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## **CALL TO ORDER**

[Time: 00:00:09]

At this point, I call the September 24, 2024 City Council Regular Meeting to order. City Clerk Ben Lane, please conduct the roll call.

## **ROLL CALL**

[Time: 00:00:20]

City Clerk Ben Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Ben Lane: Vice Mayor Barry Graham.

Vice Mayor Graham: Present.

Ben Lane: Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

Ben Lane: Tom Durham.

Councilmember Durham: Here.

Ben Lane: Betty Janik.

Councilwoman Janik: Here.

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

Ben Lane: And the Clerk is present. Thank you, Mayor.

Mayor Ortega: Excellent. We have Scottsdale Police Sergeant Sean Ryan, as well as Detective Dustin Patrick and Firefighter Jake Jones should anyone need assistance. Let's begin with the Pledge of Allegiance. I will call on Vice Mayor Graham.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:03]

Vice Mayor Graham: Thank you, Mayor. It would be my honor. I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

**MAYOR'S REPORT**

[Time: 00:01:29]

Mayor Ortega: Well, at this time, we draw attention to the ongoing wars in foreign countries as they fight to protect their democracy and freedom. Also, we keep in mind our own military service members who are here and deployed. So, our thoughts and reflections are with them, and their families. So, I ask that you join together in a moment of silent reflection for these war-torn countries. Thank you.

I also want to draw our attention that this month is Domestic Violence Awareness Month. And it certainly is a social, local and very serious issue. It affects the city in so many ways. We have made appointments in social services and other areas. We are going to be discussing in our agenda police and fire responses and other things that are all intertwined and certainly we want to be aware of domestic violence and countermeasures as we move together as a beautiful city.

**EXECUTIVE SESSION**

[Time: 00:03:31]

Tonight's meeting, the Council may make a motion to recess into Executive Session to obtain legal advice on any applicable item on the agenda. If authorized by the Council, the Executive Session would be held immediately and would not be open to the public. The public meeting would then resume after an Executive Session, again if requested and voted on by the Council.

Also, per our Council rules of procedure, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to ourselves and city staff. It also makes our meeting run much smoother.

Additionally, the Council recently updated our rules which would be that we would avoid using electronic, we will not send any electronic communications while attending City Council meetings or executive sessions, only electronic devices supplied by the city and in use for our Council agenda items business are allowed. So, we do store those aside.

**PUBLIC COMMENT**

[Time: 00:04:46]

The next part of our agenda calls for public comment. Public comment per state law allows for Scottsdale citizens, businesses, or property owners to comment on any non-agendized item that would be within Council's jurisdiction. I'm told that there's no requests for public comment. Therefore, I have opened public comment, and I close public comment.

**MINUTES**

[Time: 00:05:12]

Next, we have the consideration of the Minutes, and I request a motion to approve Regular Meeting and Work Study Session Minutes of August 21, 2024. Do I have a motion.

Councilwoman Janik: So moved.

Councilwoman Whitehead: Second.

Mayor Ortega: We have a motion and a second. Seeing no discussion, please record your vote.

**CONSENT AGENDA**

[Time: 00:05:41]

The next item on our agenda relates to Consent Agenda items. Consent Agenda items have all accompanying staff reports and they have vetted and they are all available on our website and the Council will take formal action on Consent Agenda items one through 17. At this point, I do call for public comment. If there's any requests to speak, they would have filed with our clerk. Seeing none for Consent Agenda items 1 through 17, therefore, I will close public comment on the Consent Agenda items.

Next, I would go for any questions from Council, or I am open to a motion to approve Consent Agenda items.

Councilwoman Janik: I move to approve Consent Agenda items number 1 through 17.

Councilwoman Whitehead: Second.

Mayor Ortega: Thank you. We have a motion and a second. So, seeing no further discussion, please record your vote. Thank you, we are unanimous. 7-0.

**REGULAR AGENDA – ITEM 18**

Next, we will move on to Item number 18. It is relating to Scottsdale Road, the Jomax Road and Dixileta Drive project. We have a construction bid. We have a grant acceptance, and we have some budget transfers to realize a project that has been in design for some time. We have our staff presenter with the transportation Nathan Domme who is the Transportation Planning Manager. So please proceed. Thanks for thanks for your preparation.

[Time: 00:07:26]

Nathan Domme: Thank you. Good evening, Mayor Ortega, City Council. Tonight, I'm going to present on the construction bid and budget changes to the current CIP project SG05 from Scottsdale Road from Jomax Road to Dixileta Drive.

