population, our numbers could be higher than what we are seeing today. But be it the fact of many have switched to online shopping during the pandemic, we still see a substantial increase.

We are sitting currently on our resources at 23.3 million ahead. From what we budgeted. But still down less than half million dollars of what we would have received the year prices. Uses we had 146 last year and here's a note -- this year actual has been 128.4, and we had budgeted of 126.6. So a negative variance of 1.8, but as alluded to in Judy's presentation as well, much of that is associated with two things, the acquisition of the property out at WestWorld, which was transferred to the CIP from the general fund as approved by council in their action in December, and then additionally the slight over portion in overtime in fire. I would also so note on this slide that the fund balance carried forward, we sit at 21.5 million to the good this year. So substantially more than what we thought we would have walking into the year in the pandemic. Next slide, please.

So we have continued positive returns to review in the general fund. We are seeing continued positive trends. We have bought \$23.3 million into the fund than originally anticipated. The positions that we have been held vacant, I noted earlier includes 138 positions currently. We continue to serve our budget well, and we see momentum in that. Next slide, please. The vacancy savings is noted on the general fund. We were -- we were maintaining on the significant portion of the positive variances. We anticipate that for the fiscal year, if we continue this policy, which we are continuing this policy, that we are not filling the nonessential positions, as we have retirements or other vacancies, there are a few that we will consider that potentially are border to essential. We anticipated that we would have savings of \$6.2 million in the general fund and 8.4. We're on track right as now through half the year of \$7.8 million to the general fund and 10.5 overall. So as we continue, we anticipate an additional 2.2 million favorable over what we anticipated our savings would be during this fiscal year. Next slide, please.

Just on the last one, even though let's stay on this slide, but the key point here is that we're not filling some of the vacancies that we have, and so what is transpiring is a lot of staff are really working extra to provide the services that we desired to provide. We have a few facilities still closed but many of those facilities that we have closed, with err still offering the services out of them. And so I truly appreciate all the efforts of staff and stepping up and filling some of the voids where we are not filling positions right

now to make us and put us in a place that we are at.

The next slide, the tourism development. The reason why we focus on this in project presentation. This is an area that we anticipated would be hit the hardest and as Judy alluded to in her numbers we are seeing a decline, at least on the sales tax associated with it, but I will talk a little bit about the tourism development fund. This is a separate fund from the general fund. And the vast majority of the sources for this fund come from our transient occupation tax -- the occupancy tax also known as the bed tax. Much like the general fund, the 2021 actual is outperforming our budget. Again, we went very conservative in our budget process and it's ahead by 1.7 million in our sources which is 39%. It's down from the previous year, which we had 10.1 actual and this year we are 6.2. So we are down from last year and a considerable amount, however, still out performing what we budgeted. Our spending for this fund has been a little bit higher as well, because there's about -- there's the \$200,000 amount in there, this variance has occurred. The timing of debt payments related to Scottsdale Stadium. So as we do our budget transfers to make that whole, that will equal itself back out and we'll actually at the end of the year probably have about a \$1.5 million deposit of change in that as well.

Next slide, summarizing the tourism, revenues are better than expected by 1.7 million, the expenditure slightly over and that will equalize itself when the transfers take place to take care of this stadium payout. The outlook for the budget is cautiously optimistic. The largest portion of the budget the general fund and the most harshly funded is performing better than what we hoped for budgeted for. Those are the positive attributes. Our one place that we're at today is that we're enter -- and this is the caution and why we're optimistically cautious are January, February, and March are generally our large events. Many of those events have either moved or not having spectator or very minimal spectators and so those January, February, March, April time frame are normally the largest months for revenue, within the city offers and we know that some of our signature events that occurred during this period of time will not be what they have historically been. And so these next few months will really be the telltale sign. I feel very optimistic that we are walking into it well ahead of our expectations. We also budgeted accordingly and planned for a downturn, but we'll see how significant that till wind is -- tailwind is when we come out of March.

