
This document was created from the closed caption transcript of the September 22, 2026 City Council Regular Meeting and Work Study Session has not been checked for completeness or accuracy of content.

A copy of the agenda for this meeting, including a summary of the action taken on each agenda item, can be accessed through the City Clerk Archived Documents Search at:

<https://eservices.scottsdaleaz.gov/cityclerk/DocumentSearch>

An unedited digital video recording of the meeting, which can be used in conjunction with the transcript, is available online at:

<https://ww2.scottsdaleaz.gov/scottsdale-video-network/Council-video-archives/2026-archives>

For ease of reference, included throughout the transcript are bracketed "time stamps" [Time: 00:00:00] that correspond to digital video recording time.

For more information about this transcript, please contact the City Clerk's Office at 480-312-2411.

CALL TO ORDER

[Time: 00:00:

Mayor Borowsky: I would like to request the presence of my fellow colleagues on the dais, please. And I now call the September 22, 2026, City Council Regular Meeting and Work Study Session to order. City Clerk, Ben Lane, may I please have a roll call.

ROLL CALL

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

Mayor Borowsky: Present.

Ben Lane: Vice Mayor Maryann McAllen.

Vice Mayor McAllen: Present.

Ben Lane: Councilmembers Jan Dubauskas.

Councilwoman Dubauskas: Here.

**CITY OF SCOTTSDALE
SEPTEMBER 22, 2026 REGULAR MEETING AND WORK STUDY SESSION
CLOSED CAPTION TRANSCRIPT**

PAGE 2 OF 50

Ben Lane: Barry Graham.

Councilman Graham: Here.

Ben Lane: Councilmember Adam Kwasman.

Councilman Kwasman:

Ben Lane: Kathy Littlefield.

Councilwoman Littlefield:

Ben Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

Ben Lane: City Manager Greg Caton.

City Manager Greg Caton: Here.

Ben Lane: City Attorney Luis Santaella.

City Attorney Luis Santaella: Here.

Ben Lane: City Treasurer Sonia Andrews.

City Treasurer Sonia Andrews: Here.

Ben Lane: Acting City Auditor Lai Cluff.

Acting City Auditor Lai Cluff: Here.

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

Mayor Borowsky: Thank you. This evening we have Scottsdale Police Sergeant Klor and Officer Shollack and Ortiz as well as Scottsdale Firefighters James Yoner and Jackson Booth. If anyone requires their assistance, please let a member of our staff know.

PLEDGE OF ALLEGIANCE

For the Pledge of Allegiance, I would like to call upon Councilwoman Whitehead.

Councilwoman Whitehead: 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: Very well done. Thank you. For the invocation, Councilwoman McAllen has the stage.

INVOCATION

[Time: 00:01:42]

Vice Mayor McAllen: Thank you, Mayor. It is my distinct pleasure to introduce to you Pastor Tina Gilbreth and I'm smiling because Tina is a friend of mine. We have been friends for over three decades. Her and her husband have been residents of Scottsdale for the last 37 years. Todd, her husband, is a lifelong and third generation Scottsdalian. Tina has volunteered for decades for Valley Presbyterian Church, where she is the newest Associate Pastor and they raised their four children here in Scottsdale. Her husband coached my children. She taught at Mojave Middle School. I know so much about this family, I'm smiling because I love their children. I love them and I'm so honored that you chose to make your first public debut as a pastor at the City Council meeting. Pastor Tina Gilbreth.

Pastor Tina Gilbreth: Thank you, Vice Mayor. Thank you, Mayor and Council for inviting me here. Prayer and invocation is an opportunity in the midst of busy and modern life to just take a moment to pause and reflect and recalibrate. I know this is a busy evening for all of you. So, if you will, please join me in a moment of prayer.

Father God, your glory is present all around us in our beautiful city and state and it's with trust why our presence that we pray tonight for our city and for this meeting. Please guide those in authority, grant them discouragement and serve faithfully to promote the welfare of all of the people in our city. Fill them, lord, with wisdom and faith. Please lead our community whether there is division, bring community and love. Where there is arrogance, bring humility. Let conflict be replaced with love, justice and mercy. Fill us, lord, with your grace and peace. Please help us to remember those in need around us, those who are lost or hurting, suffering or grieving, struggling to make it through the day, experiencing homelessness, whether their need is obvious or hidden, give us eyes to see and hands that help.

Help us to love our neighbors well. Lord, please look with compassion on our city, bless this meeting, the conversations, the discussions, and all decisions. Fill this room with your presence. We ask all this in the name of our lord and savior Jesus Christ, amen.

Vice Mayor McAllen: Thank you, Pastor Gilbreth.

MAYOR'S REPORT

Mayor Borowsky: Thank you. For the Mayor's Report, I'm pleased to issue a proclamation recognizing Constitution Week here in Scottsdale which is observed September 17th through the 23rd. This annual

observe commemorate the 239th anniversary of the signing of the United States Constitution, and encourages all Americans to reflect on the freedoms and principles that continue to guide our great country.

It is my pleasure to issue this proclamation in support of the Daughter's of American Revolution, whose ongoing efforts help educate communities about the constitution and the importance of civic engagement. Through Constitution Week, residents are encouraged to learn more about our nation's founding documents and the liberties it protects. As stated in this proclamation, I urge the Scottsdale residents to reaffirm the ideals by vigilantly remembering the constitution and remembering that rights once lost may never be regained. Thank you to the members of the Daughters of the Revolution for preserving our nation's history and promoting constitutional awareness throughout our community.

And with that, I think we have a member of the Daughter's of the Revolution and I think Laura Johnson is here from the Daughter's of the Revolution and I would love to present this to you. And with the help of the Council, maybe we want to take some photos. Sure. Do you want to join me?

PRESENTATION INFORMATION UPDATES – ITEM 1

[Time: 00:07:11]

Mayor Borowsky: All right. Next, we have the Scottsdale Environmental Advisory Commission will present its annual awards. With that, I will turn it over to Adam Yaron. You are not Adam. Is Adam sorry. There's Adam. Okay to talk to us a little bit more about that. And Alexandra.

Planning and Development Area Manager Adam Yaron: Thank you Mayor and members of Council. We have a commissioner, Alexandra Craig who will be presenting the Environmental Advisory Commission, Scottsdale Spirit Scottsdale Sustainable Scottsdale Awards we have the Scottsdale Spirit Award with NAC, but this is a different one. Thank you.

Mayor Borowsky: Thank you, welcome Alexandra.

Commissioner Alexandra Craig: Thank you. Good evening, Mayor Borowsky, Vice Mayor McAllen and members of the City Council. Thank you for the opportunity to speak to you all this evening. My name is Alexandra Craig and I am, as Adam mentioned, here to present the results of the Sustainable Scottsdale Awards program which is led by the Scottsdale Environmental Advisory Commission. Okay.

This award program celebrates members of our community who are spearheading environmental advancements and recognizes innovative changemakers whose efforts inspire actions to improve quality of life and make Scottsdale a more livable, healthy, and eco-friendly city. Applications were assessed using two main benchmarks, producing impact and fostering innovation.

The Sustainable Scottsdale Award has recognized leadership across a range of community settings from hospitality and food systems to education and local enterprise. Our previous honorees have

demonstrated that responsible resource management and sound operational management go hand in hand reducing waste, controlling costs, fostering learning, opportunities and improving quality of life.

This year's recipient brings that same practical mindset to a significant local need, what happens to usable building materials during remodeling, and renovation? It's an approach that helps to address today's needs while contributing to a stronger, more resilient community as the city of Scottsdale continues to grow and evolve.

With that said, the 2026, Sustainable Scottsdale Award is presented to Stardust. Stardust is a local nonprofit that offers an innovative alternative to conventional demolition with a focus on keeping valuable building materials in use. At the heart of their work is a simple three-part approach, reclaim, reuse, and recycle. Creating value for materials that might otherwise be discarded. I'm now going to play a video from Stardust that beautifully captured who they are and how they put this approach into action.

[Time: 00:10:12]

For over a century, Arizona has had population growth nearly every year, and to support that growth, Arizona boasts one of the strongest building and construction industries in the United States. Which means Arizona is also home to some of the largest landfills in the country, taking in thousands of tons of commercial and residential and commercial and demolition debris. A growing problem but one that we can all have a part in solving, the solution to reducing our landfills of construction waste is sustainable, and the key to sustainability is reusability. By reusing building materials, millions of tons of construction wastes are kept out of our landfills every year. Diverting reusable building materials from our landfill reestablishes their value, helps our community, and keeps our environment clean. There are three well-established benefits to reclaiming building materials versus dumping in our landfills. The number one benefit to the business or homeowner is saving money. By choosing deconstruction services.

There are local organizations dedicated to deconstructing and reclaiming cabinets, windows, doors, appliances and more and many will deconstruct office buildings and hotels by allowing these groups to salvage these items, significant dollars are saved in demolition costs and disposal fees. These organizations will take dropoffs or pick up at the homeowner's residence, oftentimes free of charge. The second benefit of reclaiming materials occurs once deconstruction and removal of items are relocated to a reuse center that contains thousands of reclaimed materials ready for new remodeling projects. They are sold at discounts up to 80% off the cost of new materials. Proceeds generated often support efforts to distribute usable materials to local nonprofit organizations.

The third is and largest benefit of building material reduce is the impact on our environment. Construction debris is a major source of landfill waste. By reducing the demolition debris in our local Arizona landfills we will make an immediate impact on our ability to manage building growth in Arizona for years to come. We can all reduce landfills. Support our community and save money with the simple act of reuse. To learn more about local cost deconstruction services or to find a reuse center near you, go to reusearizona.org.

In short before, a building is torn out, the deconstruction team carefully removes items, such as cabinets, doors appliances, fixtures and other building components so they can be used again. Those materials are then sorted and made available through Stardust's reuse centers where residents, small businesses and community organizations can purchase quality supplies at accessible prices. It's a simple, disciplined model, preserve value where possible, reduce unnecessary waste, and put materials back into use within the community.