Staff is looking for approval on Resolution 13188 to execute the construction bid award in the amount of \$29.4 million to Hunter Contracting Company to construct the Scottsdale Road section, the acceptance of the federal grant award in the amount of 1.8 million from the safety highway the Highway Safety Improvement Program Grant Funds for the roundabout at Scottsdale Road and Dynamite, the acceptance of federal funds in the amount of \$29.3 million in Surface Transportation Block Grant Program Funds for the corridor improvements itself, and a fiscal year '24/25 budget appropriation transfer up to \$8.9 million from available appropriation in the adopted '24/25 fiscal Capital Improvement Plan for that project to be funded by the regional arterial life cycle program then a fiscal '24/25 budget appropriation transfer and cash transfer of up to \$4 million from the available budget appropriation in the adopted fiscal year '24/25 CIP budget for the project to be funded by the transportation .1% local sales tax, and then additionally a '25/26 budget appropriation transfer up to \$1.7 million from the available budget appropriation in the adopted in the future adopted fiscal year '25/26 CIP budget for the project to be funded by the .1% sales tax.

On the slide is a map showing the project area. It covers a two-mile stretch of the Scottsdale corridor between Jomax and Dixileta, including intersections at mostly Dynamite, Pinnacle View and Pinnacle Vista Drive.

[Time: 00:09:50]

The project was approved in the CIP for the fiscal year 2019/2020 and is a regional project adopted by mag from the regional transportation plan as part of the arterial life cycle program in 2004.

The project will convert Scottsdale Road from its current configuration as a major collector to its ultimate configuration as a minor arterial complete street. This will improve safety and efficiency along the corridor. This project will also convert the intersection of Scottsdale Road and Dynamite Road Boulevard into a multilane roundabout.

During the five-year period before the project was budgeted out, the intersection experienced one fatal and seven serious injury crashes associated with that intersection. The roundabout was determined back in 2017/2018 by our traffic engineering staff to be the most important configuration and operational improvements at this intersection due to the roundabouts ability to reduce those serious and severe crashes related to intersections.

As stated in the previous slide during the construction, Scottsdale Road from Jomax to Dixileta is

being reconfigures to ultimate configuration as a minor arterial. You can see the graphics on the screen, the type of roadway changes that will be incorporated into the roadway. It will include raised medians along the middle, a new sidewalk along the western side, a new shared use path on the eastern side, new pavement along the entire stretch, new curbs and gutters on either side. That's all the surface changes.

Along with the surface changes will be substantial improvements to drainage along the corridor. It will prevent the road from being washed out during the monsoons. So, throughout the entire corridor, culverts will be placed at all the low points to raise the road up and keep it from being impacted by those monsoons.

There's also a left in, left out improvements made at the various intersections along the corridor. You can see it on the graphic right here as I showed the left in and left out. To prevent angled and left turn crashes which more often result in injuries and fatalities compared to other types of crashes.

[Time: 00:12:04]

Last, there's a new right turn bay at Dixileta Drive going northbound to separate the right turning traffic from the through traffic and improves efficiency on the roadway.

As part of the item tonight, there's a need to move more budget appropriation to accomplish the project. There's additional \$14.5 million needed for this project. \$8.9 million will come from a federal contribution of the MAG ALCP program, 5.6 would need to come from the transportation, 1% local sales tax. This tax was passed just recently and was funded its funding is exclusive to provide the local match for ALCP projects. \$4 million will be allocated from this fiscal year, 1.6 will be allocated the next fiscal year to provide the full 5.6.

The total of the project, \$31.1 million of the total project is federally funded. The rest is from the 1% sales tax. The cost increases vary from different sources. 1.7 for a relocation of APS utility lines. As we were in design pretty substantially sized utility lines, electrical lines were found underneath. They were in direct conflict with the culverts. APS has prior rights in the area. We went through many months of negotiation with them. They originally estimated it at 3.7, our CPM staff got them down to just the key areas instead of under grounding if further in the entire corridor, just the key areas and got them down to \$1.7 million.

Additionally, the construction due to low bids, as well as inflation on construction materials is up to \$8.2 million. 2.7 for right-of-way acquisition due to the culverts, as well as increased land values since 2019. We have \$800,000 increase in construction inspection services to comply with the federal regulations of the federal project. Construction and administration costs increased \$666,000 due to the increased to the construction costs. All of those costs go up to accommodate that. So, CPML allocations, construction administration, as well as salaries to our CPM staff.

And so going back to adopting this resolution, and I will open it up for any questions you have for me.

[Time: 00:14:49]

Mayor Ortega: Sure. Let me just lead off. Would you say that this project is shovel ready?

Nathan Domme: This project is at 100% design and shovel ready. Yes.

Mayor Ortega: Great, so that means that we have the responsive bidder. We have already filtered through several bidders. The design process, has of course has been completed and, you know, you summarized several areas, but essentially well, excuse me. Are there any, okay.

So, we also have an opportunity for the public to speak. And I open the public comment, and I see there's no requests to speak. So therefore, I will close public comment.

But just continuing with what relating to what you said so far. Basically, you know, this project is a two-mile stretch, and it resolves a lot of drainage problems. Right now, the Scottsdale Road has a lot of wrinkles in it, and that's little dips and dipsy-dos and I'm told that sometimes people catch air if they are speeding or not observing what is going on.

