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## **CALL TO ORDER**

[Time: 00:00:40]

Mayor Borowsky: Let’s get started, I’ll call the November 17, 2025 Joint Work Study Session of the Scottsdale City Council and the Budget Review Commission to order. City Clerk Ben Lane, please conduct our roll call.

## **ROLL CALL**

[Time: 00:00:55]

City Clerk Ben Lane: Thank you, Mayor. Mayor Lisa Borowsky.

Mayor Borowsky: Present.

Ben Lane: Vice Mayor Adam Kwasman.

Vice Mayor Kwasman: Present.

**CITY OF SCOTTSDALE  
NOVEMBER 17, 2025 JOINT WORK STUDY SESSION  
CLOSED CAPTION TRANSCRIPT**

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Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas: Here.

Ben Lane: Barry Graham.

Councilman Graham: Here.

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield: Here.

Ben Lane: Maryann McAllen.

Councilwoman McAllen: Present.

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: For the Budget Review Commission, Vice Chair Daniel Schweiker.

Vice Chair Daniel Schweiker: Here.

Ben Lane Commissioners Skyler Badenoch.

Skyler Badenoch:

Ben Lane: Carla.

Carla: Here.

Ben Lane: Bob Lettieri.

Bob Lettieri:

Ben Lane: Brad Newman.

Brad Newman: Here.

Ben Lane: And Mark Stevens.

Mark Stevens: Here.

Ben Lane: City Manager Greg Caton.

City Manager Greg Caton: Here.

Ben Lane: Interim City Attorney Luis Santaella.

Interim City Attorney Luis Santaella: Present.

Ben Lane: City Treasurer Sonia Andrews.

City Treasurer Sonia Andrew: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Acting City Auditor Lai Cluff: Here.

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

Mayor Borowsky: Welcome, Budget Commissioners. Thank you for joining us tonight. So sorry this has been so delayed. Long night so far, so thank you for your patience. And I'm going to go a little bit out of order because we also have some individuals here that are going to receive a proclamation.

#### **MAYOR'S REPORT**

[Time: 00:01:53]

So, I'll jump over to my Mayor's Report and give it now instead of after this Joint Session.

For tonight's Mayor's Report, I'm proud to recognize Chaparral High School's DECA program and its outstanding students led by business and finance teacher Mason Renfer. DECA empowers young leaders in business, marketing and finance, and Chaparral's team continues to represent Scottsdale with excellence. I have issued a formal proclamation naming the month of November 2025 as DECA month here in Scottsdale. Mr. Renfer and his students will be the ones accepting this proclamation this evening. And I will read that now and then I will join you up there and we'll take a quick photo.

Whereas DECA international student organization that prepares emerging leaders and entrepreneurs for careers in marketing, finance, hospitality and management, and whereas DECA's programs integrate classroom instruction, applied learning through relevant projects, connects students with business professionals and promote the development of 21st century skills and whereas Chaparral High School DECA along with other chapters in the Scottsdale Unified School District provide students with opportunities to engage in leadership development, academic competition and community service, that benefit both students and the City of Scottsdale, and whereas the achievements of DECA members reflect the dedication of local educators, business partners and the community in preparing our youth

for success in college, careers and civic life. And whereas recognizing national DECA month demonstrates the City of Scottsdale's commitment to fostering educational excellence and work force readiness.

And now therefore, I, Lisa Borowsky, Mayor of the City of Scottsdale, Arizona, do hereby proclaim, November 2025 as national DECA month, in Scottsdale and encourage all residents to join me in recognizing and supporting the accomplishments of those DECA members, advisors and partners in our community. In witness where of I have unto set my hand and caused to be affixed to the seal of the City of Scottsdale. Congratulations. Thank you all for being here.

Mayor Borowsky: Okay, we are back. The Joint Work Study Session will provide us a less formal setting for the City Council and the Budget Review Commission to discuss specific topics at length with each other and city staff. Joint Work Study Sessions provide an opportunity, this Joint Work Study Session will provide an opportunity for the Budget Review Commission and staff to receive direction from the city Council and for the public to observe these discussions.

So, I don't do we have any comments? One, okay. Hold on.

**PUBLIC COMMENT**

City Clerk Ben Lane: Mayor, Steve Sutton.

Mayor Borowsky: Steve, come on down. Here we go.

[Time: 00:06:21]

Steve Sutton: I guess now it's good evening, Mayor Borowsky and Councilmembers. I just spoke a little while ago about facts supported and a motion supported perception. I just want to quickly clear something up. Nowhere in this entire comment is there a single disparaging word about Kathy Littlefield. In fact at the end of it, I mention her years of good service. Now it may my Councilmember Graham's perception she was disparaged. In reality she was not.

After speaking with volunteer members of various city commissions, it is apparent to me, members like never before, need to be prepared to demonstrate a German word that translates as civic courage. It is also a synonym for moral courage. Moral courage is what you demonstrate when you take action in the best interests of others, even if it means bad consequences for yourself. Commission members must be prepared to risk being removed or not renominated in order to speak truth to power. The power being the City Council and city manager. I urge the commission tonight to investigate the use of 2019 Bond funding to build a garage at the parking corral for which there is not a parking study showing need. And why funding was not used in 2020 for a parking study the Council agreed to do. Cartago delenda est.