The video we watched moments ago highlighted some of the practical benefits of deconstruction and helped illustrate why Stardust was selected for the 2026 Sustainable Scottsdale Award. True lasting sustainability is built on three connected pillars environmental responsibility, community benefit and economic value. Stardust demonstrates how those pillars can reinforce one another from an environmental standpoint, Stardust keeps valuable building materials even usable goods in circulation rather than sending them to the landfill. They preserve the material value and can lower demolition and disposal costs. The practical resource management making the most of materials already in our community. That said, the community impact is equally important through the gifts in kind program, Stardust redirects overstocked, returned and lightly damaged merchandise to more than 475 nonprofit organizations across Maricopa County. Since 2012, the program has distributed more than \$169 million in donated goods, including toiletries, housewares, building supplies and other essential items. These resources help nonprofits operate more effectively and help the individuals and families they serve.

Stardust partners with support Scottsdale residents including the Hirsch Academy, Boys and Girls Club of Greater Scottsdale, Friends of the Court Arizona and Valley of the Sun United Way. Finally, Stardust's model creates meaningful economic value, shoppers and nonprofit partners gain access to quality materials and goods at a lower cost. Homeowners and businesses reduce avoidable disposal expenses and materials that might otherwise become a cost to manage can instead create continued value for local organizations, families and broader regional economy. That's the multiplier effect. Less waste, more value and a stronger community.

So, we understand who Stardust is, what they do, and the benefits of their model. But what does that impact actually look like? Let's take a look at some of those numbers. The scale of this work is significant and it's measurable. In 2025 alone, Stardust diverted more than 25,000 tons of construction material. Bringing this to more than 100 million pounds. Those numbers represent real materials, recovered for reuse. Stardust estimates that this approach can reduce project waste by up to 70%.

[Time: 00:16:12]

Looking specifically at Stardust's impact in the city of Scottsdale, more than 35% of its services support Scottsdale residents and businesses, reaching approximately 13,400 individuals in the community each year. Stardust provides the community with affordable, reliable materials with salvaged goods sold at 40 to 80% below retail. Environmental leadership can be practical, locally rooted and economically meaningful.

On behalf of the Scottsdale Environmental Advisory Commission, I'm proud to recognize Stardust. Please

join me in welcoming Stardust representatives whose names are on the screen to tonight's meeting. Congratulations to the entire Stardust team and thank you for the different you make for Scottsdale and the broader community. At this time, I would like to invite the Stardust team to come forward and receive the award and welcome the Mayor, Vice Mayor and City Councilmembers to join us at the front for a group photo.

Mayor Borowsky: And Councilwoman Whitehead has a comment for or two.

Councilwoman Whitehead: I do want to congratulate Stardust. For the residents who didn't know, in 2022, we did updated our building codes to do a lot of good things and one was to require that when development happens in our city, 50% of the waste does get reused. So anyway, good job. Thank you for what you have done long before we passed or building codes.

PRESENTATION INFORMATION UPDATES – ITEM 2

Mayor Borowsky: Okay. Moving right along, our next presentation will be from the Frank Lloyd Wright Foundation. Actually, I think Kevin Burke is doing this. And he will provide an overview of the foundation's recurrent activities, initiatives at Taliesin West and Kevin Burke, please take it away.

Economic Development & Tourism Senior Director Kevin Burke: It's my pleasure to invite Stacy Harris and Joseph Specter, President and CEO of Frank Lloyd Wright Foundation. Scottsdale is incredibly fortunate to be home to Taliesin West, a UNESCO World Heritage Property and a global cultural landmark. It's more than a treasured piece of our history. It's one of those places that helps to define Scottsdale to the world and it's something that draws visitors here, in architecture, design, culture and our unique Sonoran Desert environment. This is an important part of our cultural identity and our tourism economy and we're pleased to have them here to speak with us tonight. So, Joe, please.

[Time: 00:20:06]

Frank Lloyd Wright Foundation CEO Joe Specter: Good evening, Mayor Borowsky, Vice Mayor McAllen and members of the City Council. It's great to be with you this evening. Just so I have a sense of the room, can I get a show of hands of people that have been to Taliesin West before. Most of the room. Okay. Keep your hands up if when you came to Taliesin west, you were here because a friend or family member were visiting from out of town and you needed to do something distinctly Arizona.

So, we have a lot of diehard Scottsdale and Frank Lloyd Wright fans here. It's such a pleasure to be here this evening. Frank Lloyd Wright is perhaps America's most famous architect and one of the most influential architects in the world. What is remarkable is how far ahead of his time he was. It still shapes how we live and build today. Wright and his apprentices in 1938, began writing the Taliesin West and then they established the Frank Lloyd Wright Foundation that I lead today. This global legacy has the institutional home right here in Scottsdale. The foundation cares as Kevin mentioned for both Taliesin West and Wright's home and studio in Spring Green, Wisconsin, Taliesin. That gives you a sense of the significance of what has been entrusted to us, and Scottsdale's place in that story. It's shaped by

Wright's legacy and ideas inspiring how we live, learn, and build.

Just a quick note about myself. I joined the foundation in April of 2025. Before that, I spent 13 years running opera companies, nine years as the head of Arizona Opera, four years leading Austin Opera. I was the Director of Institutional Relations at the Metropolitan Opera. I worked for five years in financial services and I sang opera professionally for eight years. It's kind of a strange portfolio. But this is a through line through those experiences. I spent my career with storied, cultural institutions. Finding ways to bring what is enduring in those legacies to life for people today and building relationships and resources that are necessary to carry that work forward. Taliesin West is a place of international and global importance, and it is also part of Scottsdale history, a proud part of our history. I take both of those responsibilities very seriously.

A little bit about our mission. We have organized our mission around four actions, connecting, preserving, advancing, and transforming. They describe what caring for Wright's legacy means in practice today. Connecting. Across Taliesin and Taliesin West we welcomed almost 140,000 visitors. A tour may be the first introduction to Wright. We have K-12 programs, camps and programs for adults and families. We are exploring ways for more of that educational work to reach people beyond our two properties. Preserving. Across the two sites we steward more than 100,000 square feet, and approximately 1,300 acres of land. That's a considerable responsibility and we have to care for the architecture and landscapes together with an eye toward the generations who will inherit these properties from us.

[Time: 00:23:55]

Advancing. Wright's ideas belong in the conversations, architects and our designers are having now, through the Taliesin Institute, approximately 1,500 students and faculties from colleges and universities have taken part in residencies and other programs. They encounter the sites firsthand, bringing their own questions and work and carry what they learn into their studies and their professional lives. That's how these ideas keep moving forward.

Transforming. Wright believed that architecture to improve the way that people live. We wanted to put that belief to work using his ideas to pump fresh thinking about the places we make today, the way we use resources and the relationship between a building and its community. The legacy has the greatest value when people can do something with it.

And I want to recognize the people who make all of this possible, not just our wonderful staff, including Stacy who is here this night, this evening, but the hundreds of volunteers that give thousands of hours to help make our mission possible every year.

Next, a little bit about our strategic direction. We recently put a five-year strategy into play to make these commitments a reality. It gives us a clear outcome and a way to measure whether the work is making a difference. Under connecting, we want to compound attendance growth over time and deepen people's engagement with us. We're giving visitors more ways to experience us, while

strengthening our connections with students and communities beyond our property. Under preserving, the scale of work calls for sustained, planning and investment. We're setting priorities across multiple years, building longer term preservation budgets and developing a stronger philanthropic pipeline. These places are a global legacy and we intend to do our part to give them a strong future. Under advancing, we're building the mix of resources that supports that work. Philanthropy visits and programs and licensing partnerships. Licensing is a particularly interesting way that Wright reaches people who may never have visited either site. It could be something as familiar as a Wright design on an object, like a dish towel in our kitchen or a collaboration as the Frank Lloyd Wright airstream travel trailer if you can get your hands on one of those. Done thoughtfully, these partnerships introduces his ideas to new audiences and help us generate support for the mission moving forward.

Under transforming, we want the foundation to contribute more actively to conversations about Wright's ideas and their relevance today. One way we're doing this is by bringing much of our programming together around a compelling theme each year. That gives a stronger platform for exhibitions, education, scholarship and other partnerships with each adding to the others this year's theme is nature, landscape and environment. How building responds to its setting, uses materials, and serves the people who inhabit it. Wright called that approach organic architecture, Taliesin West is an extraordinary expression of it. The desert shaped what he built here. That relationship between people, buildings and place is something we can learn from in Scottsdale and other communities as we continue to grow.

[Time: 00:27:14]

Finally, that brings us home to Scottsdale. Taliesin West could only have been made here. Its relationship with the Sonoran Desert, the light and the McDowell Mountains is fundamental to what it is. It draws people here too, about 70% of the folks that visit us come from out of state, and across Taliesin West and Taliesin welcome 140,000 people and generating \$14 million of economic value. I also want Taliesin West to mean more to the people would live nearby. When you are on our 400 plus acre property, you can feel wonderfully removed from the bustle of the city. But we are very much a part of the Scottsdale with the thriving community all around us, and we want to have an opportunity to make Taliesin West a more important part of community life while caring for the qualities that make the property so special. Wright began building here nearly 90 years ago and the Foundation he created is still headquarters in Scottsdale. We want to continue this legacy forward so people can experience Taliesin West and find ideas in their own time. Thank you very much and I'm happy to answer any questions.

Mayor Borowsky: Thank you. Wonderful. Thank you for all of that information and thanks for being here. Councilwoman Dubauskas wants to say something.

Councilwoman Dubauskas: Thank you, Joe. I just wanted to share my reflection on the time we spent on the property. It's very inspiring to see the desert and to see Scottsdale through Frank Lloyd Wright's eyes and to walk through the hallways the way he used wind to lower the temperatures, the way that he used the structure to create special environments. I just think it's really inspiring and it's interesting

and it's just so it takes us even though it's a step away, it just takes us into another world. I know you have 150,000 people a year, and I hope you have even more. Please come back and tell us how we can help with that.