There's discussions going on with Major League Baseball to postpone spring training 30 days and move that back a month. We know that Barrett-Jackson, another signature event that normally occurs this month has moved to March as well. We know that the Arabian horse show has announced that they will not be having spectators at their event this year. So those obviously will have impacts to the numbers above and much of our normal tourism type generation of revenues. Again, we are very optimistic. We feel very good that we are walking into this period of time, well ahead of what we anticipated, and expect at the end that we will still be ahead of where we anticipated. So if there's any questions, thank you.

Mayor Ortega: Probably -- probably on mute or no mute.

You are up muted, Mayor you are unmuted, Mayor.

Mayor Ortega: Vice Mayor Whitehead?

Vice Mayor Whitehead: Thank you. And thank you, city manager Thompson. Very good overview and presentation.

Mayor Ortega: Councilwoman Caputi.

Councilwoman Caputi: Just one quick question for the city manager. If the signature events do not happen, the events that, you know, kind of make or break our budget, where does that put us? Do we have enough in reserve or are we going to be in a bad spot?

City Manager Jim Thompson: Mayor, members of council, I -- if they do not happen, I don't anticipate we'll be in a bad spot. We are sitting right now at \$23 million go of where we anticipated. I would suspect that that would carry us through the periods of time, as Judy noted in particular, in the auto area, last year was one of the banner years for our local dealerships and so, again, they are carrying forward. We anticipated that that would slow down towards the end of the calendar year. But it's continuing into this year. So we are making up more as we speak and we have not seen that decline. We continue to see that 33 or about 33% decline in the hospitality side, but we are not seeing as large of a decline in some of our restaurants although they have lesser occupancy, we're just not seeing the numbers to support you know, a will major downturn in some of those things. Walking in with 23 million, and knowing that some are being moved out or will be very different than what we have seen in traditional years, we know that we'll be hit by that. We anticipated some of that in the budget as well as the 23 million. So at the end, my best estimate at this time is that we will if a err well over the next few months and whether we come forward in April, we really know. We live in the world of uncertainty for which we are trying to provide certainty, but we have certainly prepared ourselves better than we ever have before to deal with this.

Councilwoman Caputi: That's great. Super reassuring. Thank you.

Mayor Ortega: Councilmember Durham.

Councilmember Durham: Thank you for the presentation, city manager Thompson and thank you for the good work.

Mayor Ortega: Councilwoman Janik.

Councilwoman Janik: Again, thank you for all of your work on this city manager Thompson. And I feel that you have an adequate buffer, a very nice buffer to weather the storm ahead and I compliment you for that, because last year, you looked ahead and you made changes that needed to be made and it's definitely worked in our favor. So thank you.

Mayor Ortega: Councilwoman Littlefield.

Councilwoman Littlefield: Thank you, and thank you, city manager, Mr. Thompson. Very well presented. Very well done. And very clear. You have done a great job, and I have been reading across

the country of cities that are just falling apart and I think it's due to you and our staff, all of them, that we are not one of them. We are doing very well so far. We have a lot of things to go over and to endure, I think over the next year, but you have put us in a very good place. Thank you.

Mayor Ortega: Well, good, and I will, as my comment, we will be expecting it to be a new budget year preparation and reports as Mr. Thompson said. We will be looking at all areas carefully and we will go over and over again, what is the level of service aligned and how is it aligns with our revenues? The other thing I heard the city manager say is that the hires -- the rehires will continue as needed. So that means that we're staying in touch with the marketplace and I think we're always cognizant of the level of service and I comment the work in the finance department, Ms. Doyle as well as this report. So with that, we are concluded and I would request a motion to adjourn.

ADJOURNMENT

[Time: 00:43:54]

Councilwoman Caputi: Councilwoman Caputi. A motion to adjourn.

Councilwoman Janik: Councilwoman Janik, second.

Mayor Ortega: The motion made and seconded. All in favor say aye. And I heard unanimous. So I will conclude.

Vice Mayor Whitehead: Thank you.