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CALL TO ORDER

[Time: 00:00:03]

Mayor Borowsky: Vice Mayor Kwasman. All right, I would like to, it's 5:05 my apologies for getting a late start here. I would like to now call the January 13, 2026 Regular City Council Meeting and Work Study Session to order. City Clerk, Ben Lane, will you please give us a roll call.

ROLL CALL

[Time: 00:00:19]

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

Mayor Borowsky: Present.

Ben Lane: Vice Mayor Adam Kwasman.

Vice Mayor Kwasman: Present.

Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas: Here.

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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: 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.

[Time: 00:00:46]

Mayor Borowsky: Thank you. This evening we have Police Officer Kyle Shollack, Officer Ray Willburn and Sergeant Eric Bowles as well as Scottsdale Firefighters Ethan Ritterbush and Logan Koeller in the event anyone needs assistance, please let a member of those individuals know or a member of our staff here at the desk.

And for the Pledge of Allegiance, I would like to ask Councilwoman Dubauskas to lead us in that.

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Councilwoman Dubauskas: 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 Borowsky: Thank you. And for the invocation, I will ask Councilwoman Whitehead to help us with that.

INVOCATION

[Time: 00:01:37]

Councilwoman Whitehead: Thank you, Mayor. I'm looking for Pastor Jackie. There she is. Okay. Great. I will read a few remarks. Let me pull my notes up here. I am first of all, happy new year, and I am pleased to have brought Pastor Jackie Parks here to give us an invocation. She is the recipient, most recently the recipient of the 2025 Scottsdale Leadership Francis Young Award and she is recognized as the visionary leader and pastor of the South Scottsdale Presbyterian Church and the after founding the Community House, a day relief center for people experiencing homelessness. And she's just a treasure to our community. So, with that, Pastor Jackie, please come up. Thank you.

Pastor Jackie Parks: Thank you so much, Mayor Borowsky, and Council, it's my great honor to be here and my pleasure to serve the city of Scottsdale as a pastor and leader that cares for and leads our community to love the unhoused. So, would you pray with me?

Spirit of wisdom, compassion and shalom. We ask for a blessing upon this gathering and upon our leaders in the city of Scottsdale. May prophetic love stir our hearts, calling us to see clearly, to speak truthfully and to act courageously for the good of all. Guide us to give particular tender care and attention to the vulnerable and those pushed to the margins, and may you give imagination that shapes policies rooted in dignity and justice. May our deliberations lead us to be participants in your peace and may we be moved by your kindness and compassion, seeking the common good with humility, cooperation, and hope. Amen.

Mayor Borowsky: Thank you very much for joining us here today. We appreciate it.

Before I give my Mayor's Report, I'd like to extend my deepest and sincere sadness and well-wishes to the family of our former Attorney General Mark Brnovich who I learned passed away today. My thoughts and prayers go out to his family. He was a great man and service to our state, and our thoughts are with his family and everyone that knew him.

MAYOR'S REPORT

So as and for my Mayor's Report tonight, first, I would like to thank everyone that was here last week for our downtown summit, Old Town summit. There was such a great attendance and so many passionate stakeholders showed up to give their thoughts and ideas about Old Town and the downtown area. And as a result of that meeting, I'm pleased to announce that I am moving forward with the creation of the Mayor's Ad Hoc Downtown Scottsdale Task Force, which will be a 15-member group that will focus on key

issues like marketing, tourism, parking, and the downtown character area plan, and all kinds of ideas that will ideally benefit and advance the goals of Old Town and downtown and our city as a whole.

The representatives of the task or of the ad hoc committee will represent areas, including historic Old Town, Fifth Avenue, the entertainment district and the arts district, which will include merchants, property owners and tourism leaders. And if you are interested in becoming part of that group, please reach out to our office. I really would love to hear from you at the Mayor's office.

PRESENTATION/INFORMATION UPDATES

[Time: 00:05:48]

Moving right along, at the presentations tonight, we have one presentation, which relates to our employee recognition program, where the City Council recognizes employees with 20 or more years of service, as of January 2026. Presenting on this topic we have Holly Peralta, Interim Senior Director of Communications and Public Affairs. Thank you for being here, Holly.

Interim Senior Director of Communications and Public Affairs Holly Peralta: Thank you, thank you Mayor Borowsky and members of City Council. In 2026, we will probably recognize 810 employees reaching service milestones ranging from 1 to 40 years, and among them, we have 159 employees who have dedicated 20 or more years of service to the city this year and we will be recognizing them at the start of every month.

Tonight, we are recognizing employees who in January mark 20 or more years of service with the city of Scottsdale. At 20 years, we have Christopher Kolmar and Laura Roberts, 25 years David Alvarado and Ed Morrell and 30 years of service Chris Leckner and Bert McGee. If any of you are here we would like you to come forward and thank you for your service and take their picture. We would like to thank them for making Scottsdale a resilient city year after year. We thank you for your service.

Mayor Borowsky: Thank you so much. And that was Sergeant Alvarado who has 25 years of experience. Thank you for being here tonight and thank you for your service to the city of Scottsdale.

EXECUTIVE SESSION

All right. As is always the case, during tonight's meeting, Council may make a motion to recess into Executive Session in order to obtain legal advice on any applicable item on the agenda. If that happens, the Executive Session would be held immediately and will not be open to the public. And the public meeting would resume immediately following the Exec Session.

MINUTES

Next, we have the approval of the Meeting Minutes and if there are no revisions, I will entertain a motion to approve the Work Study Session Minutes of October 7, 2025, Regular Meeting Minutes of October 7,

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2025, Special Meeting Minutes of October 21, 2025, and Regular Meeting and Work Study Session Minutes of October 21, 2025.

Councilwoman Littlefield: So moved.

Councilwoman McAllen: Second.

Mayor Borowsky: I hear a first and a second. So, all those in favor, please indicate your vote. Thank you.

And I see that Councilwoman Whitehead would like to speak on an issue. So, go right ahead.

[Time: 00:09:48]

Councilwoman Whitehead: Thank you, Mayor. I would like to move to have my Council support the residents who are here to support the residents who are here to speak to suspend Council Rules and allow those here to make public comments to go ahead and speak at the beginning of the meeting, right now, as opposed to waiting until the end. So, I hope, how many people here are here for public remarks? So, there's some yeah. So, thank you. Thank you for being here. We really do appreciate it. So, I urge my Council and colleagues to go ahead and allow these residents to speak now as opposed to waiting until the end of the meeting. Thank you. That's my motion.

Councilwoman McAllen: I will second that motion.

Councilwoman Whitehead: Thank you.

Mayor Borowsky: Just to clarify, you are referring to non-agendized public comment.

Councilwoman Whitehead: Thank you, Mayor that's correct. The motion is for non-agendized public comment and to hold that at the beginning versus the end. Thank you.

Mayor Borowsky: Thank you. We have a motion and a second to suspend the rule as it applies to the order of public comment. Please indicate your vote for that. Oh, yes, excuse me, Vice Mayor Kwasman. There you are.

Vice Mayor Kwasman: Thank you, Madam Mayor. So unfortunately, we're starting 2026 with controversy unnecessarily. And it is with, it saddens me that there's no need to be able to move right back into division that was already something that we settled and dealt with in 2025. I understand that the vote did not go for the proponent for Solange in last City Councilwoman Whitehead for Councilwoman Whitehead in 2025. Again, I think in the spirit of 2026, and people and contentious Council already, there's no need to continue to rehash this over and over again. I hope with this vote this is, people you will understand that rule changes occur in multiple Councils and that a deep respect for first amendment rights was balanced with proper flow of the Council. And so, I urge my colleagues to remember their vote in 2025 and allow this Council allow this Council to move forward. Thank you.

Mayor Borowsky: Thank you, Vice Mayor Kwasman. I'm all in favor of having non-agendized comment first. So, I'm going to vote on this motion, just in a vacuum on what it stands for. I was opposed to the rule change. And so be it. There are 11 people on the non-agendized public comment. I have no problem having you go before the business at hand on the agenda gets going. So, I will vote yes, but let's just have the vote.

All right. That motion does not pass and so we will move right along.

CONSENT AGENDA

[Time: 00:13:28]

To the Consent Agenda I don't know who is saying that, but if you could keep your outbursts, I don't mean that pejoratively, it will make the meeting go smoother and quicker as always. Consent Agenda. We have Consent Agenda Items 1 through 17. Does anyone have anything they would like to ask questions about or pull off the agenda?

Councilwoman Littlefield: Mayor, we need to approve the Minutes.

Councilman Graham: We did.

Mayor Borowsky: Thank you for confusing me, Kathy. Did you vote?

Councilwoman Littlefield: I thought apologize, Mayor.

Mayor Borowsky: No problem. No problem. Does anyone have any questions or wish to pull off anything on the Consent Agenda? I don't see any indication to speak, but I hear that Councilwoman Dubauskas has a comment. Is that right? On Number 15. I realize that. I don't see any questions or desire to pull anything off.

And so, with that, I will move to public comment to take a vote on the Consent Agenda items 1 through 17 and I will call on Roger Lurie, followed by Neal Shearer and we'll go right over here, excuse me, Mr. Lurie. We changed things around a little bit. The public speaker podium is over here to my right.

[Time: 00:14:53]

Roger Lurie: Good evening, Mayor Borowsky and members of the City Council. My name is Roger Lurie. I chair the Human Services Advisory Commission, but in speaking tonight, personally, to urge you to adopt Ordinance number 4699 to increase the voluntary utility billing donation for Scottsdale Cares to \$2 per month per meter.

For more than 30 years, Scottsdale Cares has been one of the city's most effective tools for addressing community needs before they become crises. Through partnerships with well-trusted local nonprofits, this

program supports housing stability, food assistance, healthcare access, and critical services for seniors, families and individuals facing hardship. Each year, Scottsdale Cares funds services reach more than 6,000 Scottsdale residents and prevents more costly outcomes.

Increasing this donation to Scottsdale Cares is fiscally responsible, and a preventative investment. It strengthens proven programs, protects our most vulnerable neighbors and preserves the quality of life in Scottsdale. I urge the Council to support this ordinance, thank you.

Mayor Borowsky: Thank you, Mr. Lurie. Neal Shearer.

[Time: 00:16:40]

Neal Shearer: Good evening, Your Honor, members of the Council. Thank you for your service, by the way. I'm Neal Shearer. I have called Scottsdale home for over 45 years. And I know it sometimes could be ill-advised to pull an item off the Consent Agenda, especially when you support that item, but this item is near and dear to my heart.

I was privileged to serve as the Human Services Director back in 1995, when the City Council first authorized Scottsdale Cares. And over the last 30 years, we've had the opportunity from our generous residents to raise over \$5 million to support local nonprofits. So, my Chair on the commission, my colleague, Roger Lurie covered really the importance of this program. So, I just wanted to take a moment and thank the people who worked incredibly hard to get it to this point. And that would include your amazing human services staff, which I know you do that you know they do incredible work every day. The utility billing team was very critical to this. They rarely get any public notice at all, but they were very helpful in working out the details to bring this forward. Of course, the legal team and the City Manager's office were extremely helpful. And so, I just wanted to be here to for the sequel from 30 years ago until now and I'm looking forward to raising more money for these important causes.

Our nonprofits in this community do so much heavy lifting, and the fabric of our service delivery, social service delivery in Scottsdale is made not only the city and not only the faith community and the charitable foundations and the educational components of our community, but our nonprofits really do great work. And this recognizes them and every dollar that comes into this program goes through a very rigorous review process, ultimately for City Council approval, and every dollar ends up going through it's a pass through directly to our nonprofits. So, thank you. I appreciate your support on this program.

Mayor Borowsky: Thank you, Neal. I appreciate you coming to speak to us. Councilwoman McAllen.

Councilwoman McAllen: Thank you, Mayor. I just wanted to thank Chairman Lurie for his service to the Human Services Commission, and I did want to give Neal Shearer a shout out. He did say that he was on staff at the time. He also happened to be my supervisor when I worked in Human Services when this program was created. And it's been a long time. It's hard not to get choked up. Neal served exponentially in creating this. And the fact that he could be here for this and to thank all the people involved. Just yesterday partners for Paiute got a huge donation from our Firefighters Association. All of these nonprofits

working together in our community, community house that Pastor Jackie Parks runs. All of these wonderful programs really continue to grow because Scottsdale Cares and invests back into them. So, thank you, Neal for all you have done for the city and thank you, Human Services Commissioners. Appreciate it.

