

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY MINUTES
MONDAY, JANUARY 31, 2022**



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

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:00 P.M. on Monday, January 31, 2022 in the City Hall Kiva Forum.

ROLL CALL

Present: Mayor David D. Ortega; Vice Mayor Tammy Caputi; and Councilmembers Tom Durham, Betty Janik, Kathy Littlefield, Linda Milhaven and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, City Auditor Sharron Walker, and City Clerk Ben Lane

PLEDGE OF ALLEGIANCE – Councilwoman Janik

MAYOR'S REPORT

Mayor Ortega welcomed everyone to Western Week when Old Town is transformed into an authentic old west experience for the whole family. Several events are scheduled that include family-friendly games, food, music, and entertainment.

- On Thursday, February 3, 2022, is the Gold Palette ArtWalk in the Scottsdale Arts District from 6:30 p.m. to 9:00 p.m.
- On Friday, February 4, 2022, the 64th Annual Hashknife Pony Express will arrive between 11:00 a.m. and 1:00 p.m. at the Scottsdale Museum of the West.
- On Saturday, February 5, 2022, the 68th Annual Parada Del Sol Historic Parade along Scottsdale Road will take place between 10:00 a.m. to 12:00 p.m. This will be followed by the Trail's End Festival held in the Historic Old Town District from 12:00 p.m. to 4:00 p.m.
- On Saturday, February 5, 2022, the Arizona Indian Festival will be in Old Town from 9:00 a.m. to 4:00 p.m. and Sunday, February 6, 2022, from 10:00 a.m. to 4:00 p.m. Festivities will include the native edible experience at Scottsdale's Museum of the West on Saturday, February 5, 2022, from 6:00 p.m. to 9:00 p.m.
- On Friday, February 4, 2022, and Saturday, February 5, 2022, there is free admission to Scottsdale's Museum of the West.

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

- Teresa Kim Quale presented a citizen petition (attached) requesting that the City place a Charter amendment on the November 8, 2022 General Election ballot establishing three council districts with two councilmembers per district.
- Daniel Ishac spoke on the Greenbelt 88 proposal that will be considered by the Council at its February 8, 2022 Council Meeting.

MINUTES

Request: Approve the following Council meeting minutes from November and December 2021:

- a. Special Meeting Minutes of December 8, 2021
- b. Executive Session Minutes of December 8, 2021
- c. Regular Meeting and Work Study Session Minutes of December 8, 2021
- d. Regular Meeting and Work Study Session Minutes of January 11, 2022

MOTION AND VOTE NO. 1 – MINUTES

Councilwoman Whitehead made a motion to approve the Special Meeting Minutes of December 8, 2018, Executive Session Minutes of December 8, 2021, and Regular Meeting and Work Study Session Minutes of December 8, 2021. Councilwoman Janik seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

MOTION AND VOTE NO. 2 – MINUTES

Councilwoman Whitehead made a motion to amend the Regular Meeting and Work Study Session Minutes of January 11, 2022, page seven, fourth bullet under “There was Council Consensus on the following items:” to reflect “Staff and the McDowell Sonoran Preserve Commission will look at how the current funding sources can be used to purchase strategic land parcels.” Mayor Ortega seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative, and Councilmember Milhaven dissenting.

CONSENT AGENDA

1. **QuikTrip #1418 Liquor License (104-LL-2021)**
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: 8780 E. McDowell Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Permanent Extension of Premise for Harkins Outdoor Cinema (1-EX-2022)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premise for a Series 6 (bar) State liquor license for an existing location to add an outdoor cinema.
Location: 7014 E. Camelback Road, Suite 3A
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

3. The Valley View Homes Final Plat (10-PP-2018)

Request: Approve the final plat for a new residential subdivision, comprised of eight lots and associated tracts on a ±5-acre site with Single-Family Residential, Planned Residential Development (R1-18 PRD) zoning.

Location: 7450 and 7522 E. Valley View Road

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

4. Rawhide Wash Mitigation Project Rights-of-Way Acquisition

Request: Adopt **Resolution No. 12360** authorizing and directing that rights-of-way be acquired by the City of Scottsdale by dedication, donation, purchase, or by the exercise of the power of eminent domain as a matter of public necessity to allow construction and modification of floodwall improvements for the Rawhide Wash Mitigation project.

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

5. Crossroads East Sewer Lift Station Right-of-Way and Drainage Easement Acquisition

Request: Adopt **Resolution No. 12364** to authorize:

1. The purchase of 14,360 square feet of right-of-way and drainage easement from the Arizona State Land Department for a permanent truck turnaround and access for operational needs to the Crossroads East Sewer Lift Station in advance of anticipated future development.
2. The City Manager, or designee, to acquire the right-of-way for the amount equal to the Arizona State Land Department's appraised value of the ten (10) year right-of-way and drainage easement and pay such additional reasonable fees as may be necessary for the acquisition.
3. The City Manager, or designee, to pay all amounts necessary to purchase the right-of-way and drainage easement and to make decisions and render such performance as necessary to complete the transaction.
4. The City Treasurer to utilize funds from the City of Scottsdale Capital Improvement Program budget to pay the full purchase for right-of-way and easement, and other fees reasonably necessary to complete the transaction.
5. Mayor David D. Ortega, or his designee, to execute any documents as may be necessary to complete acquisition of the right-of-way and drainage easement.

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

6. Public and Event Spaces on Civic Center Plaza Construction Phase Services Contract

Request: Adopt **Resolution No. 12379** authorizing Construction Manager at Risk Contract No. 2021-151-COS-A1 with Willmeng Construction, Inc., in an amount not to exceed \$16,744,212.63, for Phase 2 of construction phase services for Bond 2019 Project 1 – Replace Aging Infrastructure and Improve Public and Event Spaces on Civic Center Plaza and Project 36 – Provide Free Public WiFi at the Civic Center Plaza.

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

7. Modification to On-Call Architectural Services Contract for Capital Improvement and Facilities Projects

Request: Adopt **Resolution No. 12372** authorizing Contract No. 2018-179-COS-A3 with DWL Architects-Planners, Inc., increasing the annual contract term amount to \$1,500,000 for the design of various capital improvement and facilities projects throughout the City as needed.

