SCOTTSDALE CITY COUNCIL
REGULAR MEETING AND WORK STUDY SESSION MINUTES
WEDNESDAY, AUGUST 21, 2024

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

CALL TO ORDER

Mayor David D. Ortega called to order a Regular Meeting and Work Study Session of the Scottsdale City Council at 5:00 P.M. on Wednesday, August 21, 2024 in the City Hall Kiva Forum.

ROLL CALL

Mayor Ortega asked City Clerk Ben Lane to conduct the roll call.

Present: Mayor David D. Ortega; Vice Mayor Barry Graham; and Councilmembers Tom Durham, Betty Janik, Kathy Littlefield, and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, Acting City Auditor Lai Cluff, and City Clerk Ben Lane

Absent: Councilwoman Tammy Caputi

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilwoman Janik.

MAYOR'S REPORT

Mayor Ortega called attention to the ongoing wars in foreign countries as they fight to protect their democracy and freedom and asked for a moment of silent reflection for these war-torn countries and for the safety of our military personnel.

Mayor Ortega announced that applications are being accepted until August 30th for various boards and commissions, including the Board of Adjustment, Citizens' Bond Oversight Committee, Historic Preservation Commission, Loss Trust Fund Board, and Transportation Commission. Visit Scottsdaleaz.gov/boards for more information.

PUBLIC COMMENT

Patricia Pellet showed a video regarding when campaign signs for the Scottsdale Unified School District Board election could be posted and requested the City Council look into the matter.

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.

MINUTES

Request: Approve the following Council meeting minutes from June 2024:

a. **Regular Meeting and Work Study Special Meeting Session Minutes of June 25, 2024**

MOTION AND VOTE - MINUTES

Councilwoman Janik made a motion to approve the Regular Meeting and Work Study Session Minutes of June 25, 2024. Councilmember Durham seconded the motion, which carried 6/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

CONSENT AGENDA

1. **Citywide Electrical (General Building) Construction and Maintenance Services Job Order Contracts**
   Request: Adopt **Resolution No. 13192** authorizing the following job order contracts for two years with the option to extend for three additional one-year periods, in an amount not to exceed $5,000,000 for the initial two-year term of each contract, for citywide electrical (general building) construction and maintenance services:
   1. Contract No. 2024-134-COS with Hawkeye Electric, Inc.
   2. Contract No. 2024-135-COS with Jenco Electric LLC
   3. Contract No. 2024-136-COS with K2 Electric, LLC

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

2. **On-Call Materials Testing Engineering Services Contracts**
   Request: Adopt **Resolution No. 13200** authorizing the following on-call engineering services contracts for one year with the option to extend for four additional one-year periods, in an amount not to exceed $350,000 annually per contract, for on-call professional services to provide on-call materials testing services:
   1. Contract No. 2024-143-COS with Ninyo & Moore Geotechnical & Environmental Sciences Consultants
   2. Contract No. 2024-144-COS with Speedie & Associates, LLC
   3. The City Manager, or designee, to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution.

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

3. **Scottsdale Water Strategic Plan 2025 – 2030**
   Request: Adopt **Resolution No. 13191** authorizing acceptance of the Scottsdale Water Strategic Plan 2025 – 2030.
   Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

   Water Resources Executive Director Brian Biesemeyer gave a presentation on the proposed Scottsdale Water Strategic Plan 2025 – 2030.

4. Clean Water State Revolving Fund Loan Applications
Request: Adopt **Ordinance No. 4646** to authorize:
1. The City Treasurer/Chief Financial Officer, or designees, to submit one or more applications for Clean Water State Revolving Fund financial assistance from the Water Infrastructure Finance Authority of Arizona.
2. The City Treasurer, or designees, to take such actions as necessary to apply for financial assistance from the Water Infrastructure Finance Authority of Arizona in an aggregate amount not to exceed $250,000,000, payable from revenues of the utility systems and other dedicated revenue streams as designated by the city.

Staff Contact(s): Sonia Andrews, City Treasurer, 480-312-2364, sandrews@scottsdaleaz.gov

5. Monthly Financial Report
Request: Accept the Fiscal Year 2023/24 Monthly Financial Report as of May 2024.
Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohnson@scottsdaleaz.gov

There was no public comment on the Consent Agenda items.

