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#### **CALL TO ORDER**

[Time: 00:00:01]

Mayor Ortega: I call the June 4, 2024 City Council Regular Meeting to order. City Clerk Ben Lane, please conduct the roll call.

#### **ROLL CALL**

[Time: 00:00:10]

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.

Councilmember Caputi: Here.

Ben Lane: Tom Durham.

Councilmember Durham: Here.

Ben Lane: Betty Janik.

Councilmember Janik: Here.

Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

Ben Lane: And Solange Whitehead.

Councilmember Whitehead: Here.

Ben Lane: Acting City Manager Bill Murphy.

Acting City Manager Bill Murphy: Here.

Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: Acting City Auditor Lai Cluff.

Lai Cluff: Here.

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

Mayor Ortega: Thank you. We have Scottsdale Police Sergeant Sean Ryan as well as Detective Dustin Patrick and Firefighter Emma Hayden if anyone requires assistance. At this point, we will begin with the Pledge of Allegiance and call on Councilwoman Caputi.

**PLEDGE OF ALLEGIANCE**

[Time: 00:00:52]

Councilwoman Caputi: 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: 00:01:17]

Mayor Ortega: At this time, we draw attention to the ongoing wars in foreign countries as they fight to protect their freedom and democracy. We pause, especially, for our own men and women in the military, who are standing for our freedom as well. I ask you to join me in silent reflection for these war-torn areas.

Thank you. I wanted to thank Councilwoman Whitehead for her dedicated service as Vice Mayor, and the next eight months, we will have Vice Mayor Councilmember Barry Graham.

Scottsdale currently has one opening on the Development Review Board. The board helps maintain the quality of development by reviewing architectural design and layout of proposed plans and commercial developments and subdivisions. Members of the board must have professional experience in design, architecture, or development, and the board typically meets at 1 p.m. on the first and third Thursdays of every month. I would ask you to please go to [Scottsdaleaz.gov](http://Scottsdaleaz.gov) and search Development Review Board if interested, you can apply by Friday, Friday, June 14<sup>th</sup>. When I was a civilian, I served for six years on Development Review Board. So, I will say it's an interesting position. So, we want to encourage people to apply for that.

**CITY MANAGER'S REPORT**

[Time: 00:03:21]

Next, we will call on Bill Murphy, who is the Assistant City Manager, to provide your Manager's Report.

Acting City Manager Bill Murphy: Thank you, Mayor. We do have a Fast Five Video to share right now. So, we'll move forward with that.

I'm Public Affairs Supervisor Holly Walter with five fast things happening around the city you need to know.

Starting us off at number five, with the candidate-filled set for Scottsdale's July 30<sup>th</sup> primary election, voters should take note of important deadlines. Early voting begins July 3<sup>rd</sup>. The last day to request an early ballot is July 19<sup>th</sup>. Ballots should be mailed back no later than July 23<sup>rd</sup>. You can vote early in person through July 26<sup>th</sup>. If you are registered as independent or party not declared, you must request a party for city-only ballot to participate in the July 30<sup>th</sup> primary election. Visit [beballotready.vote](http://beballotready.vote) to verify your registration status and ensure your information is correct.

Coming in at number four, join the June Days summer spectacular. June Days is a celebration of all things that make Old Town Scottsdale unique. There are daily activities and events all month long, including art exhibits, wine tastings, crafting workshops, live performances, and family-oriented outings.

June Days leaves visitors with suntans and sunshiny memories. Visit our website to see the full calendar of fun.

And the popular rebate program. Residents and businesses can take advantage of water saving opportunities and get financial incentives for grass removal, pool or spa removal and other conservation efforts. Find water conservation tips at [Scottsdaleaz.gov](http://Scottsdaleaz.gov). Search water rebates.

And number two, get ready, set, go for the summer monsoon. Monsoon season often brings thunderstorms with heavy rain, flash flooding and lightning, which can cause wildfires. In the event of an emergency, look for messages on social networks and in the news media. Be ready. Always be prepared for potential emergencies. Get set by maintaining awareness of events that may force evacuation and go! Evacuate immediately as instructed by emergency authorities. Learn how to prepare and get safety tips at [Scottsdaleaz.gov](http://Scottsdaleaz.gov). Search emergency.

Wrapping things up at number one, the largest fireworks show in Scottsdale's history is set to take place Thursday, July 4<sup>th</sup> at WestWorld of Scottsdale. This family-friendly patriotic celebration unites everyone's summertime favorites, fantastic food, phenomenal fireworks, and fabulous fun. Enjoy old event favorites and experience new ones this year, including a winter wonderland with a snowman making contest toboggan runs and ice skating and the be healthy Scottsdale village with 50 health and wellness booths. Learn more at [Scottsdale4th.com](http://Scottsdale4th.com). And that's Scottsdale's Fast Five for June. Thanks for watching.

Acting City Manager Bill Murphy: That concludes that, Mayor, thank you.

#### **EXECUTIVE SESSION**

[Time: 00:06:38]

Mayor Ortega: Thank you, Bill. During tonight's meeting, the Council may make a motion to recess into Executive Session to obtain legal advice if authorized by the council, the Executive Session will be held immediately, and will not be open to the public. The public meeting would then resume following an Executive Session.

Also, per our Council Rules of Procedures, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to members of the Council and city staff. Unauthorized remarks or demonstrations from the audience such as applause and other noise will not be permitted. Violations of these rules could result in removal from the meeting by security staff. You can also note there are there is signage about restricted areas in certain parts of mezzanine areas. Please observe those limitations on access. There's plenty of seating as well here.

#### **PUBLIC COMMENT**

[Time: 00:07:43]

Next, we move on to public comment. Public comment is reserved for Scottsdale citizens, Scottsdale business owners and/or property owners to comment on non-agendized items that are within the council's jurisdiction, advocacy for or against a candidate, or ballot measure during a council meeting is not allowed pursuant to state law. And is therefore not deemed to be within Council's jurisdiction. No official council action can be taken on these items, and speakers are limited to three minutes to address the council. We have one request, and you can come forward, and have three minutes. State your place of address. We have Daniel Ishac.

[Time: 00:08:26]

Daniel Ishac: Daniel Ishac. My address is on record. Mayor, Council, thank you for the opportunity to speak. I probably attended close to 100 meetings either in person or watch them online and I have to say that the last council meeting was a new low for the Council. And of course, we have Mr. Graham's typical let's try to attack city staff, let's interrogate them. Let's interrupt them while they try to answer to get a sound bite for your campaign purposes. Luckily Mr. Biesemeyer is far too experienced to fall for those tricks, but worse than that was Councilmember Littlefield's behavior at the last meeting.

Councilmember, for two years, you've sat through a half a dozen Council meetings where the Sustainability Plan was presented to you. There were dozens of community outreach opportunities and I believe you participated in some of them. The most recent meeting, March 19<sup>th</sup>, was a Work Study where the final draft was put forth before the council. At that meeting, you expressed overwhelming support for the plan. In fact, the only changes that you asked at that meeting which I attended and watched again before this evening, was to put in the SEAC recommendations for the goals which were actually more strong than those by city staff. You commended how SEAC and the staff worked together and you extolled virtues of the process.

Fast forward to the last meeting, and suddenly, you acted as if you had never read this document. You made comments that were to be kind, inaccurate but more likely, they were just tropes. You said it was the first step of creating a police state. You said it was changing the law. You said that it would pit one neighbor against the other. And tell people that they have to get out of their cars and where they have to plant trees in their front yard and both you and Mr. Graham commented that it was codifying things. Well, if either of you believe that that document changes municipal code, you have a basic misunderstanding of municipal ordinances. It doesn't. It was an aspirational document for this Council and other councils to use as a guidepost.

So, what changed? Well, you also expressed concern about how many emails were received against the Sustainability Plan and you expressed shock, even though your husband had sent out a blast email to his followers requesting that people send an email to the council or show up and talk about it, and cited the same nonsense that you did in your prepared statements. This document in no way changed a single word of our laws but both of you acted as though it was the Gestapo going to force our community to higher costs and crazy things. Why the change? Perhaps it's because it's an election year and you wanted it to be a wedge issue. Well, that behavior is unacceptable. Thank you.

Mayor Ortega: Thank you, next we have Mason Gates.

Vice Mayor Graham: Mayor?

Mayor Ortega: We will take public testimony and you can respond after that. That's the way we will do it. Sure. Just to be clear.

[Time: 00:12:02]

Mason Gates: Hi there. My name is Mason Gates. I live there at 6599 East Thomas. If you and I as citizens can manage to live responsibly within our means, why should we expect anything less from our government. While an insatiable demand for spending characterizes many municipal governments across the United States, Scottsdale taxpayers deserve leaders who can prudently steward public resources. Unfortunately, recent events have shown our elected officials have a tendency to approve projects that end up costing vastly more than projected, blowing out our budget and leaving us all worse off in the process.

Let me cite as example 1a the approval of \$53 million dollars for a new police and fire training center, a 140% increase above projections when voters approved the initially estimated \$22 million project in 2019. None of us regular citizens would tolerate a home improvement project that estimated to cost \$22,000 that ended up costing \$53,000 because the contractor duped us.

Example 1b might be the roundabout project on Miller and Osborn that came in 400% above initial projections. We could only hope that the recently approved Scottsdale Road and Dynamite Boulevard roundabout project doesn't succumb to the same budgetary fate.

We were also recently made aware of the north Scottsdale sewer pipe project that came in more than 11 times above initial estimates from \$6 million when first approved to \$68 million when recently reapproved by majority of the Council. If the projects I listed were completed with initial budgetary projections the city would have saved \$99 million! That amounts to roughly \$390 per resident. This sum would have been would have more than covered the recent \$5 million settlement awarded to the wrongly terminated former city prosecutor Shawn Fuller.