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

8. Driving Under the Influence Enforcement and Education Grant

Request: Adopt **Resolution No. 12377** to authorize:

1. Acceptance of, if awarded, a grant from the State of Arizona, on behalf of the Oversight Council on Driving or Operating Under the Influence (DUI) Abatement, to receive up to \$100,000 in grant funds to support DUI enforcement and education.
2. The City Manager, or designee, to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.
3. A budget transfer in the amount of \$100,000 from the adopted Fiscal Year 2021/22 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

Staff Contact(s): Jeff Walther, Chief of Police, 480-312-1900, jwalther@scottsdaleaz.gov

9. 2021 Maricopa County Multi-Jurisdictional Hazard Mitigation Plan

Request: Adopt **Resolution No. 12376** approving the 2021 Maricopa County Multi-Jurisdictional Hazard Mitigation Plan.

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

10. Fuel Reduction Mitigation Program Subgrantee Reimbursement Agreement

Adopt **Resolution No. 12368** to authorize:

1. Subgrantee Reimbursement Agreement No. 2022-012-COS with the Maricopa County Department of Emergency Management to accept a grant in the amount of \$17,985 for a fuel reduction mitigation program in support of the County Community Wildfire Protection Program.
2. A budget transfer in the amount of \$17,985 from the FY 2021/22 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.

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

11. Termination of Fire Department Mutual Aid Agreement

Request: Adopt **Resolution No. 12357** authorizing the termination of Agreement No. 2021-056-COS with Rural/Metro Fire Department, Inc., for mutual aid fire services, effective January 31, 2022.

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

Mayor Ortega opened public comment.

- Rural Metro Fire Central Arizona Fire Chief Tim Soule spoke in opposition to the termination of the Mutual Aid Agreement.
- Daisy Mountain Fire and Medical Department Fire Chief Brian Tobin spoke in support of the termination of the Mutual Aid Agreement.

Mayor Ortega closed public comment.

(Moved to the Regular Agenda at the request of Vice Mayor Caputi, see Page 6)

12. Federal Lobbying and Legal Services Contract

Request: Adopt **Resolution No. 12347** authorizing Contract No. 2022-001-COS with Capital Edge Advocacy, LLC, in the amount of \$32,500, to provide federal lobbying and information services for the remainder of Fiscal Year 2021/22.

Staff Contact(s): Shane Stone, Senior Management Associate to the City Manager, 480-312-7826, shstone@scottsdaleaz.gov

13. Associate City Judge Reappointment

Request: Approve the reappointment of Statia Hendrix, Associate Judge, to a term of four years, as set forth in the City Code, to begin on March 10, 2022.

Staff Contact(s): Donna Brown, Human Resources Director, 480-312-2615, dbrown@scottsdaleaz.gov

14. Reappointment of Pro Tem Judges for City Court

Request: Adopt **Resolution No. 12385** authorizing the following appointments of Pro Tem Judges for a two-year term for the period of February 14, 2022, through February 13, 2024: Scott Chapman, Jerry Landau, Tamika Wooten, and Elizabeth Finn.

Staff Contact(s): Joseph Olcavage, Presiding Judge, 480-312-2762, c/o smounsey@scottsdaleaz.gov

15. Smart Region Consortium Agreement

Request: Adopt **Resolution No. 12371** authorizing Agreement No. 2019-169-COS-A1, the first amendment to the agreement with the Partnership for Economic Innovation in the amount of \$25,000, to extend the city's participation in the Connective Smart Region Consortium of the Partnership for Economic Innovation.

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

16. Monthly Financial Report

Request: Accept the Fiscal Year 2021/22 Monthly Financial Report as of November 2021.

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

17. Fredrics v. City of Scottsdale Settlement Agreement

Request: Adopt **Resolution No. 12386** authorizing Agreement No. 2022-016-COS with Marc Fredrics in the amount of \$60,000 to settle *Fredrics v. City of Scottsdale, et al.*, Arizona District Court Case No. CV21-00001-PHX-MTL, against the City and its employees.

Staff Contact(s): Sherry Scott, City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

18. Fiscal Year 2020/21 Risk Management Department and Loss Trust Fund Annual Report

Request: Accept the Fiscal Year 2020/21 Annual Report for the Risk Management Department and Loss Trust Fund.

Staff Contact(s): George Woods, Risk Management Director, 480-312-7040, gwoods@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilwoman Littlefield made a motion to approve Consent Agenda Items 1 through 18, except Item 11, which was considered separately. Councilmember Durham seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

REGULAR AGENDA

11. Termination of Fire Department Mutual Aid Agreement

Request: Adopt **Resolution No. 12357** authorizing the termination of Agreement No. 2021-056-COS with Rural/Metro Fire Department, Inc., for mutual aid fire services, effective January 31, 2022.

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

Fire Chief Tom Shannon gave a PowerPoint presentation (attached) on the request for the termination of the Fire Department Mutual Aid Agreement.

MOTION AND VOTE – ITEM 11

Vice Mayor Caputi made a motion to approve Consent Item 11 to terminate the Fire Department Mutual Aid Agreement and requested the City Manager consider the benefit of entering into a new agreement that would assure shared risk. Councilmember Milhaven seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

19. Quarterly Financial and Capital Improvement Plan (CIP) Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's quarterly financial presentation and/or CIP presentation as of December 2021.

Presenter(s): Sonia Andrews, City Treasurer and Dan Worth, Public Works Director

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

City Treasurer Sonia Andrews and Public Works Director Dan Worth gave a PowerPoint presentation (attached) on the quarterly financial status and the capital improvement plan as of December 2021.

PUBLIC COMMENT – None

CITIZEN PETITIONS

20. 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): Ben Lane, City Clerk, 480-312-2411, blane@scottsdaleaz.gov

MOTION AND VOTE – CITIZEN PETITIONS

Mayor Ortega made a motion to direct the City Manager to place the item on the agenda for a Work Study Session on February 15, 2022. Councilwoman Whitehead seconded the motion, which carried 4/3, with Mayor Ortega and Councilmembers Durham, Janik, and Whitehead voting in the affirmative and Vice Mayor Caputi and Councilmembers Littlefield and Milhaven dissenting.

MAYOR AND COUNCIL ITEMS – None

The City Council Regular Meeting adjourned at 6:21 P.M. and the City Council Work Study Session convened.

CITY COUNCIL WORK STUDY SESSION

PUBLIC COMMENT – None

1. Fiscal Year 2022/23 Comprehensive Financial Policies

Requests: Presentation, discussion, and possible direction to staff regarding the Fiscal Year 2022/23 Comprehensive Financial Policies.

Presenter(s): Sonia Andrews, City Treasurer

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

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the Fiscal Year 2022/23 comprehensive financial policies.

There was Council consensus on the following item:

- Staff should move forward with proposed enhancements to the City's comprehensive financial policies related to:
 - Reorganizing and reformatting the policy;
 - Incorporating best practices;
 - Formalizing strong financial practices; and
 - Clarifying language where needed.