Mayor Borowsky: Thank you. I don't see any other requests to speak. And so, we will that concludes public comment on this the Consent Agenda items and I will entertain a motion to approve the Consent Agenda Items 1 through 17.

Councilwoman Whitehead: Mayor, so moved.

Mayor Borowsky: Thank you. All those in actually, or opposed?

Councilwoman McAllen: Second.

Mayor Borowsky: Please register your vote. All right.

REGULAR AGENDA – ITEM 18

[Time: 00:21:12]

Moving on to the Regular Agenda. Item number 18 Fiscal Year 2024 Annual Financial Audit. This is a request to accept the fiscal year 2024/25 Annual Financial Audit reports, submitted by the city's external auditor, Heinfield, Meech and Company. Presenting on the topic this evening is not Lai Cluff, it is going to be you? Okay, there we go, someone else Acting City Auditor there she is, Brittney Williams of Heinfield, Meech and Company, Acting City Auditor Lai Cluff and this is Brittney I know who Lai Cluff is, I read those together pardon me.

Acting City Auditor Lai Cluff: Thank you. I will do a brief introduction before I hand it over to Brittney. On the agenda tonight, we have a presentation on the audit of the fiscal year 2024/25 financial statements. Included in there are the citywide financial annual comprehensive financial reports along with the financial reports for the four community facility districts and the municipal property cooperation. Those reports are prepared by the accounting department and then audited each year by our CPA firm, Heinfield and Meech. The auditor's office manages that CPA contract on behalf of Council and we have contracted with Heinfield and Meech for this year to do the audit. The state law does require that the firm present the results to Council within 90 days of completion of the audit. It was completed in November, and it went to the Audit Committee December 12th. So, with that, I will hand it off to Brittney to go over the results of audit. Thank you.

Mayor Borowsky: Thank you.

Brittney Williams with Heinfield, Meech and Company: Thanks Lai, Mayor Borowsky, members of Council thank you so much for having me here this evening. Again, I'm Brittney Williams, and I work for Heinfield and Meech here in our Scottsdale office and it is always a pleasure to be here. We work with Anna

Henthorn and her team in finance and Lai in internal audit and we meet several times a year with the Audit Committee and so I'm familiar with many of you and you have seen the reports, but we will go ahead and briefly cover everything that we have here in the presentation tonight.

So, as Lai mentioned, the Charter does require City Council to designate a CPA to audit the financial statements and present this at the City Council meeting. This is just the face of the independent auditor's report that we issued on the city of Scottsdale audit this year. As you will notice, the first paragraphs are the opinion on the financial statements. We issued a clean opinion. Everything looked really good, as it has for several years now.

We also do the same auditor's report, independent auditor's report on all four CFDs as well as the municipal property corporation, all five of those component units also received a clean audit opinion.

[Time: 00:24:10]

After we issue our audit opinion, I also send a communication directly to those charged with governance. So it's a letter directly from me, the independent auditor to the Audit Committee members, and ultimately City Council, so that you know of any significant things that took place in the audit, if there were significant estimates, any audit adjustments that we needed to make, any sort of disagreements with management, difficulties encountered during the audit, they would be in those letters. I issue that right after we issue our audit opinion. We had no issues. It was, again, a clean audit and everything looked really good.

We will be issuing our single audit report in its totality, but we have issued our independent auditor's report on internal control over financial reporting which is required when you have a government audit. Obviously, governments get to do lots of extra tough related to internal controls and so we had a clean report on that as well. There were no material weaknesses, no significant deficiencies and no noncompliance, everything in internal controls looked really tight.

We are actually, Anna and I and the team were talking just today. We're very close to issuing the single audit report, which is where we review federal grants on a risk-based process and audit a couple of grants every year. So far this year, everything looks good. It will be a clean report, again no material weaknesses and no significant deficiencies or noncompliance.

We also issue a state funding compliance report for the highway user revenue fund money saying those monies were issued or being used in the proper way and that looked good. We have some more reports to issue, that are due at the end of March. That would be the HUD report for housing as well as the annual limitation report for the city. So, as you can see, the audit just goes all year long. It never really ends. As soon as we issue all the reports, we just start again.

So, and then I believe this is the accepted or the requested action to accept the audit report but I'm here for any questions if you have any questions for me at this time.

Mayor Borowsky: I don't see any questions. So, if that concludes your presentation, Lai, did you have

anything else to add?

Lai Cluff: Mayor, no, that was it. Thank you.

Mayor Borowsky: And we have not received any requests to speak on this item. So, with that, I will entertain a motion to accept the fiscal year 2025/25 annual financial audit reports submitted by...

Councilwoman Whitehead: So moved.

Mayor Borowsky: Heinfield, Meech and Company.

Councilwoman Whitehead: So moved from my screen. So moved, thank you.

Councilwoman Littlefield: Second.

Mayor Borowsky: All right. We have a motion and a second. Please register your vote. Thank you. Thank you, Heidi, for being here.

REGULAR AGENDA – ITEM 19

[Time: 00:27:15]

Next, we have Item number 19, the 2026 Legislative Session Update. This presentation and discussion will be about and possible direction or action to city staff and the city's state lobbying services contractor who will provide a view of the legislative environment, state budget and major policy issues expected to be considered by the Arizona Legislature. That sounds like a lot. And presenting on this topic this evening is Sara Sparman, Government Relations Manager, and Dr. Marc Osborn of Kutak Rock.

Government Relations Manager Sara Sparman: Thank you. I would like to take a moment to introduce Dr. Marc Osborn of Kutak Rock. As you know Kutack Rock is now our state lobbying firm. The Legislative session gaveled in yesterday, the 57th Second Regular Session is officially in full swing. We will be coming before Council monthly to provide these legislative updates during session so that you can be informed, ask questions and we will keep them on the regular schedule. Marc is here to give you a brief overview. We see a lot of bills drop. We're at 480 now we anticipate by the end of the week that could double. I will let Marc give us a big picture of the upcoming legislation.

Mayor Borowsky: Thank you, Sara.

Dr. Marc Osborn with Kutak Rock: Thank you, Mayor and members of the Council, for the record, Marc Osborn with Kutak Rock. In the time frame that Sara was walking down from her office, they dropped 11 more bills so we are down to 460 bills on the first day of session.

So, I will give you a sense of what the big picture issues are and narrow down a little bit to the more

municipal-focused issues and then kind of talk through. At any time during the presentation, feel free to ask questions or wait until the end, whatever the Mayor would prefer, but I have no preference one way or the other.

As Sarah mentioned, yesterday was the first day of Session. We will typically see a massive drop of legislation this week. All House members have a bill limit. Unless they drop bills by the end of this week. And so, we'll see probably by the end of the week, another 300, 400 more bills. I would anticipate, based on the folder openings, meaning the legislative ideas, that we're going to be close to 2,000 bills and we've heard rumors we've never gone over 2,000, and they are already trying figure out an alternative numbering source. Not to say that there are 2,000 good ideas but there are 2,000 bills.

Key governor's priorities and I will give you a little riff on the presentation, because I will give you a little sense of what was in the governor's state of the state yesterday. Her focus, K-12 education, water policy, modernizing state government and I will drill down on that in a minute. I think the overview of the whole legislature is we have a challenging fiscal background. We're not in a deficit. We only have about a \$68 million surplus, which if you think about that on an \$18 billion budget, is basically a rounding error.

[Time: 00:30:47]

The biggest challenge that I think we're going to see is what in the biggest political fight and will actually begin as early as tomorrow, is what to do with what we call tax conformity. Every year the legislature, it's fairly a procedural thing, where we try to basically take the tax code, if there's federal changes at the state level, we want to mirror those because it creates convenience for taxpayers. However, when you have a big tax policy change like you did in HR-1, those changes have a fairly large fiscal cost. And we're looking about \$450 million per year in full implementation. And those are things like no tax on tips, expanded deductions, corporate income sourcing, things of those nature. And what you are going to see, right off the bat, is some real debate between the governor's office and the republicans in the legislature about what they are going to conform to. The governor says she wants to focus in on no tax on tips, what she calls the middle class. I think the republicans want to go more aggressive, more towards full conformity. It's not quite full conformity but picking up more the tax incentives and economic stuff on the business side. At some point during the budget process, they will have to reconcile that. I think the one thing we have been chatting with Ms. Sparman about is make sure that anything that adjusts, state-shared revenues, that we are anticipating that and no harm will occur. Obviously, it's an election year and we will have all kinds of posturing and fun on both sides and that's nothing new, but it will be heightened because it's election year.

State budget, as I said before, we're looking at about a \$68 million surplus. The other thing that is really challenging the budget is with some of the cuts to the state Medicaid program and the Snap program, the legislature will have to make some decisions, and governor, do you increase state contribution to hold those programs harmless. What adjustments do you make. Do you adjust the reimbursement rates for providers. While it's not a direct impact on kind of our piece of the state budget, I mention that because it's such a large piece of state budget at any time there's a cold in the Medicaid program, the whole state gets sick because it's such a large piece of the budget.

The governor came in with a fairly conservative budget approach to spend under 2%. Any new spending will really have a high bar to get over in terms of a state budget. I think in a lot of sense, it will be budget as we know. Very flatlined but focused in on those target areas that I just described before.

Other major budget items, probably the other biggest other fiscal issue is Provision 123. About 10 years ago the Legislature and the voters approved a provision that allowed out of state trust land, state to draw more of that corpus down quicker, the interest on that corpus quicker. It generates about \$350 million of K-12 spending. And that has since expired and so they need to renew it. There are some fairly significant policy differences between the democrats and the republicans on how to restructure that but that's a big piece of the budget. Getting that resolved will be an important issue.

Infrastructure and capital backlog is always a continual issue. I think a lot of key things when we are in the surplus years, a lot of that funding that came through in the capital budgets making sure that's protected, particularly in the transportation and the local government range as they try to balance the budget.

[Time: 00:35:12]

Water is going to be as it has been the last couple of years, a huge issue. This year we are focused on C.A.P. and what is going on with the other basin states and how the state will adapt. There are working groups. You are already seeing legislation this afternoon, the when the committees passed legislation to increase a litigation fund over the Colorado River allocation. So, we're already anticipating that may not go as smooth as we would hope. And obviously with the upper basin states, really digging in their heels, I think that may get more contentious. And then you will see tax policy and economic competitive. Those are the bigger picture major issues.

A couple other areas we are really focusing on. Housing affordability is still a big theme. I think we are starting to get out of the continual zoning is the problem. I think getting rid of zoning is wearing thin. I think we are getting out of that area. They are looking at other issues. One the issues is how to bring more condos into the market and they are actually realizing it's a litigation environment on construction defects and they have a working group on that. Good news is they are not going after local government authority, but they are looking at other parts of the problem, which I think is thoughtful.

Water policy implementation, I think you will start to see some stuff recently on ag. to urban. I think all the air will be sucked out of the Colorado River discussion and how as a state will respond.

And the border security will be a political football. The republicans will make the governor look weak and the governor trying to say how she's done great things. And wherever you are on either side, they will squawk about. That's normal election. And then divided government as I said before. It's election year and everyone wants to upscale their fight.

So the more targeted issues. I think we are seeing I wouldn't say buyer's remorse on some of the expanded ADU, where in the legislature people are saying maybe we went a little too far and maybe we need to start looking at some refinements to that legislation. I know a number of folks in our delegation are looking at

things and supporting our efforts on sprinklers but also looking at if we are going to have ADUs and not another vehicle for short-term rentals particularly in areas where we have housing shortage. And local controls. I think we will find some of those efforts that folks have believed that zoning is still the problem and so we will be positioning Scottsdale to retain that local control, allow us have our destiny and allow us to protect our property rights. I think the short-term rentals this is, I think, an ongoing fight but I think we are starting to see a little bit more of a tipping point where I think the externalities of some of these short-term rentals in these communities, you are seeing more and more citizens become concerned and each year it seems to grow and grow. You know, before it was just Sedona and then it was Paradise Valley and then Scottsdale. All of a sudden, I think it's we're starting to get hopefully to some type of a critical mass. I'm not sure where they are this year, but to give you a sense, I think the short-term housing or the short-term rental industry has created their own new trade association in anticipation of more and more fights on that. I think it will be a very interesting area.