**JOINT SPECIAL MEETING - ITEM 1**

Mayor Borowsky: Thank you. Let's get started. Again, welcome and thank you for your patience, good to

see several four familiar faces and one new Commissioner joining us, Bob Lettieri. so thank you for that. This is an opportunity, personally, I really want to hear from you, I know four of you were on the commission previously and were eager to get this kicked off.

So do you want to start by telling just a little bit about your background and also your experience.

[Time: 00:09:06]

Brad Newman: Thank you, Madam Mayor, members of the Council. Brad Newman. Spent 30 years in pharmaceuticals, my background moved to Scottsdale here five years ago from Chicago. And so career in commercial operations and finance and various engineering projects along the way. It fits with budget commission.

Mayor Borowsky: Thank you.

Mark Stephens: I'm Mark Stevens, 36 years with Ernst & Young a managing partner of the Phoenix office and San Diego office at the end of my career, I worked in San Diego as part of the citizens review function to look over their budget and make significant recommendations and then I was part of the commission last year and pretty involved in writing a lot of the reports and making recommendations.

Mayor Borowsky: Thank you.

David Schweiker: I was also part of the commission last year, and I founded my company, China Mist Tea Company in the Scottsdale Airpark in 1982, had it for 35 years before I sold it, spent 12 years in the Paradise Valley Town Council, moved to Scottsdale about 14 years ago, and just happy to donate some effort back.

Mayor Borowsky: Terrific, thank you.

Bob Lettieri: Bob Lettieri. I began my career with Deloitte, remained in finance for the last 40 years, I moved from controller to CFO, where I'm currently a fractional CFO with four clients.

Mayor Borowsky: Great, welcome.

[Time: 00:10:31]

Carla: Carla, I come a money from a different perspective perhaps. After working at darned near every restaurant in town, and then running a small business, for a decade, I helped found the McDowell Sonoran Conservancy, which is a nonprofit and was the Executive Director for ten years. Helped create the Preserve and officially recognized preserve pioneer and I come at it from the viewpoint of a south Scottsdale kid who didn't have much money and you just look at everything in a very tight manner. I think we tried to do that last time, which is flat out ran out of time. So.

Mayor Borowsky: Great point. Thank you for being here this time around, you'll have a lot more runway, so I think we're going to see a different approach and hopefully a little more substantive involvement in the process.

So, I'm going to does anyone want to bring up any comments or questions or I'll kick it off. I'm going to start with just a blanket. This is where I think I would like to see you go. Why I'm challenging the city manager and staff to find 5 percent across the board efficiencies, also known as reductions in the budget for the next fiscal year. I'd like to hear from Commissioners how you think the Budget Review Commission can best help staff find fish find those efficiencies, which, of course, four of the members were here last year, so I'm sure you have some thoughts on that. And question for you, have you met yet as a group? No. Okay. So tomorrow. That's right, tomorrow is your first meeting. So that's quite the challenge, and if we can do that, that would be fabulous. Councilman Graham.

[Time: 00:12:23]

Councilman Graham: Thank you, Mayor. Are there going to be remarks before we ask questions? Do you have remarks for us okay. Good feedback, Mayor.

Mayor Borowsky: Thank you.

Councilman Graham: I'm going to kind of repeat myself, but first of all, it's your service is appreciated, and we have some extremely talented people up here. We'd like to hear from you as far as areas you want to dive into, dig into, drill down into. I talked about this last time we met, and it still interests me. I really care about trends, ratios, I care about those both over time and compared to comparative cities. Over time as a percentage of total wages. How do we compare. Probably higher than comparison and probably higher than trending up because we have more events here. Personnel costs as a percentage of total operating expenditures. Operating expenditures per capita, fund balance as a percentage of annual operating expenses. Debt service is a percentage of operating expenditures. Capital project change orders, expenses or expenditures as a percentage of total budget, original budget. Preserve sales tax revenue as a percentage of actual preserve expenditures. These, you know, these kinds of ratios can be very illustrative. Like I said, you compare them to comparison cities and over time we can see trend lines, and people that can read that, it can really be meaningful.

Maybe I could hear your thoughts about stuff like that, and because when you look at ratios like that, you they communicate things, and they can set off questions and lines of questions. So maybe those don't interest you and that's okay. Maybe some of them do. So, I hope that beyond just the ratios and the, you know, the trending, we can take a sample of capital projects, and dive into what stuff may have gone sideways. I have spoken with some of you individually and I think that's kind of what you're interested in doing we want to empower you to bring transparency to our taxpayers and find any leaks we may have in the ship. Those aren't commands, just ideas and thoughts. Use your talents as you so desire in those directions. Thank you, Mayor.

Mayor Borowsky: Thank you, Councilwoman McAllen.