Joe Specter: Thank you. So grateful for that. It's a truly inspiring space. For those who didn't raise your hand, there's to shame and we can't help to welcome you. The work that we do, if you don't mind one more moment, is a celebration of this person and his genius and what he was able to share with the world. We can make people's lives beautiful and even better and we are excited to do that as part of the community.

Councilwoman Dubauskas: One of the things you taught me we have two UNESCO World Heritage sites in state of Arizona, and one is here in Scottsdale.

Joe Specter: Yes, and only one man made one, no one built the Grand Canyon. Such a pleasure to be with you all tonight, I appreciate the opportunity.

EXECUTIVE SESSION

Mayor Borowsky: Thank you. All right, during tonight's meeting, the Council may make recess into Executive Session in the event that legal advice is needed on any applicable item on the agenda. The exec session would be held immediately and will not be open to the public. The public meeting would resume immediately following that.

MEETING MINUTES

[Time: 00:30:40]

We have Meeting Minute approvals, and I will entertain a motion to approve Regular Meeting Minutes of August 24, 2026, Special Meeting Minutes of August 25, 2026, and Regular Meeting Minutes of August 25, 2026.

Vice Mayor McAllen: So moved.

Councilwoman Whitehead: Second.

Councilwoman Littlefield: Second.

Mayor Borowsky: Please indicate your vote and I should have pointed out, Councilwoman Littlefield did join the meeting quite some time ago. Please indicate your vote.

Councilwoman Littlefield: Yes.

CONSENT AGENDA

Mayor Borowsky: All right. Next, we have the Consent Agenda. Consent Agenda items 1 through 16, do any members of the Council have any questions or wish to have any of the items pulled? I don't see anything. So, I will entertain a motion to approve Consent Agenda items 1 through 16.

Councilwoman Littlefield: So moved.

Councilwoman Whitehead: Second.

Mayor Borowsky: And Councilman Graham, we are going to take public speakers. Do you want to go ahead and make your comments now or wait?

[Time: 00:31:54]

Councilman Graham: Mayor thank you. I just wanted to congratulate the city for moving forward with Bond project 62, we're finishing the bridge. I'm not going to say bridge to nowhere because this bridge goes somewhere. We all know where it goes. Build a bridge on Thompson Peak Parkway over Riata Pass Wash. Anybody who has been in that area you know you have a weird swerve. How many years is that? And also this was a 2019 Bond project. So that was, that was a factor for a lot of people in that DC Ranch, Pima Acres Wingate, you know, those neighborhoods, in that Bond election. So I'm excited to vote for this. Thank you.

Mayor Borowsky: Thank you. And with that, we have a motion and a second.

Councilwoman Littlefield: Do you need me?

Mayor Borowsky: I have a motion and I will second it. There are no public speakers on the Consent Agenda items this evening. And so we'll go ahead and take a vote. Thank you.

REGULAR AGENDA – ITEM 17

Moving on to the Regular Agenda. Item number 17 is up next, Orangedale Lounge, conditional use permit. And this evening we have Casey Steinke. Am I saying that right? Steinke. Senior Planner to present. Thank you. Go ahead, Casey.

Senior Planner Casey Steinke: Casey Steinke, Scottsdale Planning Department, looking at the item tonight is case UP-1-2026, the Orangedale Lounge. You see the site location here, the suite highlighted in red, at the shopping center at the intersection of Bell and Thompson Peak Parkway. And a little closer up, you can see the suite again, a little bit of wildlife, a buffer behind that and then a small outdoor patio. And the applicant's request is for a conditional use permit for live entertainment. They got a CUP for a bar here. They toyed with, at the time with the idea of maybe doing live entertainment and never officially added that. And now they are trying to add that to the operation.

Fairly limited space with less than 1,400 square feet and 168 square foot patio to the west. And large shopping center. So no parking issues this time around. This is the floor plan twice but I show a couple of different things. On the left of the screen as you can see, it shows the pedestrian movement in, there pretty narrow, singular corridor from the front door that leads to the back. And on the right, outlined in red, you can see the patio, and to the south of the property, which is actually the top of the of that particular sheet is more of a back of house situation, than it is customer seating. They did agree and propose several stipulations after doing outreach. They are noted on the screen. It includes a maximum of 65 decibels measured from the southern property line, they won't be opening any doors or windows and any exterior speakers will not be linked to the live entertainment.

All that being said, there were some speakers at that Planning Commission hearing and I think in response to, that I believe it was a Planning Commissioner inquired with the applicant, hey, would you be amenable to limiting the live entertainment to Friday and Saturday only? The applicant on the spot agreed to that. It's my understanding that after that meeting, the ownership group got together, decided hey, that might actually not be workable for us. And so, coming to Council tonight, they are looking to remove the Planning Commission approval. It will show the originally approved from the Planning Commission which is our practice. So if you were to approve it and without that Planning Commission stipulation, that's something you would probably want to note that motion.

[Time: 00:36:38]

We have additional public comments. I don't know if the clerk added them to the online. It's about a 50/50 split, about five and five in support and opposition of this and as I mentioned at Planning Commission, we did have two public speakers. They did recommend approval with a 6 to 1 vote with the caveat that it was limited to Friday and Saturday which is not what the applicant is looking to do tonight. That is here it for the staff presentation. The applicant is here, but I don't know that they have presentations but they can answer questions.

Mayor Borowsky: Thank you, Casey. We have two speakers, Todd Heroldt and David Boland. I will ask Todd to come up.

[Time: 0037:26]

Todd Heroldt: Good evening, Mayor, Vice Mayor and Councilmen. There was a handout that had some photos that you might have in front of you. I will go ahead and just read something I prepared.

The McDowell Mountain Ranch area and all of its natural features were carefully planned over 30 years ago to blend into the natural landscape of the McDowell Mountain Foothills and preserve the natural habitat. When initially developed it was considered one of the best projects of its time, next to one the largest municipal preserves in the country. For over 30 years since the development, the area has remained a wild desert habitat and my neighborhood. I have lived for over 23 years. A typical evening starts with the quail retreating to their trees and the people in the neighborhood slowing or stopping for

baby quail. As they cross. It's quiet. The roads are clear and it's quiet. The homes south of Orangedale are a short distance across the wildlife corridor, directly adjacent to the west is the exterior dining of K Sushi. I spoke to the owner of K Sushi who told me the live music from Orangedale will surely negatively affect his patrons and I believe the recovering pets at the pet hospital next door. Orangedale originally applied for their license in our community last summer stating they would have no live music. Less than a year later in March, we received the notice of the live music request. They hired Mr. Levitt, who portrays the bar as a sleepy venue. A bar that will police itself and the doors will always remain closed.

Mr. Levitt cannot promise how the bar will function any more than I can or how many times a minute the front door and the side door patio will be filling open with possibly 65 decibels of live music into the outside environment. The city planners created the environmentally sensitive lands ordinance in I have something to put on the the overhead projector.

Anyway, the environmentally sensitive lands ordinance adopted in 2004. The entire area we are talking about is within that ordinance overlay, and it was adopted to prevent businesses and people from imposing incompatible land uses on the environment. I think you will agree, live amplified music pouring out into the natural desert environment is incompatible land use. The sound is sure to scare and negatively effect all the wildlife in the area. I'm asking you to use a resource that's been used before to say no to this permit application and others that are surely to follow that same center. I don't think you want a venue spilling 65 decibels of music well into the night next door to your home. I please ask you to vote no and deny their permit application.

Mayor Borowsky: Thank you. All right. Next, we have David Boland.

[Time: 00:41:00]

David Boland: Madam Mayor and City Council, my name is David Boland, and I am the President of the Homeowner's Board at the Ridge at McDowell Mountain. That's the condo community that's adjacent to the Orangedale, just across the NAOS area. I was at the Planning meeting August 12th, and there was discussions of a number of items then and the bottom line was we came up with the stipulations that there would not be music, entertainment, except on Friday and Saturday nights, and it would be ended by 10:00 and the the they would not use outdoor speakers and the doors won be propped open and the music would be you know, primarily acoustic guitar. We were concerned about the hours and the days, but finally that's what the Planning Commission voted on 6-1 and so we thought, well, that's probably best deal we're going to get out of this thing. So, we went on our merry way.

I learned, I later learned that now the people that made those stipulations are changing their mind and so I'm back expressing our concern about music, noise, lighting, speakers, and overflow crowds. This past weekend, I measured it myself, the back of the patio is approximately 135 feet from the closest condo building. That's 135 feet from someone's bedroom basically. So, I'm sure that you can understand why we have concern on this issue. The excuse me. Also, in past, there have been crowd overflow into the adjacent area, although I have been assured that that's not going to be permitted anymore, that people will not be able to take their drinks out into the parking lot.

I'm just here to see with changes to stipulation, I'm here to see exactly what exactly what it is that we're having the Council agree to and respect the suggestion if it's not clear, then perhaps they need to send it back to Planning Commission to get those things cleared up.

Mayor Borowsky: Thank you. So that concludes the speakers on it item. I see that Vice Mayor McAllen has something.

Vice Mayor McAllen: Thank you, Mayor. Casey, I have a question for you. I just want to clarify, that the planning commission voted 6-1 for amplified music on Friday and Saturday only?

Casey Steinke: Mayor Borowsky and Vice Mayor McAllen. That is correct.

Mayor Borowsky: Casey, I have a question, what are the hours of operation of Orangedale?

[Time: 00:44:45]

Casey Steinke: Mayor, maybe it's quicker to get the applicant to answer that.

Mayor Borowsky: Where is the applicant? Oh, hi.

Applicant Nathan Babb: Currently on Friday and Saturday, we're open from 10 a.m. to 1 a.m. During the week, Sunday to Wednesday, it's 11 a.m. to 10 p.m. and then on Thursday, it's open until midnight. So, we adjusted our hours based on interest, basically. And we apologize for the pivot. That was a miscommunication, but the whole reason we would like to have live entertainment would be more likely on a slower night, something where we want to attract people to actually come in and enjoy themselves on a slower night. On a Friday and Saturday, quite honestly, the bar is doing quite well. It's a little bit of a law of diminishing return. That's why we wanted to at our discretion of having live entertainment. We don't have any intention of having live entertainment, quite honestly to 10:00.