It's also good, you can see mirages easier if there's a hot road, but this seems to be, you know I mean, this is a very necessary cost improvement. Medians do save lives, and I see where we have some medians on Scottsdale Road. There are none really, until we are putting some in. We see some really good results on Pima Road, just thinking through processing what the completed road could look like. I think we have some attractive go the extra step to make sure that we get really good results on that.

So, I'm very much in favor of supporting this and I will move on to Councilwoman Janik and then Councilmember Durham.

[Time: 00:16:53]

Councilwoman Janik: Thank you Mayor. First of all, can you give me a rough idea why did we only got two bids on this?

Nathan Domme: Sorry I missed that.

Councilwoman Janik: Why did we only got two bids on this project? Just rough idea why you think that happened.

Nathan Domme: I can't speak to why that is. We put those bids out we really want as many as possible. I think our assumption is that the contract companies are not hungry right now for

projects. They have enough and they didn't get enticed by that project. We definitely want to put out bids that will encourage the most number of companies to bid towards it. So, we keep evaluating to see how we can get as many as we can and that will lower the price and that's what we really want.

Councilwoman Janik: Sure. Have we worked with Hunter Contracting before?

Nathan Domme: We have.

Councilwoman Janik: Okay. You have been happy with their work.

Nathan Domme: They have completed the work satisfactory.

Councilwoman Janik: Have they given us massive price increases over the course of construction or have they been pretty good, pretty accurate with their bids.

[Time: 00:17:58]

Nathan Domme: They have been pretty good, pretty accurate with their bids. We haven't had any massive changes to what was originally bid out.

Councilwoman Janik: Okay. I thought when I read through all this information, that some of these numbers were generated six months ago and what I would like to know is when I look at this list, the cost increase breakdown, when were these numbers generated? I believe you said that the land, that number was generated in 2019. Is that accurate?

Nathan Domme: Are you talking about the original CIP budget?

Councilwoman Janik: I guess that's what we're talking about, yes.

Nathan Domme: Yes, the original ones in some areas yes, some no. Throughout the course of the CIP, we had two increases to this project. So, I'd have to go back and look at if that I would imagine the land right acquisitions is original to the 2019 CIP, but through the course of the last six CIPs, we have increased the project twice.

Councilwoman Janik: Okay. All right. I have to tell you, when I look at the cost increase breakdown, which I think I got because we received, because I asked the question, I really, really have problems with some of the cost increases. Admin CPM allocation, greater than 100% increase? How do we justify that? I'm not comfortable with that. I want more information on that and because of that, I think we need to reduce some of these numbers that we are saying it's okay, because on the last two items, the transportation tax, you say that the number is up to. Well, what bothers me is when you say a number allowed finance is up to everybody seems to manage to get to that high number. And that bothers me. That's not how I run my house. This



our tax dollars and I think that number is way out of line and I would request as part of this if we approve it, that we get regular updates on that number and they be justified. I'm very much not comfortable with it.

Salaries, was that number from 2019 or from six months ago? And why wasn't it updated six months ago? I understand land, I get that, but salaries, 28% higher, yeah, we gave raises. That was great. 28% is a lot! So, I'm having a lot of problems justifying all of these numbers and I don't think I'm comfortable voting for this until I see better acknowledgment of where these numbers came from.

The other problem I'm having, it's not like we haven't had problems in the past with planning. And I don't want any of those to be repeated and I want everything to be justified. I want it to be neat and tight going into something that is shovel ready and again, I'm having major problems with this being justified.

[Time: 00:21:08]

Now, I know there's another issue that's going to come up and it's got to do with the roundabout on Dynamite and Scottsdale. I know there's quite a bit of opposition from the people that live there. They think it will be a horrendous traffic jam. What I want to say in defense of what the city has done on that item, is that mortality rates are lower with roundabouts, and I can't argue with a lower mortality rate. So, I think that is really a good decision to do the roundabout. I'm guessing it's more expensive than standard lights. And the reason that there are fewer mortalities it's because people have to go slower, and I think it's about time that the city and all of our residents realizes that we speed way too much. So as a result of that, we have to adjust how we proceed and that would be with the roundabout. So, thank you, I appreciate your answers.

Nathan Domme: Thank you.

Mayor Ortega: Councilman Durham, Vice Mayor Graham and then Councilwoman Whitehead.

[Time: 00:22:10]

Councilmember Durham: Thank you, Mayor. Speaking of the roundabout, I believe there was a four-car accident that was at Scottsdale and Dynamite earlier today.

Nathan Domme: There was, yes. Last night, yes.

Councilmember Durham: And what can you tell us about that accident. Was it speeding?

Nathan Domme: We reached out to get the police report. We haven't gotten that. So, we are investigating it right now to see what happened there.

Councilmember Durham: Thank you.

Mayor Ortega: Okay, Vice Mayor Graham, Councilwoman Whitehead.