[Time: 00:15:36]

Councilwoman McAllen: Thank you, Mayor, I want to thank you all for taking time out of your busy lives to volunteer for the city. I think it's very important. I also believe we have highly professional staff at the city who does a great job. I think last year you spent a lot of time trying to figure out where the BRC fit in, I still think we haven't quite defined that enough. I don't necessarily think that we need to dive so deeply. I think that there are issues that do exist that maybe concentrating on those like CIP, things like that. Any type of bond that hasn't been done, looking at overreaching things that may incur or appear to have some waste, but the day-to-day operations, I believe, are pretty well taken care of.

But the bigger overarching issues, unusual things, those are opportunities, but really, a Budget Review Commission is to review the budget, not tell the city employees how to budget, because they're professionals. That's just my opinion, but I believe looking at it and maybe like the Mayor said, possibly trimming things that may come that seem overreaching, but I believe we have a great staff that does know what they're doing, but looking at it from citizen input about what's important maybe like what Councilman Graham said, trends, things of that nature. But I welcome your opinions and what you find interesting once you're presented with a budget and thank you for your time.

Mayor Borowsky: Thank you. Councilwoman Littlefield.

[Time: 00:17:26]

Councilwoman Littlefield: Thank you, Mayor. And thank you all for being here tonight, we really appreciate your time and all the work that you do on your commission.

I have a fairly simpler outlook on budgeting and stuff like that. I look at the numbers and say, hey, compare these to the last three years, including this year, and what are we looking at next year, can we justify increases, can we justify the decreases? Why are they happening? If they're happening for a particular reason in one department, can we look at other departments and say should we be doing the same thing if we are cutting back and does it make sense? In other words, can we cross borders on departmental moneys and changes in percentages and ratios and things like that. Compare budgets versus the actual costs, if there are large differences. Why? Did we make a mistake in the budget, did we forget to put something in? Is that going to affect next year's budget? Or do we just not estimate the actual cost accurately?

So there's a lot of reasons and things that you could be looking at, and I think giving a report back to the Council would help us so that we don't repeat those mistakes in the coming years and we get a more accurate feel for actual costs, actual possible changes, different ways of doing something that might cost less, things like that. Justifying the larger costs, and is it because of increased costs of materials or labor did we just mess up, and is it something that we need bad enough to pay that additional cost. So those are kinds of things to do.

Ways to curb it a little bit, if there's cost cuts that we haven't thought of, that you can look at and see as

professionals and say if they just did it this way and rounded up here, we could cut 10 percent, something to look at. Watch the trends, that's the last note I had. Thank you very much, and thank you for all you do, we really appreciate it, thank you.

Mayor Borowsky: All right, Councilwoman Whitehead.

[Time: 00:19:47]

Councilwoman Whitehead: Also, thanks, all of you, especially all of you, that was a long. That was a long year last year. The way I see it, you are the planning commission of the budget. So, the planning commissioners, they don't go out and look for construction projects but they do thorough reviews of the construction projects that come forward. So that's really, in my view, your job as we are going to have a budget. That budget set going to come budget is going to come from direction from this Council and from staff. And I love we're always looking for being as efficient as we can with our tax dollars, especially as we see some revenue, actions at the state, we have reduced revenue streams.

So but my question is always what is the cost of not doing something as well? That's an important question. If we are going to cut a cost, is there a cost of that action? There's another thought I had too. Just cities have to look. Cities look five, ten, 30, 50 years down the road. So that's how we have to make decisions too. We have to look at the long run. You did a great job last year. So just speaking up with some other ideas. Thanks.

Mayor Borowsky: All right. I don't see any other speakers. Do you have questions for the Council. We can make this short and sweet, since we've all been here a very long time tonight. We will keep our eyes on you, we're going to keep in touch, you know what I mean.

[Time: 00:21:25]

David Schweiker: I think we pretty much agree down here, the ones that know each other, with what we heard up there. I guess some of our questions are: How do we get there? There were different set of directions we had from city attorney what we can do and from the new interim city attorney, there's some different directions. I think Mark has some comments he would like to make on that. I kind of view us as all working together and each one has our separate interest areas, and we will come together. What we would like to do is add value to the city, if there's ways to save money by us looking at it. I guess the question is: What can we do to get the information to make those decisions? Mark, do you want to talk for a minute?

Mark Stephens: Yes, I'd like to. We had a meeting where we debriefed what happened in the prior year and staff presented their model of how things wanted to go. From what I understand, legal counsel has kind of informed them that they need to narrow our ability in order to discuss things with people to get information. A lot of words, deep dive was mentioned that they don't want us digging into things. So, there's a little bit of a conflict going on here now because some of you are saying I want cost reductions, I want you to look at things, I want you to investigate and see why construction projects go awry. And I



have another set coming from legal staff saying no, no, no, make sure it only goes through the city treasurer. If they talk to other people, we have to make sure that everyone on the commission get the same information. So, the construct is not set up well suited for what you are looking for. What I'm hoping comes out of this is the way that this gets done well is if we can scope out the areas that you want us to look at, work with staff and be sensitive to their time frames and then be able to either individually or as a group of two look into certain areas to gather the information and then possibly report back to the commission and then talk to it. Meetings are an individual of a quorum talking together.