Never mind the fact that we wouldn't have to spend time squabbling over City Manager's Jim Thompson's salary if we had this much extra cash on hand. The costly trend is likely to continue if we fail to recognize the virtue and fiscal prudence and acknowledge that budgetary responsibility is both good policy and good politics. We need to build a consensus across the vast ideological spectrum represented on the current council and agree that this trend of approving projects that subsequently cost far more than projected cannot continue. Fiscally reckless policy decisions have real consequences for everyday residents. For the sake of every member of our Council, I hope the current Council will work together to avoid the future possibility of budgetary blowouts on city projects. It's about time we call on our local government to live within its means. Thank you.

Mayor Ortega: Thank you, sir. And, you know, you are a candidate for office, so you are dismissed, but, you know, we don't need speeches up here generally speaking. Please state your subject next time, and we'll understand what you are coming up for as a single subject.

Next, we have a question from Vice Mayor Graham, and oh, excuse me, I will now close the public comment. So, there were two. Under our rules, it's possible to respond. Limit the response and please go-ahead Vice Mayor Graham and then Councilwoman Whitehead.

[Time: 00:15:22]

Vice Mayor Graham: Thank you. Really quickly, I just want to say about Councilwoman Littlefield has served this community with integrity, and with very high resident approval over the last 10 plus years. And so, for that I commend her. Thank you.

## **MINUTES**

[Time: 00:15:53]

Mayor Ortega: Okay, next, we are moving on. The next subject as posted we have the approval of the Minutes. First of all, I request a motion to approve the Special Meeting Minutes of May 6, 2024, the Executive Session Minutes of May 6, 2024, Regular Meeting Minutes of May 6, 2024. Do I have a motion and a second?

Councilmember Janik: So moved.

Councilmember Whitehead: Second.

Mayor Ortega: We have a motion and a second. Please record your vote. Unanimous. Thank you.

## **CONSENT AGENDA**

[Time: 00:16:29]

Next, we will move on to Consent Agenda Items. Consent Agenda Items, number 1 through 16 have extensive file information, and I, at this point, would mention that we see no public comment on the Items, number 1 through 16. The next request is from Vice Mayor Graham, in case anyone has a question regarding any of the Items 1 through 16, go ahead Councilman, Vice Mayor.

Vice Mayor Graham: Thank you, Mayor. I had a few questions about Item 15, but I don't plan to pull it. Nor do I plan to pull any other items.

Mayor Ortega: So, mention what the item is.

Vice Mayor Graham: Thank you, Mayor. Item 15 is Shawn Fuller vs. City of Scottsdale Appeal. And to

whom should I pose those questions? Lori Davis? Okay.

[Time: 00:17:28]

City Attorney Deputy Lori Davis: Sorry, Lori Davis.

Vice Mayor Graham: Lori, how much has this lawsuit cost to date?

Lori Davis: Mayor, Vice Mayor Graham, thank you for the question. Before I answer your question, I want to make sure Council wants me to answer publicly, because ordinarily, we do not comment.

Mayor Ortega: Yeah.

Lori Davis: On matters that are in litigation, and I will remind Council that you have the ability to adjourn to Executive Session.

Vice Mayor Graham: No, I don't...

Mayor Ortega: Councilman, that question has been asked and answered, and unless you want to come, we came out of Executive Session on this subject, and it's not...

Vice Mayor Graham: No, thank you Mayor, I'm not asking for us I'm not asking for us to go to executive to resume to executive.

Mayor Ortega: But you asked how much it cost, and it has been answered. We don't know.

Vice Mayor Graham: So, is that sensitive information we can't say?

Mayor Ortega: That's an appeal on the case.

Vice Mayor Graham: Do you have an estimate of how much the appeal will cost.

Vice Mayor Graham: I'm not going over the subject matter Mayor.

Mayor Ortega: The Item, number 15, if you read it, it says that the case is the question is for bringing forth the appeal not whether or not there's been other accusations.

Vice Mayor Graham: No, this is part of the I'm just...

Mayor Ortega: No, it's not. The authorization is for to as posted, not for past costs or estimated future costs.

Vice Mayor Graham: Mr. Mayor, these are basic questions that I'm just trying to make open to the

residents. We're not talking about the case matter. We're not talking about the subject matter. We're not talking about any of that. Basic questions like how much as the case cost to date? How much do you think it might cost? Another question is: Do you know what percentage appeals are reversed?

Mayor Ortega: That's not having to do with anything that's relevant to this.

[Time: 00:19:30]

Councilmember Janik: Mayor, I call a point of order.

Mayor Ortega: Yeah, we call a point of order. That would mean that you will yield the floor. This subject has, explain your point of order that we can...

Councilmember Janik: I believe that because it is ongoing that Council should vote if we should talk about that in public, or because it is ongoing that it should remain in Executive Session. So, I would say those are our choices. If I'm incorrect...

Vice Mayor Graham: I do not want to go to Executive.

Mayor Ortega: Excuse me? We have a point of order. Actually, I heard that just to terminate this line of question, you yield the floor.

Vice Mayor Graham: So, was the question was called?

Mayor Ortega: Well, the point of order was called. And I call the question so that we can handle it this way. So, at this point, the question is that you will yield the floor and we will move on to vote on Consent Agenda Items for the subject that. So, the point of order is that you will yield the floor.

Vice Mayor Graham: A point of order is a question. The presiding officer...

Mayor Ortega: There's only one point of order.

Vice Mayor Graham: Now I'm making a second one.

Mayor Ortega: No, we vote on the point of order.

Vice Mayor Graham: The point of order was what, did she call the question because you're the presiding officer.

Mayor Ortega: I called the question.

Vice Mayor Graham: Did you get a second.

Councilmember Durham: Second to call the question.

Mayor Ortega: The question is to yield the floor and that's the question. So, we don't need any further discussion on a case from the Vice Mayor on this point. Please register your vote.

Councilmember Janik: I'm not sure what we are voting on.

Vice Mayor Graham: The question.

Mayor Ortega: Lori, can we clarify this? At first there is a certain line of questioning that is a point of order, as far as being out of order. That's how I interpret it. That's the thrust of the point of order. Therefore, I called the question which would be that you would be that you would yield the floor. I say that because they go hand in hand. And I have a second. So, there's one there's one question that's in play right now. At this point, I don't think we have any discussion on that, but we are checking with the attorney. The question is to yield the floor because your line of questioning is beyond the agenda.

Vice Mayor Graham: It's not beyond...

Mayor Ortega: That's the question right now. My question was to vote on the Consent Agenda items without having more discussion. That's the call the question is, that we vote on the Consent Agenda items and you yield the floor, because we're proceeding to vote on all the Consent Agenda items, including this one.

Vice Mayor Graham: Are you done?

[Time: 00:21:41]

City Attorney Sherry Scott: Mayor, I'm sorry, I'm back up to talk about procedural issues. I'm a bit confused. I think we started out with a point of order, but we ended up with a call the question. It sounds like the Council is in agreement that they would like to just go ahead and proceed with the Consent Agenda.

Mayor Ortega: That's my question, I called the question to proceed with the Consent Agenda items including number 15.

Sherry Scott: That's fine. Then I would instruct the Council to go ahead and vote on calling the question to go ahead and vote on the Consent Agenda and if that passes, then to go ahead and vote on the Consent Agenda.

Mayor Ortega: Okay. So that is the question if vote would affirm the chair's please record your vote. Okay. We now will vote on Consent Agenda Items as shown and listed, Consent Agenda Items 1 through 16. Do I have a motion?

[Time: 00:21:41]

Councilmember Durham: Mr. Mayor, I move to adopt Consent Agenda Items 1 through 16.

Councilmember Whitehead: I will second it and I would like to speak to my second. First of all, we have Executive Sessions for a reason. It's to protect tax dollars. It's to protect your city and it's to protect all parties involved. And so, we did just have an Executive Session on this matter.

Vice Mayor Graham: Point of order. This is about the second of the consent. This is not about that topic.

Councilmember Whitehead: That's fine. I do have some items I would like to...

Vice Mayor Graham: It's not for speeches. It's to second it.

Mayor Ortega: Excuse me. The motion is for Consent.

Vice Mayor Graham: Accepting consent, she's giving a speech.

Mayor Ortega: Wait a minute, anybody can speak on the Consent Agenda Items or the motion that's there. So, the call the question happened and now we have items 1 through 16, the motion has been made and she can speak to the item and then it was seconded. The explanation if anyone wishes to speak about Consent Agenda items. She explained her motion and at this point, I believe we are ready for a vote.

Councilmember Whitehead: I actually had another item I wanted to point out.

Mayor Ortega: That's okay. You can speak you made the motion for all Consent Agenda items.

Vice Mayor Graham: Seconded it. She seconded it.

Councilmember Whitehead: I just want to point out. I can second it. You can speak after.

Vice Mayor Graham: Tom made the second.

Councilmember Whitehead: So, I spoke to my second.

Vice Mayor Graham: Not a speech.

Mayor Ortega: Excuse me, Mr. Graham. It's okay. Just relax.

Councilmember Whitehead: Yeah.

Mayor Ortega: She has several other things is she wants to say.

Vice Mayor Graham: But I can't ask any questions. But she can ask whatever she wants.

Mayor Ortega: Sir, the body said that your line of questions it was decided.

Vice Mayor Graham: Please.

Mayor Ortega: The question is she's speaking of an Executive Session what the purposes were, and we will continue, and we will vote on Consent Agenda items as posted.