Vice Mayor Graham: Thank you, Mayor, thank you Nathan. This is, what is the current classification for Scottsdale Road? At this point because it this is this moving to a minor arterial or is it already one?

Nathan Domme: It's currently classified as a minor arterial here.

Vice Mayor Graham: Okay so we're not changing the classification.

Nathan Domme: It's not, it's configuring it to what it currently classified.

Vice Mayor Graham: Can you pull up a map of the intersection?

Nathan Domme: Are you looking for the roundabout.

Vice Mayor Graham: If you have it.

Nathan Domme: I don't know where it went. Oh, this one?

Vice Mayor Graham: You can do the Elmo. Do these scope changes, are we, let me back up real quick. When was this project first budgeted?

Nathan Domme: 2019-2020 was a temporary project in the CIP.

Vice Mayor Graham: When did you know that costs were going to increase so much.

[Time: 00:25:53]

Nathan Domme: We have known twice through the CIP process and then through the course of the last year, we started having negotiations with APS, as well as other engineering estimates to show that it was going to get to about this price. So, the last time we had a full valuation was about April of this year and we missed the budget cycle.

Vice Mayor Graham: So, did you choose to tell the Council and ask for the budget change because of the timing of when the awards were granted? I'm just, how does the timing as far as how do we how does it get decided when we learn about this?

Nathan Domme: Vice Mayor Graham, are you talking about the federal awards, the federal grant awards?

Vice Mayor Graham: So, the project was \$29.2 at the beginning. It's \$43.7 million. It's 50% increase.

Nathan Domme: Yeah.

Vice Mayor Graham: I asked you when you knew the budget would be sharply increasing and I'm asking why are you asking us today as opposed to years when you knew a year or two ago.

Nathan Domme: We asked for multiple increases. We got to \$29 million fiscal year of '23/24 and through the course of the last year, we have seen continual rises to the cost of this project.

Vice Mayor Graham: So, 29.2, is that a revised budget?

Nathan Domme: That was revised in 23/24.

Vice Mayor Graham: What is the original budget from 2019?

Nathan Domme: I have it here. The original budget was \$13.9 million.

Vice Mayor Graham: Doing some math. Hold on, please. 215% increase. It just keeps going up. It just keeps going up! Land 5,000% increase. Show us on a map why does the land cost 5,000% more.

[Time: 00:26:02]

Nathan Domme: The land was budget to stay as much in the right-of-way as possible. As we put culverts in...

Vice Mayor Graham: point on the map, Nathan, like Nate what why it was 50,000, now it's 5,000% higher. Like, what increased about the land?

Nathan Domme: I don't have the right-of-way acquisition map with me, but it was land values as well as draining. So, when it was first budgeted, the goal was to keep within the right-of-way. As we looked to elevate the road, we had to have the culverts bounce out and it increased not just the land we were it increased the amount of land we were acquiring when we first estimated it.

Vice Mayor Graham: So, this budget increase right here, which is not first increase, you're talking \$5.6 million more from the 1% transportation sales tax. What do we give up? What projects are we delaying or never going to get?

Nathan Domme: This transportation the 1% is exclusively for ALCP projects so this was...

Vice Mayor Graham: But there were other ALCP projects, we have a full budget, we have exactly what we're going to spend on that, what are we giving up what are we delaying?

[Time: 00:27:03]

Nathan Domme: We haven't delayed any projects because of this.

Vice Mayor Graham: The money was just sitting around, unspent? We thought there might be contingencies?

Nathan Domme: We have four projects in the ALCP left to do. We are trying to accomplish...

Vice Mayor Graham: But those are going to be delayed? How does this project the whole western part of this is not Scottsdale but it's going to be totally developed, right?

Nathan Domme: The whole part of this area is Scottsdale. Both sides both sides are Scottsdale from...

Vice Mayor Graham: But I mean like going beyond I'm not talking about just the road. I'm saying beyond to the west.

Nathan Domme: No, the west side is...

Vice Mayor Graham: Is Phoenix.

Nathan Domme: Is Scottsdale.

Vice Mayor Graham: How far?

Nathan Domme: Pretty far to 56<sup>th</sup>, I think.

Vice Mayor Graham: And is all going to be developed?

Nathan Domme: It's already developed.

Vice Mayor Graham: Okay, oh, I'm more south. And does this budget increase include are you adding medians that weren't there before?

Nathan Domme: Yes.

Vice Mayor Graham: Because the Mayor mentioned that medians save lives, which I agree with that statement. Why did we not think about medians we knew medians save lives in 2019. Why did we not think of it then?

Nathan Domme: We did. It was part of the project in 2019.

Vice Mayor Graham: I just asked you, does this budget increase add medians.

Nathan Domme: It adds an increase to the overall project. The scope didn't change from 2019. The budget has been changing.

Vice Mayor Graham: Does this project increase include additional medians that weren't there before the budget increase?

Nathan Domme: No. All the medians were there prior to this.

Vice Mayor Graham: So just costs went up, but we are getting the same thing.