But I think staff is being told by legal counsel, if you have one or two people going to talk to anyone other than the city treasurer, that's a violation of the Open Meeting Law unless we provide all the information to people. So, I feel a little bit hamstrung right now, and one of the things we mentioned at our last meeting was to see if legal counsel could come back and tell us ways in which we can gather information or investigate without violating Open Meeting Laws.

So, I think one of the biggest things we need to work out is how do we get the information that we need to do our job without violating Open Meeting Laws. And so that might be something we need to work out to be effective for you.

Mayor Borowsky: Yeah, I think you raise a good point. So, Luis has stepped away for a minute when you first started this, but I would like to hear from our city attorney as to what Mark is referring to. That didn't make sense. I mean two commissioners meeting aren't violating the Open Meeting Laws. So, that didn't make sense.

[Time: 00:24:54]

Interim City Attorney Luis Santaella: Mayor, members of the Council, members of the Budget Review Commission, it depends. If the two commissioners are now a subcommittee of the commission, yes, it could be an Open Meeting Law violation. And only the Council can create subcommittees. What's unusual about the request is compared to other commissions, they want to create a or perform an audit investigative role. It sounds like they want to go out into the field, basically and review stuff and talk to people. No other commission has ever really done that. They usually rely on the information that's brought to them. This would be almost unprecedented and it sounds more like an audit function and there is already an audit department and audit committee.

So, there's two issues here. Obviously, Commissioners can't give direction to staff. The other issue, for example in your Rules of Council Procedure, individual Councilmembers cannot require individual staff members to do a certain amount of work, right, without a vote of the Council. And some of the stuff that's being proposed sounds extremely labor intensive, and that would cause a lot of work. Typically, the way our commissions work, there's a department that's responsible for them and there's a liaison. And the commissioner go through that liaison. The liaison gathers the information and presents it to the commission as a whole. Again, the talk generally is we want all the commissioners to have all the same information, just like we want all Councilmembers.

So if the Council wants to take a different approach, you probably need to amend your Budget Commission ordinance a little bit to give them some of these capabilities, but it does run up against various things and to me, sending out groups of people is effectively a subcommittee, and that you would need to authorize that, and would you need to have the Open Meeting Law apply to those situations.

[Time: 00:27:02]

Mayor Borowsky: So, I think that raises more questions than answered, sorry to say. Why if they are two people just going to visit with staff, why would that have to be a subcommittee? I mean, Vice Mayor Kwasman and I can go meet with constituents or staff or whatever.

Interim City Attorney Luis Santaella: That's very different, you are not conducting work for specific Council. You're not conducting work for the commission as a whole so that's one distinction. More importantly, let's assume they are not a subcommittee. They are interacting with staff, they're directing staff to provide them stuff. Those are orders, in my opinion. The other thing about it is depending without the commission as a whole deciding what they want, they could be requesting hours and hours and hours of staff work on an individual basis. That's why it should be the commission as a whole should be requesting the information and getting the information as a whole.

Mayor Borowsky: I don't disagree with what you just said about suggesting an agenda like they would want their priorities and their work plan if you will voted on if you will amongst themselves. Maybe there's a scenario where you pick ten categories or ten line items, maybe that's too many, maybe that's not enough and that's what you are working on this year. So, I don't know. I didn't support the revisions to the ordinance when we had this discussion a couple months ago because I think it does hamstring you used the word, I feel hamstrung. That was my read on the ordinance too.

But I want this group to be productive and supported to become productive. I don't know how we get there, but, you know, certainly they're going to be here volunteering and doing good work for the citizens of Scottsdale, taxpayers. And I think they should have the resources to do that. But I'm gonna I'm gonna turn the floor over to Councilwoman Dubauskas who has been waiting to speak.

Councilmember Dubauskas: Thank you, Madam Mayor. I was going to recommend similar to what you were saying. Identify in your scope of where you want to go in your meeting tomorrow. Identifying, now that several of you have the opportunity to have taken a look at the budget and identify these are the areas we would like to explore further for the '26/27 budget, I think that could be helpful.

One the things that happened when you came in was we did have runaway expenses with our CIP, with our capital improvement budget. It was very concerning. And so, in response to that, our city manager sat down with you and actually took some of your recommendations and you are no longer seeing those things come up on our on our agendas anymore, because the internal processes are working. Our city manager is taking the feedback and having regular meetings on that. And so, you have had an impact on that in a significant way already. And so maybe there are things like that, that you can identify and focus

on where the city staff is already identified something that they are working on. Let's not have everybody running down different rabbit holes but rather have a more focused approach.

And I think that could be, could satisfy your desires as well as the city staff, you know, they are also working very hard. We never want to appear to not be transparent to the residents, and I don't believe that that was anyone's intention was to try to to try to not seem that way. So, I think maybe some of that was just let's figure out a process, because this was new for everyone. And so maybe that's something the feedback that could be useful for this year.