[Time: 00:39:36]

On the area of public safety and technology, I think the legislature will look to probably put some guardrails or handcuffs on license plate readers and making sure that they are used appropriately. And so, I think we need to guard against kind of that overreaction to say, this is a valuable tool. Let's just make sure it's used properly. I know that some of the police chiefs have gotten together and kind of done some proactive legislation that kind of says, here's some reasonable guidelines and hopefully that type of approach will win the day versus kind of knee-jerk reaction that we typically see in photo radar, like no photo radar and balancing that. I think you are going to see quite a bit of discussion in those areas.

Fiscal stability and revenue. I think on the proactive side, you are seeing some members that look as governments are modernizing, do we really need to rely on newspapers as the communication technique? More and more citizens are or very few citizens use some of those techniques to find out about public meetings and now how can we modernize and we Sara and I have seen a number of different bills that have got on that area and I think we'll figure out which ones make the most sense. And then obviously transportation, infrastructure, we have talked a little bit about water, environmental policy will continue to be with water really driving that issue.

To give you a little bit of a sense of how quickly this moves. The legislature will address 1,800 bills in four to six months. If they go four months, 50 I am usually pretty happy. If they go six months, I'm really grumping. But usually four to six months. Hopefully more on the four-month side mainly because they have an election year and so maybe they want to get out and start campaigning. You can see the key deadlines. Usually by the 20th, we will have a total sense of how many bills we have. And early March we will have the major universe of bills. And each time we come to you and present, it's kind of a narrowing down of more and more bills die because they didn't make it through the process and then our efforts become less broad in interpreting them to focusing in on those bills that we really care about, a proactive agenda and those type of things.

And then my partner Dan Rahm who is sitting up there in the second seat, he's optimistic and put 4/25 as the date that you will be safe from the legislature. And with that, I will be happy to answer any questions.

Mayor Borowsky: Thank you, and welcome aboard. We approved your contract not too long ago. So, thank you and good luck this session! I don't see any questions or comments. Oh, Councilman Graham.

[Time: 00:42:45]

Councilman Graham: Thank you, Mayor. It's a good presentation and just it's don't know how dynamics change last year was a rough year for local control, especially in Scottsdale. But really I mean these rights apply to all Arizonans and it was a tough year for all of them. And so, you talked how are things different in an election year. At this point I'm just thinking year to year. I appreciate that you brought all of that up and talked about it, addressed it. I was flummoxed by how many bill ideas. The difference between stupidity and idiocy is that stupidity has its limits. And so, I'm just concerned chipping away at our short-term rentals and using our housing for housing.

Local control, and housing preemption and then you talked about water sustainability, water policy. It's huge, like Councilwoman Kathy Littlefield said and I agree with. I'm interested but I don't want to get into a rat hole with this. I'm interested in the joint legislative budget committee, how accurate their forecasts typically are. They think that revenues will meet expenditures. I am curious, maybe like their batting average. We don't have to discuss it today, but I appreciate that you are taking these head on. I especially doing what you are doing in the first 90 days of the session, when there is the most zeal and catalytic impetus to get stuff done. And I'm sure all of my colleagues, look forward to you returning and keeping the residents and the Council updated. So, thank you.

Dr. Marc Osborn: Madam Mayor, if I can respond to you.

Mayor Borowsky: Of course.

Dr. Marc Osborn: They actually do a very thoughtful job about it. What happens as they have a group of economists, U of A, A.S.U., a number of experts and they all sit on a quarterly basis and try to dissect where the and then the governor's office has a similar and then they during the budget process, they try to link them up. And sometimes they are right. Sometimes they are wrong, but they are usually within a percent or two.

Councilman Graham: Oh, good.

Dr. Marc Osborn: When you think on a percent or two on a \$18 billion budget, that's a lot of money.

Councilman Graham: I know.

Dr. Marc Osborn: And the big challenge, when you have something like HR-1, with all of those multiple tax changes it creates a lot more uncertainty. And so, the potential to be off is significant. We do have a very big rainy-day fund in case there are big issues.

Councilman Graham: No, the tax conformity is a big one. It boils down to how you define adjusted gross

income, modified adjusted gross income, whether deductions go above or below certain lines and how that rolls forward to the form 140. Are you enjoying this tax discussion Vice Mayor Kwasman? It's something that CPAs are geeking out about and panicking about and we are watching it. Thank you.

Mayor Borowsky: Vice Mayor Kwasman.

[Time: 00:46:41]

Vice Mayor Kwasman: Thank you, Madam Mayor. Thank you, Mr. Osborn. It's fantastic. As a former member of the JLBC, I want to tell you that there were members of Legislature who tried to put bills through that were closer to tabor. So instead of predicting the weather in the future, it was all we would do in order to budget for Arizona, was to spend as much money as tax revenue came in the year prior, plus inflation, plus population growth. I think that that responsible approach is also something that we can do in Scottsdale. And looking forward to working with my colleagues to maybe putting something there as a way that we manage our budget.

Mayor Borowsky: All right. It looks like that's all we have for you. Thank you for the presentation.

Dr. Marc Osborn: Thank you. And one last parting word. If there's anything I can do better in the presentation, just let Sara know. This is my first. If I'm not hitting the right notes or things you want us to focus on, constructive criticism is requested.

Mayor Borowsky: Thank you for that, Dr. Osborn.

REGULAR AGENDA – ITEM 20

All right, moving on to Item number 20. Item number 20 asks for consideration to adopt Resolution 13584, amending the 2020 Rules of Council Procedure and presenting on this, we have Interim City Attorney, Luis Santaella and City Clerk Ben Lane. Gentlemen.

City Clerk Ben Lane: We have two proposed rule changes for our Council rules. Next slide, please.

Just some quick background. I know we went over this recently, the Council Rules were first adopted in 2011. This he have been amended seven times. This would be the potential eighth amendment. Traditionally these changes have been discussed with each new Council. We only have two rule changes today. We will be talking about each of them individually. And just the proposed changes are noted in green font and with strikethroughs. Next slide, please.

So, the first one would be a new rule, and basically what it would do is it would allow the City Clerk, with the concurrence of the manager, to cancel meetings if the Clerk is provided advance notice, at least two business days that basically quorum of the Council cannot attend the meeting. Each Councilmember would need to email the Clerk and say they cannot attend a meeting. And then once quorum is determined, that a quorum can't attend, I would administratively cancel the meetings. So that's the first change. Next slide,

please.

So, this practice is already done by our boards and commissions. It is done by several of our peer cities as well. The benefits to this is it does provide advanced notice to the public that the meeting will be canceled so that the public doesn't come down here for a meeting that can't be held. Additionally, there's some resource savings as well. There's resourced relates to public safety, the City Manager's office, the Communications office, and the Clerk's office as well, along with all the staff that attend on at meetings as well. So, there would be resource savings there.

And additionally, while the Council did during the last time we looked at the Council rules, they did remove the polling to the polling provision that would allow for individual items to be added. We still have a polling provision that allows the Council to cancel a meeting through a poll. This would reduce the need for that type of polling because the Council would just individually notify the Clerk and then the Clerk could cancel the meeting without having to do a poll. So it does reduce the polling requests greatly.

Before we move on to the next rule, is there any Council questions or feedback on this one?

[Time: 00:50:58]

Mayor Borowsky: I do, before I see Councilwoman Whitehead has one as well. Has this ever happened, as far as you are aware, in the city's history that four Councilmembers could not attend a meeting?

Ben Lane: Mayor, we did have a meeting back in October that was a Special Meeting that was called, that four Councilmembers did inform me that they could not attend. They called me individually, and and you ended up canceling that meeting.

Mayor Borowsky: I recall they wanted to cancel the meeting, not that they could not attend. So is this just a I guess that begs the next question. Is there any criteria, meaning they would be out of town or is this just a way to cancel a meeting?

Ben Lane: Mayor, this would if a Councilmember can't attend, this would just allow them to contact me and contact me and say I can't attend this meeting. I don't know if we set up any specific criteria related to that.

Interim City Attorney Luis Santaella: Mayor and members of the Council, just to weigh in, in terms of what my colleague is saying this is similar to other commissions and boards. So, it's something that has been traditionally done for those for the administrative reasons Ben talked about. And it's an efficiency measure.

Mayor Borowsky: Okay. And would the names of the Councilmembers be known and published that indicated their intention not to attend?

Luis Santaella: Yes, they would be because they would be sent in an email, which would be public record.

Mayor Borowsky: Okay, all right. Thank you for those answers. Councilwoman Whitehead.

[Time: 00:52:52]

Councilwoman Whitehead: Thank you, Mayor. I don't know where this idea came from, governments are not supposed to be efficient, we are supposed to be effective. We have repeatedly this past year shut down government, shut down the voices of the people, shut down the voices of businesses and now it appears that if four members of the City Council don't like a subject matter, we shut down the meeting. This makes absolutely no sense. And just as a reminder for anybody who may not know, boards and commissions are not elected. They are appointed. They make, they provide guidance. They don't decide. The Council does. So, evading tough subjects by getting together and finding three pals to say we don't want to go to the meeting is silly.

Now, come on, you all wanted to be up here, I presume, which is why you ran for office. So, let's put this to rest. This makes no sense. I have never, in my 30 years, known of a Council that couldn't show up to a meeting, especially in this day and age, when, frankly, you can call from Hawaii or wherever the heck you are. So, I strongly oppose this, and I think this is a waste of time and to call it efficient just makes me pretty cranky. So, I will be opposing this.

Mayor Borowsky: So let me interrupt our Council debate up here because I want to call on the two speakers, Steve Sutton and Dan Ishac on item number 20.

[Time: 00:54:51]

Steve Sutton: Steve Sutton, address on record. Good evening, honorable Lisa Borowsky, Mayor of Scottsdale and Councilmembers. Last year, I was going to all the parks and recreation meetings. So, I have seen a few commission meetings. This kind of it's probably good idea for commissions and boards, maybe volunteers and they are not elected, and they don't have a charter that requires them to be conducting meetings twice a month. And of course the attendance at commission meetings is quite low compared to what we have at Council meetings. However, I and I think most Scottsdale residents are becoming more and more aware that we are going to have our intelligence insulted repeatedly by certain members of this Council.

Now, it's quite obvious what this is about. This is about allowing a four-person block of political votes to cancel meetings they don't want to have occur because they don't like the subjects of them and most likely directed towards trying to stop the Mayor from calling Special Meetings. Keep this up. And believe me, you are just getting more attention to the electorate, and they are definitely going to respond to this kind of behavior. It's quite obvious what you are doing. There's a reason why you all have a nickname.

I just can hardly believe what's going on in this city. And I'm so tired of having to fight this battle, but I am not going to give up until November to make sure that this city gets back on track. This is outrageous. Never in the history have we had four people just not show up. That's almost I don't know. Mr. Ishac here is a wiz at these things. I'm sure he can statistically figure out the odds that that's going to happen because

I think they are going to be incredibly low. I just I just can't believe you think you are just going to get away this and people aren't going to notice. You need to be here.

We have video monitoring of the Council so that people can see what you are doing. Like Mr. Kwasman looking down, I think on his phone right now. He's not really paying attention. Or when Mr. Kwasman is constantly getting up and leaving the Kiva. That's communication to the residents. Just like not showing up for a Council meeting is communication to the residents and will be videotaped. Pardon me, video recorded. I'm showing my age. It's so obvious and we have social media now, and people can afford full-page ads in the newspaper and write letters to the editor. There's going to be so much coverage of what's going on. You really need to rein it in and find some place in the middle. I keep seeing legal maneuvering done here and believe me, people know exactly what it is. Thank you for your time.

And Mayor Borowsky, I believe I am first person to speak at public comment. I would like a few minutes before I have to speak at public comment and I'd like to give my first slot to Dee Logan to speak, rather than me.

Mayor Borowsky: Oh, at the end.

Steve Sutton: Speak at the end or no matter where it is.