Nathan Domme: The costs went up.

Vice Mayor Graham: Okay. Thank you, Mayor.

Mayor Ortega: Okay. Councilwoman Whitehead, then myself.

[Time: 00:28:41]

Councilwoman Whitehead: First of all, Nathan, thank you for being at the podium. You are not pocketing any extra money. So, I know this isn't your fault. These are pretty extreme cost increases, and the two Councilmembers did ask some of my questions. But I want to make sure I get this straight. And I don't see Mr. Worth around somewhere. I don't know if he wants to be next to a microphone and jump in as necessary. So yeah, one of my big questions is the land. If I understand you correctly, Nathan, the scope in that case, the scope did change because of the design. So, we have to purchase land that was not in the original design, is that am I understanding that correctly?

Nathan Domme: Yes. I would say that because we wanted to make every crossing a dry crossing, the culverts, we had more land acquisition than is needed than was originally thought to be needed.

Mayor Ortega: Excuse me, I see Dan Worth is also available. Do you want to add any comments here?

[Time: 00:29:59]

Public Works Director Dan Worth: Yes, Mayor, Councilmembers, Councilwoman Whitehead, the drainage example, when we scoped this project originally, we anticipated being able to I think there's at least four places where water flows over the road now. We want it under the road. So,

we intended to put these drainage crossings in under the road, culverts. But without getting into a lot of boring engineering hydrology kind of stuff, you've got to have the culvert at a certain elevation in order to make it work properly without creating excess erosion and all kinds of other issues. And as we get into design, we find out how long those culverts got to be in order to do that, where they got to start where they got to end. And we had to extend them out of the right-of-way. We had to buy some private property to do that.

Councilwoman Whitehead: Okay. So, I do want to kind of emphasize that. I have been in this world a little bit myself. Is that when you make a project estimate, and then you get into the design, the scope because that just answers Councilwoman Janik's question. The scope, it's not that the scope changed, but the design tells you, you know, that the map and the ground may not, may disagree and the ground is right. So actually, it's not the same thing that you are quoting, in 2019, that we're getting today and that's for I mean that's why there's that huge increase in costs. I just want to understand that. We still want to get this done.

The other the APS, I struggled with the APS utility, why that's our costs. I was trying to understand that.

[Time: 00:31:45]

Nathan Domme: They have priority rights in that corridor. So that means if there's a conflict between our design and where they are, it's on us to relocate it to where it's at. We have similar negotiations with SRP and APS, where we do have prior rights and it's on their bill to relocate whatever they have. So, it really is when the conflict comes up at a certain point, people start looking back at what the agreements were, who was there first and who has prior rights in that area. APS along the entire northern section has prior rights for us.

Councilwoman Whitehead: So, it's not a \$1.7 million increase, it's just as you got into the design.

Nathan Domme: That would be a scope change. Yes, we saw those wires and we had to lower them.

Councilwoman Whitehead: Okay. So, you can't necessarily anticipate that when you are drawing up the plans. Okay. So, no way around that. Can't get APS, we were going to get charged for that one way or another, if APS paid for it, we would get that bill one way or another.

There was another one. The I think the salaries just keep going up. Let's see if there was another question on the and I also because Mr. Graham brought up, are we bumping any other projects? You said we are not going to change any of the project. Mr. Worth do you want to say anything about that.

[Time: 00:33:18]

Dan Worth: Mayor, Councilwoman Whitehead, the additional funding from M.A.G., they have agreed to provide that funding without taking it away from any other projects, which is great. We get additional money without having to sacrifice anywhere else. The additional city money comes from the 0.1% sales tax, which is specifically approved by voters to provide the local match for these ALCP projects. And we have it within the balance of that fund to be able to provide the additional \$5 million and change for this.

Councilwoman Whitehead: And it's my understanding that if we don't use these M.A.G. dollars another city will.

Dan Worth: That is likely why we're able to get this money without having to take it away from another project, because other cities are struggling to be able to get all of their projects done.

Councilwoman Whitehead: And I just want to add that these dollars are our dollars that we hadn't had the matching funds to get back into our city until the 2017 tax was passed.

So yeah, so I definitely and I think that's an important point as well, is that two points I want to make that when you sketch something like like, when you sketch your new kitchen on a new napkin and you're real excited and you're drinking wine, that design and that estimated cost, and the reality usually don't quite match. This is a big and complicated project and especially whenever we involve drainage and start involving you know, we have to have drainage that actually works. So, you know and in this case, our tax dollars through the federal government, our tax dollars through this regional tax are coming back to make this happen. So, I do support it. And I appreciate just better understanding how we got from the estimate, the kind of design to today's costs. Thank you.

Mayor Ortega: Okay. Councilwoman Caputi and then myself. And Councilman Durham.