MOTION AND VOTE – CONSENT AGENDA

Vice Mayor Graham requested additional information on Item 3 [Scottsdale Water Strategic Plan 2025 – 2030].

Councilwoman Whitehead made a motion to approve Consent Agenda Items 1 through 5. Councilwoman Littlefield seconded the motion, which carried 6/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

REGULAR AGENDA

6. Bridge Housing Program Agreement Amendment
Request: Adopt **Resolution No. 13197** to authorize:
1. Contract No. 2023-129-COS-A1, the first amendment to the contract with Pengol Hospitality I, LLC, in the amount of $190,000, for five hotel rooms from October 1, 2024 through May 31, 2025, for the provision of bridge housing to assist those in need.
2. The City Manager to execute any other documents and take such other actions as necessary to carry out the intent of this Resolution and Contract.

Presenter(s): Judy Doyle, Community Services Assistant Executive Director
Staff Contact(s): Judy Doyle, Community Services Assistant Executive Director, 480-312-2691, jdoyle@scottsdaleaz.gov

Community Services Assistant Executive Director Judy Doyle gave a PowerPoint presentation (attached) on the proposed Bridge Housing Program Agreement Amendment.

Mayor Ortega opened public comment on this item.

Ethan Knowlden, Scottsdale resident, spoke in support of the contract amendment.

Lee Cooley, Scottsdale resident, spoke in support of the contract amendment.

Mayor Ortega closed public comment on this item.

Councilmember Durham presented a slide (attached) from a news story and confirmed with Community Services Assistant Executive Director Judy Doyle there have not been any Title 42 residents or any residents from "The Zone" participating in the Bridge Housing Program.

MOTION NO. 1 – ITEM 6

Councilmember Durham made a motion to adopt Resolution No. 13197. Councilwoman Littlefield seconded the motion.

CALL THE QUESTION – ITEM 6

Councilwoman Janik made a motion to call the question, which carried 5/1, with Mayor Ortega; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative and Vice Mayor Graham dissenting.

VOTE ON MOTION NO. 1 – ITEM 6

The Council then voted on Councilmember Durham's original motion to adopt Resolution No. 13197, which carried 5/1 with Mayor Ortega; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative and Vice Mayor Graham dissenting.

PUBLIC COMMENT

No public comments were received.

CITIZEN PETITIONS

7. 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

No citizen petitions were received.

WORK STUDY SESSION

PUBLIC COMMENT

There was no public comment on this item.

1. Financial and Capital Improvement Plan (CIP) Update – Preliminary Fiscal Year (FY) 2024
Request: Receive, discuss, and provide possible direction on the City Treasurer's financial presentation on preliminary FY 2024 results and/or the City Engineer's CIP presentation as of June 2024.
Presenter(s): Sonia Andrews, City Treasurer and Alison Tymkiw, City Engineer

Staff Contact(s): Ana Lia Johnson, Acting Budget Director, 480-312-7893, anjohnson@scottsdaleaz.gov

City Treasurer Sonia Andrews gave a PowerPoint presentation (attached) on the Financial Update – Preliminary Fiscal Year (FY) 2024 and City Engineer Alison Tymkiw gave a video presentation (https://www.youtube.com/watch?v=C5ByahPuUdo) on the Capital Improvement Plan (CIP) Update – Preliminary Fiscal Year (FY) 2024.

There was Council consensus on the following item:

- Provide budget to actual numbers for capital improvement projects in future CIP presentations for Council to review.

Councilmembers made the following observations and suggestions:

- Additional financial and CIP presentations on FY 2024 will be made to the City Council at future meeting dates.
- Six percent over budgeted expectations related to taxes received is positive.
- Provide to the City Council last year's percentage over budget expectations related to taxes received.
- Video of projects was a great method for conveying projects updates and showing how Scottsdale is a world class city.

MOTION AND VOTE – ADJOURNMENT

Councilmember Durham made a motion to adjourn the Regular Meeting and Work Study Session. Councilwoman Janik seconded the motion, which carried 6/0, with Mayor Ortega; Vice Mayor Graham; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative.

ADJOURNMENT

Mayor Ortega adjourned the Regular Meeting and Work Study Session at 6:21 P.M.

SUBMITTED BY:

Ben Lane

Ben Lane, City Clerk

Officially approved by the City Council on September 24, 2024

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 21st day of August 2024.

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

DATED this 24th day of September 2024.