Mayor Borowsky: No problem. I see Vice Mayor Kwasman. Did you want to say a word in response but in response, but a word, period.

Vice Mayor Kwasman: Many members thank you, mad ma'am Mayor. Many members of this Council have iPad devices that they look down and take notes on and and happy to use that.

Furthermore, I believe that the speaker spoke truthfully when I did get up quite often in the last meeting. I don't know if you see this, but I want to make sure everybody can see the three bottles of liquid that I have in front of me. Now it is very true that upon ingestion of certain liquid that certain nature does have to call and everybody is a little different. It's something that I deal with and I apologize that I have to get up frequently. And in fact, I'm going to use this opportunity to go right now. So, thank you.

Mayor Borowsky: All right, Dan Ishac.

[Time: 00:59:45]

Dan Ishac: There's always astronaut underwear you can wear. Dan Ishac, address on record. There are two items in this proposed change, and I want to speak on both of them. The first one on its surface doesn't appear illogical, until we take into account the current state of play of this Council. We have three members who actively worked to throw our Mayor out of the office. So, this is a blatant attempt to prevent the Mayor from calling Special Meetings.

Now, those three members, there's bad Barry, whose mouth piece Rod Pritchard routinely disparages the

Mayor, there's Adam Kwasman who sent vulgar-laden threatened text, threatening to physically remove her from the office, and all of this is available data and there's the recording of Jan Dubauskas where she made it clear that they're trying to remove the Mayor from the office. That is also the tape where she refers to the Mayor as expletive.

Now if this was a normal well-operating Council, this change would mean a change, but it's not. It's vindictive. In my 61 years on God's green earth, I believe I used audacity and hypocrisy more in this room than I have at any other time and any other place on earth because this Council reeks of it. And Adam Kwasman beginning this meeting saying he wants to put the contention in the past is laughable when he was tweeting at the last meeting, the Special Meeting that the Mayor called talking about what a waste of time it was so his hypocrisy and audacity is ridiculous.

As far as the second change, the fanatic four want to limit public comment for efficiency purposes, but now they want to introduce an opportunity for Councilmembers to speak ad nauseam on any topic at any time during the meeting. How is this efficient? More importantly, Councilmembers can work with the rest of the Council and the city staff to agenda topics that should be discussed by the Council. They do not need an additional opportunity to blather on about their accomplishments or for political purposes. Both of these changes reek and are disgusting and they are about contention and divisiveness and this needs to stop. Thank you.

Mayor Borowsky: Thank you, Dan. All right. I will move to Councilman Graham. Do you want to speak to the rule that's on the table here? You don't have to.

Councilman Graham: I didn't mean to press the button if I did.

Mayor Borowsky: Okay. Vice Mayor Kwasman.

[Time: 01:03:04]

Vice Mayor Kwasman: Thank you, Madam Mayor. I just want to remind members here that not every rule change is an attempt to subvert and remind everybody of a very short history history that I believe it was last year that it was the Mayor who wanted to cancel a regular meeting unilaterally. I think that happened roughly February of the last year, which was within her right. She did it within the 24 hours. And so before we again, in the spirit of making 2026 something that we don't turn every issue into a hugely contentious and hotly contentious issue, I beg my colleagues to seek the positive as quickly as possible, first of all, and then we can always have robust debate and battle it out up here, but before we cast aspersions toward villainy, we make sure that we look at the history and we look forward. Thank you.

[Time: 01:04:22]

Mayor Borowsky: Thank you, and Vice Mayor Kwasman is absolutely correct. I did for policy reasons, which was my right to do under the Rules of Council Procedure, move to indicated the cancellation of a meeting, at which point anonymous polling went on behind the scenes to stop the cancellation, which was in

opposition, which was not provided for in the rules. So interesting times at City Hall.

But I you know, for the record, I think if you are going to do that, you should do it out in public and for the public consumption and knowledge and not in the shadows of darkness behind the scenes. So, there's a whole difference as to what happened then according to the Rule of Council Procedure out in the open and transparently and what we're talking about now. So, with that, I don't see any other -oh, Vice Mayor Kwasman.

Vice Mayor Kwasman: I just want to say, with due respect to the Mayor's statement, I think having this rule change, just as the city attorney stated, that anybody who seeks to cancel a meeting will be made public, that does bring it out of darkness and into light and so in that spirit, I ask for everybody's support.

Mayor Borowsky: Yeah, but it doesn't include the reasoning and the debate and the public transparency that comes along with doing this. So, you know, I I think it's a solution in search of a problem or a problem that's persistent and needs solution. So obviously, I will be voting against this. And I don't see any other speakers. Do you want us to take these one at a time or what?

Ben Lane: We can take them both together.

Mayor Borowsky: Okay. No problem. Move right along.

Ben Lane: Thank you very much. Next slide, please. The other change, Mayor is towards the very end of the agenda, right before adjournment, would be it would be a new item, and it would be Councilmember reports. This would be very similar to the Mayor's Report for each Councilmember. It would be for informational purposes only. Next slide please.

So, it does provide an opportunity for each Councilmember to note items of interest, items that are of interest, and projects that they are working on. This is a practice that done by all of our peer cities where the Councilmembers do have an opportunity to provide an update. Just to clarify, it would be optional for each Councilmember and again it would occur at the very end of the meeting right before adjournment. Thank you.

Mayor Borowsky: All right, Council I don't anyone want to speak? I should have asked that, the two speakers you commented already. Okay. Councilwoman McAllen.

[Time: 01:07:16]

Councilwoman McAllen: Thank you, Mayor. I have a few questions on this. It seems very vague to me. In other cities, they do it differently. I would like to know if there's a time limit. We have a time limit on public speakers. Would it be two minutes? Are people allowed to use video? Would they use staff time to create these videos? Would it be a burden on the staff for these type of reports or would they simply be a two-minute report, verbal? What what is the definition of this? It's very vague. You could have someone come in here and do a circus and someone else do just a comment. I would like parameters on this.

Luis Santaella: So, Mayor and members of the City Council, the intent was to mirror the Mayor's Report at the beginning and give the same opportunity to the individual Councilmembers. If the Council is so inclined to put a limitation in terms of time limitation, it can do so. As you know, there's the using city staff is already addressed in the City Council rules in terms of what you can do and how much time can be used. Sometimes the City Council uses city staff for other reasons and rule specifically calls up calls out, I think eight hours. If it will take more than 8 hours of city staff time, the Council has no do the vote as a whole has to do the vote as a whole.

Councilwoman McAllen: Mayor, may I clarify? So, are you saying a staff person could use eight hours of a Council person could use eight hours of staff time to create their report if it happened to be a video or something?

Luis Santaella: Right now, any member of the City Council can cause up to eight hours of city staff time to be used for many different things. So, this is nothing new. If the Council wants to reconsider the rule on use of city staff time in general, it can do so, but right now the Council has the right to use city staff to a certain extent up to eight hours' worth of work.

Ben Lane: You could also say that the presentation could be verbal only. You could add that limitation as well.

[Time: 01:09:37]

Councilwoman McAllen: So am I allowed to amend your, then I would move to amend it to two minutes if it while I I don't even think we should do it, but I would move to amend it to two minutes, make it the same as the public comment. Move to amend it to three so it's the same as the citizens so we are not taking more time than the citizens to do whatever.

Vice Mayor Kwaman: Second.

Mayor Borowsky: Councilwoman Whitehead. Do you want to state your motion? Did you make a motion?

Councilwoman Whitehead: Are you motioning on both? Can we separate?

Mayor Borowsky: Let's hold off on the motion if you don't mind.

Councilwoman Whitehead: Again, this is a Council that from day one has tried to undermine the authority of the position of Mayor. When you run for Council, you choose to run for City Council. And yeah, you don't get as much attention. When you run for Mayor, it's a different role, and the type of government we've had, the position of Mayor has worked in this city, has made us the most the best-run city until 2025, probably in the country. And this constant chipping away at the role of the Mayor and this desire by my colleagues to speak but not listen.

The reason we got rid of public comment is so many of the votes that this Council majority have taken

have been extremely unpopular and have not have gone against what our public believes in and their priorities. So rather than saying, wow, we made a mistake, we will just put public comment at the end.

I just again, we have a process for bringing up whatever topic we want and that is the Mayor, Council agenda items. So that the public knows in advance what we're going to talk about, and we have a little bit of an opportunity to vet the material. So, we don't just sit up here and make up stuff that may or may not represent the facts.

So, I believe so I guess I do have a question. The Mayor's Report, and this is Mayor Borowsky is the third Mayor that I served under and it's a very generic report of what is happening, such as whatever could be the month for a certain kind of cancer that we talk about. It is not a it's not a brag-a-thon for three minutes or whatever else this is proposed to be. And I'm not perhaps there's really good intents here, but who writes your Mayor's Report every month every meeting?

[Time: 01:12:56]

Mayor Borowsky: It just depends. I can say it's mostly staff driven. You asked me the question. So, I will respond and it does center on what's going on, you know, generally in the city. But, continue on.

Councilwoman Whitehead: We have a process. If you have a topic you are interested in, please put it on Mayor Council items. Please spend more time listening to the public and less time having a desire to talk. I'm deeply concerned that the what will be said up here will not be vetted, will not be driven by the staff, may not align with even the city's policies. It's just kind of a bit of a free-for-all and perhaps rather than me being upset about this, why doesn't all my colleagues postpone the vote on this item, and let's add some guardrails. Let's add, I like the idea of a time limit. Let's try to present something that doesn't have backlash with the community as this certainly will and something that the seven of us can agree on and does, in fact, mirror the Mayor's Report, which is a little bland but very informational. It's just what is happening in the community, and not a political speech. I want to add, again, guardrails.

This actually helps all of my colleagues so they don't, you know, mistakenly come across us doing something other than representing the public up here. I guess what I would right now is move to reject both of these both items in Resolution 13584 and postpone until we have a Work Study Session and so that there's clear direction as to what each of us wants to do. There are guardrails to protect the public and the time and we don't start another, you know, public outrage session. So I hope...

Councilwoman McAllen: I second your motion.

Councilwoman Whitehead: Okay. Thank you.

Mayor Borowsky: Okay. Vice Mayor Kwasman.

[Time: 01:15:19]

Vice Mayor Kwasman: Thank you, Madam Mayor. I want to just state that just talk about what was most recently stated said, which is start another public outrage session. With all due respect to my colleague, Councilmember Whitehead, it just seems like the person who is outraged is behind the dais and when there are items that we want to brag about, that might not be an order of business, it might come periodically, and I would I would absolutely entertain, entertain variations or the types of or the types of ways to do the same thing. There to do the same things. There's reasons to brag on the city. There's so many wonderful things that might just not be agendized that day or it might not require a vote. And it would in my opinion, it would be imprudent to to put on a Regular Agenda, and I will give you just a personal example of having met with I just took a couple combat veterans out hunting, right, they are Scottsdale combat veterans. And in order to be able to showcase them in an official manner, I don't have an avenue, a traditional avenue to be able to showcase those special people and I don't want to I note the Mayor every time I have asked the Mayor to help me showcase somebody, she has very much accepted and been very, very sweet about it. So I want to put that on the record. It's really important. But there's opportunities to say to be very positive to showcase things that other people don't get to do. And I think this is a way for the Council to do just that in a positive and communal way. Thank you.

Mayor Borowsky: Thank you. I will call on Councilwoman Littlefield and then I would like to say something before I go to you again, Councilwoman Whitehead.

Councilwoman Littlefield: Thank you, Mayor. I think some of this upset is my fault because I had something I wanted to discuss and I wasn't allowed to do it because of the rules of discussion and off agenda items in Council. So, I went to our lawyer and we set this up to make it possible for the Council to make announcements on things that are not on the agenda for the citizens to know about in a public meeting, a public arena. So that's what started this. And I appreciate the help that I got from our legal consultant. But I had something I wanted to tell people that I thought was important to them and I still have something I want to tell people that I think is important to them. And now, if we pass this, I can do it. If we don't, I can't. It's that simple. This is a benefit to the citizens, not Council. Thank you.