[Time: 00:26:13]

Councilmember Whitehead: Thank you, Mayor and Vice Mayor. I want to point to an exciting project on this Consent Agenda and that's Item number 7. There's zero energy townhomes. It's a pretty exciting project. It's a developer who has built a number of zero energy projects. So, I just wanted to point out that we vote on a whole lot of items, all at once. But each one of these items is worth looking at and especially I'm excited about this one. So that was my main comment for the consent. And with that, I'm done. Thank you, Mayor.

Mayor Ortega: Okay. Please record your vote, Consent Agenda Items 1 through 16. 6-1 and the city will defend its position in appeal.

#### **REGULAR AGENDA – ITEM 17**

Next, we will go to the Item number 17, the Cosanti Commons, also known as Sundown Commons at the request of the applicant, this item is being continued to the August 20, 2024 City Council Meeting. This is first continuance and is granted as a matter of right per Council Rules of Procedures, as the request was submitted to the City Clerk at least two business days prior to this meeting. So that's for information. There's no action needed to be taken for that continuance request.

#### **REGULAR AGENDA – ITEM 18**

Next, we will go to Item number 18, public hearing on the Proposed Fiscal Year 2024/25 Property Tax Levy. We have Sonia Andrews making the presentation, our City Treasurer. Thank you.

[Time: 00:28:00]

City Treasurer Sonia Andrews: Thank you, Mayor. Thank you, Council. This is our Property Tax Levy and Rate Public Hearing tonight. Next slide.

Before I start talking about our proposed property tax rate and levy for this fiscal year, I wanted to cover some property tax basics. Next slide.

So, our property taxes are assessed on what we call the limited property value and that's different than

the mark or appraised value and that's really important for our citizens to understand, that property taxes are not calculated on market or appraised value. They're calculated on a limited property value. The limited property value is determined by the county and it's usually much lower than the market value. In most cases it's 50%, it can range between 30 to 60% of the market value and it is also limited to a 5% increase per year. As your market value may go up by double digit or more, the limited property value which is the tax assess can only go up by 5% a year. It's this value that is our tax assessed value for which the property taxes are calculated. Next slide.

So, the median limited property value in Scottsdale is \$378,679. So median means 50% of the properties are below that, and 50% of the properties are above that. Now, again, your market value could be a million dollars, and your limited property value for which taxes are calculated could be \$378,000. So, the box on the right shows you this year's property tax rates and the actual property taxes paid by this property that has the median limited property value. So, as you can see, the property tax rates for schools, counties, city, special district, totals an average of 6.82 per \$100 of assessed value. Which translated to \$2,585.63 for property taxes. The city's portion being \$371.64. Next slide.

[Time: 00:30:19]

The city's portion of the property tax is broken out to the primary property tax, which funds the general fund and tort claims and also the secondary property tax which is the voter approved bonds. So that combined is our property tax rate for the current year at .9814. Next slide.

So based on the property taxes paid by Scottsdale residents, 57% goes to schools and education. 18% goes to the county, special district gets about 10%, and the city gets about 15%, 8% to primary and 7% to the secondary. Next slide.

Now that was just the basics of how property taxes work and now, I will talk about the proposed property tax rates for fiscal year '24/25. Next slide.

So, the proposed '24/25 property tax rates and levy is .4958 for primary, which goes for general fund and tort claims, .4358 for voter approved bonds which is the secondary rate, for a combined rate of 9.396 and a total levy of 74.48 million. Next slide.

Now, focusing on the primary property tax, how that changed from the current year rate, and I will walk you through this, our current year rate is .515, and because our values have gone up, that will automatically reduce the rate by 0164 and we also had new construction that happened during the year and that adds .48 million to our levy. It didn't change the rate, but it adds to our levy. We are also allowed statutorily for a 2% increase and that adds .0094 to our rate and \$.74 million to our levy.

And finally, this year, we are reducing the amount that's needed for tort claims. So that reduces our rate by .0122 and reduces our levy by .96. So, all those combined we have a reduced rate of .4958 which is a 3.7% reduction in our current rate for our primary property taxes. But because of the new construction and the 2%, our actual levy increases by .66%. Next slide.

For the secondary property tax, a very similar layout here. We started this year with .4664 as our secondary property tax rate. The appreciation in values automatically reduces our rate by .0158, new construction adds to the levy, and we will also have a reduced in the amount needed for our secondary levy because we have a reduced need for our debt service. We don't have as high a debt service for this coming fiscal year. So, we can reduce our rate by .0148. So, our net proposed rate for this new fiscal year is .4358 which is a 6.6% reduction and a 2.1% reduction in the levy. Next slide.

So, adding the two of them together, we are the combined city property tax rate will go from .9814 in the current year, to .9316, which is a 5.1% reduction. Next slide.

And how that translates to the actual check that's written by a property, as you can see, the first column that's not highlighted is the column that is we talked about earlier, for a median limit of property value home for this year, this is the property taxes that they are paying, \$371.64 to the city. With the fiscal year '24/25, most properties will see a 5% increase, which is the maximum increase allowed for the limited property value. So, the median property value for '24/25 is 397.613 which is a 5% increase. But because our rate is decreasing by more than 5%, residents are going to see a .3% reduction in the taxes paid to the city. So going from 371.64 down to 370.42. We do not know what the rates are for the school or the county or the special districts. We can only speak to the city's rate. So as far as the city's rate is concerned, the citizens will see a reduction in the actual dollar amount for the city's property taxes. Next slide.

And this is my last slide. At the .9316 rate, it is compared to the other cities in the valley, we are still among the lowest in terms of the property tax rate. And next slide.

So, adopting the property taxes is a two-step process, required by state law. Tonight, we are asking for a public hearing and adoption of the property tax rate and levy will be on June 25<sup>th</sup>. Next slide.

That is the action that we are requiring of council tonight, and I can answer any questions.

Mayor Ortega: Okay. Vice Mayor Graham and Councilmember Janik.

[Time: 00:35:55]

Vice Mayor Graham: Thank you, Mayor. Sonia, you mentioned a 2% increase per year. Can you say a little bit more about that.

Sonia Andrews: Yes, if you go back to slide 9.

Vice Mayor Graham: Yeah.

Sonia Andrews: So, state statute allows us to increase our levy for increased cost of operations. And, however, the state statute requires limits our increase to only 2%. So, we cannot increase our levy by more than 2%.

Vice Mayor Graham: So, the total amount of money we take in from the property tax can only go up 2% per year.

Sonia Andrews: And new construction. So, if you look at this slide, the new construction adds .48 million to our levy. So that's allowed and then we can only increase our levy by 2%.

Vice Mayor Graham: Does the council vote on that 2% or is that just baked in automatic?

[Time: 00:36:54]

Sonia Andrews: We factor that in. Our cost of service has increased by more than 2%. So that is something that we factor in as part of our proposal to the council.

Vice Mayor Graham: Well, what I'm asking is do we do we have to separately vote to increase it by 1 or 2% or is it just is that just rate that we vote on?

Sonia Andrews: You are asked to vote on the rate, on the total rate that we are proposing. There's no requirement to vote separately on the 2%.

Vice Mayor Graham: Okay. And then is this year did we exercise a 2% this year.

Sonia Andrews: Yes, that's what we are proposing. We are proposing the 2% which increases the rate by .0094.

Vice Mayor Graham: And then my last question is, have we done that every year in the past five years or do we do that some years and some years we don't?

Sonia Andrews: In the year when we had the great recession, we did waive the 2% and lower the rate by whatever the 2% rate would have been.

Vice Mayor Graham: Right.

Sonia Andrews: So, in a year when we had, I think great recession or when we had a major recession...

Vice Mayor Graham: That's the only year that you are not familiar of us exercising it?

Sonia Andrews: I would have to go back and look. I understand it's done during years of recession.

Vice Mayor Graham: Okay. Thank you, Sonia. Thank you, Mayor.

Mayor Ortega: Councilwoman Janik and then Councilwoman Caputi.

[Time: 00:38:14]

Councilmember Janik: Thank you, Mayor. Thank you, Sonia. First of all, these are very, very good numbers. It shows that we are fiscally prudent, and I'm very impressed that the tax levy to each individual homeowner in Scottsdale is going down. So, I want the taxpayer to understand that if the total tax bill goes up, it's not because of the city. The city is being prudent, and we are reducing that tax rate. So, I think that's a very important point that we need to consider. Thank you.

Mayor Ortega: Councilwoman Caputi and then Councilwoman Whitehead.

[Time: 00:38:55]

Councilmember Caputi: Sonia, can you just pull up the slide that shows how we look next to the rest of the valley? I think you skipped over that quickly, and I think that really needs to be celebrated and underlined.

Sonia Andrews: Yes, that's slide 13.

Councilwoman Caputi: I want to reiterate and take a quick victory lap here that we are one the lowest tax rates of anywhere in the valley, as you just mentioned our property values are at an all-time high and we are lowering property tax rates. So, AAA Bond rating highest property values, lowest property taxes. City of Scottsdale is doing an amazing job. Thank you, everybody.

Mayor Ortega: Councilwoman Whitehead.

[Time: 00:39:39]

Councilmember Whitehead: Thank you, Mayor. I was going to address Vice Mayor Graham's question, and you can verify this, but I was on Council. So, there was a time where the 2% was not approved. I think two years in a row, but then the then it was bumped up 6%. So, in other words, you can the city can accumulate those 2%. So, the first year I was on Council, it was raised 6% and honestly, the reason is because cities must live within their budgets and we do budget conservatively, but we know that the small amount of money is worth having our police and all the services we expect. So, there was it was skipped, but then we bumped it up 6%, but I will go ahead and have Sonia double check but that's my memory. So, thank you for bringing that up.