The Council made the following suggestions:

- Monitor the Construction Sales Tax Revenue Funds for fluctuations.
- The one-third of the 1.1% tax collected on food for home consumption be eliminated rather than phased out by Fiscal Year 2024.

Mayor Ortega announced that the Council would reconvene into Executive Session at the conclusion of the Regular Meeting and Work Study Session.

ADJOURNMENT

MOTION AND VOTE – ADJOURNMENT

Councilwoman Janik made a motion to adjourn. Vice Mayor Caputi seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

The Regular Meeting and Work Study Session adjourned at 6:50 P.M.

SUBMITTED BY:



Ben Lane, City Clerk

Officially approved by the City Council on February 22, 2022

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting and Work Study Session of the City Council of Scottsdale, Arizona held on the 31st day of January 2022.

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

DATED this 22nd day of February 2022.



Ben Lane, City Clerk

2022 JAN 31 PM 4:15 Citizen Petition: Three Voting Districts and Two Councilmembers per District

Petitioner(s) request that the City of Scottsdale place the following Charter Amendment on the Scottsdale General Election ballot to be held November 8, 2022 along with any other needed Charter amendments that relate to a district system. City Charter, Article 2: The Council, Section 2. NUMBER; SELECTION. [Delete] "The council shall consist of a mayor and six (6) councilmen elected from the city at large."

City Charter Amendment to read: City Charter, Article 2: The Council, Section 2. NUMBER; SELECTION. "The council shall consist of a mayor and six (06) councilmembers elected to represent three (3) Districts of approximately equal population as follows:

- a) Three (3) Districts shall be configured in area as south, central, and north.
- b) Each District shall be represented by two (2) councilmembers elected to fill staggered terms no earlier than the City's General Election in November 2024 and no later than the City's General Election in November 2026.
- c) Open seat(s) in any District(s) which do not have a councilmember residing in said District(s) shall be filled first.
- d) Transition from At-large to full District implementation only: In the event that a District may have two (2) open seats in the same General Election; the highest vote recipient shall serve the four-year term and the second highest vote recipient shall serve a two-year term. Thereafter, City Charter, Article 2: The Council, Section 3 applies as District terms stagger."

Printed Name: TERESA Kim Quale

Signature: *Teresa K Quale*

Mailing Address: 7730 E. Aster Dr Scottsdale, AZ 85260

Email Address: EKH0813@hotmail.com

Phone Number: 602-818-8259

Additional Signers Information

Printed Name	Signature	Residential Address	Date
Teresa Kim Quale	<i>Teresa Kim Quale</i>	7730 E. Aster Dr Scottsdale AZ 85260	1/30/22
KAREN MISCHIK	<i>Karen Mischik</i>	7717 E. ASTER DR SCOTTSDALE 85260	1/30/22
LUCINDA CONNOR	<i>Lucinda Connor</i>	7755 E Aster Dr Scottsdale AZ 85260	1/30/22
Christine Shaft	<i>Christine Shaft</i>	7712 E Aster Dr Scottsdale AZ 85260	1-30-22
Keegan Shaft	<i>Keegan Shaft</i>	7712 E Aster Dr. Scottsdale AZ 85260	1/30/22
Elizabeth J. Rehling	<i>Elizabeth J. Rehling</i>	7730 E. Rancho Vista, Scottsdale AZ 85251	1/30/22
PAUL R. MESSINGER	<i>Paul R. Messinger</i>	11060 N. 94th St. Scottsdale, AZ 85260-6111	1-31-22
Kathi Sinclair	<i>Kathi Sinclair</i>	8883 E. Riviera Dr. Scott. 85260	1/31/22
Andrew Muñoz	<i>Andrew Muñoz</i>	6400 E Thomas Rd # 3025 Scotts 85251	1/31/22
Truley Quiffin	<i>Truley Quiffin</i>	7623 Sandalwood Dr. Scottsdale AZ 85260	1/31/22

Citizen Petition: Three Voting Districts and Two Councilmembers per District

Petitioner(s) request that the City of Scottsdale place the following Charter Amendment on the Scottsdale General Election ballot to be held November 8, 2022 along with any other needed Charter amendments that relate to a district system. City Charter, Article 2: The Council, Section 2. NUMBER; SELECTION. [Delete] "The council shall consist of a mayor and six (6) councilmen elected from the city at large."

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- c) Open seat(s) in any District(s) which do not have a councilmember residing in said District(s) shall be filled first.
- d) Transition from At-large to full District implementation only: In the event that a District may have two (2) open seats in the same General Election; the highest vote recipient shall serve the four-year term and the second highest vote recipient shall serve a two-year term. Thereafter, City Charter, Article 2: The Council, Section 3 applies as District terms stagger."

Printed Name:

Signature:

Mailing Address:

Email Address:

Phone Number:

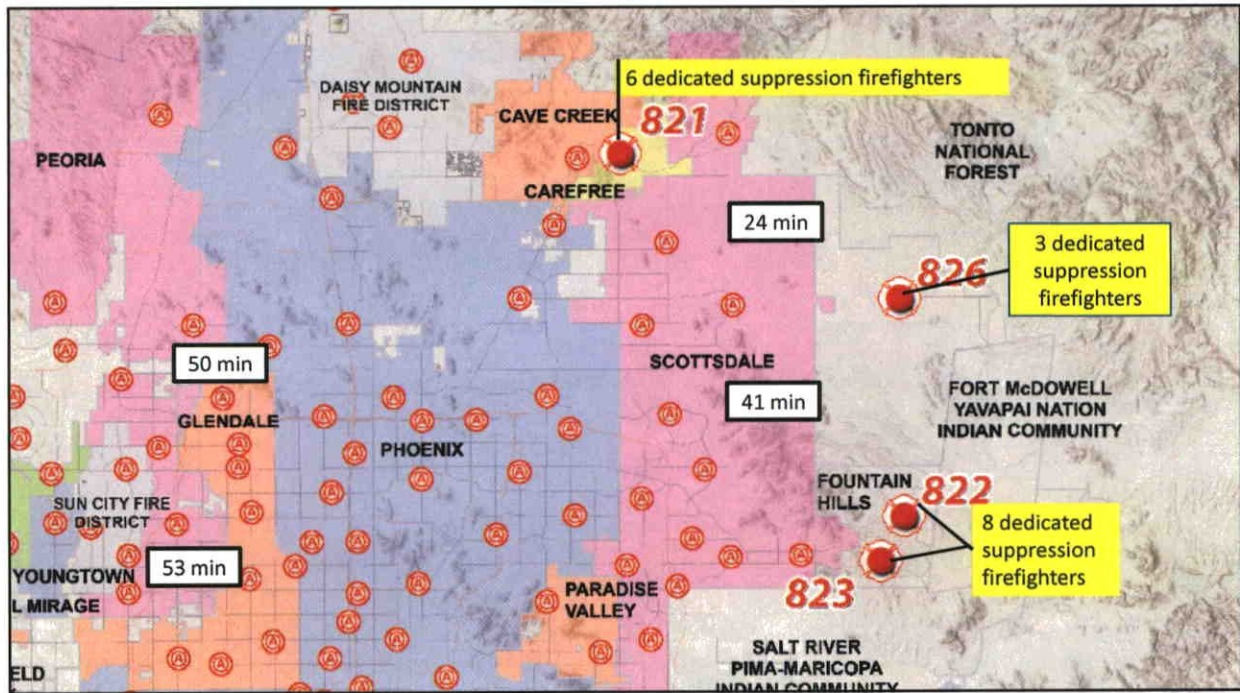
Additional Signers Information

Printed Name	Signature	Residential Address	Date
Thomas Sennis	<i>Thomas Sennis</i>	7725 E Rancho Vista Dr.	1/31/2022
Cindy S. Johnson	<i>Cindy S. Johnson</i>	7661 E Highland Ave.	1/31/2022
Sally Eskew	<i>Sally Eskew</i>	7801 W. Miller Rd	1/31/2022
Arlene Anderson	<i>Arlene Anderson</i>	7642 E Rancho Vista Ave	1/31/2022
Peggy A Sharp Chamberlain	<i>Peggy Sharp Chamberlain</i>	9768 E Bayview Dr.	2/1/2022

Key issues with existing agreement

- Any mutual aid requests are processed and dispatched to meet the approved and agreed upon standard operating guidelines of the Phoenix Regional Dispatch Center.
 - RMFD cannot assemble the necessary manpower required to meet the standard within standard response times without neighboring community assets.
- neither Party is in any way liable to the other or to any other person, firm, or corporation for failure to give the assistance requested.
 - RMFD contract areas bordering Scottsdale assure that any working (complex) fire or EMS incident would necessitate mutual aid to achieve response requirements. Liability is unfairly shifted to mutual aid providers who in previous agreements agreed to hold harmless the other party.
- Contemporary fire service response in the Phoenix metropolitan area requires reciprocal service delivery and shared liability and cost. The agreement does not provide equity in services and risk liability.
- Scottsdale has incurred significant liability in both cost and employee impact in responding to RMFD incidents.

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Scottsdale's history with requests for service

- In 2004 the Scottsdale responded to inquiries from the Towns of Carefree, Paradise Valley and Fountain Hills (Rural Metro Service areas) for assumption of services.
 - Carefree and Fountain Hills maintained services with RMFD as lower cost option.
 - Paradise Valley entered the Automatic Aid system with the City of Phoenix Fire Department as their provider.
- In 2011 the Town of Carefree requested a service proposal that would have brought them into the AA system under SFD and subsequently chose to renew contract with RMFD as lower cost option.
- July 1st, 2017, Scottsdale renewed a Mutual Aid Agreement wherein the City of Scottsdale Fire Department may respond to jurisdictions serviced by RMFD upon a mutual aid request
 - Partial reimbursement was provided for responses.
 - Abandoned because it artificially incumbered Automatic Aid partners by virtue of our agreement with RMFD.

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History cont.

- In 2021 the Town of Carefree requests “not to be left out” of solution for inclusion of Town of Cave Creek into the AA system
 - Convenes a Public Safety Advisory Committee and requests and receives costing data for inclusion and ultimately chose RMFD as the lower cost option while considering options for inclusion into the AA system in the future.
- July 1st, 2017, Scottsdale renewed a Mutual Aid Agreement wherein the City of Scottsdale Fire Department may respond to jurisdictions serviced by RMFD upon a mutual aid request
 - Partial reimbursement was provided for responses.
 - Determined to be revised because it artificially incumbered Automatic Aid partners by virtue of our agreement with RMFD.
- 2019 and 2020, Significant wildland fires in RMFD service areas
- August 24th, 2021, Scottsdale Adopt Resolution No. 12159 approving Agreement No. 2021-056-COS between the City of Scottsdale and the Rural/Metro Fire Department, Inc. (RMFD) to allow each party's Fire Department to provide mutual aid to the other
 - NO compensation consideration to reduce the perception of “pay as you go inclusion into automatic aid system” and perceived obligation to respond.
 - 07/29/20 Meeting with Brian Davis. Commitment by RMFD to improve staffing and resources around Automatic Aid communities.

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Quarterly Financial Update

*City Treasurer's Office
January 31, 2022*

Key Points for Q2 FY2022 (Oct – Dec 2021)

- Consumers spending continued to be strong through December.
- City spending within its means and keeping an eye on inflation and other market volatilities.

Strong Holiday Sales Growth



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General Fund Local Sales Tax - YTD December 2021 Up 25% from prior year

(in millions)	FY21 Actuals	FY22 Actuals	FY22 Budget	Budget Variance	FY22 Forecast
Retail	\$19.0	\$24.6	\$19.9	\$4.7	\$48.8
Automotive	\$10.2	\$11.0	\$10.7	\$0.3	\$22.4
Rental	\$8.7	\$11.3	\$8.9	\$2.5	\$20.3
Construction	\$7.0	\$7.3	\$7.3	-	\$14.2
Dining/Entertainment	\$4.7	\$7.9	\$4.5	\$3.4	\$14.6
Food Stores	\$4.5	\$4.4	\$4.6	(\$0.1)	\$9.8
Hotel/Motel	\$1.9	\$4.1	\$2.6	\$1.6	\$8.2
Other	\$10.6	\$12.9	\$10.9	\$1.9	\$25.3
Total	\$66.6	\$83.5	\$69.4	\$14.3	\$163.6

Amounts represent the 1.1% of the City's 1.75% sales tax.