Ben Lane

Ben Lane, City Clerk

ITEM 6

Bridge Housing Contract Amendment

City Council | August 21, 2024

CITY OF SCOTTSDALE

Contract Amendment – Pengol Hospitality I, LLC

- 10/1/2024 – 5/31/2025
- Five Hotel Rooms
- $190,000 – ADOH Funding

CITY OF SCOTTSDALE

What is the Bridge Housing Program?

- Hotel rooms will be used to provide a safe and stable place to stay for seniors and families with minor children who have been displaced from their Scottsdale homes.
- Includes case management services.
- Participants can stay at the hotel for up to 120 days.
- Eligibility requirements include:
  - Seniors age 62+
  - Single parents with minor children
  - Last residential address must be a Scottsdale address within the last six months
  - Participants must be able to complete activities of daily living tasks on their own

Note: any persons who are struggling from a substance abuse disability, are chronically homeless, are not a legal resident, or are from "The Zone" are not eligible for the Scottsdale Bridge Housing Program.

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November 2021
2035 General Plan - Housing Element

October 2022
Begin Bridge Housing Program with Pengol Hospitality I, LLC

June 2023
Contract with AZ Dept of Housing for $940,000

September 2023
2nd Contract with Pengol Hospitality I, LLC

June 2024
Amendment to Extend Contract with AZ Dept of Housing

HISTORY OF BRIDGE HOUSING PROGRAM

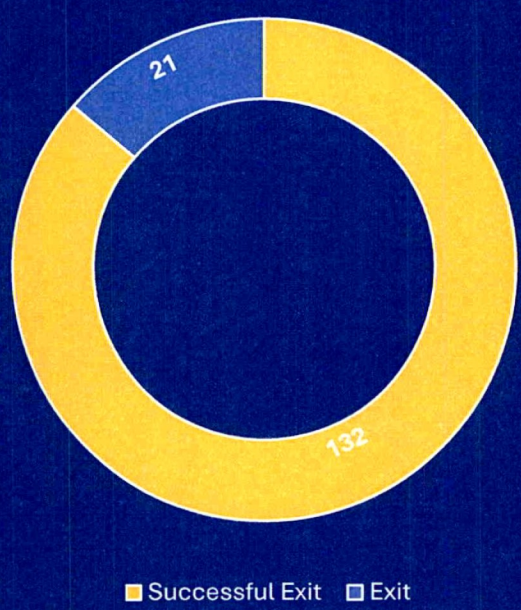
AZ Department of Housing Funding

AZ Department of Housing	$940,000	
Bridge Housing	($37,296)	10 Hotel Rooms Aug/Sep 2023
9/13/2023 Contract	($499,933)	10 Hotel Rooms 10/1/23 - 9/30/24
Supportive Services	($199,680)	Contract w/ Community Bridges, Inc.
Nutrition	($8,700)	
TOTAL REMAINING	**$194,391**	**MUST BE SPENT BY 9/30/24**
Contract Amendment	($190,000)	5 Hotel Rooms 10/1/24 – 5/31/25
	$4,391	Will be used for nutrition