#### **PUBLIC COMMENT**

Mayor Ortega: Okay. At this point, though, I will mention that I would open public comment and we have no public comment. Therefore, I will close public comment on the public hearing on the proposed fiscal year, 2024/25 property tax levy. Now I will entertain a motion.

[Time: 00:41:09]

Councilmember Janik: I move okay. I move by a roll call vote to approve a motion to levy the proposed property taxes, taxes to be assessed by ordinance on June 25, 2024.

Councilmember Caputi: Second.

Mayor Ortega: Okay a motion and a second. I will just add to that and say that I also totally support this. It's the competent business plan that's been laid out very transparent, and it provides certainty for property owners that their property tax is paying for the city area is covered, and we are fully funding our police and fire and the core costs of them is derived from the property taxes and the high valuations is the trademark of our city. We will now go through the roll call, I will call on the Clerk to take the roll call vote.

[Time: 00:42:09]

Ben Lane: Thank you, Mayor. For the roll call vote, Mayor David Ortega.

Mayor David Ortega: Yes.

Vice Mayor Barry Graham: Yes.

Councilmember Tammy Caputi: Yes.

Councilmember Tom Durham: Yes.

Councilmember Betty Janik: Yes.

Councilmember Kathy Littlefield: Yes.

Councilmember Solange Whitehead: Yes.

Ben Lane: Thank you. It passes unanimously, Mayor.

**REGULAR AGENDA – ITEM 19**

Mayor Ortega: Thank you very much. Next, we will move on to the public hearing on the Proposed Fiscal Year 2024/25 Municipal Streetlight Improvement District, Expenses, and Property Tax Levy by district. Anna Henthorn, the Accounting Director, this is a very sexy one. No, this is very important. This is the highlight of our evening. Please go ahead.

[Time: 00:43:01]

Accounting Director Anna Henthorn: Good evening, Mayor and members of the City Council. This action is to solicit the public testimony on the proposed Fiscal Year '24/25 Municipal Streetlight Improvement

District for the Proposed Expenses and Tax Levy. The Streetlight Improvement Districts were established in 1971 to allow taxpayers to pay for the operation of the streetlights. The city currently has 357 Streetlight Improvement Districts formed by petition of the property owners. The Streetlight Improvement Districts are established for the sole purpose the purchasing electricity for lighting public streets. The city levies a special property tax based on the estimated electricity costs for each district.

The operating costs for each district varies in relation to their electricity usage, number of streetlights and whether they are serviced by APS or SRP. The city completes 357 separate property tax calculations for each district, representing 33,970 properties.

Here is a map of the streetlight districts. The blue districts represent the APS service provider, and the green represents SRP. The fiscal year '24/25 levy is \$603,124, with an average levy per property lot of \$17.75. The average increase of the levy this year per property lot is \$3.18.

The action item is to solicit public testimony on the Fiscal Year '24/25 Streetlight Improvement District, Proposed Expenses and Tax Levy, and to approve a motion to adopt the annual statements and estimates of the expenses and levy the proposed fiscal year '24/25 Municipal Streetlight Improvement Districts by district, taxes to be assessed through ordinance on June 25, 2024. I am available for any questions you may have.

Mayor Ortega: Thank you, seeing none, but I will call on the public. So, the public may come forward for this public hearing on the proposed fiscal year Municipal streetlight improvement district. There are none. So, I will therefore close the public comment. Moving on to Councilwoman Whitehead.

Councilmember Whitehead: I motion to levy the proposed fiscal year '24/25 S.I.D. taxes.

Councilmember Durham: Second.

Councilmember Janik: Second.

Mayor Ortega: Thank you. We have a motion and a second. Please record your vote. Unanimous. Thank you very much.

## **REGULAR AGENDA – ITEM 20**

[Time: 00:46:03]

Next, we will go on to Item 20. Item 20 is the Final Public Hearing on Fiscal Year 2024/25 Budget. Our presenter is Sonia Andrews, our City Treasurer. At this point, we will have the full presentation and I will call for public comment. Proceed. Thank you, Sonia.

Sonia Andrews: Thank you, Mayor. Thank you, Council. Next slide. This will be a short presentation because this has been a process. The budget adoption is always a process, starting back on March 5<sup>th</sup>,

we, Council adopted the comprehensive financial policy that guides our budget, also received the presentation on the proposed rates and fees for next year. On April 16<sup>th</sup>, the Council received the presentation on our proposed operating and five-year capital plan improvement budget. And then on May 14<sup>th</sup>, we also had a Public Hearing and Adoption of the Rates and Fees, and also a Public Hearing and Adoption of the Tentative Budget. So tonight, we have a Final Public Hearing and Adoption of our Fiscal Year '24/25 Budget and also the Public Hearing that you had on the Property Tax Levy and Streetlight Improvement Districts. Next slide.

So, our final budget, as we presented in our tentative budget is 2.2948 billion, or \$2.3 billion, split out into \$761.5 million for the operating budget, \$1.068 billion for the capital improvement budget and \$464.6 million for contingencies and reserves. Next slide.

[Time: 00:47:53]

There are some changes to our final budget from the tentative budget that was adopted earlier. We adjusted for the Class and Compensation Study, and we also moved the Emergency Management Services Division from the Fire Division to the City Manager's Division, and we adjusted reserves and contingencies. Next slide.

So, this slide shows the changes from the tentative budget to the final budget. As you can see the class and comp study, once it was completed, we needed to move an extra \$1.3 million out of contingency to fund the class and comp study. The operating budget did not change, and our capital budget did not change, and our total expenditure budget also did not change. Next slide.

And this slide shows the divisions that needed the additional 1.3 million from contingency for the Class and Comp Study. So now special revenue divisions, enterprise divisions and our internal service divisions. The general fund and all the other funds did not require any adjustment. And as you know, the general fund is the majority of our staff. Next slide.

And this is last slide. Tonight, we are asking for a public hearing and the adoption of the final adoption of our budget and our capital improvement plan. Thank you.

Mayor Ortega: Thank you. We have one request to speak. Thank you, you have three minutes sir, we appreciate you coming forward.

#### **PUBLIC COMMENT**

[Time: 00:49:25]

James Rubatt: Why yes, sir, Council, ladies, I have been a Scottsdale homeowner for the last 35 years, however, when I look in the paper and try to figure out the budget, the print is very small. I understand that may be a dollar situation, but anyways, the proposed overall budget with was just shown to us by Sonia is \$2.3 billion approximately, almost identical to the city of Mesa which has twice our population.

They only have 4,000 employees, while we have 2,700. In other words, we should maybe have half of those employees, 2,000 if they have twice our population.

The city also hired 60 new employees this last year. And that cost according to the paper, it was \$6 million or \$100,000 per employee. Right now, we have one of the highest per cost employee average of about 132,000 because it includes the generous health and retirement benefits. To my knowledge, no other city or municipality in Arizona exceeds 120, while most are under \$100,000. We do pay our city manager almost what we pay the Phoenix almost what is being paid the Phoenix city manager, and they have seven times our population. Our city attorney makes over three times what the Arizona Attorney General makes. And our Police Chief makes almost \$100,000 more than the City of Phoenix Police Chief. Again, I'm not berating or cutting down anyone. I'm just showing you the facts.

[Time: 00:51:12]

But I hope you understand my concerns and others because last year, a councilmember said that tax increase would be \$7. Well, mine was actually \$60.20 over eight and a half times the \$7. And during the last two years, we are giving our employees about a 10% salary increase which includes 2% plus, I should say, 2% in benefits. While many of our citizens, almost 20% are on fixed incomes.

And again, for the third year, I'm proposing savings through the waste collection system. From 1989 to 2019, my waste collection service cost increased 105%. Very reasonable. In the last five years, they are projected to be 73%. Again, I'm asking for recyclable garbage to be collected every other week, bulk every other month. That saves 32 pickups annually, approximately \$8.25 per household or \$100 per year. It would also save on fuel, and we could be contributing to green energy.

And those employees not needed could be retained for retrained for other positions instead of having to hire new employees. That's about it. Thank you very much.

Mayor Ortega: Thank you. That concludes the public comment. Are there any questions? I will now close the public hearing. So, we would then move on to excuse me. Councilwoman Whitehead and Vice Mayor Graham.

Councilmember Whitehead: I'm happy to defer to Vice Mayor Graham. I'm going to make a motion. I also had a few comments but go ahead.

Vice Mayor Graham: Oh, no.

Councilmember Whitehead: Okay. I will say that once again here we are with a budget, and a budget is a book of priorities, and I'm very proud again of this year's budget, City of Scottsdale budget. We have, once again, prioritized low taxes, low fees, and I want to stress that even though our water costs have gone up 9%, our water delivery to get the water to us have gone up 13%. We have maintained the same water rates for our tier one and tier two households.

So, we have delivered on so many incredible projects such as we just opened the Riata Sports Complex. WE have, moving forward with one of my favorites the green recycling. A lot of good projects. The sidewalk that was a petition. So, I'm very proud of this budget, and proud that we have done it and still able to reduce we had committed on the bonds to maintain property tax rates but we're reducing them. So, with that, I am absolutely...

Mayor Ortega: There's no motion. This is for the hearing.

Councilmember Whitehead: Just for the hearing. I will hold off on any motion, thank you Mayor. I was ready to go. Thank you. Good job, all of my colleagues up here, all of the staff, these are big budgets. The \$2 billion, it is not what we spend in a year, sir. We have our capital improvement projects, or the cost of those are included over a five-year period. So good job, everybody. And I will defer turn it over now to Vice Mayor Graham. Thank you, Vice Mayor Graham.