Mayor Borowsky: Okay. And what is contemplated for the hours of the entertainment, the proposed entertainment? And what days if you are I mean, assuming it's not just Friday and Saturday.

Nathan Babb: Most likely and Justin, you tell me if you disagree, but most likely it would be a Monday or a Thursday, because we have a trivia night on Tuesday. We have a bingo night on Wednesday. So it would we're thinking 5:00 to 8:00 is really the realistic even going to 9:00 would be a stretch. It's just not the venue for that.

Mayor Borowsky: Okay. Thank you. I don't see any okay. All right. I don't see any other...

Nathan Babb: Could I make one comment would that be allowed?

Mayor Borowsky: Sure.

Nathan Babb: I don't know that she will want me to, but I did some sound testing from that same wash that was in that picture, our cameras all have microphones. So, I did some sound testing inside, with the music very loud, and then at that same moment, right on the front patio. I also did a video this afternoon from the wash and I had the music turned up pretty much as loud as it could go with the door open, just to make the point that, hey, I know there's a lot of concern. We want people to be at ease that you physically can't hear it, even from the wash, much less from someone's condo. And honestly, we want this to be a collaboration. We want people to feel more comfortable about what we're trying to do.

Mayor Borowsky: Okay. Thank you so much. Councilwoman Whitehead.

[Time: 00:47:53]

Councilwoman Whitehead: Thank you, Mayor. I want to thank the applicant for explaining why not just Friday and Saturday night. That's actually I hadn't thought about that. I have never run a bar or restaurant. So that that's a good reason is to draw people in during the week. It's stipulated that the music ends at 10 p.m.; is that correct?

Nathan Babb: It is.

Councilwoman Whitehead: And it's stipulated that the doors must remain shut?

Nathan Babb: That's correct.

Councilwoman Whitehead: That's correct. And this is a staff question. You have been operating for how many years? How long have you been operating?

Nathan Babb: Our doors actually opened last July.

Councilwoman Whitehead: Last July. You've had music, just not the acoustic guitar, is that correct.

Nathan Babb: That's correct. We have music every night since it's a bar, but we have not had any complaints.

Councilwoman Whitehead: Okay. I guess staff is satisfied with your answer. They are here to correct you. Okay. Would you all be comfortable you said it is a sleepy area and I will say, I appreciate that you guys are slowing down for the baby quails, I'm not sure that everyone on Thompson Peak and Bell Road is. Is it a big intersection right there. Other than that, the area is pretty sleepy. It does seem I can you have most of your nights you have different things going on.

Nathan Babb: Are you asking would we be okay if it's stipulated earlier?

Councilwoman Whitehead: You said 8 or 9 p.m. and I think that might be a difference for those of us who go to bed earlier, who did you have a recording?

Nathan Babb: I have it on my computer and the whole idea was to show when it's really loud inside the bar. When the music is loud at night, it's loud like any bar but at that same moment outside, I have a recording that shows that I mean, you could have a normal conversation and be heard which would kind of show, there's no way to hear beyond 10 or 15 feet.

Councilwoman Whitehead: And I guess we do have the Vig right there with the open patio but they are more non live music.

Nathan Babb: hey have live music. They have a giant patio and they want their patrons on the patio to hear it and they open up their windows and doors.

Councilwoman Whitehead: And yours is all inside and that's stipulated. Okay. Thank you.

Mayor Borowsky: Councilman Graham.

[Time: 00:50:35]

Councilman Graham: I guess the thing that kind of strikes me is that normally what we do, Mr. Steinke, like the Planning Commission, in my mind would make the recommendation and then whatever they recommended would come to City Council. And then the applicant might appeal for sort of a change and so it kind of seems like we sort of I feel a little bit like we disregarded the Planning Commission's stipulations.

Casey Steinke: Mayor Borowsky, Councilman Graham, typically that is the process and I guess that's kind of what we are doing here. You know, the stipulated the attached stipulations that you have by default are the Planning Commission ones. So this is essentially them coming up and you know...

Councilman Graham: Okay.

Casey Steinke: And trying to amend it with this body.

Councilman Graham: I like that stipulation, but maybe we can bend in the middle if my colleagues can get there. Thank you, Mayor.

Mayor Borowsky: Thank you, Councilwoman Dubauskas.

Councilwoman Dubauskas: Would you be amenable to a stipulation of Monday or Thursday until 8 p.m.?

Nathan Babb: The only concern I would have is if we decided to stop doing things like trivia or bingo, it would be nice to have the option to do a Wednesday or a Tuesday.

Councilwoman Dubauskas: So, Monday through Thursday, no later than 8 p.m., 65-decibels outside of your operation?

Nathan Babb: I'm looking over at my partner to make sure. He has the deep experience in this industry. So I wanted to make sure he's okay with that.

Councilwoman Dubauskas: Yes. Okay. I will make a motion to approve with the following stipulation that the U.P. be Monday through Thursday and that it expires at 8 p.m., with a decibel level of 65 outside the premises.

Councilwoman Whitehead: I will second that, but I have a question about your motion. That does not prohibit the music on Saturday and Sunday, it's just in addition to the...

Councilwoman Dubauskas: Just for live music.

Councilwoman Whitehead: In addition to the live music on Saturday and Friday.

Councilwoman Dubauskas: He was saying they don't want live music on Saturday because they are busy.

Nathan Babb: We are just less likely to need it.

Councilwoman Whitehead: Yeah, but I don't want to limit it. That just seems overly restrictive. I would like to make a friendly amendment that those stipulations apply for every day of the week, but I actually I'm you know, I guess I don't know if it's a friendly amendment. I will make an alternate motion that we approve the UP 1-2026 with live music permitted during the week until 8 p.m. and until 10 p.m. on Friday and Saturday at your discretion with the continued stipulations about the doors being closed and the decibel levels.

Vice Mayor McAllen: I will second that motion.

Mayor Borowsky: The city attorney has something to say.

[Time: 00:53:53]

City Attorney Luis Santaella: Thank you Mayor and members of Council. This resolution -this CUP needs to be adopted via a resolution. So, there is a resolution that needs to be cited in any sort of motion. So I would recommend you adopt the resolution that adopts the conditional use permit, spelling out the numbers and adopting the conditions as is, with whatever the modifications are.

Councilwoman Whitehead: Okay. Yeah. The problem was I wasn't on the right page. So I will make an alternate motion to Councilwoman Dubauskas to adopt resolution number 13752 for live entertainment conditional use permit on the 1.566 square site zoned planned community center environmentally

sensitive lands, PCC-ESL located at 10121 East Bell Road, Number 110, with the added stipulations that live music be limited to 8 p.m. on weekdays and 10 p.m. Fridays and Saturdays to do decide you are going to have some and while the other stipulations are already in there, about the doors closed and the noise levels.

Vice Mayor McAllen: I will second that motion.

Mayor Borowsky: All right. I don't see any other speakers on this.

Applicant Bob Leavitt: Excuse me, Mayor.

Mayor Borowsky: Sure. Hi.

[Time: 00:55:22]

Applicant Bob Leavitt: May I speak in support of the, my name is Bob Levitt. I'm with the Arizona Liquor Industry Consultants firm. And Orangedale Lounge is a client of mine. I have been directly involved in the entertainment use permit. What I'm about to say is only directed to try to achieve a an additional comfort level with those of you on the on the Council that are going to vote in support of this. There has been, in my estimation, a gross mischaracterization of the live music that they are going to have I would to I as Richard Nixon used to say would like to say this about that. The quote/unquote live music a guitar player sitting on a stool in the middle of the bar. Now the bar is only 13 or 1,400 square feet there's absolutely no detectable sound outside of the bar, unless a service door is open for the transit of customers going in and out of the bar.

Mayor Borowsky: Thank you. Okay. So, we have a couple more comments and questions from Council. Councilwoman Dubauskas.

Councilwoman Dubauskas: What type of permit does The Vig have?

Casey Steinke: Mayor Borowsky and Councilmember, Dubauskas, I believe they have a Series 12 restaurant license I don't believe they have a C.U.P. You're talking about The Vig? I don't believe they have one.

Councilwoman Dubauskas: It is during the day. Okay. That's helpful. I'm very sympathetic to the residents and the noise concerns that they have. So, I'm not comfortable with going to 10 p.m. on a Friday or Saturday night regardless of what the Planning Commission approved. I think it's too noisy in a small residential area. I'm a no to the amendment.

Mayor Borowsky: Councilman Graham.

Councilman Graham: I was just wondering if somebody could explain the difference between the motion and the alternate motion. Maybe the city attorney.

Mayor Borowsky: So great question and I think there's an amendment by the maker. So just hold on that.

Councilwoman Whitehead: So, I think this is what we do up here is we talk in a public forum to try to find that common ground. I'm also very sympathetic to the residents. One suggestion is to amend it to 9 p.m. on the weekends because, it is again, you know, 10 p.m. is which is what was in there, but I think the owner said that 8 and 9 p.m. is pretty much where you end anyway. So that would be fine with me if that made my colleagues more comfortable, you know, and kept this moving forward. I do want to stress that we haven't had any complaints with this. We would like to support our businesses and protect our neighborhoods. Thoughts on that?

Councilman Graham: Thank you for that.

Mayor Borowsky: Councilman Graham.

Councilman Graham: Thank you, Mayor. So, what was the difference in the treatment for the weekend?

Councilwoman Whitehead: 8 versus 9 p.m.

Councilman Graham: So you will flex a little bit on that. Very good. Very good.

Nathan Babb: We're also just fine with that.