David Schweiker: Thank you. And just to be clear, I don't have a dog in the fight. I just kind of want to know the rules we're playing by. I think some of this clarification we get from you will be very beneficial to that. Bob has a comment he would like to make and then Carla would like to make a comment.

Mayor Borowsky: Okay. Go ahead, Bob.

[Time: 00:31:39]

Bob Lettieri: Yeah, I think that ratio analysis can be an effective measurement of performance, but I would like to know where the end of line data that the ratios are calculated from are accurate and I don't know what my boundaries are, but my approach would be to look at variances from budget and see what's driving it. Was it an anomaly, an intervening variable that wasn't anticipated? So, I would like to be allowed to analyze budget variances.

Mayor Borowsky: Great. Go ahead, Carla.

Carla: Thank you. First, I want to stress that last cycle and every time we interact, that City Treasurer Sonia Andrews and her staff are excellent. They worked overtime last cycle, and they give us everything we ask for and try and make, try and help us to understand everything that we ask about. So, I want to stress that.

The other thing is I want to reiterate what Councilwoman Dubauskas said, which is the recommendations we made last year, particularly about the CIP process, and how those costs were estimated, City Manager Caton is on that, and it's changing for the positive because as Councilwoman Littlefield said, that was a huge concern.

So I still feel with what you have all said that we're going to need a little bit more clarity in direction still, because, you know, personally, I don't think we should be Scottsdale's version of DOGE, which is just cut to cut, because as Councilwoman Whitehead said, you have to ask what is cost? But at the same time, you want to look at things. I don't think we are trying to replicate, and we shouldn't be replicating the Audit Committee because we already have one.

That's why I have a concern with the term "deep dive." I respect commissioner Stevens, you know, desire to look at why, but we're not an audit committee, unless you tell us we're an audit committee. We serve

at your pleasure. So, are we really a Budget Review Commission, which is under the treasurer? We're not operations which would be under the city manager. So, if we're looking at the budget and we're saying there's a disturbing trend or Commissioner Newman had brought up something to me, that if there's a variance above a certain amount, then we need to look at that specifically. You know, not every variance, but if it's above a certain amount, let's ask why, you know? And I just feel like we need a little bit more clarity in the direction because we can't put ourselves in the same position where we're going in a free-for-all here and we end up behind the eight ball on time again. We're here because we want to help. And we want to be productive.

But if we're going in deep dives, we're going in, you know, let's cut everything, we just need a little bit more clarity, and what you're saying is helpful but maybe a little more tightening, so we are not wasting time and we can get to work. Thank you.

Mayor Borowsky: Thank you.

David Schweiker: Commissioner Newman has a comment also.

[Time: 00:35:22]

Brad Newman: If I think about where we started last year, all of us were getting familiar, Council and commission, and staff working with us, and we really had the opportunity to identify, okay, roads are a big deal. We need more money in roads, okay. There's a suggestion. Capital projects, it's obvious there was an opportunity there and City Manager Caton has done a great job of putting processes in place and putting better review process in place, and Treasurer Andrews has worked endlessly. One day she had four big notebooks as big as her going across the parking lot as I try to get her to get to the other building, but she wouldn't take the help, characteristically. Nonetheless, it's hard in the budget cycle to have a bunch of projects.

I have a couple of suggestions here. One is governance and one is an actual one is actual possible project here that might help solve some of the problems that are brought up here. First on governance, I talked with Treasurer Andrews and I think I talked with City Manager Caton about this, and Carla touched upon it, is the when you look at variance to budget, we had a chance to go through projects and oftentimes they end up in consent agendas and you don't have the time or the bandwidth and the depth to go through that. Why can't the Budget Commission this probably requires an ordinance change, why can't the Budget Commission, when review there's a change over \$1 million or more than 10%, that has to come forward for review and a vote before it goes to the Council. That's a possibility.

Now, I don't want to add a bunch of work for people, but that's a stage gate that forces accountability in terms of projects. We know that there's an opportunity there to solve some things and it it will it will force the questions to happen before it comes to you so you can make a more informed decision. The second one, any project worth of 1 million dollars in the scope, cost, schedule review, in terms of budget commission, it goes to every other planning commission, and they get a vote but there's also a financial aspect to that. So just some suggestions there to consider and obviously I don't want to speak

for staff and what that means or anything like that.

The role of the Budget Commission could play a role in taking workload off the Council and off staff in terms of projects running more efficiently and you are looking for the 5%. And now that gets us to the second thing. We have a new computer system that's been transferred over, over the summer, Treasurer Andrews was working very hard on that. One of the things we talked about last year is there's a consultancy out there, that uses A.I. and benchmarks against municipalities to go through the whole system and find where those opportunities are. So you want to do auditing and things but to go through the budget and say where are the opportunities in this and A.I. can do that very efficiently and not put a lot of burden on staff, that would require hiring a consultant to do that but to Councilman Graham's comments of metrics and things like that, it would give you benchmarks against other municipalities, how are we doing? I think that's a short cut, kind of a cut across the end field strategy to get to the answer much more quickly if we hire some resources to do that.