[Time: 00:35:21]

Councilwoman Caputi: Just a couple of comments. First of all, I'm super excited about this project. We hear a lot of complaints about our roadways. Here we are doing amazing things with our roadways. We're adding to our roadways. We have a transportation action plan, it's actually called a transportation action plan because it moves and changes and flexes and adjusts as real life changes and so this is a perfect example. I think that the goal of our transportation action plan is always efficiency and safety and that's what we are doing here.

We are constructing a four-lane arterial complete street, raised landscape medians and general traffic improvements to increase capacity and safety along the corridor and at ten intersections as my colleagues have said, this is a really big project. And there's a lot of dollars here. We've mentioned this so many times from the dais, 2019 was a completely different world. I work in

construction, and I Councilman Graham is amazed that costs have gone up that much. I'm here to tell you that they have gone up that much. That is our world. Everything has gone up. And still going up. In fact, I'm hearing in the industry right now that concrete and steel are back up to massive increases and it's my guess that costs are not going down any time soon. You couldn't even get more than two general contractors to bid on this project because people are scared to do projects this size right now. The costs are continually increasing. It's very hard to find labor. And again, we found a good company that was willing to do this. I can't emphasize enough the safety aspect of this. Full disclosure, I live at Scottsdale and Jomax. And this road is one that floods continually. So having the water go underneath the road instead of continually, you know, interfering with our traffic is a fantastic thing that I'm very excited about.

So, again, a rotary to increase safety. We're building capacity, adding to our roadways, bulking up of our roads. This is what people want to see. Continually increasing our network, improving our efficiency, increasing our safety. I'm hugely in support and, again, we are putting in 30% of our dollars and getting back a 70 match, which is how this program was designed. I can't think of a better return on investment myself. I certainly would love to have that an investment like that personally. Again, I'm in support and let's keep moving forward.

[Time: 00:38:04]

Mayor Ortega: Okay. Well, at this point, I will start out with making a motion to adopt Resolution number 13188, with the seven points. I will and if I can get a second.

Councilwoman Whitehead: Second.

Councilwoman Caputi: Second.

Mayor Ortega: Okay. So tonight, I'm not here to do forensic or forensics on what 19, or what 2019 was like. Or I'm not here to point fingers about whether or not there was a pandemic and whether or not there is a supply chain problem. We have a shovel-ready project. What that means is that to get to this point to actually have a contract in our hand it has been reviewed, with with not just staff, but competitive bidding.

We are bidding against other cities, trying to build four miles of highway or four miles of ADOT has taken a lot of subcontractor work off the of the shelf because off the market because they have such tremendous projects going. They are also taking big loads of asphalt and so forth. So, this project has been vetted by the Transportation Department. It's gone through our commissions and it's we are at a point where, again, if we tried to say how badly underestimated it was, or which Council was in charge at that time, or how this you know, got to be so outlandish, it's not the position that I want to look backward. I want to look forward because as I said there was another, perhaps fatality, a serious five-car accident and, you know, the whole purpose of our transportation system is to have safety.



[Time: 00:40:15]

At one point, this was a paper project. Totally paper project. And I'm told that it started at \$13 million and right now, just the subsidy coming from the feds is \$20 million, right? Perhaps at that time they thought they would get five, I don't know. However it has evolved, the numbers have all been really vetted and tested.

If the other fact is that we have a lot of drainage problems along Scottsdale. There are parts of Scottsdale Road that are totally well, this is an area where we have Scottsdale, the city of Scottsdale on both sides of the road. If you go south of here, it's just city of Phoenix, and they are just bare land on that side. So, we have an obligation for the east side and the west side to resolve the drainage problems basically within the city of Scottsdale.

Speaking as an architect, as you conceptualize something and then later you start to see that every crossing with APS under grounding electrical, every future consideration where they may want to upgrade and carry something forward, is considered because we want to dig it once. We don't want to say, oh, and there's something else that is going to be coming along the line.

This project will reduce maintenance because of the overflow we get with the heavy rains four or five times four or five areas and people will call us and say, why is the gravel hitting my windshield right after this. And, you know, certain debris is coming across the road. So, this is in our domain. And it is market driven.

[Time: 00:42:11]

We are we are looking at an actual shovel ready basically contracts ready to sign and move forward, not and by the way, all contracts usually say this bid is good for 60 days. So, if we want to look at one particular part of any of these line items, there's usually about 27 sub areas or divisions, then we're going to be you know, here very late and it's going to be a very tedious process.

So, we rely on our team, and in this case, the design team has made all of these considerations. The right-of-way can get crazy. I'm agreeing with Vice Mayor, you know but it's also a question of, you know, people with private property rights maybe pushing and tugging and pulling to get the maximum right of way possible. We can't start a project unless we have a right of way to build it. So, for those reasons, I the bottom line is our money is worth less, okay? It's called inflation. The fed will tell you, and the federal government put \$4.2 trillion just to get us through the pandemic. That caused an erosion of our dollar value that has never been seen before in this country.