[Time: 00:59:05]

Mayor Borowsky: Okay. There's a motion on the table and I just want to chime in, I hesitate to be, you know, running, micromanaging a business from the dais. I think that's not the way we should that I feel comfortable addressing businesses and I honestly haven't heard any any convincing evidence that there's that this is going to be an issue, the noise. It sounds like the bar music that you've got would based on everything that I have heard, the bar music is louder than the contemplated acoustic guitar. I'm really not sure what we are dissecting here. I would be comfortable going to 9:00 all week, but I'm happy if you are happy with 8:00 during the weekdays, I think that's fine. I think that's really early, I mean but you said okay. So city attorney.

Nathan Babb: It's fine with us.

Luis Santaella: Mayor, members of the Council. So we are absolutely on the same page, we would like Councilwoman Whitehead to restate her motion about the days and hours and then presumably adopting the conditions that are in the C.U.P. and the resolution.

Councilwoman Whitehead: So are you on the same page that you want consistent times or are you just want me to restate the motion at all.

Luis Santaella: Just restate it. We just want to make to know exactly what it's was.

Councilwoman Whitehead: I move to adopt Resolution 13752 for a live entertainment conditional use permit on a site zoned planned community center environmentally sensitive lands located at 10121 east bell road, Number 110, with the additional stipulations that the live acoustic music be limited until 8 p.m. on weekdays and 9 p.m. on Friday actually, that's a good question, Friday and Saturday night, I think is what we call the weekends: All other stipulations remain.

Vice Mayor McAllen: I will second that motion.

Mayor Borowsky: All right. We have a final motion and second, and I just want to add that for the neighbors and I totally appreciate your concerns and if it becomes reality, that it's disruptive, you come back and see us and we'll see what we can do there with these business owners. A complaint, you know, if there's complaints that will change the story next time around when this is renewed. So and also we can work with the business owners on that. So please register your vote on the motion on the table.

Councilwoman Littlefield: Yes.

Mayor Borowsky: All right. Congratulations.

Nathan Babb: Thank you.

Mayor Borowsky: Keep it low.

Nathan Babb: We will. Thank you.

Mayor Borowsky: All right.

REGULAR AGENDA – ITEM 18

[Time: 01:02:16]

Next, we have item number 18, WestWorld proposed fiscal year 2026/27 rates and fees for the new soon-to-be-opened Monterra facility. This is exciting. Hi, welcome. Cassie Johnson, the Interim WestWorld General Manager. Nice to see you, Cassie. We all heard a lot about you.

Interim WestWorld General Manager Cassie Johnson: Thank you. Hello, good evening, Mayor and members of Council. Tonight I'm presenting the proposed fiscal year 2026/27 rental rates for the Monterra facility at WestWorld. Monterra is a standalone banquet space that's been on WestWorld's property since 1990 but was privately operated. The city purchased the rights to operate the Monterra in November of 2024, allowing the facility to be additional use space for WestWorld events. The proposed fees were posted for the state statutory 60-day public review period. The posting requirement

was since been met and we're returning to Council and we're requesting adoption of 13765 authorizing and approving adjustments to the program charges for the Monterra facility rental fees.

Staff conducted a market analysis of comparable facilities metro area, considering size and available amenities. The facility was recently refreshed to meet ADA requirements and correction for ADA. Based on that analysis, we are recommending two pilot rates for Monterra. A weekend rate of \$3,000 per day, applicable Thursday through Sunday. And a weekday rate of \$750 per day, applicable Monday through Wednesday. We are intentionally recommending these as a pilot fee so we can evaluate actual demand and market response as we begin booking the facility.

Because Monterra does not currently have an adopted facility rental rate, both fees represent new potential revenue. Based on the current estimates the weekend rate is projected to generate approximately \$84,000 and the weekday rate approximately \$5,250 for a combined estimated revenue of \$89,250. Staff recommends adoption of Resolution number 13765, authorizing an approving adjustments to the WestWorld division of facilities for the Monterra facility rental fees. That concludes my presentation and I am happy to answer any questions.

Mayor Borowsky: Thank you, Vice Mayor McAllen has one.

[Time: 01:04:58]

Vice Mayor McAllen: Thank you, Mayor, thank you for the presentation. With these rates do we have an in-house catering company that either so if you use if I rent the facility on the weekend, must I should the in-house catering company, or can I bring something from the outside and if I bring something from the outside, do you charge more?

Cassie Johnson: Thank you, Mayor, Vice Mayor. We have an exclusive right for M. Culinary at WestWorld and Monterra is included in that -Monterra is included in that because it's all inclusive of WestWorld. And you would work with M. Culinary to cater your event.

Mayor Borowsky: Thank you. Do you know how long that exclusive contract is with M. Catering?

Cassie Johnson: That contract is valid through June 30th, 2029.

Mayor Borowsky: Thanks. I don't see any other motions. I will make a motion to approve this item. Let's see. I need to get my language here. Do I have a second? I just misplaced it. Adopt Resolution 13765 authorizing and approving the rental fees for the Monterra facility at WestWorld. Thanks.

Councilwoman Whitehead: Second.

Mayor Borowsky: I don't see any further questions. So please indicate your vote.

Councilwoman Littlefield: Yes.

Mayor Borowsky: The hamsters are not working. All right. There we go. Thanks so much.

PUBLIC COMMENT

Now, we will move on to public comment. And this is a period reserved for Scottsdale citizens, business owners and property owners to comment on non-agendized items that are within the Council's jurisdiction. No official Council action can be taken on these items and speakers are limited to three minutes to address the Council. If you haven't already signed up and you wish to speak, please let our city clerk know. And I will ask Dan Ishac, Patty Badenoch and Felipe Priess and Andrew Wollmann to be on deck.

[Time: 01:07:45]

Dan Ishac, address on record. At the last two meetings, Barry Graham had one of the sycophants decide to attack me. That's fine. I support people's rights and while I take great pride in who I call friends and I take pride in those people who dislike me as well.

At the first meeting, Mr. Wollman decided the Council and the residents should disregard anything because I had sent him a disparaging comment on Facebook. Could I have the overhead, please. If he actually believes that, then he must think that you should disregard what he says because he says even more disparaging things on Facebook. This is just a sample. He changes the spelling of my last name to be I-S-S-H-I-T and he suggests that I'm in a toilet. He said that my mother should have flushed me when I was born. So, Mr. Wollmann also participates actively on Yes for Scottsdale as does Barry Graham as does Dan Bastien. I will say this for Wollmann he has the courage to face people who disagree with him whereas Barry and Dan Bastien block anybody that disagrees with them. But Yes for Scottsdale is one of the most hate-filled websites related to the city of Scottsdale. And Mr. Wollmann routinely posts on that as well.

Now, at the second meeting, Mr. Wollmann suggested that I cannot criticize Barry Graham because he's running Barry Graham because he's running for reelection. It's interesting that we are recognizing the constitution this week because as the city attorney well knows there are more and more lawsuits that are successfully challenging any restriction on speaking about the behaviors and statements of public officials. So, Mr. Wollmann is also late to the game. He apparently doesn't know that I have been speaking before Council for five years. I first started speaking before Council because our prior administration, under Mayor Ortega was a bit of a cluster. His behavior on the dais was reprehensible, bullied people on the dais, staff, business owners' residents. It's for that reason that I started speaking at Council meetings. It's also for that reason that I ran for office, unsuccessfully and Mayor thank you for being a breath of fresh air compared to the prior administration. I also pointed out to the Mayor that his treatment of Barry Graham was reprehensible, particularly at a meeting where he tried to tell Barry he could ask no more than three questions. I believe in free speech. Some of the people on that dais do not.

I have also criticized virtually every member of this Council at one time or another. I'm not

electioneering, it's just that Barry seems to lie more than the rest of you and that's why I speak about him more often. Thank you.

Mayor Borowsky: All right. Thank you. Next, we have Patty Badenoch. Hello.

Patricia Badenoch: Hello. 40-year resident of Scottsdale. It's real simple, bottom line. I believe there should be a ban on public surveillance, such organizations such as Flock, compromises our freedoms. The downsides further are much more serious than the attributes, it's a possible violation of the fourth amendment of our United States Constitution. Thank you.

Mayor Borowsky: Thank you very much. Next, we have Felipe Priess. Am I right?

[Time: 01:11:40]

Felipe Priess: Yes, that's correct. Good evening, Council and Mayor, my name is Felipe and I'm my name is Felipe and I would like you cancel a contract and remove all automatic license plate leader systems known as Flock cameras. We understand the initial motivation was public safety. We want our neighborhoods safe. We all want effective tools for the law enforcement officers. The question here is not simply whether the cameras are useful tool in some cases. It's whether the city should continuously collect and store information about the movements of ordinary law-abiding citizens who have done nothing wrong, a debatable violation of the fourth amendment.

ALPRs obviously log license plates but also time and location. That may not sound as serious but over time they build a detailed and intricate pictures of a person's life, where they live and work and worship and what kind of businesses they go to and who they associate to and whether they attend a protest and seek help from an attorney. This is broad surveillance first and ask questions later. I have recently become become an American citizen and I'm deeply grateful and proud to be one. Becoming a citizen made me appreciate even more the rights protected in this country are precious. Freedom means more than being safe from crime. It also means being able to live, travel, associate with others and not feel that the government is building a permanent, searchable record of our movements I don't want to see the rights being eroded or weakened because surveillance feels convenient.

We can support real public safety without treating every resident and visitor as a potential suspect. We can instead, for example, invest in emergency response, victim support, targeted investigations based on evidence, youth programs, street improvements and community trust. Those approaches can make us safer without building systems of mass surveillance. I have heard that the Mayor has expressed her desires for the ALPR programs to be reconsidered. Please choose to make Scottsdale a city that protects both our freedoms and safety. Let us show that we have the constitutional rights of every resident not only words but the technology and the policies we choose. Thank you very much.

Mayor Borowsky: Thank you so much. Next, we have Andrew Wollmann and I know there's, let's see, Autumn is donating time. Will that work you? Will 4 for minutes work for you?

Andrew Wollmann: I want to thank Dan Ishac for making me famous. I appreciate that. The joke about the toilet was one of the things you click on Facebook that has they are all there. It's nothing I created. It's just so everyone knows. It's you just click on it and it comes up. It had nothing to do with toilet to tap, but it was kind of funny, I thought. Still laughing about it.