[Time: 00:54:56]

Vice Mayor Graham: Mayor, we're voting on this, right?

Mayor Ortega: Well, that's the next item, sir, on our agenda.

Vice Mayor Graham: Can we clarify. We're on Item 20.

Mayor Ortega: That's right. And there's, we just we're handling the hearing. Clerk, could you please clarify for us?

Ben Lane: Thank you, Mayor. Yes, this is just the public hearing for Item 20. We will actually have a Special Meeting a little bit later where you will vote on the budget and the capital improvement plan later tonight.

Vice Mayor Graham: So, do we vote on the hearing?

Ben Lane: No.

Vice Mayor Graham: Okay. There's no vote.

Mayor Ortega: No.

Vice Mayor Graham: Thank you, Ben.

Mayor Ortega: This is an easy one. No voting on this one. But, you know, we can comment about where we are going here and I just want to close this item and by mentioning that, you know, Scottsdale has been named as the number one best city to find a job, get a city in the U.S.A. That's pretty commendable. The City of Scottsdale is recognized as the number one workplace in Arizona, and as a

healthy environment, we care about our employees and having a healthy environment, a work environment is a priority, a safe environment is a priority. We will commend all the workers at all levels, those that are plumbers. We have plumbers, believe it or not, we have diesel mechanics, executives, every range, many times when we recruit out in the community, you hear about police and fire and first responders, well, that's about 800 jobs or 700 jobs of the 2500 jobs that we have at the city. So, we do encourage people and we want to make sure our environment is really healthy.

[Time: 00:57:03]

My comment on the property tax rate, it's obvious that it's going down. And it's going down very substantially and that's also a good sign. We have reduced our budget by 10% and people will say, why was it \$2.5 billion last year? And that's, you know, much less this year. It's because we completed some C.I.P. projects and they were taken off the to-do list. So that's why the budget has varies as we complete our projects with our team, then those come down. This budget fully funds the police and fire, and we have gone beyond that, because it is our priority, but we're also adding in this budget, 56 new fire department hires. 18 of them are for the new fire station that's coming up. That's fire station 612. So, this is also a none I mean, this is all interlaced in a very healthy, well thought out program and our budget. We also have it's included in all of our parks, our recreation and transportation infrastructure are all in this budget. So, our budget is about revenues. It's about expenditures, but foremost, it's about people. And I do you may know well, of course, last month, I made a commendation of merit to each and every employee and that was sent to each and every one of them.

Also, whatever has been adjusted in our comp study, that is up here, that was last done in 2011 and 2012. So, think about that. 2012. So think about that. That was a good 12 years ago. And as you read through some of the detail, you will see that some positions really didn't they came off the list of actual jobs here at the city. So, things changed, and different assignments were made. So that's how we are flexible and continue to be in a very healthy way proceeding as a beautiful city that cares about our own.

With that, I will next move to Item number 21, the special okay. Excuse me. Oh, I'm sorry.  
Councilmember Durham.

[Time: 00:59:48]

Councilmember Durham: I will add a few quick couple of comments. Our property taxes are going down, our sales tax is among the lowest in the valley. I think it's the second lowest. We have seen how our water rates, we've kept them below the price of our water. So, we have kept them below the cost of our operations, just across the board we really reduced the impact on our citizens. And I just want to say, there was some commentary earlier this evening that we have busted our budget. And that's not true. We're not allowed to bust our budget by state law, I believe.

We have to live within our budget, and we budget very conservatively, which allows us to keep our operations within the budget. So, it's not true that we are busting our budget which was suggested

earlier this evening. Thank you.

Mayor Ortega: Vice Mayor Graham.

Vice Mayor Graham: Since we are talking about the budget, I will go into my questions, Mr. Mayor.

Mayor Ortega: Well, the subject is the hearing. We will have an opportunity for the budget adoption at that point.

Vice Mayor Graham: I have several questions on the budget.

Councilmember Durham: It's the next item.

Mayor Ortega: Excuse me. Give me your top four. Give us your top four.

Vice Mayor Graham: No, I won't limit my questions. I want to ask my questions.

Mayor Ortega: Excuse me, it's fine, and

Vice Mayor Graham: I can wait until the next item if that's what you desire.

[Time: 01:01:36]

Mayor Ortega: Well, at this point I have no City Manager, help me out on this one.

City Manager Thompson: Mr. Mayor, you should probably wait until the next item, because this is a public hearing. We should probably move to the next and then ask the question on the budget document before you consider a vote on the final document.

Vice Mayor Graham: Okay. There were several comments made up here. So, it seemed like it was an appropriate time to ask questions and make commentary.

Jim Thompson: I think those were comments, if I may and you know certainly if you want to ask questions, you can ask them now, it's at the discretion of the council but traditionally we would ask them during the actual approval process or consideration.

Vice Mayor Graham: Okay. Let's move along, Mayor.

Mayor Ortega: Thank you. We'll stick to the agenda. Okay. Next, we will move on with the next portion of the presentation.

Sonia Andrews: Mayor, and council this not much of a presentation. Next slide, it's just to tee up the motion.

Mayor Ortega: Sure. Now the City Clerk has one comment and let's go with that.

[Time: 01:01:34]

Ben Lane: Mayor, I'm sorry, we need to finish the Regular Meeting before we move into the Special Meeting.

Mayor Ortega: Thank you. That was the part I was okay. So, what we will do is I will continue with the next items. The next items is consideration of receipt of Citizen Petitions.

Ben Lane: The other public comment, but we don't have anyone signed up. The non-agendized public comment.

Mayor Ortega: Oh, yeah. That's not numbered, but it just mentions it. Okay.

Ben Lane: Yeah.

Ben Lane: So, item number 20 was.

Mayor Ortega: So, Item number 20 was handled and 21 is public comment announcement. It's to comment on non-agendized items. Seeing none, we will close the public comment. The next item on my narrative says Item number 21. Item number 21 has to do with receipt of citizen petitions, and there are no petitions received. Therefore, I will close Item number 21.

Again, I'm clarifying public comment was not numbered on my as an item, but we understand that.

Next, we will convene I will next adjourn the regular portion of the City Council Meeting. And the reason for that, we will go into a Special Meeting afterwards.

### **CITY COUNCIL SPECIAL MEETING**

[Time: 01:04:09]

At this point, I will adjourn the regular portion of the City Council Meeting and simultaneously I call the June 4, 2024 City Council Special Meeting to order, and note for the record that all councilmembers and charter officers are present and the consideration for the Special Meeting, according to our charter and the state statute is the Final Adoption of Fiscal Year 2024 Budget Estimates and Five-Year Capital Improvement Plan. We have our presenter Sonia Andrews, our treasurer.

Sonia Andrews: Thank you, Mayor, Council again. This is just the final adoption of the budget.

Mayor Ortega: Okay. So, as you had reviewed, there is a complete chronology of how this was heard coming to this point and now we have comments by Vice Mayor Graham.

Vice Mayor Graham: Thank you, Mayor. Thank you, Sonia. I think this was a I want to start my comments. This was a gentleman Mr. Rubatt and he commented about budget busted. I didn't hear him talk about the overall budget. He was talking about what I heard, individual projects and we have seen overages throughout the last session. We have seen \$31 million over for the training facility.

Mayor Ortega: Sir, that's not the subject. I mean, you can comment public comment can happen, and we heard it and we closed on it. So, you don't need to comment.

Vice Mayor Graham: I'm talking about budgetary matters.

Mayor Ortega: You will address whatever is in the documents which is quite extensive.

Vice Mayor Graham: You didn't cut off Mr. Councilmember Durham when he did the same thing.

Mayor Ortega: This meeting is for this question. And I'm just trying to be efficient.

Vice Mayor Graham: I have several questions, Mr. Mayor.

Mayor Ortega: Let's get to the meeting.

Vice Mayor Graham: I am in the meeting. Okay. I will continue.

[Time: 01:06:10]

Mayor Ortega: Sir I'm just asking to assist me not to refer to some public...

Vice Mayor Graham: What I heard was references to the budget with the roundabout, \$6 million over, and the Thompson Peak Park \$6 million over, Asher Hills, \$4.7 million over, WestWorld barns, \$2.7 million over, bond 9 project, \$6.3 million and a sewer line that was \$62 million over.

Mayor Ortega: Sir, you are talking about last year's action. This is about the...

Vice Mayor Graham: It's germane.

Mayor Ortega: I'm trying to be very clear what our subject is. You are backtracking into an area...

Vice Mayor Graham: Thank you, Mayor.

Mayor Ortega: So please take it from what we are looking at, not from any comment from any candidate or somebody out there that made a comment or somebody else.

Vice Mayor Graham: He's not a candidate. Just a resident.

Mayor Ortega: It's way too deep. Okay, into another situation.

Vice Mayor Graham: Another comment that we are not spending \$2 billion, but this is the budget is an authorization to spend \$2 billion. Whether or not we spend, that we'll see what happens to the budget. We are authorizing, as a council to spend that, to write checks for \$2 billion.

Mayor Ortega: Sir, there's a five-year plan, there's a five-year outlook. It's not everything...

Vice Mayor Graham: That's the annual budget.

Mayor Ortega: But it's a budget that shows as we have a five-year adoption of a C.I.P. on a five-year projection.

Vice Mayor Graham: How much do you think we spend a year?

Mayor Ortega: Sir, you can only spend so much money per year and that is according to how our C.I.P. is already of record. That's all been reviewed. It's a separate...

Vice Mayor Graham: Sonia, what is our annual budget?