And then I realize all of these things mean that Treasurer Andrews and City Manager Caton have to do some more work on that. I'm sensitive to adding a bunch of work to them, but if we want to make the Budget Commission work effective, I think getting some resources like that would maybe help help allow us do the work without a lot of burden on staff.

[Time: 00:39:07]

Mayor Borowsky: I really like looking at those issues that are a cost over \$1 million or 10%, I think that's a wonderful suggestion.

Brad Newman: That would require an ordinance change to do that.

Mayor Borowsky: We should hopefully look at that. I think it's a great idea along with your other suggestions too. Good idea. Councilman Graham.

Councilman Graham: Thank you, Mayor. Yes, it's true they can't direct staff, but mostly what we're talking about is pulling reports. That's almost everything we're talking about. That should be okay. When I've been on I was on three commissions and whenever we would want to discuss something, we could agendize it and then, like you're agendizing something and that requires staff to pull up information. You have to pull it and present it. I don't see a problem with that. The capital budgets, I mean for the capital budgets, that one we got they got many of them got out of hands in 2023 and '24 and all that. We without you, you know, we wouldn't know for sure you told us that we weren't laserizing in on our cost estimates. We weren't putting good estimates together. We also weren't following up with change orders. We weren't closely monitoring progress. I mean, didn't you teach us that?

So, it would be nice maybe without putting anybody on the spot, but, like, maybe knowing more detail about that. You can agendize that, you know, project specific without embarrassing somebody, but, I mean, don't taxpayers deserve to know that don't they deserve to know that?

This is not an audit. Not an audit. You are fact finding. You are not taking a nonstatistical sample. I know what we're talking about because it's like one it hamstrung and the other is like okay; I won't use the word "deep dive" anymore or the phrase. Okay, fine I won't use that. And I disagree with Carla on DOGE. DOGE is like, hey, let's see we're paying for these newspaper subscriptions. Let's see if they read them. Oh, nobody reads them? Maybe we should cancel them. That's what DOGE is.

But the Budget Review Commission, I know Luis made the comment, like, well, nobody but nobody but by definition, you are an inward facing commission. Like, there's no applicant coming to talk about budgets with you. All you have is inward facing. And so, I just encourage you to remember that's your charge. We know it's not an audit. We're not doing an audit.

I don't think it's requiring work and giving orders when you okay. So, if you were to say we want to look at we want to look at all capital projects in fiscal '26 and we want to do change orders, expenditures as a percentage of original budget, everything over x dollars threshold or limitation. Couldn't you vote on that and then they could bring that you? And you could look at one or two? I mean, I think that would be illustrative.

Brad Newman: We did that last year.

Councilman Graham: Right.

[Time: 00:43:01]

Brad Newman: Actually, the one time we were allowed to meet with people, we had a meeting where Dan and I met with a group of people and we went over that list and asked questions about the variances and that led to some of those recommendations.

Councilman Graham: Right, and so that that procedure shined a light on kind of what happened. What happened in the front end and then in the monitoring in the back end, like, we learned from that. And so now we're kind of like this is the next season. It's, like, we have more capital projects and some of them are gonna go over budget, like just gonna happen. But can we what can we look at a couple, maybe learn from it and so I really encourage that.

Okay, the Commissioner Lettieri mentioned budget variances. That's important, but I think it's actually more important to look at budget trends, ratios and comparisons because then that can raise flags. You have an expectation and if something doesn't all of a sudden you see something you know, overtime as a percentage of total wages in one year goes up, like that flags itself, and you want to ask then you can make inquiries about that and present that to us. We want to hear from you in your recommendations like, you know, it's it's not about, like, putting anybody on the spot, but, it's just, like, we looked into this overtime thing and we think that more the city manager is listening to that. I know that he's doing stuff with the fiscal '26 budget that he's hitting hard on it, if I can speak for you. I get a slight nod from you. There we go. A slight nod.

I'm excited about this season, what you guys do. I agree that Mr. Stevens, I get that you will have to work within some parameters because we can't we can't dive deep and, you know, give commands and give people work, but we can ask for reports and we can ask questions and we can look at ratios and then we can you know, we can probe a little bit. So, we're not yeah. We're not asking you to save the world but if you can come up with a handful of, you know, recommendations or expose a few things for our taxpayers, it can go a long way. It can be a real force multiplier for transparency and our taxpayers. Thank you, Mayor.

[Time: 00:45:37]

Mayor Borowsky: And I agree with nearly everything you just said. So, I think that was great input and I want to make sure that we, again, are supporting you all and giving you the resources you need. So, I don't see any other...

Brad Newman: Can I can I have just a few more minutes.

Mayor Borowsky: Oh, sure.