Anyway, what I will talk about today is transparency in local political spending. Oops can I get a little time to get this on? I always have a hard time with this. Do I just push the power button and does anybody know how to use this? Sorry. All right. Thank you. That is my script. All right. I'm sorry. I want to talk today about a a little bit about election integrity and dark money. Solange Whitehead won the election. I'm not promoting anyone, but I do have questions. How much does Solange know. A lot of money was spent to elect Ms. Whitehead, I'm sorry, and no one knows where that came from. It seems long that we have to wait so long after an election to find out who is really funding it. And it is wrong. There's this is not electioneering because I'm not promoting anyone.

[Time: 01:16:31]

Phoenix has laws that now allow more time sensitive reporting, 48 hours, in fact, after a donation is made within 16 days of election, they have to report a donation to a candidate. I would like the city to look at that ordinance, and I will list that in a bit. But this is basically what I'm seeing going on, is that we're having a road show, and there's people bidding on a Council seat, basically. There's money being spent and we don't know where that money is coming from until after the election. The the worst part is, even after the November election, we have to wait 73 days before we find out who spent the money to get these people elected. That's wrong. Plain wrong and Ms. Whitehead, you said if there's a problem, we should talk to you and I'm talking to you. I would like you to disclose all the sources of the money that got you elected. You are already elected. You don't have anything to lose. Are you going to keep those secret until October 15th or are you going to let everyone know where this money came from? We'll find out on October 15th, but I think it should be disclosed earlier than that.

The ordinance, I will give to the city attorney, and I'm hoping that it gets agendized and we look into, it but let me get you information on it. Let me see if I can actually I don't know if this will work. Not very well. All right. I will I will state the ordinance here, it is on June 26th, the Supreme Court in Arizona, actually passed the election disclosure requirements are meaningfully, and specifically cited the Arizona Constitutions directive to enact the purity of elections. I'm asking the Council to direct I'm sorry. The city attorney to determine whether Scottsdale can adopt an ordinance or charter amendment modeled on Phoenix code Chapter 12, Article 7, division 3, including the 48-hour election funding disclosure requirement. Interestingly, that that ordinance there is called the keep dark money out of local Phoenix elections law. I would like to see a similar law in Scottsdale. So, what we have seen happen at this election with all of this money pouring in and literally hundreds of thousands of dollars, we should be identifying that and we should be questioning what's going on and who is paying for it. Thank you.

Mayor Borowsky: Thank you. All right that concludes non-agendized public comment. Oh, yes, I'm sorry. Councilwoman Whitehead, I'm sorry.

Councilwoman Whitehead: I just want to respond that I absolutely agree. I think it was terrible. First of all, all the dollars that I have received were disclosed on my financial reports, and people can voluntarily attack me online as we have seen a lot of that and it turns out in this election, people can voluntarily support me. I have no I'm not complicit with. But the dark money funded campaign, we still don't know who paid for all of those TAAZE signatures. So dark money has been a real big problem in this state. I can tell you that I went door to door, collecting signatures for an initiative that did pass to try to make the dark money proposition. So, I absolutely support that and my donations are actually on my financial report and I, in fact return money regularly if somebody, I believe, like, for instance, there was a developer of data centers. I chose to return that money. Some of my colleagues did not return the money. So, I try to be very transparent. I love that idea and maybe I will follow up with you on it. Thank you.

Mayor Borowsky: Thank you. Next, we have we don't have any citizen petitions, right? Okay.

MAYOR AND COUNCIL – ITEM 20

[Time: 01:20:48]

Moving right along, Mayor and Council Item number 20, and this is my item. I'm asking for my colleague's support, at least, to obtain a majority to put this item on the agenda on October 20, 2026. A meeting which I had a preview of the agenda, and it appears it can accommodate that. And this is to agendize future item related to Flock technology.

And I'm requesting that we direct the city manager to agendize a Flock conversation and open discussion, which would include a presentation, discussion, and possible direction to staff regarding the continued use of Flock technology in Scottsdale. And and this is in response to obviously what's been in the news a lot on top of that receiving, you know, so many incoming concerns from residents in Scottsdale. So, I think it's and I really appreciate Chief LeDuc for putting together the August 27, 2026, memorandum and I have every confidence that our Scottsdale Police Department is, you know, soundly maintaining the integrity within their purview.

So, so I just think it's time we had a discussion that's open it the public so that they can all hear what we're hearing from our chief of police, and then also as a principal matter, that we can as a Council discuss is this something we want to keep in Scottsdale? So, I'm asking for the support on this and the only action that we can do, because it's a Mayor and Council item, is direct the city manager or responsible charter officer to agendize this item. Oh, that's right there on the board. Direct the city manager or charter officer to investigate the matter and prepare a written response or take no action. Councilman Kwasman.

Councilman Kwasman: Thank you, Madam Mayor. With discussions with the Mayor's Office, I would like to propose a friendly amendment of because I want to make sure everybody has enough time to prepare and have it been a really well thought out and and conversation that's thoughtful and outcome producing, I would like to request that we amend this for to have this done in 60 days, give a 60-day

window to make sure that everybody is prepared.

Mayor Borowsky: No, I think time is of the essence. I think we have sat on this for too long already honestly and I don't I don't think that's a fair a fair timeline, really. I think three weeks, this is October actually, it's a full month to prepare. And I know that our chief of police is prepared to have this could discussion because he issued an August 27, 2026 comprehensive memo. So, this isn't something that's sudden. This is something that we have been working on for quite some time.

[Time: 01:24:05]

Councilman Kwasman: Madam Mayor, with all due respect, I'm really this is such a controversial issue, I think that unanimity with this Council is of paramount importance. I think we have a much better chance of getting a unanimous Council if we if we adopt the amendment.

Mayor Borowsky: Well, I'm a little tired of waiting on some of these issues, like the water conversation that I have been asking for for three or four months. I'm candidly really frustrated and I don't know why we are sandbagging some of these. No offense, Councilman Kwasman, because I think you are coming from a very good place.

Councilman Kwasman: I think if we want to say no more than 90 days. If you want to put a parameter that it doesn't keep getting pushed.

Mayor Borowsky: I wasn't done. There's no question that this is a sufficient amount of time, a month in advance. I hear what you are saying, if you choose not to support, it that's your you're certainly that's your choice. So, I hope that we will put this on the agenda. There's no time like the present to do this. It's been dragging on and not through any fault of the Council or or the or the Scottsdale Police Department. But I do think it's time. So, I will make a motion to direct the city manager or responsible charter officer to agendize this item to the October 20, 2026 Regular Council Meeting. Councilwoman Whitehead.

Councilwoman Whitehead: Yeah, I just I agree we have had a lot of internal information and it's time to get it out in the public and have a public discussion. So, I second the motion.

Mayor Borowsky: And so, yeah. Thank you. Councilwoman Dubauskas.

Councilwoman Dubauskas: Thank you, Madam Mayor. On October 20th, we do have a very robust meeting with the water topic that you brought up. So, I will make a motion to amend and that we would have the meeting on meeting immediately following, which will be November 10th. Do I have a second?

Councilman Kwasman: Second.

Councilwoman Littlefield: I will second that.

Ben Lane: Mayor, we also have public comment on this.

Mayor Borowsky: Yeah, okay. Let me take the public comment and then we will resume the Council comments. So, I have Jeff Muckerman, Eric Fowler and Lottie Kimball. Jeff, will you come up and talk to us about this? Oh, are you a resident of Scottsdale, Jeff? He's not even here. Is he here? Eric Fowler?

[Time: 01:26:45]

Eric Fowler: Good evening, Mayor and Council, I'm Eric Fowler, Chair of the Maricopa County Libertarian Party. Last November, I stood right here and told you that Scottsdale was running a warrantless surveillance program that this Council never voted on. After that, you struck the surveillance language from our legislative agenda. But the 85 cameras are still up. And there's still no vote. This program went around you and went around the voters. So far, the city's answer are rules written by the same staff and the very same department that brought this system into the city without your approval. Meanwhile, 11 communities from Sedona to Chandler to Tempe have already cut Flock loose. Chandler walked away after catching an officer misusing the system. Right next door in Paradise Valley, 54% oppose the police use of Flock. Republicans are included and 79% want independent audit. In Prescott Valley, 66% oppose and they want programs like this presented in public and approved by an elected Council and not decided inside a police department. That's exactly what did not happen here.

Scottsdale is no bystander. You ran about 22% of all Flock searches in the entire state of Arizona. You are plugged into Flock's national lookup, and we are keeping our driving history for six months when Flock's own default is seven days and it uses plate readers and thousands of live video camera feeds. Every single one of those tools was sold with this one big word "safety." That's how you end up in minority report, predictive, always on surveillance of people who have done nothing wrong, one purchase order at a time. Last year, I called this a general warrant, and I stand by it. Our state constitution says no person shall be disturbed in his private affairs without authority of law. There's no state plate reader law, and this Council never voted on it. A 2023 purchase order signed by a police director is not the authority of law.

So, vote yes tonight and make October 20th or whenever this goes on the agenda, a real discussion, not a sales pitch for Flock. And don't limit it to one vendor. Over the last few years Scottsdale has quietly been building a police state, plate readers, drones, a real-time crime center and, of course, thousands of live camera feeds. Please get it on the agenda. I was here last year asking this exact same thing, and warning of all the exact same things that happened and now it's all happened. Now we are here almost a year later. Don't delay it any longer. Could you have been the early mover and actually done something about this while everybody else learned their lesson this August. So, again, please put this on the agenda. I know some of you are up for a vote and I know the voters are watching. And they're being polled. And they sure don't have the same opinion as they had in 2023 or 2024 about this. We learned so much. We know what this is really about and we want nothing to do with it. Thank you.

Mayor Borowsky: Thank you and can we keep the applause silent, please. Lottie Kimball.