Mayor Borowsky: Thank you. And I'm glad we know the source of that this initiative because that's helpful. And as Vice Mayor Kwasman pointed out, and Councilwoman Littlefield, I would hope that you would know, anything that is of interest to one of my colleagues or important to them would be appropriate to ask the Chair to recognize you as you as you know Vice Mayor Kwasman and I would certainly defer a report or time allotment to the Council. And Councilmember doing so. So, there's no problem with that whatsoever. I've never been asked by a Councilmember to take a few minutes to recognize something or talk about something important and denied that.

So, again, I think this might be a solution in search of a problem. And you know, while I'm not a paranoid type of person, it does seem to fall in line with the consistent and persistent changes to make us all Mayors up here. I'm not sure what the goal is with that. I think it just a sad situation and it shows a lot of ego and insecurity and jealousy candidly. And so, you know, there's always the opportunity to run for Mayor. I did it twice, and I would encourage those that want to be Mayor to do it instead of trying to change the entire

structure of the Mayor's role in Scottsdale, Arizona. I think that's a fool's errand and has been. So that's all I have to say on. This I'm opposed to both of these initiatives. Solutions in search of problems, again. Councilwoman Whitehead.

Councilwoman Whitehead: Yeah, so I would propose you know, I hear Councilwoman Littlefield, first of all, most of us certainly the Littlefields, I do, many of us have newsletters. We write Op Eds which always get published, TV reporters are always calling, willing to speak. So, we have plenty of avenues of getting our messages out. Some pertain to city business, some may pertain to our political aspirations or just our life, you know. And so, again, what I'm looking for is to make sure that City Hall is a place of city business, and that we have guardrails and I like like I said, time limits is just one of those.

And so, if in fact, this is an idea that has merit, then a Work Study Session that will, in fact, come out with a proposal that again, seven of us can support. In the desire is to work together and stop all of the issues we had last year, where this Council was always in the press, but it was not for good behavior. One of the ways to solve that is to have a Work Study Session and then work out some of the details and make sure that like the Mayor's Report, the Council report is strictly limited to city business and has some, again, guardrails and oversight by the city staff to make sure that we're, you know, accurate and, in fact, focused on a city-related project.

So, with that, I move if I can I know, I would like to I guess take I don't know how would, I reject my motion and replace it with Luis.

Mayor Borowsky: Just withdraw it.

Councilwoman Whitehead: Okay, I would like to withdraw my motion. Do I have a second for that?

[Time: 01:23:04]

Councilwoman McAllen: I will withdraw my second.

Councilwoman Whitehead: I wasn't sure. Okay. Thank you. And I would like to encourage in starting 2026 in a better, unified front, request a Work Study Session. So, continue Resolution number 13584 until the City Council can convene a Work Study Session to discuss these items further.

Mayor Borowsky: Thank you. I don't hear a second on that.

Councilwoman McAllen: Oh, I will second that.

Mayor Borowsky: Okay. Councilman Graham.

[Time: 01:26:53]

Councilman Graham: Thank you, Mayor. You know, these these changes were staff initiated and I think it

was important that we give them a hearing and think about them thoughtfully. And, you know, when I listening to my colleague, Councilman Littlefield, her request makes sense. I mean, she wanted to probably brag about somebody in our community or brag about something Scottsdale, and I respect that. I trust that our professionals were thoughtful and there were some audacious claims about perceived motives, but I don't see any of that. I think the Rules of Procedure are changed constantly. And if it if the rules in the changes don't work, we will fix them. I mean, we keep open minds. And, you know, we're constantly refining these procedures.

I would like to just make it more positive because there's so much to be thankful for, and Scottsdale is so blessed. We've got I mean, Forbes just said that we were the best public employer in the state of Arizona to work for. I mean, what we are doing as far as the budget and paving our roads, tourism is at records high and bringing financial scrutiny that residents have long asked for. We are bringing resident focus and values to City Hall. I'm incredibly optimistic and I think there's a lot to be positive for. There has been some negativity, but I think that I think there's way more reason for to celebrate and for positivity.

And I respect all of my colleagues and I respect that they that they argue these and debate these in good faith. I just simply don't agree with some of the perceived motivations that were speculated about. It seems like a thoughtful refinement to a rule of procedure.

And I was especially touched by Councilwoman Littlefield when she shared with us a few moments ago what she was thinking as far as finding an opportunity to celebrate our community and share something about it. So, I appreciate all of my colleagues, I respect them.

And with that, I will make an alternate motion to find my place here. Adopt Resolution 13584. Thank you.

Vice Mayor Kwasman: Second.

Mayor Borowsky: Councilwoman Dubauskas.

[Time: 01:27:10]

Councilwoman Dubauskas: Thank you, Madam Mayor. City Clerk, as far as the Council comment, you said that all of our peer cities have something like this?

Ben Lane: Yes, thank you, Mayor, Councilwoman Dubauskas, yes, all of our peer cities do allow for some type of comment by the Council during the meeting. It's normally towards the end of the meeting.

Councilwoman Dubauskas: And have you taken a look at several of those and think about how that would mesh within this rule when you and the city attorney crafted this?

Luis Santaella: Not specifically on that point. I think it will help with Open Meeting Law compliance because Councilmembers condition be randomly called upon to opine on anything, right? It has to be agendized and we have many instances where Councilmembers talk off track, not necessarily I'm not calling out any

individual, but this helps because someone has a burning thing they want to say, now they have a scheduled time to do it. We can't just call on a Councilmember at any given moment to talk about something that hasn't been properly agendized. And that's part of it or the whole point and intent here.

Councilwoman Dubauskas: Thank you.

Ben Lane: Councilwoman, to add on to that. What I have seen in other jurisdictions. In cities with districts, the Councilmembers would talk about what goes on in their specific district. As Vice Mayor Kwasman mentioned, it's an opportunity to provide kudos to residents or note something of interest to the public that maybe that Councilmember is working on is what I have seen. Thank you.

Councilwoman Dubauskas: And you're suggesting it be the very last item?

Ben Lane: Yes. Yes. Right before adjournment. And so it would be right at the very, very end of the meeting.

[Time: 01:29:17]

Councilwoman Dubauskas: You are assuming there won't be a large audience necessarily here or if someone wanted to stay or observing on the video afterward that they would have the opportunity to do that. Was there a reason that you didn't put a time limit, or did you you know, the interim attorney mentioned that it would be like, does the Mayor have a time limit? Is there a reason for a lack of a time limit here?

Ben Lane: Thank you, Councilwoman. The Mayor's Report does not have a time limit and I could definitely do more research, but I don't believe other jurisdictions have time limits, but I do think if the Council wants to put a time limit, that does make sense.

Councilwoman Dubauskas: And would you say that other jurisdictions don't have time limits, but they have a customary expectation that you are doing a one-minute or two-minute thing and so this' a trust among Councilmembers that this is not a 20-minute campaign speech?

Ben Lane: Right. Yes. And thank you, Councilwoman. There are obviously limits already in place about campaigning from the dais. So those are already in place. And additionally, yeah, what I have seen it's normally very short by the Councilmembers, just because there's a realization that there are six or seven or eight or nine Councilmembers that need to speak and that takes time.

Councilwoman Dubauskas: And so sometimes when we are out representing the city, you prepare speeches for us, your team does and we speak on behalf of the city, isn't that right?

Ben Lane: That's correct, Councilwoman.

Councilwoman Dubauskas: And so, in those times we don't seem to put guardrails around what

Councilmembers do and don't say in public events. And but it seems a little bit funny to me that we would want to put guardrails around Councilmembers at Council meetings when generally speaking we don't have those types of guardrails, other than the basic expectation that we are here to work on the business of the city and really to focus on that. Would that seem a little bit of a contradiction to you, to have guardrails in one situation and not in another?

Ben Lane: I think with that Councilwoman, that's really up to the Council, but I do see I do see your point but in terms of what the Council rules are, it's obviously the Council's discretion to modify the rules.

Councilwoman Dubauskas: Okay. Thank you. I trust my fellow Councilmembers. I think that if there's something great that you want to talk about in the community, if Councilman McAllen wants to talk about Partners for Paiute, I think that would be wonderful. I would love to hear some of the things she's doing during the week if we all have the intention that it's brief. If there's an announcement someone would like to make, that would benefit the community, I think we should have the opportunity to do that. Thank you.

Mayor Borowsky: Councilwoman Whitehead.

[Time: 01:32:27]

Councilwoman Whitehead: So, I appreciate this discussion. Wouldn't it be nice to have a Work Study Session, rather than have this dumped on us. I think I agree with a lot of what my colleague said. I think if we hadn't so effectively shut down the public, and the idea of having more dialogue from the Council would seem more appealing to me. And, yes, we're all out in the public and we're all doing things. When we go to an event, we are it's true. It's a trust factor and we are expected to talk about the event that we are at and the people that represented by that event, whether it be a ribbon cutting. That's the kind of guardrails that I'm looking for to make sure that we you know, just again, having a healthy discussion about a major change to Council rules seems like a very normal, non-threatening proposal. I realize I will get voted down. We made massive changes to Council rules last year. This is not normal. I'm going on my eighth year.

But I definitely think that this idea could have merit and if done properly, it could also earn public trust and maybe over time it will, but as it stands, what we talked about is districted cities where one Council person may not know what is going on in another district and just some sort of vague things. And I do want to say something the Interim City Attorney mentioned that there's Open Meeting violations because a Councilperson might speak off of off topic. I am I've never seen that happen. I mean, there has not been people have gone off topic and the city attorney, whoever is sitting at that desk shuts us up pretty darn quick. I don't see that as a problem we are trying to solve.

Anyway, again, I think in an environment where the public was encouraged and enabled and to also contribute, then this this would be more appealing, but it does it feels a little overbearing at the moment. But I will go with the majority. I will oppose it but support the outcome.

Mayor Borowsky: Vice Mayor Kwasman.

Vice Mayor Kwasman: I just want to remind people that just because Councilwoman Whitehead decides this is bad, doesn't mean that the public is hoodwinked and an Executive Session I'm sorry, a study session have to have a robust discussion, I don't know if anybody else has been here for the last 15 to 20 minutes, I would call this a robust discussion on the rules with variances and questions and answers, asked and answered.

So, I just want to be very clear. We don't need unanimity up here for to have respect for one another and to move forward and I'm not going to let members here get away with saying that unless unless I like it, the the city is in disarray, the city is going crazy, unless I like something, it's bad and that's just not correct. And I know, again, I go back to the fact that it's a campaign year and I understand that. However, we are I'm not going to let members get away that there will be a lot of 5-2 and 4-3 votes. I think a 20-minute discussion out in the open, not everything is more than adequate and not everything in the world needs a study session and more time taken if we have this is pretty innocuous. If we need to change it later on, I'm sure that the members of the Council will be ready and willing to do so. So, with that, again, I second, I reiterate my second. And I would like to call the request.

Mayor Borowsky: I will just close. I have a comment for the City Clerk Ben Lane in response to that the Council Rules of Procedure change all the time, as Clerk Ben Lane told us, they have changed seven times and presumably 75 years. You know, I think they were instituted in 2011, in a formal way. But it's not very frequent. It's been it's been way more frequent on this dais. So, with that, we will take a vote and the motion on the table is to approve these rules. Please indicate your vote. That concludes item number 20.

PUBLIC COMMENT

[Time: 01:37:48]

All right, moving right along. That concludes Item 20. We will move on to non-agendized public comment and public comment is reserved for Scottsdale citizens, business owners, and/or property owners to comment on non-agendized items that are within the Council's jurisdiction. No official action can be taken on the items the speakers raise and you will have three minutes to do so. If you would like to speak on a non-agendizes issue, please see a member of the staff, the City Clerk, in particular, and I'm going to go through these names, although I feel like a lot of people left at the beginning when we didn't suspend the rules.

But I see Steve Sutton and Dan Ishac here. So, we'll start with those two. Steve? Oh, he's he's granting his time to Dee, right? Dee? Yeah, Dee. Sorry about that. She's coming right down. Dee Logan. I was going to call you Dee Bloom. I'm not sure why. Okay. Dee Logan. Thank you for joining us of the famous Scottsdale's Farmers Market.

Dee Logan: So, I think I'm coming from an alternate universe, I want to say that right now, because that's nothing that we will be talking about. But I wanted to, first of all, this has been sort of a little bit of a rough ride for the Old Town Scottsdale's Farmers Market. So, I got to introduce myself. I'm Dee Logan and I'm the Senior Coordinator for the Old Town Scottsdale's Farmer's Market and the founder of Arizona Community

Farmer's Market Group.