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Total General Fund Revenues - Up 13% from prior year

(in millions)	FY21 Actuals	FY22 Actuals	FY22 Budget	Budget Variance	FY22 Forecast
Local Sales Tax	\$66.6	\$83.5	\$69.4	\$14.3	\$163.6
State Shared	\$39.4	\$38.8	\$37.3	\$1.5	\$77.8
Charges for Services	\$6.4	\$7.3	\$4.8	\$2.5	\$15.7
Other	\$45.5	\$48.9	\$47.2	\$1.5	\$110.7
Total	\$157.9	\$178.5	\$158.7	\$19.8	\$367.8

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General Fund Expenditures

(in millions)	FY21 Actuals	FY22 Actuals	FY22 Budget	Budget Variance	FY22 Forecast
Personnel Costs	\$87.8	\$133.1	\$135.0	\$1.9	\$249.4
Commodities/Contracts	\$35.3	\$36.8	\$40.3	\$3.6	\$69.2
Transfers	\$4.8	\$9.3	\$8.3	(\$1.0)	\$32.5
Other	\$0.5	\$1.6	\$1.2	(\$0.4)	\$2.9
Total	\$128.4	\$180.7	\$184.8	\$4.1	\$354.0

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General Fund Uses by Division

(in millions)	FY21 Actuals	FY22 Actuals	FY22 Budget	Budget Variance	FY22 Forecast
Mayor/Council/Charter Officers	\$13.9	\$14.2	\$15.3	\$1.1	\$30.3
Administrative Services	\$8.4	\$9.8	\$9.6	(\$0.2)	\$18.3
Comm & Ec Dev	\$11.1	\$11.6	\$11.8	\$0.2	\$21.4
Community Services	\$18.2	\$19.2	\$21.1	\$1.9	\$42.1
Public Safety - Police	\$43.6	\$80.8	\$82.0	\$1.1	\$138.6
Public Safety - Fire	\$17.8	\$25.7	\$26.2	\$0.6	\$51.1
Public Works	\$10.6	\$10.1	\$10.1	(\$0.1)	\$19.5
Total	\$123.6	\$171.4	\$176.1	\$4.6	\$321.3

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FY 2021/22 CIP Quarterly Update Quarter 2

City Council Meeting – January 31, 2022

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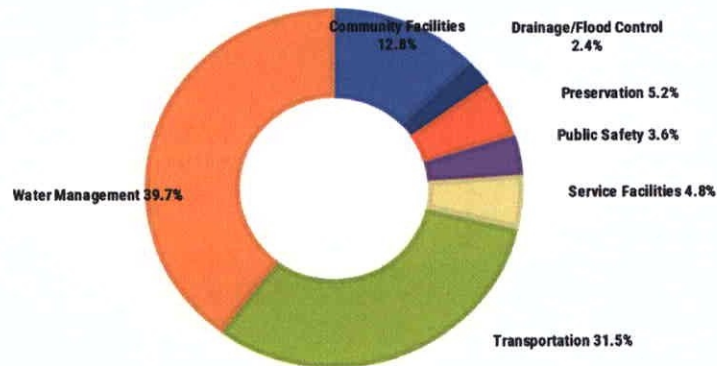
Agenda

- Bond 2019
- Other Projects Under Construction
- Other Projects in Design

CIP Use of Funds

5YR: \$821.2 M

FY 2021/22 ADOPTED CAPITAL IMPROVEMENT PLAN
SOURCE OF FUNDS (FY 2021/22 - 2025/26)
PERCENT OF TOTAL



Bond 2019 Program

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Bond 2019 – Question 1 - FY 2021/22 Projects

No.	Title	Status
2	Add Splash Pad and Improve Walkways at McCormick-Stillman Railroad Park	Project yet to commence
30	Indian School Park Field 1 Lighting	Vendor designing installation
41	Install Solar Heating System for Eldorado Pool	Design starting this FY
42	Add a Dog Park to Thompson Peak Park	Negotiating design fee
53	Bulld Multi-Use Sports Fields in the area of Bell Road	Phase 1 in construction, phase 2 in design
55	Build a 17-Acre Park at Ashler Hills Drive & 74 th Way (Whisper Rock)	Public outreach ongoing
61	Purchase land, expand Pinnacle Peak Park parking lot, staff office and restrooms, renovate hiking trail and construct an interpretive trail	Waiting on ASLD for approval to submit application for auction

Two question 1 projects are completed

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53-Build Multi-Use Sport Fields in the Area of Bell Road

Project description:

- Phase 1: Bell Road Sports Complex and offsite water
- Phase 2: WestWorld Sports Complex

Status:

- Finishing supporting facilities at Bell Road
- Resolving regulatory issues at WestWorld
- Need approximately \$4M additional to fund complete scope



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$40 M	\$19.3 M	\$9.7 M	\$11.0 M

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55- Build a 17-Acre Park at Ashler Hills Drive & 74th Way (Whisper Rock)

Project description:

- Open turf play areas
- Shaded playground
- Restrooms
- Lighted Sport Courts (basketball and pickleball)
- Walking Paths and Trails
- Lighted Parking (70 spaces)

Status:

- Conducting public outreach; over 240 comments received
- Total bond-funded amount is \$6,097,000
- Construction funded in fiscal year 2022/23



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$1.2 M	\$269k	\$271k	\$679k

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Bond 2019 – Question 2 - FY 2021/22 Projects

No.	Title	Status
1	Replace Aging Infrastructure and Improve Public Event Spaces on Civic Center Plaza	Demolition complete
15	Build 200 space Parking Lot off 75 th St to serve the City Court and Scottsdale Stadium	Will be built with Scottsdale Stadium Phase 2 project
18	Build Roadway & Pedestrian Improvements along 2 nd St from Drinkwater to Goldwater	In Design; evaluating concepts
23	Repair Lakes and Irrigation at Vista del Camino Park in the Indian Bend Wash	In Design
45	Renovate Horse Barns to Increase Rentable Space	Evaluating barn alternatives
46	Replace the Public Address System at WestWorld	Scheduling installation around events schedule
57	Install Solar Systems at North Corp Campus	In design
63	Build Parking Structures in Old Town Scottsdale	Pending decisions on location, scope

Three question 2 projects are completed

15

1 -Replace Aging Infrastructure and Improve Public Event Spaces on Civic Center Plaza

Project Description:

- Reconstruct the Civic Center to provide better pedestrian flow and permanent performance areas

Status:

- Demolition complete, infrastructure work underway
- DRB Jan 20, 2022
- Need approximately \$5M additional to fund complete scope



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$27.3 M	\$3.4 M	\$6.0 M	\$18.0 M

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Bond 2019 – Question 3 - FY 2021/22 Projects

No.	Title	Status
5	Modernize Computer Eq. Rooms to Protect City Servers	First UPS replacement completed, beginning work on second unit at SCPA
7	Replace Outdated 911 Computer Aided Dispatch and Records Management to Improve Efficiency	Purchase complete, bond funds expended; scheduled June 2022 go-live
8	Replace Website Management Software	Contract awarded, work starts in Feb
9	Install Fiber Optic Infr. to Reduce Operating Costs	Multiple locations in design and construction
11	Replace Document Management System to Improve Public Access to Information	In deployment, projected completion mid-2022
12	Update Scottsdale's 15 Year-old Digital Terrain Model	Delayed until FY 22/23
14	Replace Obsolete Planning and Permitting Software	Developing RFP for consultant selection
17	Obtain a Citywide Data Management and Analytics Solution for Data-Based Decision Making	Delayed until FY 22/23
28	Build New Fire Station near Hayden and Loop 101 to Improve Response Times	In design
29	Replace Workstations at 911 Communications Dispatch Center to Accommodate New Technology	Completed building structural analysis, design progressing