CITY OF SCOTTSDALE

86%
Success Rate

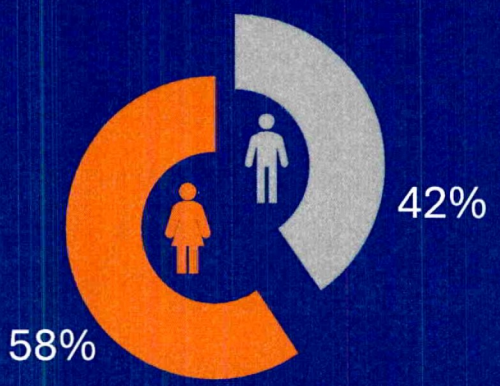
165
Total Served

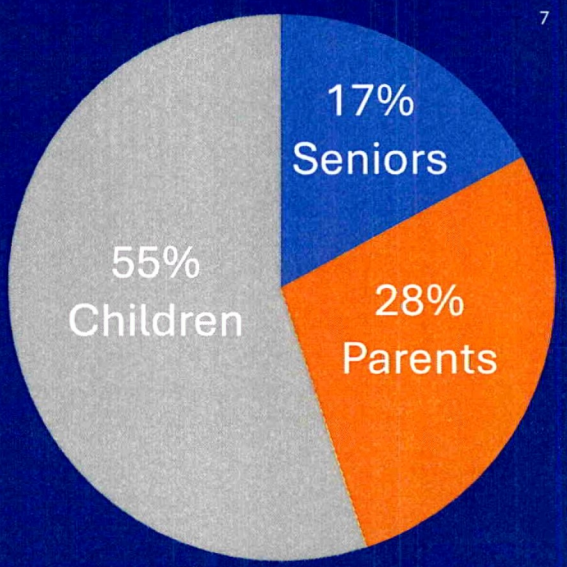


74
Average Days

12
Currently in Program

Demographics





Recent Success Story

A single mother and her three children faced homelessness after her work contract ended prematurely. Upon entering the Bridge Housing Program, the children were able to continue attending their SUSD schools, and the client secured full-time employment with an agency that provided housing for her and her children.

CITY OF SCOTTSDALE

ACTION

ADOPT RESOLUTION NO. 13197

Contract No. 2023-129-COS-A1, the first amendment with Pengol Hospitality I, LLC, in the amount of $190,000, for five hotel rooms from 10/1/2024 through 5/31/2025, for the provision of bridge housing to assist those in need.

The City Manager to execute any other documents and take such actions as necessary to carry out the intent of this Resolution and Contract.

CITY OF SCOTTSDALE

ITEM 6

Scottsdale expands housing for migrants, homeless from 'The Zone'

The city was awarded a $1M grant for their temporary housing program

The Scottsdale City Council voted in favor of expanding its temporary housing program to include border migrants and those from "The Zone."

By Alexis Dominguez

Published: Jul. 3, 2023 at 7:39 PM MST

WORK STUDY

Preliminary Financial Update
General Fund
Fiscal Year 2024

CITY OF SCOTTSDALE

City Treasurer's Office
City Council Meeting – August 21,2024

FY23/24 Year-End Financial Report Timeline

June 30, 2024
Fiscal Year-End

September to October 2024
Year-end Audit

December 2024
Council Presentation

Preliminary Results
August 2024

Audit Committee
November 2024

CITY OF SCOTTSDALE

Year- End Closing Process

Preliminary Results Subject to Change with Year End Closing Process

August - September

Year – End Closing Entries

September - October

Financial Audit
Single Audit (Federal Grants)
HURF Audit
CFD Audits & Reports

October

Complete Annual Financial Reports

December

Expenditure Limitation Audit & Report

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Preliminary General Fund Revenue Highlights

- ❑ Slower sales tax growth offset by strong construction sales tax collections
- ❑ State shared revenues reflect strong income tax revenues from FY22
- ❑ Property tax revenues are lower than budget due to initial refunds for Qasimyar lawsuit
- ❑ Community Services revenues (WestWorld, TPC, Parks & Recreation programs) stronger than anticipated
- ❑ Fines and forfeitures are lower than budget
- ❑ Interest income higher than budget due to continued rate hikes in 2023 and delay in rate cuts in 2024 by Federal Reserve

CITY OF SCOTTSDALE

Preliminary General Fund Expenditure Highlights

- Personnel costs are lower than budget due to vacancy savings and delay of class and comp implementation
- Fire expenditures higher than budget due to ambulance service start-up costs
- Transfers out are higher than budget reflecting increased interest earnings and construction sales tax which are transferred out to fund capital improvement projects

CITY OF SCOTTSDALE

General Fund Sales Tax – FY24 Preliminary Results

Residential rental tax in General Fund totaled $10.2M (SB1131 elimination effective 7/1/2024)

(in millions)	FY23 Actuals	FY24 Prelim. Actuals	% Change from PY	FY24 Budget	Budget Variance	
Retail	$58.3	$55.2	-5%	$52.8	$2.4	5%
Rental	$25.6	$25.0	-2%	$25.3	($0.3)	-1%
Automotive	$23.2	$22.8	-2%	$21.1	$1.7	8%
Dining/Entertainment	$19.5	$18.5	-5%	$17.3	$1.2	7%
Construction	$18.5	$19.0	3%	$14.6	$4.4	30%
Hotel/Motel	$12.7	$11.3	-11%	$10.6	$0.7	7%
Food Stores	$10.9	$10.7	-2%	$11.3	($0.6)	-5%
Other	$30.8	$30.1	-2%	$29.4	$0.7	2%
Total	**$199.5**	**$192.6**	**-3%**	**$182.4**	**$10.2**	**6%**