[Time: 01:30:12]

Lottie Kimball: Good evening, Mayor, Vice Mayor and City Council. My name is Lottie Kimball. As a representative of the Scottsdale Fraternal Order of Police, I'm here tonight on behalf FOP, POSA and the Scottsdale Police employees that we represent. There's a national debate over the use of automated license plate readers. Some have described efforts to restrict or eliminate these tools as defund the police 2.0. The reason for this opinion is that police capability can be reduced not only by cutting positions, but also by taking away the critical technology the officers use to do the job. Whatever label is used, police officers rely on ALPR every day. It helps locate violent offenders, find missing and endangered people, recover stolen vehicles, connect crimes, and give officers critical information when minutes matter. And this is not based only on police opinion. Independent research has documented measurable benefits. This research has associated ALPR deployment with reduction in property crime and one major evaluation, shootings. We have seen that value here in our own city.

Access to any of its collected sorry, wrong page. Scottsdale has reported more than 200 felony arrests and the recovery of hundreds of vehicles worth more than \$2 million, with the assistance from the system. With stolen vehicles often correlated with violent gun crimes, we can conclude that shooting are in fact, deterred when violent offenders are being apprehended quickly. We had multiple occurrences in the recovery of missing and endangered people in other serious investigations. All ending with expedited conclusions due to ALPR. This technology has helped save lives here in Scottsdale, and it continues to do so. And all the cases I mentioned, of people who may be in immediate danger, ALPR has helped officers find the right vehicle and the right person, before the situation could have become more tragic.

Those are not hypothetical benefits. They are real, public safety outcomes that matter to families, victims and our entire community. It's equally important to describe Scottsdale's system accurately. Calling Scottsdale's use of ALPR mass surveillance does not describe how the system is actually used. Scottsdale police officers are not sitting at screens and monitoring the day-to-day movements of the general public. It does not use facial recognition. It is an investigative tool. The system captures limited vehicle information from license plates that are visible on public roadways. Access to any of its collected information is restricted. A legitimate law enforcement purpose is required, and searches are logged and regular audits are conducted. Scottsdale has reported that its frequent audits have found no misuse by any Scottsdale Police employees.

The legal discussion also deserves accuracy. The Ninth and the Fifth circuit courts have held that license plate checks of information exposed on public roadways are not Fourth Amendment searches this includes using ALPR technology. That doesn't mean that the technology should operate without limits. Privacy safeguards, retention limits and consequences for misuse all matter. The use of ALPR is legal. We already have significant safeguards around the data, and we continue to implement more as needed. The Fraternal Order of Police represents the officers responding to the shooting, searching for the missing child, and driving towards the wanted violent offenders at 2:00 in the morning. We are asking for your continued support for our officers by protecting and maintaining one of the most valuable public safety tools that allows them to keep our city of Scottsdale safe. Thank you.

Mayor Borowsky: Thank you. Appreciate you coming. And I know there's a couple of comments here. So, I will hold mine. Councilwoman Dubauskas, were you back on the board? Okay, Vice Mayor McAllen.

[Time: 01:34:43]

Vice Mayor McAllen: Thank you, Mayor. I would just like to say that this discussion is long overdue. And I know that our police department has used the system uniformly and justly. That being said, I don't think we should wait until the 20th, I think we should look at this on October 6th. I would move that the city, I make a motion to direct the city manager and responsible charter officer to agendize this for future meeting and that meeting be October 6th.

Mayor Borowsky: So, there's, there's a motion on the table. So, hold that thought. Okay. We got to flesh out what the motion is and and what's going on with.

Luis Santaella: Mayor and members of the Council, I think you have three motions on the floor. You need to deal with the first two.

Vice Mayor McAllen: I would like to make an alternative motion to move the date to October 6th. A friendly amendment.

Ben Lane: Mayor, there is already a motion on the floor by Councilwoman Dubauskas.

Mayor Borowsky: I thought it was a motion to amend. She didn't say it as an alternative motion. That's what she referred to it as. Anyway, while we're figuring this out. I just want to also add that this isn't about a belief that the Scottsdale P.D. isn't to Lottie's point, that the Scottsdale's P.D. isn't using this properly or isn't advancing the goals of public safety through this technology. It's it's just a it's a conversation that we want to share with the public. Okay?

We want to have everyone understand what's going on, again, I asked to have this agendized back in I asked I talked to the city attorney about having this agendized back in August. And at that point in time, the request was made, well, let's have the chief of police author a memo, a comprehensive memo which I have it here in front of me, which is very comprehensive, nine pages. This is August 27th. So, to say that we don't have time to prepare for this is absurd. I mean it really is absurd and it's a it's a subterfuge about what is the real issue here. We don't want to have a conversation. Why is that? So, I'm going to stick with you you have made an alternate motion. Now it's on the table for October 6th. I don't have a strong preference. I know we can be prepared, staff can be prepared. I'm certain of it by October 6th or October 20th. So, let's go ahead and vote on the alternative motion on the table. Councilman Kwasman.

Councilman Kwasman: Yes, I want to be very clear on on the accusation that what I was trying to accomplish was subterfuge, when I said when the whole reasoning is, first of all the difference is ten days which is not going to change the the existence of our citizens in Scottsdale. We're going to be okay for a ten-day difference. The fact of the matter is that the October 22nd meeting, the 26th? 20th meeting is going to go five hours. Five hours. And so, we're going to have a three-four discussion after a five-hour

discussion and we start at 5:00 at night. And the members of this body have been saying over and over again that it's not fair to people to have to wait to sit and listen to everything for that long, where ten days is a reasonable time and frankly, there are members of the Mayor's staff needed, indicated that they were very much okay with that, which is why I said why I made the motion in the first place. So perhaps the Mayor needs to talk to her staff and have a better understanding of what the staff of what the staff is telling because I thought that's coming out of the Mayor's mouth when it was not. And then also perhaps the Mayor would like to ask the chief of police what is best what is best as well. So as opposed to us dictating what the police force would like to do. And I'm, again, this is a ten-day difference to save the public an eight-hour Council meeting. I think it's just it's not subterfuge, it's ten days.

[Time: 01:39:24]

Mayor Borowsky: So, I'm going to just respond to that, because it's directed at what I said, and first, there was never any discussion that I would agree to that. So, I apologize if there was a miscommunication to you. I regret to hear that. So, the second thing is, there's an alternate motion for October 6th, and given, you know, the length that you you are speculating on October 20th, seems to be a wise idea now. So that makes even more sense. And, you know, certainly I have already made the case for why we would be prepared. The work has been done. It's at our fingertips. It's a matter of sharing this with the general public, our constituents. City attorney.

Luis Santaella: Mayor and members of the Council, I just need to point out to you to this was not agendized for a general discussion. Per the rules on Mayor and Council items, each Councilmember is permitted to speak one time on the item before the vote. So, I think that you need to vote or any Councilmember that has not had a chance to speak, has that opportunity.

Ben Lane: Mayor, additionally, Councilman Dubauskas' amendment, it has to be voted on per the Council Rule.

Councilwoman Dubauskas: I'm happy to withdraw.

Ben Lane: You are withdrawing, okay.

Mayor Borowsky: I should have pointed out Yvonne Cahill is here to speak. The first speaker was not here. So, you are still on cue to speak. Do you want to go ahead and say something Councilwoman Whitehead right now?

Councilwoman Whitehead: No, I have already spoken but I do like the October 6th. There's no reason to wait until after an election. Do you want to wait until she's done, or do you want to talk now? Okay. Councilman...Yvonne, come talk.

Luis Santaella: Can I point out on October 6th, we do start at 2:00 p.m. that meeting.

Councilwoman Whitehead: That's fine. We have meetings where we do nothing.

Mayor Borowsky: All right, Yvonne Cahill.

[Time: 01:41:41]

Yvonne Cahill: Thank you, Mayor and Council. My name is Yvonne Cahill, and my address is on file. I'm here to speak about the Flock cameras and thank you for the opportunity. I want to just say that there's kind of a misconception, I think, about Flock, if you are against Flock, that you are antipolice. And that is truly not the case. What bothers me is the fact that this is not just available to the police. This is available to third parties. This is available to insurance companies. This is available to people that do not have private I licenses in the state of Arizona. So, this is what bothers me is the fact that they can do mapping and they can do a lot of things that that's just not right.

So private businesses, neighborhoods, other organizations can purchase technology and private camera information potentially can be shared with law enforcement, Flock itself confirms that its cameras can be used by law enforcement, private neighborhoods and businesses. This indicates major retailers like Home Depot use Flock. And some are using Flock cameras on their garbage truck to report misuse. We had Apache Junction and a Chandler and there was an audit that identified potentially improper Flock. I have no doubt that Chief LeDuc does an amazing job, but there's always a bad apple, and that's what my concern is. And there are many agencies that are walking away.

Why are citizens concerned? The strongest argument for Flock is also what makes people uncomfortable. It works because records, numbers of vehicles driven by people who aren't suspected of committing any crime. I had a friend that was recently pulled over because her tags had expired. This was, seems to be a connection between the motor vehicle department and the police department. If you get a ding and your tags are expired. People get busy. This can happen. Then they get pulled over for that and to me, it's different than a policeman following behind you reading that your tags are expired.

So, a single photograph of your license plate probably isn't particularly revealing. But connect thousands of cameras together and make their information searchable and critics worry that individual observations could become a history of someone's movements. There are several concerns driving backlash, sharing information between jurisdictions, unauthorized searches by individual officers and access to privately owned camera data. There's a fundamental question about the relationship between government and technology. Just because technology can track something doesn't necessarily mean government should be able to track it without clearly defined limits. Thank you.

Mayor Borowsky: Thank you. Now we have Councilman Graham.

Councilman Graham: Mayor, thank you. So, I support you know, looking at this sooner than later. I'm generally am in opposition to it. I guess my question, is this a work study or an actual agenda item because I have questions about either or.

Mayor Borowsky: I would like to see it as an agenda item that includes a presentation equivalent to a work study and then direction.