Mark Stephens: I think it comes down to what are we going to do and who is going to do it. I think it's one person, no subcommittee. One person. Now, can you just give me two minutes to show you something. Can you put that one document, the long document that I have, I'm going to go through this super, super fast if you can put this up there. This was a work plan that was sketched together by me, and I had Brad look at it. It kind of showed here's the Marching order we can do. It has way more than we ever could do. My thought is if we can do this, let's figure out the timing and when this is happening so it's not disruptive to your people and then we as a group will decide which of these things do we want to take on and then we will go ahead and do that as our Marching orders. Are we going to be able to put that up or not? There were two documents.

City Clerk Ben Lane: I just need one minute.

Mark Stephens: Okay, what I did was I broke the whole thing into four sections, general fund, capital, enterprise, and then the sustainability assessment. It went through and said here's the areas we should be looking at. This group, I think should figure that out based upon what you are saying. And then it had tasks within there which is what we would do. A whole bunch of this is not going to be because there's better ways to do it. My desire was to go through this with staff, so we know what we want to do, dig into the areas you want. You talk about construction, it will be okay. Which of the projects we're going to look, let's then meet with someone, and look at the cost estimates and is it a contract, is it an estimate, a model, a tool that's reliable? Has the tool been reliable in the past and my idea is we will be doing it on the heels when the numbers are coming together and it might not even end up in a report because they might just take our suggestions and plug it into the budget.

Anyways, that was maybe we don't need to show it, but it exists. Something exists that I hope we were kind of struggling to know what to do. And right now, the current model has us meeting a few times.

Oh, there it is. Meeting a few times in a public forum and we won't be able to understand anything then. Okay. Go to the next page.

That was the intro with the four areas. Keep going. I will go through this as fast as we can, just to give them a feel for it. It won't be that easy. You have to distribute it to Council. Okay. It's not gonna work. Go to the next page. Can you go to the next page? Okay. Part A, general fund. Revenue review, we will have different tasks and look at trend analysis to look at the revenue things there. Then go to the next one, fire and police department. Okay, what are we going to do. Meet on the heels of them doing the FTE assessment and talk to them to see if they considered everything that they can. And then we will go down to C and look at non-personnel categories and look at trend analysis there. Keep going. I might pick some other ones. Cost recovery programs, impact fee. We probably won't do that. That's things that came out of the last year's suggestion. Keep going. Pension funding, maybe we will look at that. And keep going. Go to the next section enterprise fund. Should we be looking at something for water and then it came down to construction and CIP and what should do a project anyway.

Know that this kind of document existed that said, here's a scope. Is this something we need to do as a group to come back to and these people need to agree with it. And then give us a framework. This is my audit background for being with Ernst & Young for 30 years. Let's come up with a plan and execute it.

[Time: 00:49:52]

Mayor Borowsky: I really like the plan. I think that's great. Have you shared this with Sonia?

Mark Stephens: She's seen it but then when we talk about how to do this, that's when we run into the open meeting violations.

Brad Newman: Something that's very important. There's a lot more here that can be done in one season. It's a multiyear process. It might be worth while for the Council to take a look at this. Barry has some objectives, you have some objectives and you have some objectives. Go through this and say here's the three things we want you to really focus on this year and pick three. And then next year we'll pick the next three and then in three years we have nine big things done. I would maybe try to do it that way. Like, Barry wants to go over a lot of metrics, 5%. Where do you think that 5% can come from? Which metrics do you think are the most important? Think this can help guide that. You can as a team prioritize that and come back and give us. That would help us in terms of getting guidance.

David Schweiker: We can do whatever you want us to do. We just need to know what that is and what the parameters are in how we go about doing it.

Brad Newman: I think whatever you prioritize, balance that with a discussion with staff to understand, hey, is this doable. But certainly, a ten-page document is not doable in one year.

Carla: I want to stress one thing he said, which is multiyear project because if we're going to ask you to review this whole document, put together priorities and then make a whittled down document and



direction, then we're looking at putting the treasurer's office behind for the budget cycle. Let's be realistic about reviewing this year's budget and then how let's just look at it long term because I do not want us and I don't think you want to do what we did last cycle which is the treasurer's office was working overtime to actually put together the budget and serve the BRC and serve the Council, and I honestly I don't know how they achieved everything they did. So, let's be let's be realistic. That's all I'm asking.

Mayor Borowsky: Thank you. And thank you, Mark, for putting that together. If you would circulate that to someone, a staff member, I guess Sonia.

Mark Stephens: It was at our last meeting. It is on file. It's there.

Mayor Borowsky: Okay.

Mark Stephens: And one more thing I want to add, your staff is really, really good. I met a lot with your key staff, the ones sitting there and I met with some of the people that report to them. You've got some really good people here and as an accountant, I have a high degree of confidence in the amount of quality information that is being generated.

Mayor Borowsky: That's great feedback, thank you. Councilwoman McAllen and then Councilman Graham.