CITY OF SCOTTSDALE

General Fund – FY24 Preliminary Results

FY24 State Shared Income Tax reflects strong employment, wage growth and capital gains realized in FY22

(in millions)	FY23 Actuals	FY24 Prelim. Actuals	% Change from PY	FY24 Budget	Budget Variance	
State Shared Sales Tax	$35.9	$36.7	2%	$36.5	$0.2	1%
State Shared Income Tax	$46.1	$64.4	40%	$65.1	($0.7)	-1%
State Shared Vehicle Tax	$12.0	$12.6	5%	$12.4	$0.2	2%
Total State Share	**$94.0**	**$113.7**	21%	**$114.0**	($0.3)	0%
Primary Property Tax	$35.8	$36.5	2%	$37.2	($0.7)	-2%

CITY OF SCOTTSDALE

General Fund – FY24 Preliminary Results

Revenues -Charges for Services

(in millions)	FY23 Actuals	FY24 Prelim. Actuals	% Change from PY	FY24 Budget	Budget Variance	
WestWorld	$6.4	$6.7	5%	$5.9	$0.8	14%
TPC	$2.4	$3.6	50%	$3.3	$0.3	9%
PSPRS Credit - Fire Tier 2 Refund	$0.0	$0.7	100%	$0.0	$0.7	100%
Other	$8.2	$12.6	54%	$7.3	$5.3	73%
Total Charges for Services	**$17.0**	**$23.6**	**39%**	**$16.5**	$7.1	43%

CITY OF SCOTTSDALE

General Fund Revenue– FY 24 Preliminary Results

(in millions)	FY23 Actuals	FY24 Prelim. Actuals	% Change from PY	FY24 Budget	Budget Variance	
Local Sales Tax	$199.4	$192.7	-3%	$182.5	$10.2	6%
State Shared	$94.0	$113.7	21%	$114.1	($0.4)	0%
Charges for Services	$17.0	$23.6	39%	$16.5	$7.1	43%
Interest Earnings	$6.9	$14.4	109%	$8.2	$6.2	76%
Other	$114.2	$99.6	-13%	$97.6	$2.0	2%
Transfers in	$19.4	$16.5	-15%	$17.2	($0.7)	-4%
Total Revenues	**$450.9**	**$460.5**	2%	**$436.1**	$24.4	6%

CITY OF SCOTTSDALE

General Fund Expenditures – FY24 Preliminary Results

(in millions)	FY23 Actuals	FY24 Actuals	% Change from PY	FY24 Budget	Budget Variance	
Personnel Costs	$231.7	$257.0	11%	$276.1	$19.1	7%
Commodities/Contracts	$87.1	$96.8	11%	$96.8	$0.0	0%
Other	$3.6	$3.2	-11%	$2.5	($0.7)	-27%
Subtotal	**$322.3**	**$357.0**	**11%**	**$375.4**	**$18.4**	**5%**
Transfers Out	$89.9	$88.4	-2%	$81.0	($7.4)	-9%
Total Expenditures	**$412.2**	**$445.4**	**8%**	**$456.4**	**$11.0**	**2%**

CITY OF SCOTTSDALE

General Fund Division Expenditures – FY24 Preliminary Results

(in millions)	FY23 Actuals	FY24 Prelim. Actuals	% Change from PY	FY24 Budget	Budget Variance	
Mayor/Council/Charter Officers	$27.6	$29.8	8%	$32.6	$2.8	9%
Administrative Services	$22.1	$25.5	15%	$26.0	$0.5	2%
Comm & Ec Dev	$23.2	$23.9	3%	$26.5	$2.6	10%
Community Services	$47.4	$48.6	3%	$50.8	$2.2	4%
Public Safety - Fire	$55.5	$65.5	18%	$64.8	($0.7)	-1%
Public Safety - Police	$122.1	$137.2	12%	$144.3	$7.1	5%
Public Works	$24.2	$26.2	8%	$28.3	$2.1	8%
Vacancy Savings and Other				($4.7)	n/a	n/a
Class and Compensation		-		$6.8	$6.8	100%
Total		**$356.5**		**$375.4**	**$18.9**	**5%**

Questions?

CITY OF SCOTTSDALE