Anyway, so we're you know, like we're in a position right now where there's a lot of confusion. There's a little bit of misinformation going on about where we are going to be. And it's going to be kind of difficult to get all of that information out. We're here at the parking corral through June, and per our contract with the city, we're going to be over at City Hall parking starting in October. I think that's what's gonna happen.

So anyway, the one thing I just want to say is our first concern and I'm using a letter that somebody sent me. Our first concern is that we continue with our market mission, which is basically doing its important work as an economic driver, a small business incubator for all forms of agriculture which includes specialty crop growers, ranchers, apiarists, wild crop foragers and all of this is different kinds of information streams that the Council and the citizenry may or may not have access to, but we have to deal with it on a daily basis.

[Time: 01:41:04]

We also have specialty foods that are produced and curated that are local and produced and curated by our groups and all of this somehow comes together to make a Saturday morning experience for the community here in Scottsdale, which I hope is happy. And fun. But also important.

So with this and then I just wanted to let you know that with all of these goals that we have, which are you know, something that are dear to the hearts of people who are participating in the market, who work with the market group, and also with community members who kind of touch in and experience a little bit of that entrepreneurial spirit, that we want to continue with that, but we also need some help in making sure that the public knows that, you know, like we're here. And, you know, like we want to be here, and we have a history of being here and we're going to be moving. So, help there, please.

So, I just wanted to then lead to an acknowledgment of the people who have been helping us. Oh, is it time already? Shoot! Okay. Can I continue? Thank you. Okay.

Mayor Borowsky: Excuse me.

Dee Logan: I wanted to acknowledge the folks who have been helping us. So, Rachel Smetana who took on cheerly us, when they became the director of the I mean of the tourism, et cetera, and then Cheryl Sumners who has been holding my hand and our hand for many, many years getting through us. And then also with Councilmembers, all of the Council have given us their full support and I really, really appreciate that. Mayor Borowsky and Maryann McAllen and Solange Whitehead were there at the very first when we were struggling and determining what was going to happen and we were getting input about what was going to happen to us. And they sort of went, okay, like, we got you. But it's a process. And so that has been almost a year now. Wow!

So, anyway, then what happened also? I wanted to say throughout this, we have a market mensch who has been supporting us in different ways and that is Solange Whitehead who comes regularly, almost every

Saturday for her honey, her bread, her fresh fruits and vegetables. I've seen a lot of our Councilmembers there. The Mayor was there Maryann McAllen, I know you have been through, so thank you very much. But I do also want to make a real statement that the city has been behind us helping us through and with Solange asking these questions, like a few months ago, like, what is stopping you? Why are you not wanting to move forward? And she listened to my concerns. And then she went behind the scenes that she can do and talked to the City Manager Greg, thank you. And then to the City Attorney Luis, thank you. You know, like to help us support our objectives. And so, we're we are celebrating you as market mensch, Solange, the city is supporting our move. They are trying to understand what we need because they are not in the business of supporting farmer's markets.

Again, it's scary for us, because we have been there for 15, 16, 17 years, even now we're moving into a new area. So, I just want to say thank you. Thank you all for all of that and letting me go over time. That was really nice. So, I'm back to my other reality now.

Mayor Borowsky: Thank you so much. And thank you for hanging in there, Dee. We'll do whatever we can, at least from my perspective, I support you and we'll help you get established over there, even if it's just by word of mouth. But hopefully more. Thank you. Going back to the list, Melissa Kemp still here? Oh, Dan? Dan, did we skip you? Dan, I thought you already spoke. I'm sorry. Go ahead. No, Dan, you are next, or Melissa and then Dan.

[Time: 01:45:45]

Melissa Kemp: So, thank you for letting me be here, I'm Melissa Kemp. I have a home in McCormick Ranch where I have lived for 25 years. I love this city. And I love my neighborhood. Until recently, I have been very invisible in local politics. I have watched, I wasn't disinterested. I read, I go, I see, I watch and I have been fairly confident that governance here in our city operated fair enough that I didn't need to be here. Well, that has changed. One area that I'm very passionate about is sustainability and I was so dismayed at last year's first action to repeal the sustainability plan against so much visible present public opposition to that. It was stunning. And for that reason, I started paying more attention. What's become clear to me is that that wasn't an isolated incident. In fact, over and over this Council has, in the face of many citizens, coming here, speaking to you and caring about things, essentially ignored that public comment and gone ahead with some very divisive majority decisions. So, no matter how sizable, how audible, how visible that public input was it did not appear to have any input on the Councilors sitting in front of me.

In December of 2025, this Council made a procedural rule change to restrict public comment to move it to the end, the open public comment is now 7:00 at night after two hours and I actually thought it might be later. So, I think with that decision, I decided I couldn't sit on the sidelines anymore, that it was time to stand up and be recognized and be heard and get active because that's just the wrong way to go. Open public comment serves a very different purpose than speaking on an agendized item. Open public comment, among other things, it functions as sort of your canary in a coal mine. It's where your citizens can step up and tell you what's on their mind, and what is a certain could them, and understand things before they bubble up and get big and get expensive. When you shut down open public comment and or push it to the back, what you have done is cut your own source of early intel for what is going on in your

community. That doesn't strike me as very smart. When you quiet or delay an early-warning system, those problems don't go away. They surface they just don't surface early. They surface later when they are bigger, harder, more expensive and they are more disruptive.

As a resident, as a taxpayer, as a homeowner, I need to trust that my local government is there for me, responsive to me, listening to me. And that trust doesn't require me to agree with every decision you make. It is fair to have decisions that don't meet the will of the people every time. What isn't okay is that we watch our leaders. We try to speak with them, and it seems that it doesn't matter and they don't hear. That's where you lose trust and that's where you lose respect. And that's where you find people like me who you have never seen before standing up and saying, stop. Thank you for letting me speak.

Mayor Borowsky: Thank you so much, Melissa and thank you for being here. Carl, oh, Dan Ishac. Sorry, Dan.

[Time: 01:49:34]

Dan Ishac: Apparently, you want me to speak again.

Mayor Borowsky: I do. I do.

Dan Ishac: Dan Ishac, address on record. I want to speak to the December meeting that I missed because I have a life and don't come to all of these meetings. And it applies to tonight's rule change as well. I'm all for data. I'm an analytic. I believe decisions should be based on data. Here's the problem with the data that was presented in December and tonight. One, it is not random. Two, it is not complete. And three, it is not accurately summarized for the Council to make a decision.

For example, the fact that the Councilmember had to ask, do any of the cities have a limit on how long the Councilmembers can prattle on should have never been asked. It should have been in the materials. Similarly, it was discussed at the last meeting that Phoenix has public comment at the end. Nobody mentioned that the Phoenix meetings start, I believe, at 2:30, as opposed to 5:00. So, residents don't need to wait until 8 p.m. to speak. That's an important data point. If this Council is going to say that they are using data to inform their decisions, then get the data. And our city staff did not do their job because they did not provide that data.

Moreover, I don't understand why anybody on this Council aspires to be Phoenix or any other valley city. Scottsdale is exceptional. Scottsdale is special. I do not believe most of these Councilmembers want to emulate Phoenix with regard to their zoning and building. I don't believe that this Council wants to emulate Mesa or Tempe with regard to many items. So, using a peer city in the valley as justification to silence the public is absurd and hypocritical.

Councilwoman Littlefield, you said that you had to vote against the Axon Memorandum of Understanding because all of emails were opposed to it. First of all, that was factually incorrect or you lied. I don't know which one is true. But the December meeting was 98% opposed to the changes in the rules of procedure

for the meeting. So, you claim that you have to listen to residents, but you repeatedly only listen to residents when it aligns with your belief or what Barry tells you to vote. That is inconsistent. Inappropriate.

But, anyway, this Council needs to use real data and demand our staff to provide the data to make the right decisions. And please, do not aspire to be Phoenix. No Scottsdale residents chose to be in Scottsdale because they couldn't get into Phoenix. Thank you.

Mayor Borowsky: Thank you, Dan. Okay, Carl Frasor followed by Ryan Johnson and then Whitney Worman.

[Time: 01:49:34]

Carl Frasor: Good evening, Madam Mayor and members of the City Council. Hopefully bringing you a noncontroversial one, nice and easy to start off the year. I wanted to speak you to all tonight about my concerns over a noncompliant board, the seemingly ever embattled public safety board. It's prescribed by ARS Chapter 5, Article 4 and adopted by the city, the PSPRS was created to provide equitable statewide program for public safety personnel or who are assigned hazardous duty or political subdivisions. As required by AS 847, the administration of the system and making provisions to the system are invested in a local board. Local board is constituted of five members including the Mayor, the Mayor's designee, and two members, one who should be the head of the merit system, or the head's designee and two members of the police department elected by secret ballot for the police local board and two members the fire department, elected by the fire department for the fire local board.

If what I said so far is confusing, and you found yourself lost, buckle in, that's the least confusing part. If I go over time I kindly request that the Council indulge to finish addressing this issue. Unfortunately, the Scottsdale local boards do not seem to be in compliance. The last time the board met as five voting members was on December 12, 2024. Since then, the board has operated, voted and taken action as a four-person organization. They have a duty to report the members, secretaries and legal counsel changes to a statewide board within ten days. You think at the same time, they would notify the Mayor so they can begin the appointment process if necessary but the bylaws were last updated in 1983 for that committee or that board and don't require that.

Additionally, it's my belief that the current Chair/Mayoral designee was appointed by Mayor Ortega. If my interpretation of ARS 38-847 is correct, their term would have ended on February 2, 2025, yet they have continued to act as Chair without further appointment or approval from this Council. Now you are down to three members.

On top of that, it's my belief that the other citizen member who is also the head of the merit system, has no record of being appointed by the Mayor and approved by the Council prior to beginning their work for the board on January 19, 2023. Now this could be due to Scottsdale's interpretation of ARS 38-847, as adapted in Section 2-366 of the Scottsdale City Code which seems to interpret it as an automatic seat. The most common and widely accepted interpretation of that statute still requires that the seat be appointed by the Mayor with approval of the Council. Now, five-person board is down to two members. When I saw this, I got concerned, went to apply and served on and chaired boards before. And I believe

that rules exist for a reason and compliance to them is important. I got a call from a very nice person in the City Clerk's office saying that I needed to choose if wanted to serve on the fire or the police board. However, ARS 38-847 and Section 2-366 subsection B of city code states that the city members will serve on both boards. I'm sure that the member of the City Clerk's office is not familiar with that particular statute or code but I want to make sure that you are all aware so we don't risk further muddying the water. I don't believe that the responsibility for this fiasco rests in the hands of any one person. It's more likely a misinterpretation of the statute by the city. There's no clear procedure written who is responsible for making notifications of vacant seats or expiring terms and this board is not one that of is scheduled to be reviewed or has been reviewed by the audit committee to catch these deviations from procedure. However, I do believe it's the duty of this Council to course correct and bring the board into compliance.

[Time: 01:57:37]

Now, what I'm requesting specifically from this Council is as follows in accordance with Council Rules of Procedure, 7.6, that the Council asks the staff to review my claims that two appointed members currently operating on the PSPRS board have not been appointed and approved by the Council within the last four years, two to seek advice on the city's interpretation of ARS 38-847 in regards to Section 2-366 of the City Code and interpretation of an automatic versus an appointed seat for the Mayor ahead. Three, the staff to make recommendations on what action or actions should occur to bring the board into compliance with ARS 38-847. Four, for staff to make recommendations or provide justification for deviation from the commonly accepted interpretation of ARS 38-847 ensuring that Section 2-366 of the city code meets the standard for the merit head board. Five, provide a written response to Council and myself if possible. Six, add agenda items to a regular or special meeting to appoint or approve one to three nominations to bring the board back into compliance as soon as possible and potentially revise Section 2-366 of the city code.