With that, I see Councilmember Durham wants to speak. Maybe I was long winded, but I do support the safety element, reduced maintenance. I have no problem with the roundabout. We have a roundabout on each side of Costco. It doesn't stop anyone from getting to Costco.

It's certainly going to be one way to prevent people from racing to a green light when they are a quarter mile away. So, I'm agreeing that we can save lives and move this project forward. Councilmember Durham, Councilwoman Janik, and then Vice Mayor Graham. Go ahead.

[Time: 00:44:26]

Councilmember Durham: Thank you, Mayor. Just a quick word on the drainage. Like, Councilwoman Caputi, I live in this part of town. And there were periods after rains when Pima was not drivable. It you know, large pools of water, the gravel crossing the road as the Mayor recollects. But it was it was very hard to traverse Pima. And the work that was done on Pima has solved that problem. And I understand why it's so expensive to buy the additional land that's necessary for those culverts. There's been a huge expense of land on Pima that was necessary for those drainage issues and culverts. So that piece is perfectly explainable to me and we'll, it was a huge improvement on Pima, and I'm sure it will be a huge improvement on Scottsdale too.

Mayor Ortega: Thank you, Councilwoman Janik and Vice Mayor Graham.

[Time: 00:45:45]

Councilwoman Janik: Thank you Mayor. I do have a question on the original CIP budget numbers. Is that a mixture of 2019 and 2024, have you been consistent in those reports, or did you take some from '24 April and some from 2019?

Dan Worth: Mayor, Councilman Janik, those original numbers are not actually original numbers. Those are the numbers that exist today. As approved in the '24/25 CIP.

Councilwoman Janik: Okay, so that's kind of mislabeled, yes?

Dan Worth: It is.

Councilwoman Janik: Sounds like it. Okay, no offense, I don't like that. As a scientist, we don't do that, okay? I would like to make a countermotion, and my countermotion would be to adopt Resolution number 13188 with the provision that we get quarterly updates on the cash flow.

Mayor Ortega: Okay, now I'm just going to consider that as an amendment.

Councilwoman Janik: Okay.

Mayor Ortega: It's not a counter motion. You are accepting the resolution but requesting formally for us to get reports. And is that clear to the to the engineering crew as far as what that means?

Dan Worth: Mayor, absolutely.

Councilwoman Whitehead: And I will second that.

Mayor Ortega: So, we have an amendment to our main motion. We have a second. And at that point, I see no other discussions. So, I would ask for us to vote on the amendment.

[Time: 00:47:21]

Vice Mayor Graham: Mayor.

Mayor Ortega: Did you have a comment on the amendment? We have an amendment on the yeah, we can have one. So, at this point, we have an amendment to vote on which would say that if attorney Scott would repeat it, it's just requesting monitoring of the cost. I think I heard quarterly. Excuse me. We have a main motion, and we have an amendment to it. So that's why the.

Vice Mayor Graham: Point of order. Do you have to vote to amend a motion? I thought you just accepted the amendment verbally.

Mayor Ortega: No, we have to vote on an amendment.

Vice Mayor Graham: Is that correct?

Mayor Ortega: Yes, yes. We have an amendment to we have a main motion and if someone wanted to say except on Tuesdays that would be that would be an amendment, and we would have to vote on that amendment.

Vice Mayor Graham: The City Attorney just raised her hand.

Mayor Ortega: Go ahead.

City Attorney Sherry Scott: Mayor, if there's a friendly amendment, there's no need to vote. But I would ask the person who seconded the original motion to it agree with the friendly amendment. I thought that the...

Mayor Ortega: I don't think we need a friendly amendment. Let's just keep it very simple. If somebody else wants to make an amendment, to the main motion after this one is taken care of, then they can make an amendment. To the main motion. So, the excuse me? Okay, if you want to call it a friendly amendment, I don't I believe she moved to it should be an amendment. An amendment is a change to what's already been posted to the public. That's why I suggested it be an amendment. We have an amendment. We have a second. So, we do not need a point of order on the subject, because we have, we can have one vote at a time. So, we have an

amendment. We have a second. We are still going to continue a main motion, but it would be amended if this is if this amendment is accepted.

[Time: 00:49:36]

So, at this point, I'm asking that we vote on the amendment, as requested and seconded. Please record your vote.

So, we have accepted the amendment that said there will be a quarterly and reporting on the expenses as requested. We will now continue with discussion of the main motion, and you I believe you have go ahead, Vice Mayor Graham.

Vice Mayor Graham: Thank you, Mayor. I'm going to be very brief. I will vote no on this motion tonight, and I will explain that very briefly and then I will conclude my remarks. We hire professionals, trained professionals to budget, to set budgets. We all know circumstances have changed drastically. We all know about unprecedented changes, but we also knew about unprecedented changes, but we also knew about the medians. The fact that this floods there, that's not new information. We have known that forever. And so, it's a 215% increase. And I also want to agree with Councilwoman Janik, please don't call an original budget an amended budget an original budget. These are public documents that members the public read and rely on. I will please remind the staff of that, the importance to the attention to detail.