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Bond 2019 – Question 3 (continued)

No.	Title	Status
26	Replace Deteriorating Vehicle Track at PD and Fire Training Facility	30% design plans completed
27	Modernize and Expand the PD and Fire Training Facility	
38	Build a New Fire Department Training Facility	
33	Renovate Via Linda Police Station to Increase Efficiency	Portion is in design in support of Bond project 29
35	Install Bullet Proof Glass in Reception Areas of Police Department Facilities	In construction; ordering materials
36	Provide Free Wi-Fi at the Civic Center Plaza	Being delivered with Civic Center Plaza
37	Implement an Inventory and Asset Control System for City Technology	Performing site survey with vendor
40	Renovate & Expand Civic Center Jail and Downtown Police Facility to Meet Demand	Architect selected; pending completion of other CIP projects

Four question 3 projects are completed

18

6- Replace Emergency Power Source for Public Safety Radio Network

Project Description:

- Provide backup power for Public Safety Radio and Communications Networks

Status:

- Project complete
- Replaced batteries at 9 different sites



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$305k	\$239k	\$59k	\$7k

19

9- Install Fiber Optic Infrastructure to Reduce Operating Costs

Project Description:

- Install fiber throughout the City to meet need for network bandwidth to support business operations
- Reduce dependency on leased communications lines

Status:

- Complete at El Dorado Park, Fire Station 601, One Civic Center, North Corporate Yard 2nd floor, Indian School Park, Club SAR, Mustang Library
- Nearing completion at McCormick-Stillman Railroad Park, Fire Station 603, Thomas Rd
- Total bond-funded amount \$11,385,600 over 4 fiscal years

ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$4.9 M	\$2.2 M	\$2.7 M	\$39k

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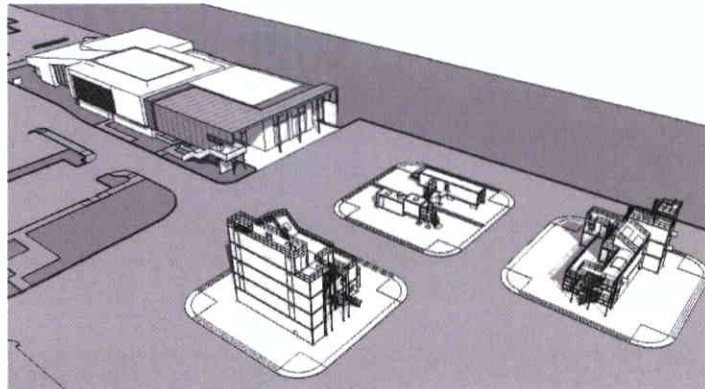
26- Replace Deteriorating Vehicle Track at PD and Fire Training Facility
 27- Modernize and Expand the PD and Fire Training Facility
 38- Build a New Fire Dept Training Facility

Project Description:

- Renovate PD facility
- Build new fire training facility
- Replace existing driving training track

Status:

- Working toward 30% plans for police, 60% for Fire
- Need approximately \$14M additional to fund complete scope for all 3 projects
- \$19.5 M budgeted in FY 22/23 for construction (all 3 projects)



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$4.9 M	\$565k	\$1.9 M	\$2.4 M

Totals for all 3 projects

Completed Bond 2019 Projects

Question 1:

- 10- Replace Tennis Court Surface at Indian School Park and Tennis Center
- 24- Install High Efficiency Sports Lighting at 4 Facilities

Question 2:

- 47- Replace WestWorld Arena Lights to Reduce Operating Costs
- 50- Renovate Arena at WestWorld to Provide Flexible Event Space
- 52- Expand Restrooms in WestWorld North Hall

Question 3:

- 4- Replace Outdated Emergency Response Equipment for Fire Department
- 6- Replace Emergency Power Source for Public Safety Radio Network
- 16- Replace the City's Obsolete Training Software
- 44- Replacement of Fire Utility truck to be used on Fire Ground Activity and Response to Hazard Materials and Technical Rescue Incidents

Granite Reef Watershed, Pima Road (Multiple CIP Projects)

Project Description:

- Build structures to convey stormwater south of Indian School Road to the Salt River; provide flooding protection to 1,000 structures
- Rebuild Pima Road to a minor arterial configuration from McDowell Rd to Indian Bend Rd

Status:

- SRPMIC lead for road design, currently at 90%
- Construction starts winter 2022
- Non-City funding from SRPMIC, MAG, federal grant, MCFCF



	ITD Budget	ITD Actual	ITD Committed	Budget Balance
Road:	\$21.3 M	\$2.8 M		\$18.5 M
Drainage:	\$923k			\$923k

Other Projects: Projects in Construction

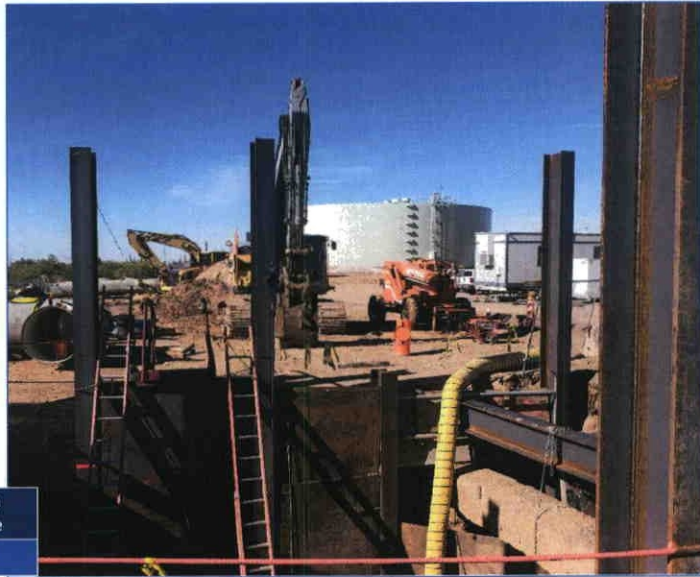
Water Site 42 Expansion

Project Description:

- Rehabilitate existing 2.5 million gallon tank, build new 2.5 million gallon tank to meet growing water needs in north area
- Included removal of fuel site, relocation of water fill site; acquisition of land from ASLD

Status:

- New reservoir construction complete
- Completing connections
- Rehab existing reservoir next



ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$7.8 M	\$5.4 M	\$2.2 M	\$178k

27

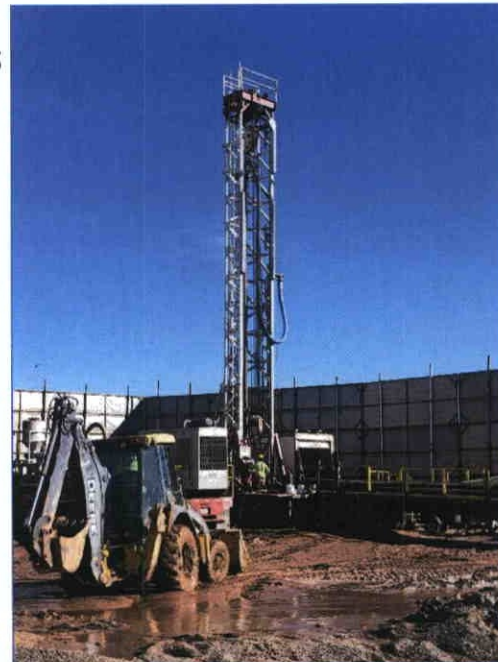
Aquifer Storage and Recovery Wells

Project Description:

- Build deep well water recharge and recovery facilities to ensure long term sustainability of the City's drinking water aquifer.
- Supports improved storage capacity to meet 'Safe Yield' and enhance drought preparedness.

Status:

- Well 54C (Miller & Deer Valley): Awarded GMP 3 to equip and outfit well
- Well 159: (Legacy & Miller): Currently being drilled

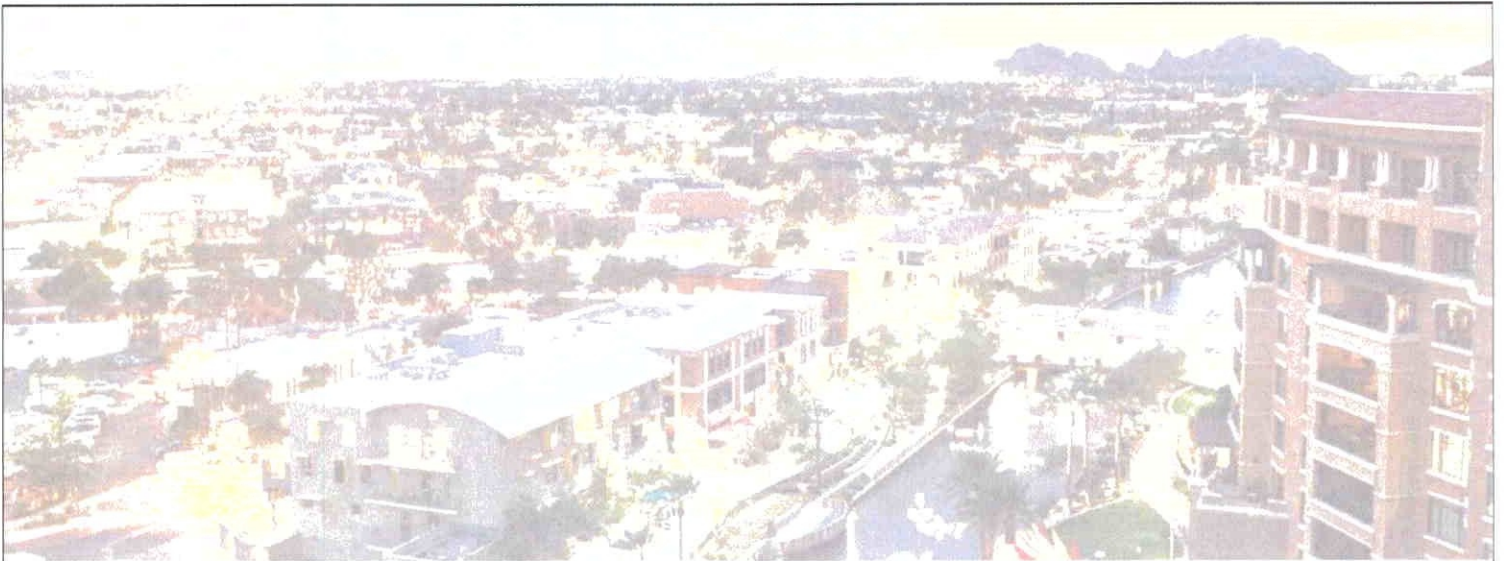


ITD Budget	ITD Actual	ITD Committed	Budget Balance
\$23.7 M	\$3.3 M	\$5.8 M	\$14.6 M

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Questions and Comments?

Work Study Item 1



Financial Policies Update

Council Study Session, January 31, 2022



What are Financial Policies

RULES

Govern
Financial
Activities

INSTITIONALIZE

Good Financial
Management
Practices

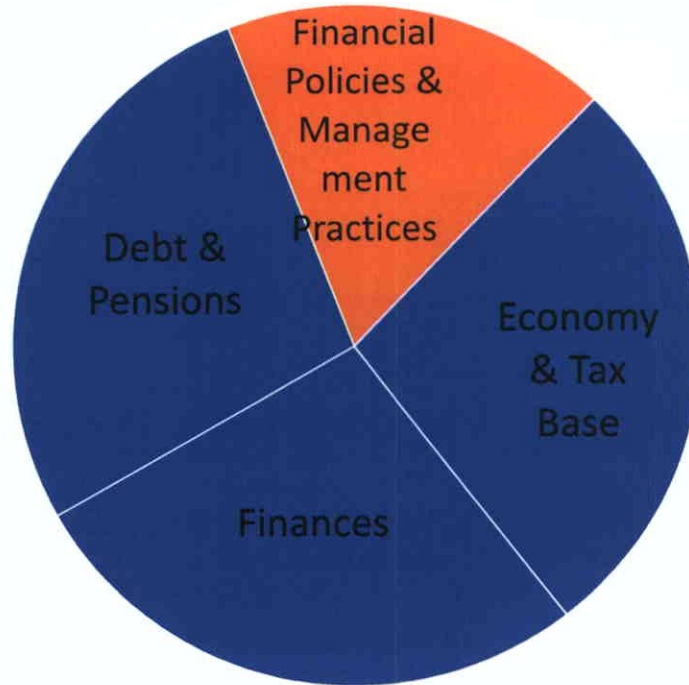
IDENTIFY AND MANAGE

Financial
Risks

SUPPORT

Best Practices
and Strong Bond
Ratings

Bond Rating Considerations



Scottsdale Has Strong Financial Policies & Practices

Standard and Poor's Global Ratings:

“We view the city’s management as very strong, with strong financial policies and practices.....indicating financial practices are strong, well embedded, and likely sustainable.”