At best, the city staff will find documentation, but trust me I have searched and haven't found it, of Mayor appointment and Council approval of the Mayoral designee and citizen members occurring within the last four years but I know that needs to happen because one citizen is not appointed to fill the spot that was open for over a year. At worst a board who has a fiduciary duty, as well as the statewide retirement system for our public safety officers has gone rogue and operated that way for almost a year, potentially opening the city and its public safety retirement system up to future litigation.

Madam Mayor, if the it shows, I would appreciate how I might be of service to the city in ways that we can prevent anything like this from happening again. Thank you.

Mayor Borowsky: Thank you. And I did I did allow you extra time. That almost qualifies thank you for coming to speak to us. It was very interesting. Carl, right?

Carl Frasor: Yes.

Mayor Borowsky: And clerk, City Clerk, can I can we convert that to a citizen petition? Because essentially what he asked for was the same as a petition. What can we do on that?

Luis Santaella: Mayor, members of the Council, we did change the rule about how we submit petitions.

Mayor Borowsky: Yes.

Luis Santaella: It's supposed to be in writing.

Mayor Borowsky: What is the requirement again? Two days? Two days. Two business days. Two business days. Yeah, it's not agendized. So, let's hold that thought for now and I will continue on with the speakers. Let's see, we've got Ryan Johnson. Is Ryan still here? All right. Whitney Worman. Whitney. I see Sonnie Kirtley was here. Did she leave? She took off. All right. David Glaesman. Nope. I do see Pat Loman. So you are up and then I see Former Councilwoman Linda Milhaven, who will close the public comment.

[Time: 02:01:00]

Pat Lowman: Thank you, Mayor and Councilmen. I have two items. It's going to be short. Trust me. When preparing to speak at this and this being my first time, I read the multiple paragraphs of explanation on and needed it sorted out by I needed to have it sorted out by a friend. To me, it was like, dare I say word salad. Where is the one button for request to speak? I am asking to simplify that system and get rid of all of that verbiage in there, so we can understand, push the speak button and have it sorted out within the questionnaire. That's what I would suggest. Okay.

Second, regarding public comments I suggest there needs to be further discussion on your moving the public comments to the end of the agenda. The message you are sending to the public has ended up on Nextdoor and multiple other discussion groups. Messaging being that is being sent is that residents go last or hope they won't come. Maybe that's something that the reason it's at the end. I know, compliments are far and few between and it's hard to get anything. But trust me, if you start listening to residents and responding to them directly, you will be getting more kudos. That's just how it works. I know yes, we all have families, children, activities, senior activities, et cetera, et cetera. If allowed to speak at the front end of the agenda, everybody everybody's busy. We can manage that. But sitting here for two hours over two hours and waiting I think half the people have left. You know, if I had kids at home, I would have left too.

So, I think there's a lot being left there and my question to you is what do you think your messaging is to the residents by what you have done based on what's being talked in social media? I don't think it's what you want to hear. And if they knew that you were going to keep your promise of residents first, I mean, isn't that why they voted for you? And that's not how it's ending up. So, I just ask you to keep your promise of residents first and not the residents last. That's all. Thank you.

Mayor Borowsky: Thank you, Pat. Always great to see you. Former Councilwoman Linda Milhaven.

[Time: 02:04:15]

Linda Milhaven: Mayor, members of Council, Linda Milhaven. I live on McCormick Ranch and I would like start by wishing all of you a happy new year and spend my time looking at the future with some hope and positivity. While many of us while some of us may not have voted for all seven of you, we all pray for your

success. There are 240,000 of our neighbors sitting at home tonight leading their lives who all hope that you are doing the right thing for the greater good of the community. I believe as neighbors, we all have the same shared goals. We want a safe, clean, beautiful community with a high-quality of life, first-class services amenities and that you are good stewards of our tax dollars. I think while we all agree as neighbors on the goals, we may disagree on the means.

As we discuss the means, we trust that you will study the issues, listen to everyone, especially when you disagree, because we know when we had a robust disagreement, we often could up with a better third idea that is better than anything any of us could come up with individually. And then make decisions based on the greater good.

So as neighbors, we hope that you will rise above petty disagreements, that you will cooperate, collaborate and be transparent and forthcoming. Residents are smart people and we hold our electeds to a high standard. We want you to walk the talk. Actions speak louder than words. We heard some great words about moving forward with positivity and so we will looking for you to walk the walk. We pray for your success because our community depends on it. Thank you.

Mayor Borowsky: Thank you. All right. That is our last speaker.

Ben Lane: Mayor, I apologize. Steve Sutton.

Mayor Borowsky: Are you taking your time back, Steve? Go right ahead.

[Time: 02:06:08]

Steve Sutton: Mayor Borowsky and Council. I think it's really interesting that what Ms. Kemp said and Mr. Ishac and some of the other speakers said about allowing the people to speak to you and how important that is. I take note of how many people who signed up for public comment tonight but just couldn't stay this late to do it.

Now, there's so much misinformation about so many things I have heard in Council, I'm going to address one specifically about public comment that's been repeated again tonight by somebody who should know better, since they are an attorney. And that is Councilman Kwasman, stop justifying your change of public comment rules and saying that you took into consideration first amendment rights. There is no first amendment right to speak at a Council meeting. So, stop trying to say that you were considering that, since you certainly didn't. You are an attorney. You know that.

The justification for removing audio visual support for people who want to speak up there. I talked to three lawyers about, that the concern about copyright infringement and obscenity. They gave me a pretty long explanation of just how minuscule the possibility of those events happening are and I asked them how would you summarize that and it was basically it's basically what comes out of the south end of the northbound bull.

So, you will get the biggest public comment of your political career soon. You're going to have thousands

of angry people about building a parking garage at the parking corral. You are grossly grossly miscalculating what public sentiment is on this. It grows in leaps and bounds every week. It's now just on the residents petition about 3,500 signatures. And it's only been going on for two months.

More importantly, since you seem to be more concerned about the developers and business owners rather than the actual residents, I think there's about 60 businesses down in the little Old Town between Indian School and Second Street. And the east side of Brown and Scottsdale Road and I've talked to over half of them now that have signed a petition saying they don't want this. They are concerned about how it will impact them from their lack of shared customers. They are concerned about how construction will impact them and they certainly have a history to know that, I believe it's Carlos Santiana who said those who forget history are doomed to repeat it. We know of two businesses that went out of business because of building the parking corral and that was a relatively minor construction project compared to what we're about to do. Thank you very much for your time.

Mayor Borowsky: Thank you, Steve, and that concludes our public comment for this evening.

CITIZEN PETITION

Next, we have no citizens petitions. And Carl, we're going to oh, yeah. We're going to ask you to get in touch with the city to tell you how to do that.

MAYOR AND COUNCIL

Let's see, next we have item number 22, which is Mayor and Council items. Request from Councilwoman Whitehead to direct the city manager and treasurer to agendize the Old Town Scottsdale advertising, marketing and P.R. services contract, Number 2025-192-COS and Resolution number 13562 for a presentation, discussion and possible action by the Council. Again, we're going to ask to have that go ahead and speak to it.

[Time: 02:10:40]

Councilwoman Whitehead: Thank you, Mayor. So, yeah, last year, after ten years of having a marketing contract there was a request, I don't know if it was business owner's request to put out an RFP and consider new marketing companies. And after seven or eight month long RFP process, one company was awarded the contract and then denied at a Council meeting. And I think there was a lot of misinformation, misrepresentation, and clarity needed.

First of all, again, these are voter-approved tourism dollars for marketing, and the city has always had or for ten years has had a marketing contract. And so all I'm asking of my colleagues today I know Councilwoman Littlefield and I have spent a lot of time in Old Town working on behalf of businesses there is simply to bring this back and allow certainly certainly allow the winning company, the C.E.O. of the winning company to answer questions and make sure that if, in fact, we are going to deny this contract, it's based on accurate information. So, change you for staff to allow this to be continued and I motion to as

stated in Item 22, agendize a presentation, and possible action on the Old Town Scottsdale advertising, marketing and public relations services contract and I hope that I will get support for that.

Councilwoman McAllen: I will second that motion.

Councilwoman Whitehead: Thank you. Again, it's not approving it, it's to allow further discussion on it before we vote to deny, approve or modify. Thank you.

Mayor Borowsky: Thank you. Councilman Graham.

[Time: 02:16:51]

Councilman Graham: Thank you, Mayor. This is not a venue for debate on if I can ask the parliamentary because I kind of have some responses to that, that I wanted to say. Kind of feel restrained by rule limitations.

Luis Santaella: Mayor and members of the Council, we did in the last rule change allow for some minor discussion or limited discussion when it comes to these items. One shot for each Councilmember.

Councilman Graham: One shot per each?

Luis Santaella: Yes.

Councilman Graham: Okay. I think that I was speaking with City Manager Greg Caton on this and he is well, I mean, part of the reason that the city went out to look for a new marketing vendor is because we weren't getting value for our tax dollars. And we were spending over \$1 million a year here of your bed taxes to market Old Town, and really we were faced with I wouldn't even call it diminishing return. I would almost call it invisible returns. There didn't seem to be hardly anything and we had the prior vendor for a very long time, and we got a lot of feedback from other merchants and other stakeholders in Old Town begging us to take a look at this, because they did not feel the push from the marketing. And so, we marketing and so we got a bid. One aspect that I was not comfortable with was one of the vendors was part of the selection committee. I had big concerns with that and that was sort it gave me pause for when that came to Council.

Something else that gave me pause when it came to the Council was that the contract was for 1.3, \$1.4 million, and the vast majority, over \$1 million was going to be going to administrative overhead. So, you were going to give us through bed tax over \$1.4 million, over \$1 million was going to be going to fund somebody's overhead and administrative overhead. And that became clear to us that that wasn't a good return on your tax dollars.

And so talking with the City Manager, we have deployment of funds coming out forthwith, and my position that I expressed at that meeting was let's give our city tourism department a shot, a crack at it and see what they can do and see what they can do and see how the stakeholders, you know after a few months, maybe as we approach fiscal we will be approaching fiscal '27 here. See what kind of value we are getting

out from our own personnel and so I see the City Manager slightly nodding. He's always restrained. So, I'm excited I'm really excited for that path forward. They are mobilizing resources to do exactly that.

Definitely, we all agree up here, I think, 7-0, that we agree that we couldn't keep doing the same thing and hope for a different result. So, staff, maybe the stakeholders are not satisfied with how we do it, but we can hear from them, get feedback and we can always come back and do another RFP.

So, I appreciate my colleagues approaching the issue, but I think we let our staff members operate and we, instead of us deciding up here how this goes, let's see how things go and hear from a bottom-up standpoint, what we get from our stakeholders and what they tell us about the results of this program. So, with that, I will move to take no action. Thank you.

Councilwoman Dubauskas: Second.

Mayor Borowsky: There was a motion on the floor, so I don't know what you are...

Councilman Graham: I alternately move to take no action. Thank you, Mayor.

Mayor Borowsky: So, no problem. Let's finish the discussion. Councilwoman McAllen.

[Time: 02:17:16]

Councilwoman McAllen: Thank you, Mayor. I do think that the agency that was selected was not given the ability to defend themselves publicly. I have received a lot of emails about this item and the concern the vendors, the businesses, the people have called. This week we have an Old Town mixer where all the merchants will come and I'm sure they will let us know how they feel, and they will let our city manager and our tourism department know how they feel about us taking this on our own. I think the perception that the contract was 40% overhead was not lined out correctly and we did not allow the James Agency to defend themselves. I would like us to actually investigate that more and I think that's what Councilwoman Whitehead was getting at before the alternative motion. If this does get voted down and it is staff that's working on this, of course we want you to succeed. But we also have to know when to choose the professionals who are actual marketing professionals who solely do this.

And no disrespect to our staff, I know they are stretched beyond with the tasks they already have to do. And doing this at a time where we are at the height of the season is not obviously ideal. So, we should be looking to the future and the RFP already for the future because we need marketing professionals to be handling this for our businesses that have entrusted on the city to build up the Old Town. That's my opinion. Thank you, Mayor.

Mayor Borowsky: Thank you. Councilwoman Dubauskas.

[Time: 02:19:15]

Councilwoman Dubauskas: So, I had the pleasure of seeing an ad for Old Town marketing pop up on Facebook today. And I was speaking with the City Manager Greg Caton, and we started advertising today. So, our program has taken effect. City manager, can you give us a brief description of the work that you have done so far and the launch point and the plans for the next little bit here?