If I thought that I had the votes, I would move to delay this for more discussion and we can get to the bottom of it, as far as getting answers for residents. The ALCP, I was on Transportation Commission when we did that program. We know every dollar that we have all of these projects. We more projects for that than we can do. And so there will be tradeoffs for that as a reminder. And on top of that, this roundabout is not there's not consensus on a roundabout on Scottsdale Road. In fact, I would argue it's very controversial. So that's my concluding remarks on why I will vote no. Thank you, Mayor.

Mayor Ortega: Thank you. I have the City Manager wishing to speak go. Ahead.

Vice Mayor Graham: No, I didn't ask for comment. Thank you.

Mayor Ortega: But I'm allowing it, okay.

[Time: 00:51:51]

City Manager Jim Thompson: I apologize, I pressed a while ago to try to respond to some of the questions pending spending out there so I appreciate it. I've had this up for a bit. I just want to walk through it. I know it doesn't give clarity to some of the concerns out there, but the biggest issue I think was alluded to, maybe not covered enough that I understand was the drainage add-on. The drainage originally was anticipated to be very short and be able to catch up the

area. The largest increase is not the property values gone up from \$54,000 to 2.2 it's just that we had to acquire so much more property for the drainage to pick up the outflows. That was that originally designed no, because we don't do design. We do an engineering estimate and then we come back and when we design it this came forward.

Part of the budget problem we ran into is our budget estimates did not have a design yet. When it was finally designed in July, it came back and said you need to pick up a whole bunch of additional land to be able to do those crossings. If you don't wish to do the crossings and still have the dips, you can certainly do that and then you have the flooding, and the other things associated with it. But we can give you the exact numbers on those and come back and share those as part of the quarterly updates, so you are aware of what those are.

You're going to see a large number in that and there's a lot of dirt moving. And then you have to compact soils. You have to make sure that the water flows are going to go there's a whole bunch involved that increased that.

[Time: 00:53:15]

The other one that was not anticipated, and we accept that was the APS utilities that's 1.7. You back out the change in the actual design because of the flood potentials in those areas and you take out APS that wasn't anticipated, then that percentage drops dramatically.

On the money above and particularly the federal money, originally, where we were allocated \$20.4 million for the project. The additional one does not. The federal money or the ALCP money doesn't come away from our current allotment that we have that we did the .1 sales tax increase to match. This is additional money that they brought out of the pot of money that's available out there and gave it to us for the additional amount. So, it doesn't take away from our other projects approved. Our other projects approved may have that.

The other portion of it, yes, there were only two bidders. We were hopeful that we would have more. Appreciate the Mayor's comments as well, like we ran into in a few projects in the past, on concrete in particular one in downtown here that used up a lot when we were trying to do Civic Center Plaza, we had to order concrete out months in advance. We are running a little bit on the asphalt associated with saying because the state has the 101 and a bunch of other major roadways torn up right now. So, I suspect the contractors took that into consideration as well to make sure they deliver on time.

So, again, it was a bid project, and you are always subject to whatever the market bears for those prices. We did have two bidders, and this was the low bidder. I know that doesn't change your questions. We'll come back at the quarterly report if approved this evening and provide the specifics associated what was originally anticipated with drainage versus what it is today and so forth. But I think that's going to address a good portion of that change, is in those areas. So, thank you.

Mayor Ortega: You know, there's I have been looking at bids and amounts for decades, but as weird as it sounds, okay, infrastructure pays sales tax, and that sales tax goes to the state as well to the city. Now, I never had you know, when I have private sector clients, they pay sales tax and that's all. Well, in this case, we're the paying the bills but we are collecting a sales tax. You know, it goes round and round in that we are part of the regional transportation system. I pointed out that when Phoenix has raw land on the west, we can pretty much let a culvert out. Once it leaves Scottsdale, according to Arizona Law, the water is going to drain back into that Arroyo. But when we have Scottsdale homeowners on both sides of that road, it becomes a full liability for us and we're going to do the what's right.

With that, I see no further need for discussion. Please record your vote. And the vote is on the main motion as with the amendment as approved. So, at this point, the motion carries with 5-2 opposing that was Ms. Littlefield and Mr. Graham. With that, we are concluded with item on our Regular Agenda Item number 18.

**PUBLIC COMMENT**

[Time: 00:56:53]

Next, we move to public comment, a second opportunity for public to come forward. I'm told there's no request for public comment. Therefore, I will close public comment.

Item 19 is posted as acceptance of any citizen petitions and seeing none, we have no action on that item. Therefore, we are concluded with the posted agenda items, and I would request a motion and a second to adjourn.

Councilwoman Whitehead: So moved.

Councilwoman Janik: Second.

Mayor Ortega: Thank you. We have a motion and a second. Please record your vote. Unanimous. We are adjourned. Thank you. Enjoy the evening.

**ADJOURNMENT**

[Time: 00:57:34]