Sonia Andrews: Go back to the slide that has our budget. On slide 3, you can see that our operating budget is \$761.8 million. Now, I wanted to explain the difference between budget authority and what council approves. So, we provide a budget authority but there are still a lot of items that will have to show up on council agenda, whether it's consent or regular agenda for council approval before we can actually spend the budget. So, the operating budget is \$761.8 million.

Vice Mayor Graham: Correct.

[Time: 01:08:37]

Sonia Andrews: Yes, and also just to respond to the previous speaker, who looked up the Mesa budget of \$2.6 billion, majority of that is operating. So, the Mesa budget has almost a \$2 billion operating budget and our operating budget is \$761.8 million.

Vice Mayor Graham: What are the expected capital expenditures in FY25.

Sonia Andrews: \$1.068 million.

Vice Mayor Graham: You understand this is the current budget.

Mayor Ortega: I understand a lot of things, they've already been projected. I'm saying we don't necessarily...

Vice Mayor Graham: I made a factual statement and then you said I'm wrong and I'm clarifying that I wasn't.

Mayor Ortega: You said every year. We don't, I explained...

Vice Mayor Graham: No, I didn't. I said this year, I will continue. Thank you, Mayor.

Mayor Ortega: What you spend per year is different than what you project. Projects go over several years. So, one year...

Vice Mayor Graham: You understand this is one year, right?

Mayor Ortega: I understand that.

Vice Mayor Graham: But you said I was wrong.

Mayor Ortega: Because a project is only done 30% that year and another 30% another year.

Vice Mayor Graham: I understand that. We're not debating that.

Mayor Ortega: But that's how it becomes \$4.68 million. It's not because we spend all that money on that project, and I said that when we...

Vice Mayor Graham: Is this correct? Is the Mayor correct?

Mayor Ortega: When we complete a project, it's done.

Vice Mayor Graham: Is the Mayor stating that that's multiple years.

Sonia Andrews: Mayor, Councilmember Graham, yes and no. So, this is the authority that we are asking for fiscal year '24/25. However, this authority typically is spent over multiple years.

Vice Mayor Graham: Right, it's authority.

[Time: 01:10:27]

Mayor Ortega: That's explained and again it was illustrated for each project by Mr. By Dan Worth.

Vice Mayor Graham: Thank you. I will continue. That's pretty settled. General plan initiatives, we have \$15 million. Have we decided how we are going to spend that?

Sonia Andrews: I will defer to the City Manager on that. It's still proposed in our budget for reserve or designated for general plan initiative. If we are planning to spend that, we will bring the proposal to

council for approval.

Vice Mayor Graham: So, we don't know how we are setting we have \$15 million in a set aside and we don't know how we are spending it. Is that correct City Manager.

Jim Thompson: Mayor, members of Council, Vice Mayor Graham, that is correct, we don't know at this point. Council took an action a couple of years ago and we added ten and then last year, we added the additional five after the approval for the general plan to be in place for any actions that council deemed appropriate to move forward and activate and so we have that set aside. Keep in mind when we set the budget, you can't add to the budget. That's the final number.

Vice Mayor Graham: Right.

Jim Thompson: And so, something comes up throughout the year that you wish to address, that gives us the ability to do that. It's a specific action of council to spend any of that contingency. And we have contingencies in other areas as well, because we just don't know the unexpected and probably the largest one, we run into is if we have an emergency or some major event occurs in the community, and then we look to the contingencies to take care of those.

Vice Mayor Graham: Thanks, Jim.

Jim Thompson: You're welcome.

Vice Mayor Graham: I had a few questions about the compensation study that is in this year's budget, and I have been asking questions all along about this. Just a few more questions about that. How much is in this year's budget for implement the compensation study? \$11 million in okay. Very good. And now was this compensation when we when we took to do this study, did we was there any sort of signs, or did we study employee morale was low or turnover for employees was higher than neighboring cities?

Jim Thompson: Mr. Mayor, members of the Council, Vice Mayor Graham, why we did the study is we had been talking about doing a complete study for a few years and if you recall, in September of 2022, we adjusted police pay. We were at 43 vacancies. We are now around 10 and dropping. So successful when we did that portion of it. We then made a commitment that we would come and do the rest of the organization which we spent the last nine months doing. I'm giving you the draft of it. The last time we have done this was 2011. And so that's why we went forward with it.

[Time: 01:13:36]

Vice Mayor Graham: My question is why did we study compensation, not the timeline, but why does we do it?

Jim Thompson: Why we do it? We do it on an annual basis. We do smaller portions and this time we did the entire organization. After we did the police department, it was time to do the rest of them. It's 13

years since we did one, and most cities do them every three or five. We are behind on that. Thankfully, we are only 25% of the positions would need adjustment in this area.

So, 75% was directly probably in the right marketplace, as well as the internal equity. Also, what we did, which is beyond the scope of the discussion and the compensation side, but we did go in and shrink some of the ranges. We have really wide bandwidths that were established back about 20 years ago and when those bandwidths get really wide, you may have a wide pay range and so what we had to do was move up some, and in some cases the bottom, we would shrink the ranges like we did in the police department. We went from 12 steps down to seven steps. Likewise, in this pay system, we shrink some of those down.

We then also went through the organization. There were quite a number of positions, over 1,000 different positions. We shrunk that down and tried to combine different areas and be more efficient in that as well. So, there were a few other things that we had accomplished that were challenging us in some areas. So, I will give you an example. We may have had a clerk, one, two or three in the court and now we have a court clerk and a senior clerk court. We haven't had a two in years and so when you do that, you create the separation and some other issues. And we are able to condense them down and be more efficient. There are things that occurred throughout the study which are noted in the red highlights in the background of those ranges.

Vice Mayor Graham: Very good. So that tells us more about the study and what it does and what we look at. During the study, did you find that morale was down?

Jim Thompson: We didn't use that as our indicator to do the study. We told everybody we would be moving forward with the study. It isn't morale that drives that. There's many factors that drive that. But, I appreciate that thought. I'm sure morale is not down, but, you know, it could be impacted by pay and when you start talking about pay, just to share it, normally then it raises up on a list. Normally, it's not your number one item on a list. It's normally, 7, 8, 9, 10 down the list. But when you start talking about it, it moves to the top of the list.

[Time: 01:16:08]

Vice Mayor Graham: Okay, my other question is, I'm trying to understand sort of why we studied the compensation and then we are putting \$11 million into this. So, we didn't find low morale. Did you look at turnover or attrition? Are we compared to neighboring cities, are we turning employees over. Is head count turning faster?

Jim Thompson: Mr. Mayor, members of Council, Councilmember Graham, our turnover rate, we did see an increase after the pandemic. Everyone did. And I could ask our Human Resources Director, Monica Boyd if she has any of those numbers. She can certainly share those, and we looked at those earlier as well and looked at the turnover rates are. There's multiple reasons for turnover. Some is for retirement, and some are for people leaving and going to other jobs. So, we just looked at the turnover rate in general, but we have seen a large number of retirements, and we knew that was coming.

Back in 2020, we knew that we would lose about well, 2019, we had the discussion on it. We were going to lose about two-thirds the fire department to retirement, one-third of the police and one-third of the rest of the workforce. Those are always coming to attention now and now we are trying to attract new talent to the organization. But certainly, Monica, if you could share those rates. Yes, please.

Human Resources Director Monica Boyd: Thank you, Mayor and Council, and City Manager. And I actually have recent information not on our turnover rate but actually our vacancy rate and there's a couple of different statistics that you would look at the health of an organization and I would say our turnover rate with the recent reviews shows that we are basically on average in the middle of our valley comparators. A recent poll shows us as high as 16.3% for full-time positions in the city of Phoenix, again a much larger organization but a comparable size organization, city of Chandler is 4.4. They recently completed a class and comp study, both agencies. But again, just using that information, that tells us how long we sit with our vacancies. Vacant positions. We were 7.8 full-time. And that's citywide, not specific department.

Vice Mayor Graham: You would say we are middle of the pack as far as turnovers.

Monica Boyd: With the comparators that we look at.

Vice Mayor Graham: That's the standard six or eight sister cities that we look at.

[Time: 01:18:44]

Monica Boyd: So, we looked at Chandler, Peoria, Phoenix, Tempe I'm trying to think because this is all fresh information. The cities are within our nine comparators, and we didn't get feedback from all of them. It was a relatively quick ask. Those that we got back, we were in the middle. The closest 7.9% for Tempe, again 6.9 for the next closest to us, but certainly not as high as 16.3 with a large agency in the valley.

Vice Mayor Graham: Okay. Thank you, Monica.

Monica Boyd: Thank you.

Vice Mayor Graham: Sonia, what's our head count this year in fiscal '24.

Sonia Andrews: I'm sorry.

Vice Mayor Graham: What is the full-time equivalent head count.

Sonia Andrews: 2,700.

Vice Mayor Graham: And what was the average compensation in fiscal year 2020, benefits and everything?

Sonia Andrews: What year are you looking for?

Vice Mayor Graham: Fiscal '20.

Sonia Andrews: Fiscal '20 our compensation per FTE is 92.8. \$92,883.

Vice Mayor Graham: What is the average comp in FY-24, the current year that we are finishing.

Sonia Andrews: For '25. For 24 is \$107,000.

Vice Mayor Graham: And then FY-25, what does the average comp go to?

Sonia Andrews: It went up by 6.4% and I'm talking about nonpublic safety personnel here.

Vice Mayor Graham: Correct, non-sworn officer.

Sonia Andrews: 113,922.

Vice Mayor Graham: Okay. Per average employee.

Sonia Andrews: Per average employee. Yes.

Vice Mayor Graham: So, we have sales collections up 6%, well, they are budgeted higher this year than last year. And the last thing I want to talk about is contingencies. Do we have a policy for how we decide how much contingency per department. I know it's 400 something million, contingencies plus reserves. We know the reserves are a stabilization fund to keep our credit and our credit worthiness. How do we decide contingencies by department?