Except from the December 2, 2020 S&P RatingsDirect Summary for Scottsdale Arizona; General Obligation

Proposed Enhancements to Financial Policies

To ensure our Strong Financial Practices are sustainable into the future:

- Reorganize and Reformat
- Incorporate Best Practices
- Formalize Strong Financial Practices
- Clarify Language Where Needed

Reorganize
and
Reformat

Current

FY 21/22 Comprehensive Financial Policies & Governing Guidance

Operating Management

1. All divisions will participate in the responsibility of meeting policy goals and ensuring long-term financial health of the city. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements. In order to ensure compliance with policy, sunset provisions will be required on all grant program initiatives and incorporated into other service plans, as appropriate.
2. The budget process is intended to weigh all competing requests for city resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.
3. Annual budgets shall include documentation that departments met intended objectives ("effectiveness criteria") and provide value in terms of dollars allocated ("efficiency criteria").
4. The budget shall be considered balanced if all sources of revenue, as estimated, are equal to, or exceed, the total of amounts proposed to be used in the operating budget for the current fiscal year, by fund. To the extent unencumbered balances from the preceding fiscal year are required to achieve a balanced budget, use of unencumbered balances from the preceding fiscal year will be only as indicated by City Council.
5. The full City Council will solicit citizen input and review the operating and capital budget recommendations from a divisional, program, and goals perspective.
6. Revenues will not be dedicated for specific purposes, unless approved by City Council or required by law. All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
7. A diversified and stable revenue system will be developed to protect city services from short-term fluctuations in any single revenue source.
8. Balanced revenue and expenditure forecasts will be prepared annually and include a five-year plan for each fund to demonstrate the city's ability to adapt to forecast changes in the economy, service demands, and capital improvements.
9. Exceptions (Water, Water Reclamation, Solid Waste Management, and Aviation) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service, debt service, provide adequate funding for future capital needs and be approved by the City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents. Rate adjustments for strategic operations will be developed pursuant to a multi-year financial plan that levels the impact of user rate changes.
10. All other user fees and charges will be examined periodically to determine the direct and indirect cost of service recovery rate, including voter-approved debt service. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council.
11. Development impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed periodically with an engineering assessment to ensure that fees recover all direct development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be highlighted in budget or financial documents.
12. The use or replacement of Fleet and Information Technology (IT; phones and copier systems) will be accounted for through the use of a direct or a "retail" rate structure. The rates will be revised annually to ensure that changes to operating divisions are reflected for operation and replacement of vehicles and other equipment. Replacement costs will be based upon equipment lifecycle financial analysis.
13. Grant funding will be considered to leverage city funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, city resources will be substituted only after all program priorities and alternatives are considered during the budget process.
14. Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost. Divisions, in cooperation with the City Manager, City

Proposed

City of Scottsdale, Arizona

COMPREHENSIVE FINANCIAL POLICIES

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- Policy 9 Enterprise Funds
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Highlights of Policy Enhancements

City of Scottsdale, Arizona

COMPREHENSIVE FINANCIAL POLICIES

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Highlights of Key Policy Enhancements

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	Appendix A

Reserves Policy

	Current	Proposed
General Fund – Operating Reserves	10%	20%
General Fund – Emergency Reserves	-	5%
Transportation Fund – Operating Reserves	10%	10%
Debt Service Reserves – Excise Tax or other non-property tax revenue supported debt	\$5M	25%
Debt Service Reserves – G.O. Debt	10%	10%

Note: Operating Reserves are as a percent of operating expenditures, excluding transfers. Debt Service Reserves are as a percent of debt service.

Enterprise Fund & Other Reserves Policy

	Current	Proposed
Operating Reserves:		
Water/Wastewater	60-120	25%
Airport	days	25%
Solid Waste		15%
Asset Replacement Reserve:		
Water/ Wastewater	2%	2%
Self-Insurance Reserves	85%	85%

Note: Operating Reserves are as a percent of operating expenditures, excluding transfers and debt service. Asset Replacement Reserves are as a percent of undepreciated book value of tangible fixed assets. Self-insurance Reserves are based on the actuary's 85% confidence level of projected total outstanding claims liability

Reserves Policy Highlights

- ❑ Reserves are only for significant, large scale unexpected events
- ❑ Council approval required
- ❑ **New** - If budget deficit is projected, city will take steps to reduce expenditures or increase revenues before considering using fund balance or reserves.
- ❑ **New** - City will strive to replenish reserves within 2 fiscal years if used. For General Fund Emergency Reserves, city will strive to replenish within 1 fiscal year.

Capital Asset Maintenance and Replacement Policy Highlights

- ❑ **New** – Will conduct periodic physical inventories and assessments and maintain multi-year maintenance and replacement plans for critical assets.
- ❑ **New** – Will establish an on-going funding source to provide for, and avoid deferral of, critical maintenance & replacements.

On-going Funding Source for Capital Asset Maintenance/Replacements

- 25% construction sales tax
- 100% of interest earnings ~~above \$1 M~~
- 1/3 of the 1.1% collected on food for home consumption (to be phased out by FY2024)
- Any additional funding as recommended through budget process

Debt Management Policy Highlights

- New** – Evaluation criteria and conditions for debt issuance.
- New** – Must use a qualified financial advisor and bond counsel for all debt issuances.
- New** – Target debt coverage ratio of 2.0x for Water/Wastewater and 1.5x for Aviation.
- New** – General Fund (GF) supported debt should not exceed 10% of GF operating revenues.

Pension Funding Policy Highlights

- New** – Must fully fund Annual Required Contribution (ARC) determined by actuary.
- New** – Will strive to make additional contributions above the ARC to ensure acceptable funded status.
- New** – Will not rely on debt to reduce unfunded pension liabilities.

Proposed Enhancements to Strengthen Financial Policies

- Easier to read and reference
- Align with Best Practices
- Put our strong financial practices in writing
- Clarify any confusing language

Next Steps – Request Council Approval and Adoption

February 22 Council Meeting

Comprehensive Financial Policies

March 29 Council Meeting

Investment Policies

PSPRS Pension Funding Policy (required by ARS)

Debt - Procedures for Tax-Exempt Bonds (required by IRS)

Debt - Continuing Disclosure Compliance Procedures (required by SEC)