[Time: 00:52:40]

Councilwoman McAllen: Thank you, Mayor. Commissioner Stephens, I appreciate you taking the time and Commissioner Newman to create that type of document. What you are suggesting is very similar to what audit committee does. They look at the whole city, every single department. So, it's a cycle. Just exactly what your suggestion would be. And I would say maybe under the direction of City Manager Caton and our city treasurer, to maybe look at that document, hone it down, and maybe look at a long-term whatever, five-year outlook, something of that nature but with the parameters of we're looking at these type of things, these four things in these three departments or these three things. Then you know, like you were saying, looking the percentages, the overages, not to use the term "deep dive" but those type of things. Like, if you look at a rubric, for practical purposes you create a rubric that you will use in this scale or in this schedule over the next three years for this department, this department, and this department. And use that rubric and apply it. It might go super-fast in some areas but less in areas, but it seems very similar to how we actually operate the Audit Committee, but it would give you direction and it would create the parameters and what you are looking for or a rubric for another term. But thank you so much. I love that idea.

If City Manager Caton and city treasurer would be open to that they could look at your document and hone it and create something that is usable. Thank you.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Would you like to spend another hour talking about the budget tonight? Thanks for being here. Tomorrow.

Mayor Borowsky: Thank you. I don't see anyone, oh, City Treasurer Sonia, go right ahead.

[Time: 00:54:40]

City Treasurer Sonia Andrews: Thank you, Mayor. Thank you, Council, and thank you, BRC members. There was a lot of great conversation tonight, and I took a lot of notes. And I just wanted to make sure that the direction for staff is clear. I heard that I heard a lot of different direction.

For example, I think it sounds like you would like the BRC to look for 5% cuts across the board for the budget and also look at a lot of trends and ratios and comparisons to other cities. Maybe select some areas and do some specific did, maybe not audit committee audit might not be the word or deep dive might not be the word but maybe more inquiries and reports and also looking for some efficiencies and maybe I also heard that you're interested in taking a look at commissioner Stevens' document and maybe trying to refine that.

I do want to say that the last at the last meeting in October, we revised the Budget Review Commission Ordinance to focus them on reviewing the budget so and we removed the work plan and the scope of specific items. So, we will bring back to you an amended ordinance again to add those features back in. It doesn't provide for that. It focuses them on reviewing the budget and also so I think I would like more direction on that, and make sure that we are addressing the Council's interest. Thank you.

Mayor Borowsky: Well, I think you have summarized that really well and I do think the ordinance, you know, we need some meat on the bones for them to be able to do what they need to do, to be productive. I think that's a good idea and that's why I didn't support those revisions in the first place. So, I would like to see that put back together. So that's great. Councilwoman Dubauskas.

Councilmember Dubauskas: Thank you, Madam Mayor. I don't think you heard unanimous direction from the Council on a 5% cut. Councilwoman Whitehead said she was concerned that if we cut some things, what is the long-term hurt there? And I'm aware that City Manager Caton is working with his staff on budget cuts and so he has his own thing. I'm a little bit concerned if we give so many different people different direction, obviously we want to have an efficient budget, we want to spend the taxpayer dollars well and be good stewards of the money and if we can reduce our budget, that's a wonderful thing. I don't want to do that and step over his toes and I don't want to do it in a way that is not long-term visionary for the city of Scottsdale. I think I don't think that's a direction that we should run. Now, we should have an overall goal of seeing if we can reduce reducing where we should if we find redundancies, things like that. I do believe that the city manager has a pretty big initiative going on right now to address the budget reductions. So...

Mayor Borowsky: Councilwoman Whitehead.

[Time: 00:58:19]

Councilwoman Whitehead: Thank you. Thank you for bringing that up. Yeah, it's up to the Council to direct the city manager on these cuts and then you all to review. So back to my point in commission you know, you get what we provide and then you review. You don't go out seeking for I think that's anyway, good point, Councilwoman Dubauskas. Thanks.

Mayor Borowsky: Councilman Graham.

Councilman Graham: We're kind of debating now the 5% cut. I don't believe in a 5% cut for the sake of a 5% cut. A lot of times that means we are not spending money a capital project. We better be spending that money. We tax people. Do we just let money sit in there? Just for so we can say check the box that we cut it 5%? So, for the cutting for the sake of cutting is not good. However, you probably find 5%. So, but I don't want to hold capital projects back for the sake of that. And if we're gonna you have to look at the full picture. So, thank you, Mayor.

Mayor Borowsky: Thank you.

Mark Stephens: I'm sorry on the 5%, there's a lot of budgets here. So when you say 5%, that's not the total \$2 billion or is it something for operating? It's operating that's 500, \$600 million?

Councilman Graham: It's op ex.

Mark Stephens: It's op ex, so the operating piece, okay.

Mayor Borowsky: And it's finding efficiencies right and reducing redundancy and things of that nature. And, you know, I have confidence that, you know this is a challenge to not you, necessarily, but the city manager. And it sounds like he's already been doing that and identifying those. So, I have I have confidence in you to find some good savings. So, thank you. All right. I don't see anything further. Anybody? All right. Do you have for anything for us further?

David Schweiker: Thank you.

Mayor Borowsky: Thank you for coming and being so patient with us today. Have a great night.

All right. So that concludes our Work Study Session I believe. Now we are going to move to adjourn this.

## **ADJOURNMENT**

[Time: 01:00:51]