[Time: 01:21:20]

Sonia Andrews: That is correct. So, it depends on the operations and what we are anticipating. We have policies surrounding the use of contingencies and we have policies surrounding the fact you know, prescribing setting aside contingencies for operating needs, and also requiring council approval for the use of contingencies. With respect to setting amount of the contingencies, we work with the departments to see what is reasonable for contingencies for each year.

Vice Mayor Graham: Okay. Just a few remarks and then I will probably wrap up my questions. I think the budget has some good things in it this year. As far as what it does for fire, as far as some of the improvements and operational integrating operations for our fire personnel. But for sort of the nonpublic safety stuff, I think that I just looked at those numbers and you said, you know, average compensation, we've seen it go up 15% over the last five years and this budget this year adds another 11, \$12 million of payroll and that's forever for all employees and that goes up ratcheted up every year.

[Time: 01:22:41]

And so, from 2020 to 2025, we're looking at a 25% compensation increase per average employee. And I just when I look at that, you know, I don't think most people in Scottsdale have seen their wages go up 25% over that same time period. I want our employees to be paid fairly, but this council has an obligation to balance that with obligations to taxpayers. We know that only employee turnover. We know employee turnover is expensive. We know that recruiting is expensive. And we know that low morale reduces productivity, and we pay for that indirectly. We know this. That's why I was kind of hoping that this study would look a little closer with where we are with employee morale and we just found out this week or the last few days, what I'm hearing about turnover, and we hadn't considered that until just now. It is a tough labor market. But I know every city is dealing with the same challenges that we are. So instead, we find out we didn't look at either of those and, you know, I think that maybe even it might be safe to speculate that morale is high and turnover, as we heard is from what we are hearing and it's not a complete study, but it's in the range.

For the two years that I served on council, we heard about, and I talked about this already, but cost overruns for projects, and those cost overruns, have a price. We have deferred projects. We've postponed projects. And we hear about potholes and parks in disrepair and crumbling. Many of the postponed projects are now in year five of a they haven't been built yet, and it's five years since the 2019 bond package that voters told us that they want. So, I think we are aware of how inflation is has impacted projects, and after all, almost every time we've asked to approve a project we have seen over and over again that projects double, triple. Sometimes we are so focused sometimes we are so focused on the projects and the policy issues that we don't often address the influence inflations has on delivering for residents. So, in summary we're seeing big pay increases in delayed projects all while telling residents that their taxes and we raised fees and taxes are going up. So, I think that...

Mayor Ortega: Sir, if you can conclude, please.

Vice Mayor Graham: Yes.

Mayor Ortega: And I don't know we'll do a fact check later.

Vice Mayor Graham: I'm allowed to finish my statement. So, in conclusion, I think this council can do better in balancing personnel compensation, delivering projects and services to residents and honoring our obligations to taxpayers. Thank you, Mayor.

Mayor Ortega: Councilwoman Janik and then Councilmember Durham.

[Time: 01:26:07]

Councilmember Janik: Thank you, Mayor. I want to thank Monica for all the work she's done on this, class and comp study. This is a huge project. Probably should be doing a little more often. I know all the challenges that were involved because you had so very much data that you had to compress and

organize. I resent the fact that Barry said that the spending is up. We just had a presentation and it's down.

Now, I have a chart for nonpublic safety, and what I'm seeing is an 18% increase in the pay from fiscal year '20 to '24. And I want to go over a couple of numbers because I am a numbers person. Fiscal year '21 our compensation went down 3.3% in inflation in Phoenix, which is significant because we were number one in the nation a couple of those years. It went up 5%. Our employees went down 3%. Fiscal year '22, and I think this was our number one year, our employees went up 10.6% but inflation was 11.5%. Fiscal year '23 really looks bad. The employees got 2% but Phoenix went up 5.81%. We don't have all of '24. I think a 6.4% projected increase is very reasonable in view of what our history has shown us. Phoenix has become a very expensive market to live in. We want to make sure we maintain our quality employees and I think this shows the value we put in them.

And I particularly appreciate the fact that we have shrunk them electric top, middle to bottom and what the pay scale should inbound a particular range. I think it's really good that we have shrunk the number of ranges so that when we go forward, we have data that's very meaningful, that we can look and analyze to a greater extent so that we can project what the salaries should be for our nonpublic safety employees.

I think Monica is a great example of what our employees do and how they deliver for us. I commend our City Manager for taking on a task that a lot of people have avoided for so many years, because it's a very difficult task. So, I just want to thank everybody for what they have done and what their involvement was. With that, I would like to make a motion.

[Time: 01:28:50]

So we are on Special Meeting Agenda Item number 1, I would like to Adopt Ordinance Number 4642, setting the final budget estimates for the fiscal year '24/25 budget, is tentatively approved on May 14, 2024, Adopting Fiscal Year '24/25 Job Classification Plan and Job Classification Pay Table in conformity with Scottsdale Revised Code Section 1420 through 14.24 and authorizing and approving as applicable certain salary adjustments for the city employees and charter officers and setting the salaries of the presiding judge and associate judges.

And number two, Adopt the Ordinance Number 4643, approving the Capital Improvement Plan for the period beginning July 1, 2024, and ending June 30, 2029.

Councilmember Whitehead: Second, although I have a question. Option two. There was I believe there were going to be two options, class and comp.

Mayor Ortega: Let's clarify the motion.

Councilmember Janik: I believe we need a clarification. There was an option two.

Mayor Ortega: That is part of the motion then. Should be part of the motion.

Councilmember Janik: Okay.

Mayor Ortega: With the compensation package as per option 2. Is that correct, City Manager?

Jim Thompson: Mayor and members of the council, that is correct, and council had wished to see an option two, we have provided an option two. Option one would be all ranges as noted and those that were subsequently changed. Option two would include those that are above range 33, which would be 34 through 48, would not change this were six titles in there that were changed based on the market conditions and based on internal equity factors in those. I could read those off for clarity if you desire. But there's six positions that would be impacted with option two.

I think the goal then was to take a look at those six over the next few weeks and come back and readdress those if you desired or strictly go with option one, which would be all inclusive for the entire range of 1 through 48.

Mayor Ortega: City Manager, and I just wanted to clarify. I thought there would be a slide showing those options.

Councilmember Janik: I did too.

Mayor Ortega: Apparently there was not. So, we have of record that, and we have in our possession option two.

Councilmember Janik: I would like to in my motion to include option two.

Councilmember Whitehead: And my second is for that.

Mayor Ortega: And then we'll have Councilmember Durham.

[Time: 01:31:54]

Councilmember Whitehead: Okay. Thank you. Thank you, Mayor, I will just speak quickly. Vice Mayor Graham, I absolutely respect you, but we don't base our pay on how much how little we can pay without someone leaving, but not enough to make them too happy to put it. We base our pay on data, and I'm joking with you, Vice Mayor Graham.

Vice Mayor Graham: It was a good joke.

Councilmember Whitehead: It's based on those jobs across the valley cities and so I'm very, very comfortable. We get calls about homelessness. Well, we have social workers out there in 115-degree heat helping people transition out of homelessness. That is one of the categories where we know that

we are not paying the social worker sufficiently so that person is going to get a raise. We have code enforcement, we have park rangers. So, I'm this is the workforce, the pay raises we're talking about are the people who do work who are front line employees and also, I want to thank Sonia for clarifying Mesa's budget.

So, their operating budget is 2 plus billion dollars, our operating budget is significantly under a billion dollars. We are amazingly our services, our taxes are low. We do such a good job. And one project and I think it's reckless to say that projects have gone up 3 or 4 or 5 times the original costs. That's simply not the case and one of the favorite projects that people like to pick on is the Miller is the Miller circle, the traffic circle.

Mayor Ortega: If you wish to speak, you can key in, but right now she has the floor.

Councilmember Whitehead: The Miller traffic circle, that's everybody's punching bag. Let's talk about that. What happens is when the traffic circle was being installed, it was discovered that the water infrastructure underneath the traffic circle which probably services Councilman Graham's house needed to be replaced. So, the traffic circle didn't go up millions of dollars, it's just that this was an added maintenance problem that we as a city that's what we do. If you go to the car mechanic and you have a flat tire and then you discover that you have two flat tires, you get two tires, right or you get four.

But so, I think it's really reckless to suggest that our projects are exorbitantly higher than what they are. It is true that when you are maintaining a city the size of Scottsdale, you are constantly maintaining. You are constantly fixing things and we are seeing inflation, but I think we are doing a darn good job and I mean, it's evident by the fact that we are third lowest sales tax, second lowest property taxes, we're lowering our property taxes, and we are delivering so much. So, I appreciate this concern. I think everybody up here is a fiscal conservative, but fiscal conservative means that we deliver the most bang for your tax dollar. And I believe we're doing that. So, I'm enthusiastically supporting this budget.

Mayor Ortega: Councilmember Durham and then Councilwoman Caputi and Councilwoman Janik.

[Time: 01:32:21]

Councilmember Durham: Thank you, Mayor. Vice Mayor Graham just said a minute ago that our parks are in disrepair, and I found that to be an astounding statement because Vice Mayor Graham votes against additional funding for our parks and not only did he vote against the funding, he doesn't want the citizens to be allowed to vote on whether they want.

Vice Mayor Graham: Point of order. Is this on topic?

Mayor Ortega: Sir, you will key in.

Vice Mayor Graham: I can say point of order any time.

Mayor Ortega: Thank you. You will hold off. He has, you spoke for about 20 minutes. Allow somebody else to speak and then you will key in.