City Manager Greg Caton: Yeah, thank you. I was saying yes to my colleague to was encouraging me to be brief in my response. So yes. This is the implementation of a memorandum that I issued to City Council on December 26th, after the decision that was made in early December and quite frankly, we were left without a firm. I wanted to ensure Old Town's success for the remainder of the fiscal year. So in the short time between December 26th to sending this out to City Council, we have stood up an internal team which is made up of approximately nine individuals and so it's a team effort, collaboration across four different departments, and so a little bit of the reporting out to City Council that I anticipate is regular, weekly correspondence on our ads, our campaigns and reporting measures and particularly the metrics. We talk a lot about metrics in our group as we stood up several meetings over the last few weeks.

So, much like some of the legislative updates or the WestWorld updates, many of those on a real regular basis, I think some may say uncle at a certain amount of time, anticipate that coming, because we have been doing a lot of organization within our team and really excited about ramping this up. As you referenced, it got launched today in kind of a soft launch, I would refer to it. And we have the skill set. We have the skill set within the organization. I'm familiar with managing this at a high level in my previous organizations and bring that to the team. The team is very skilled, and they have skills I don't have. It's again cross-departmental and I'm impressed. I'm impressed, which I am usually on a daily basis with the skill set that we have. And I think I know what you will see over the remaining five and a half months here, you will see presence. And if you don't, it's because we are marketing to people who are not familiar with the Old Town. We're marketing to the leisure travel and the person who is here and looking to experience our community. That's a lot of what you will see over the next five and a half months with regular reporting and also significant engagement with our Old Town merchants. I will stop with that. Thank you Mayor, thank you Council.

Mayor Borowsky: Thank you. I will jump in before I call on Councilwoman Whitehead again. So, it would seem that the fix is in, if you will. I had concerns when I saw the email that we were essentially developing a PR firm subdivision of the city, based on direction of Council. Well, I sat through the meeting. I didn't hear that direction that we would scrap the idea entirely of the PR contract and put it in-house, whereby, we would have we would be empowering you to develop a PR division of the city, which you have just outlined. I have real concerns about that. I've heard that and not that you can't do it, but I just have that concerns that that is a policy decisions that we heard just now that Councilman Graham and Councilwoman Dubauskas have discussed with you, but the rest of us were at least, I'm speaking for myself, I was surprised to see that. When I left the last meeting, I certainly expected that that contract, which for the record, was to be overseen by the Director of Economic Development, tourism, right, our city's department. So, there was play in that. It was not a fixed I think Councilman Graham said \$1 million out of the \$1.3 million contract, would be dedicated to overhead and administrative, you know, payments. I didn't see it that way at all. I saw that as an estimate; there was an estimate of what would be used on

the advertising budget and that was to be overseen by our department head and could be tweaked. There was no doubt that that was not it was not a fixed allocation and this was play in that, that could be dictated by our staff, who is empowered to do that. So, I have real concerns, and I guess I will say a few other things. I guess that was all I will say.

Here's the other point I wanted to make. You know, Councilman Graham, I'm sure you heard from people about their dissatisfaction with the prior vendor on the Old Town marketing contract. I never heard from anyone. So, I'm not included in that 7-0 vote. I never heard some widespread disappointment in the external marketing contract. That certainly wasn't anything I was directed to my office. I'm not included in that 7-0 vote that thought from people that they were doing a really bad job. In fact, I heard from people they were doing a good job. I really have no opinion on the prior firm because I didn't study them, I didn't study what they were doing. I was impressed by the contract that came forward from the James Agency, they are known and reputable and I think there is a special talent that comes with doing P.R. and advertising, and one that may not be within the city's scope of expertise. I have some concerns about that. I see where this is going have some concerns and it sounds like the fix is in. We will see what happens with it apparently. I will move right along. I will leave it at that. Councilwoman Whitehead to close this out.

[Time: 02:25:51]

Councilwoman Whitehead: You know I just want to thank the Hapi Agency and I want to thank the James Agency I guess one important reason to bring it forward, not to take away from staff or predetermine the outcome of the vote but disparaging our businesses in Scottsdale and not allowing clarification, it has been repeated again and again in the paper...

Councilwoman Dubauskas: Point of order. Are we allowed one time?

Luis Santaella: That's correct. Each person can only speak...

Councilwoman Whitehead: Thank you, Councilwoman Dubauskas. I do want to thank the Hapi Agency and the James Agency because I think both have done good work. Thank you.

Mayor Borowsky: That concludes this item. I know there's a motion on the table. There's an alternate motion which we will take a vote on, and I believe the alternate motion, Councilman Graham, was to take no action; is that right?

Councilman Graham: Thank you, Mayor, that's correct.

Mayor Borowsky: Thank you. Let's vote on that. All right, so that concludes that item.

WORK STUDY SESSION

[Time: 02:27:11]

And moving on we have a Work Study Session. Did you have a comment Councilwoman Littlefield?

Councilwoman Littlefield: Before we oops, before we adjourn our Regular Meeting, I would like to add something if I could. We approved the request of mine to allow individual comments at the end of the meeting, is that correct regarding issues that have to do with the city of course.

Luis Santaella: Yes, but that will be effective at the next Council meeting because it has to be agendized.

Councilwoman Littlefield: Thank you very much.

Luis Santaella: You are welcome, ma'am.

Mayor Borowsky: We are not adjourning. We're going to a Work Study Session. Work Study Session provides a less formal session for us to discuss specific topics at length with each other and city staff and give possible direction to staff. And this evening, we have a work session item on the fiscal year and 2024/25 financial report. And for that, we'll hear from Sonia Andrews, City Treasurer.

[Time: 02:28:26]

City Treasurer Sonia Andrews: Thank you, Mayor. Thank you, Council. Next slide. Our fiscal year ends on June 30th, and we close our books, and we prepare our annual financial report which has been audited by our firm Heinfield Meech who you heard from earlier tonight. We then present the results to the Audit Committee in November, and tonight's presentation is the last step of our process to close out our '24/25 fiscal year. Next slide.

Before I begin the presentation, I would like to take a moment to recognize and thank Anna Henthorn, who is in the audience here, who is our Assistant City Treasurer and the whole entire accounting team who worked incredibly hard and put all of their efforts into producing the financial report. We earned the GFOA Award for Excellence in reporting for the last 52 years and we will be submitting our 2025 report for this award again this year. Next slide.

So, for tonight's year-end presentation, I will be highlighting the audited results, including balance sheet and also a few financial trends for you and we will also report on the expenditure limitation. Next slide. Starting out with the operating results. Next slide.

Starting out with the operating results. Our general fund, total general fund revenues for fiscal year '24/25 were 11 million or 2% higher than the prior year and that's because of increased sales tax, fees and charges and a lot of additional unrealized game it was offset by a decrease in state shared revenues. We went up by \$7 million or 2%, across the board primarily from personnel costs and other cost increases. Other sources and uses decreased due to lower transfers out to our capital projects. Next slide.

And here's the breakdown of the major categories of our general fund revenues and expenses as you can

see sales tax increased by 2%, primarily in our auto, miscellaneous, retail construction categories and offset by a decrease in the residential rental sales taxes. It was due to increases in WestWorld and TPC and other event fees. And you can see that some of the ones I will highlight, capital outlay decreased by 13 million or 93% and that's because those are various equipment, including subscription-based technology arrangements and these are capitalized assets that are not regular annual expenses. So, there's usually fluctuations from year to year for that. Next slide.

So, the other large funds that we have are our capital projects fund, revenues in the capital projects funds, it's mostly due to the regional transportation sales tax that we received from M.A.G. from our arterial life cycle program. We also issued \$107 million in our third issuance of the Bond 2019 debt, and expenditures, transfers were lower because of less transfers in from the general fund. Expenditures were lower primarily because of completion of projects and timing of our new projects as well. Next slide.

[Time: 02:32:17]

And so, for our can you go back one slide? I think we skipped one slide. These are our other restricted revenue funds, mostly it's the preserve tax fund, the tourism bed tax fund, the transportation sales tax fund, and the debt service funds. And these funds are pretty stable year to year. We collect the revenues and we pay the expenses for which the restricted revenues are used for. And primarily the lower expenditures is because of lower debt service. Next slide.

And the last group of funds that I will talk about is our enterprise funds. That's our water, sewer, solid waste and airport. Revenues increased primarily in this group of funds primarily due to water and sewer increases, as well as solid waste increases and on the expenditure side, we expenditure side, we had an adjustment for the sewer fund equity and joint venture so overall there was a net decrease. Other sources decreased primarily due to lower development developer contributions. So, the next slide.

Moving on to our balance sheet. The next slide. We ended the fiscal year with an increase of \$240 million in cash and investments, and primarily that's because we issued debt towards the end of 2025. We issued \$107 million in Bond 2019 debt and we had water sewer debt and those beyond proceeds have yet to be spent since June 30 and that's why the cash went up. That's the reason. Assets increases primarily because of our projects and bonds and loans increased because of the debt we issued and we paid down some of our pension liability and other liabilities. So breaking all the components of the balance sheet down, next slide.

For the \$1.3 billion in cash and investments, you see the pie chart shows the breakdown of the cash and investments by the major funds, the general fund has \$270 million in cash, restricted funds \$261 million, and the capital projects \$391 million and again primarily a lot of that \$391 million was unspent bond proceeds at the end of the year we issued bonds. The same with the enterprise funds we issued debt towards the end. Year and so the funds haven't been spent down yet. Next slide.

Just to share a five-year trend of our liquidity, it's positive. The city maintains strong liquidity for emergencies and unexpected events, economic downturns and we are self-insured for some of our

insurance programs and we have reserves for capital needs as well as maintaining our AAA Bond ratings. Next slide.

And on to our capital assets we have \$6.7 billion in netbook value for capital value, made up primarily of our land which includes our preserve land, water and sewer systems, street and storm drain system, building and improvement and that makes up all of our capital assets. Next slide.

[Time: 02:35:43]

On the liability side, we have \$1.3 billion in debt and pensions as of June 30th. You can see this is the breakdown of our debt and pension liabilities, our pension liabilities being the largest at \$336 million, and next it would be our water and sewer debt, the Bond 2019 and we still have some Bond 2015 program debt. And other excise tax debt as well. Next slide.

And the ratio that we monitor is the debt service and the required pension contribution as a percent of our total revenues. Here's the five-year trend. Our rating agencies look at this ratio as well. For example, S&P assigns an A rating for this ratio if it's between 14 and 20%. Overall, our bond rating is still AAA. But our debt service and required pension contribution ratio is a little higher than a-rated credit. The peer city average that we look at, their ratio is 15%. So, our target is to stay at or below 20% for this ratio. Next slide.

For the pension funded status, we are the yellow line is our fire pension, the PSPRS pension, we are at 81.5%. The orange line at the bottom is our police PSPRS, we have been increasing that with our extra contribution as of the end of the 2025 valuation we're at 74.8%. And our peer cities are at 82 and 83% for police and fire. And we have, as you know, budgeted an additional \$50 million for this fiscal year which will bring the funded status for police up to 83%. And next slide.

So, for the year that just ended. We maintain our AAA Bond rating and our city's finances are sound. We also recently provided City Council with a more detailed financial conditions report with more ratios and trends and analysis of the city's financial condition. And that ends my the section on the year-end report. I will move on to the report that is our expenditure limitation. Next slide, please. Next slide.

So, for the year that just ended. Our expenditure limitation which is imposed by state and calculated by the state is \$613.4 million and our preliminary estimate, we're still working on the final estimate, is not due until later in the year. Our preliminary estimate is currently \$564.5 million. So, we are at 92%. The recent voter-approved increase for our expenditure limit is not effective until this fiscal year, which is '25/26 and that ends my presentation. I can take any questions that you might have.

Mayor Borowsky: Thank you, and congratulations on the award. Excellent work. Lots of years in a row. So that's very impressive. I don't see any questions or comments. So, I think you're off the hot seat. Well done.

All right. That concludes our evening's agenda and that concludes the study session. So, with that, I will

entertain a motion to adjourn. All right, we're outta here. We're outta here.

ADJOURNMENT

[Time: 02:39:14]