Vice Mayor Graham: But I didn't cast aspersions against a colleague.

Mayor Ortega: He waited. Let's just continue. We have Durham and then we have Councilwoman Caputi who has not spoken yet. We have an opportunity for Councilwoman Littlefield, please, and we will get back to you in turn. Continue.

Councilmember Durham: I'm not casting aspersions, I'm stating facts. And Mr. Graham also said that we have been raising taxes. So, I would like for him to speak again and explain what taxes we have raised. Because as we have just discussed tonight, we have lowered our property tax, our sales tax has been constant. It's one of the lowest in the valley. So, I would like to hear what taxes he thinks we have raised.

One of the things that our City Manager likes to say is that we have simply better service for a world-class community. But, you know, we're not going to change our motto to just okay service for a middle of the road community. We want to stand by that motto. I think all of us believe in that. And Councilmember Janik did a very good job of explaining this comp study. And one thing I wanted to point out, was when you have 43 vacancies in your police department, you don't need to ask what the morale is. It doesn't take a rocket scientist to figure out that 43 vacancies in our police department is not a good idea.

And so, we brought that up to ten vacancies and we have done that by increasing pay, bringing it up to the rest of the valley and that's what we are doing with this compensation study. We're ensuring that that our workforce stays happy and not poached by the other cities. One the things I learned as a lawyer is that one of the most important assets any company has is the knowledge the institutional knowledge of their employees. It takes a huge amount to replace that and so we want to make sure that our employees stay here. We want to make sure that they are fairly compensates and that's what this study does. Thank you, Mayor.

Mayor Ortega: Okay. Councilwoman Caputi.

[Time: 01:38:44]

Councilmember Caputi: Thank you. Just one quick project. Bond projects. I want to remind everybody that we estimated our bond projected in 2018. 2018 were when the bond projects were estimated. It's a completely different world now and we are incredibly lucky to have still been able to continue with most of our bond projects. Again, this should be a celebration, not something to be ashamed of.

And then just to clarify something, we can't build all the bond projects at the same time. There's hundreds of millions of dollars of projects. They take years and years to complete. And we've promised our citizens when we issued the bonds that we would not increase their secondary property tax rate.

We just saw tonight that, indeed we dropped it. Projects are not being delayed. We are delivering them. They take a while, and I think we have had multiple I know that we have had multiple meetings as a council, prioritizing which bond projects are most important to our citizens and making sure that we have gotten those completed first. We had so many meetings on this so just want to correct that record. Thank you.

Mayor Ortega: Okay. Councilwoman Littlefield, do you want to speak before we go the second round?

[Time: 01:40:06]

Councilmember Littlefield: Well, Mayor, I actually kind of lost track what we are talking about. We have talked over so many different things all on the same item number on the agenda. I think I would move that we go to a vote.

Mayor Ortega: Well, you were the last one. I haven't specifically spoken on this one. So, I we will vote directly. It's very important that we clarify a couple of things. It's option two. It's not option to be changed or discussed later. It's the way we are being approved in our final budget. So those changes that were recommended at the level 33 or as stated. It's in the going to be debated or restated. That's the motion that I understand because we are adopting the final budget. Secondly, just the general opinion, and I'm not calling out anybody, saying we could do better, council could do better. That's exactly our role.

We want to do better, and we had a five-step process scrutinizing everything and what's on the table is our best stab at it, when all seven of us are part of that budget and we are all moving it forward. Also, it is about revenues and expenditures and people. I said that... people. People. That's what it takes, not machines or robots. Haves that respect and being able to examine ourselves and say the council, it's been 12 or 13 years since we looked at these compensation reports, it's a nominal amount and a big budget of \$11.3 million and a multibillion dollars budget. It's not all spent one year. Remember that.

So, with that, I heard the question, and we will record your vote. Thank you. Okay. So, the vote is 6-1. There is Vice Mayor Graham dissenting. I don't know what part of police and fire you want to cut. I don't know what part of essential elements that we have in our city you wish to defund, but that vote stands. With that, we are concluded with our item, and therefore, I will adjourn the Special Meeting.

#### **COMMUNITY FACILITIES DISTRICTS MEETINGS**

[Time: 01:43:15]

Next, we will go into our does somebody want to take a five-minute break. Okay. We will go into a different mode here.

**DC RANCH COMMUNITY FACILITIES DISTRICT BOARD OF DIRECTORS**

[Time: 01:43:34]

I will now convene the DC Ranch Community Facility District and mention for the record that that item was removed for a future date, but I do want to clarify for those that may have wanted to cover that subject. So that one is not part of our meeting.

**MCDOWELL MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT**

[Time: 01:44:00]

Next, we will go to the McDowell Mountain Ranch Community Facilities District, and I will make note that first of all, call to order. Convene the McDowell Mountain Ranch Community Facilities District. We will now as I call to order, for the record, I want to mention that all district board members and executive officers are in attendance for this meeting at the McDowell Mountain Ranch Communities Facilities District.

Our second item is approval of minutes. Do I have a motion to approve the meeting minutes. Tuesday, June 13, 2023.

Councilmember Whitehead: So moved.

Mayor Ortega: And do I have a second?

Councilmember Durham: Second.

Mayor Ortega: Please record your vote.

Next, I will look for a motion to adopt Resolution Number 73, which approves the district's proposed Fiscal Year 2024/25 budget and orders a public hearing.

Councilmember Whitehead: So moved.

Councilmember Caputi: Second.

Mayor Ortega: I will now have a public hearing. I should have done it before.

Ben Lane: Mayor, we need a vote before we go to the public hearing.

Mayor Ortega: Okay. We will vote before I'm sorry. Let me take a little sip. Okay. Thank you. Now, we will conduct a public hearing. Excuse me, I will ask for any questions regarding the motion to adopt Resolution Number 73, which approves the district's proposed fiscal year, and I have the motion?

And I have the second. So, I will now move to conduct a public hearing on the district's fiscal year budget. The public hearing is...

Ben Lane: I'm sorry. We need a vote.

Councilmember Durham: Resolution number 73.

Mayor Ortega: Excuse me. I just need a little more water.

Councilmember Caputi: It's so confusing. We do this every year.

Mayor Ortega: Let's vote on Resolution number 73. Boom. Unanimous.

Next, we will conduct a public hearing on the district's fiscal year 2024/25 budget. I will open the public comment, and I will close the public comment. Next, I will ask for a motion to adopt Resolution Number 74, which adopts the district's proposed fiscal 2024 budget.

Councilmember Janik: So moved.

Councilmember Littlefield: So moved.

Councilmember Janik: Second.

Mayor Ortega: Thank you. Please register your vote. Yes. We are unanimous. Now, I will adjourn the McDowell Mountain Ranch CFD Board meeting.

#### **VIA LINDA ROAD COMMUNITY FACILITIES DISTRICT**

[Time: 01:47:19]

Next, I will convene the Via Linda Road Community Facilities District. Call to order. Note that all the board members and the executives are here. The first the second matter is to approve the minutes. Do I have a motion to approve the meeting minutes of Tuesday, June 13, 2023.

Councilmember Durham: So moved.

Councilwoman Whitehead: Second.

Mayor Ortega: Moved and seconded. Please record your vote. Okay. We are unanimous.

Next, subject is to adopt the Resolution Number 57, which approves the district's proposed fiscal year 2024/25 budget and orders a public hearing. Are there any questions from the board before I request a motion? Seeing none, I will now have a motion to adopt Resolution Number 57 which approves the

2024/25 budget and orders a public hearing.

Councilmember Whitehead: So moved.

Councilmember Littlefield: Second.

Mayor Ortega: Please vote. Unanimous. Accordingly, I will now conduct a public hearing on the district's fiscal year 2024/25 budget. Open a hearing. No comment and close the hearing.

Next item it to consider adopt Resolution Number 58 which adopts the district's propose fiscal year 2024/25 budget do I have a motion to adopt Resolution 58, which adopts the district proposed fiscal year 2024/125 budget.

Councilmember Janik: So moved.

Councilmember Whitehead: Second.

Mayor Ortega: Moved and seconded. Please record your vote. Okay. We are unanimous. So, I will adjourn the Via Linda Road CFD Board.

#### **SCOTTSDALE WATERFRONT COMMERCIAL COMMUNITY FACILITIES DISTRICT**

[Time: 01:49:33]

Next, I will convene the Scottsdale Waterfront Commercial Community Facilities District. Call to order noting that all board members and executive officers are here.

I would ask for a motion to approve the meeting minutes of Tuesday, June 13 of 2023.

Councilmember Littlefield: So moved.

Councilmember Whitehead: Second.

Mayor Ortega: Moved and seconded. Please record your vote. Unanimous.

Next, I will ask for a motion to adopt Resolution Number 44, which approves the district's proposed fiscal year 24/25 budget and orders a public hearing. Are there any questions from the board of directors before I request a motion? Seeing none, please do I hear a motion?

Councilmember Janik: So moved.

Councilmember Whitehead: Second.

Councilmember Littlefield: Second.

Mayor Ortega: I heard a motion to adopt Resolution Number 44. Please record your vote.

Next, we will conduct a public hearing on the district's fiscal year 2024/25 budget. I open the public hearing and seeing none, I will close that.

Moving on, we will I request a motion to adopt Resolution Number 45 which adopts the district's proposed fiscal year 2024/25 budget and orders the tax levy for the district. Do I hear a motion.

Councilmember Durham: So moved.

Councilmember Janik: Second.

Mayor Ortega: Any other questions? Seeing none, please record your vote. Unanimous. At this point, we will adjourn the Scottsdale Waterfront Commercial CFD board. And we are concluded with our business.