[Time: 01:45:42]

Councilman Graham: Here's the thing we could do, we could do a work study, maybe not. What that would look like is we would actually get a presentation from our public safety about what they actually do and we could hear from all the stakeholders. And we could discuss the risks of abuse and what safeguards do we have now? Could we put like, what limits do we have now? Like the last speaker we're putting them on garbage cans or this or that, is there some sort of containment? And then we can also discuss ordinances in a work study that we want to say, hey, we want to do these things, and there's consensus to put this ordinance together because we can all police department October 6th and say, yep, we cancel Flock get out of here and then the next Council just hires another company right after that. So, I want to put kind of a framework in that says, all right, we are going no move away from that and we're going to pass an ordinance that says you can't replace that or you have something that says like, what are our ordinances right now as far as, like, if there was abuse of it? Is that a civil or is that just a penalty or is it a criminal offense? I think some cities are looking at that. It's so much more than just saying you're outta here what can we actually long-term safeguards because we're not going to be up here forever and then another future Council comes and they do, you know, Flock to the umpteenth degree that we could have put a framework in place to stop that. So that's why I was thinking wouldn't a work study make sense and then we can give that and then we can bring that back for votes on ordinances to really make sure we do it right?

Mayor Borowsky: So, my Council, my Mayor's Item asked to have it agendaized to provide direction. I don't think there's any point in doing this twice, which is what you're talking about. I think that I think we should have a full discussion and be prepared to give direction.

Councilman Graham: Okay.

Mayor Borowsky: So, everyone spoke.

Councilman Graham: Mayor can I just...

Mayor Borowsky: A number of times.

Councilman Graham: Can I ask you a question then? We come here and October 6th and we say, yeah, we hate Flock, you're gone, but then we haven't had the time to, like, deliberate and say, like, well, the next Council replaces them with something, you know, way worse and we don't have any ordinances that stop like, we don't have criminal penalties for abuse of Flock footage. We don't have limits on what could have been added to the you know, the ALPR, and the stuff beyond it. So, like, I don't we don't have that information to just come here and, like, vote on something. So, I'm ready to take action, but I want to take the correct action.

Mayor Borowsky: I'm just really not following that because ordinances can be changed by any Council in the future. So, I'm not really following that. Nonetheless, I do think that we should stick to having a full discussion and be prepared to give direction. We don't have to give direction. I mean, that's just what the agenda item can allow for.

Councilman Kwasman: I move to suspend the rules and allow Chief LeDuc to be able to give his input on when we should have the discussion not about what the what the good or the bad of Flock is but whether or not he should

Councilwoman Whitehead: Point of the order. Point of order. You have spoken on multiple times. We have one one speaker per this item. And this is not a discussion.

Mayor Borowsky: It's not agendized.

Councilwoman Whitehead: What the Mayor is asking for okay. Point of order.

[Time: 01:49:37]

Mayor Borowsky: Councilman Kwasman. I appreciate where you are coming from. It's not agendized for that. So, we're not going to do that. And there's a motion on the floor. I you know, I kind of see where this is going. Councilwoman Littlefield, do you want to say something?

Mayor Borowsky: Okay. Let's move on. There's an amended motion, which I forget what it was. Do you want to rephrase that?

Vice Mayor McAllen: It was my friendly amendment to move this to to have the city manager add this the agenda on October 6th. And Solange seconded it.

Mayor Borowsky: Let's take a vote on that. Councilwoman Littlefield? Okay. That motion passes 6-0. Okay. Moving right along.

WORK STUDY SESSION – ITEM 1

[Time: 01:51:01]

Next, we have Work Study Session. Work Study Sessions, creation of a large water user ordinance, which is an item that I brought forward as a Mayor and Council Item and tonight, we will have that discussion as a Work Study. And Thyra Ryden Diaz is here, and I think we have Erin Perrault potentially and Kevin Burke. So go right ahead.

Water Resources Interim Senior Director Thyra Ryden Diaz: Thank you honorable Mayor and members of Council. I do also have Erin Perreault, our Senior Planning Director and Kevin Burke, our Senior Director of Economic Development and Tourism. Is the microphone not on? Oh, okay. Is that better? All

right. Good evening. I will start over.

Thank you, honorable Mayor and members of the Council, I'm here to present the Work Study presentation on the new large water user ordinance. This presentation is a combined effort between water resources, economic development and tourism, and planning and development services. So my lineup tonight, I have on deck is Kevin Burke, Senior Director of Economic Development and Tourism, Erin Perreault, Senior Administrator Planning and Development and I have Joe Burman who is our Water Policy Manager.

Our current policy is the next slide, sorry. Our current policy was approved on June 21, 2022. Council passed Resolution number 12539, adopting the Scottsdale sustainable water management principles. The sustainable water management principles are the nine-point framework, including this principle for water and land use management which states to ensure decisions of land use are made with consideration for the impact on water resources. The city will develop policies that require any general planned amendment or zoning request that shows a water use above 100,000 gallons per day, excluding the fire flow. This level of water user would be required to produce a water demand exhibit. Per the past resolution, a developer with either a general plan amendment or rezoning request with a basis of design report used more than the 100,000 gallons per day is required to reduce the water demand exhibit for review, by both water resources and economic development. Next slide.

[Time: 01:53:56]

The water demand exhibit includes the total estimated water use per day on a sustained basis. The net water use as defined by this formula here that I won't go into but I'm happy to explain if someone has a question on. The water conservation measures above city code and mixed-use development, the annual economic value of the development on a per gallon of use basis. Next slide please.

The qualifier is any general plan or zoning change users of 100,000-gallon or more per day or identified during the review of the basis of design reports they submit a water demand exhibit, and they look at that and the conservation measures provide the annual economic value of the per gallon of use. The accepted conservation measures are incorporated into the project stipulations. Next slide.

For perspective, these are the largest water user industries. For the 100, 100 to 250,000 gallons per day, it's food and beverage manufacturing, dairies, beverage, and bottling, medium data centers and some manufacturing hospitals and HOA that their landscape, they are using potable. For 250,000, large data centers, food and beverage, also is? This category, manufacturing, some semiconductor facilities, large turf golf courses and sportsplexes if they are not on reclaimed water and over 500,000 gallons per day or semiconductor fabs and major data center campuses, power generation and very large industrial facilities. Next slide.

So, for Scottsdale, our large commercial users that we currently have in the 100 to 250,000 gallons per day, we have 12 current accounts. In the 250 to 500,000 gallons per day, we have two. And larger than 500,000 gallons a day we do not have any currently. Next slide. Next slide.

There we go. All right. So, Scottsdale users so we broke this down further. Scottsdale users 100 to 250,000 gallons per day, we have two hospital campuses, two hospitals that fall in category, six multifamily and HOA properties, six of those, one resort, and one large industrial and one large commercial retail, and one large mixed use development. For users over 250,000, to 500,000 gallons per day, we have one HOA and one resort. Next slide.

Here's a user comparison, so for comparison, at 250 gallons per day, it uses that translates to 91.25 million gallons per year, about 280-acre feet per year and 1 acre foot supplying two households per year that's 260 households per year or 5,600 household years over ten years. This puts the water uses in perspective with our designated assured water supply application, our DAWS for a ten-year period. Next slide.

This slide shows our 2025 potable use in comparison to the land use. A majority of our potable water use goes to single family residential followed by multifamily residential combining 85% of the potable water uses industrial and municipal turf and other uses combining for the remaining 5%. Our Scottsdale land use is 51% and that includes all residential, both single family home and multifamily, with 30%, with 37% of our land use reserved for open space, with mixed use occupying the remaining 57% and nonresidential uses the other 7%. Next slide.

[Time: 01:58:43]

Community impact. Water use is one of many important factors contributing to community impacts and the impact of economic development projects extends beyond water use. There are community amenities and distributions to the visitor economy and increased regional competitiveness. Next slide.

Neighboring city ordinances here's some of the elements of neighboring city ordinances to consider. Other cities have defined large water users anywhere from 25,000 gallons per day to 250,000 gallons per day with extreme users defined as 500,000 gallons per day. Large water ordinances have addressed applicability, new customers and uses. Water service applications how applications renew service are approved and what should be a part of their application is either conservation plans or conservation plans binding to the terms of their service. Some ordinances include requiring physical water supply for large water users and other quantify the economic development and the economic benefit and the impacts to on the city's DAWS. Ordinances do include failure to comply and penalty causes as well. Next slide.

Legislative impacts to local master planning. Over the past few years, the Arizona Legislature adopted various state statutes that preempt local government control over land use and zoning as identified in the slide. This legislation has created, has created by right and zoning uses that can now be developed without a general plan land use change or rezoning. The current large water user policy and process is directly tied to a change in general planned use or a rezoning request. These new by right developments would not require a large water user evaluation under the current policy and so it's a good time to revisit our large water user review and process.

Staff recommendation. The next two slides provide our staff recommendation. The staff recommends escalating the review with demand as projected water demand increases and additional review apply. At the 100,000 and more gallons per day, water demand exhibit as we currently do and the conservation plan at 250,000 gallons per day, additional project information and economic impact analysis and for users over 500,000 gallons per day, additional review and Council approval. Next slide.

Additional staff recommendations for large water user ordinance include requiring the conservation plan binding to the terms of service, including all proposed developments with 100,000 gallons per day and greater use as per the previous slide, annual review of large water users over 250 gallons per day, checking their annual water use. And a five-year conservation plan review. Next slide and we're at discussion.

Mayor Borowsky: Thank you. Do we want to hear from the other two speakers first?

Thyra Ryden Diaz: No, I presented all. If you have questions...

Mayor Borowsky: Okay. Great thank you, Thyra. Councilwoman Whitehead.

Councilwoman Whitehead: Do we have public speakers some.

Mayor Borowsky: We do. So, I will call on Dr. Alisa McMahon and followed by Raoul Zubia.

[Time: 02:02:40]

Dr. Alisa McMahon: I do not know how to use this. If someone could direct me on how to use the Elmo.

Mayor Borowsky: There you go. Good job.

Dr. Alisa McMahon: How do we focus? Does the booth focus or? Okay. Great. Thank you. All right.

Dr. Alisa McMahon, address on record. I Appreciate this agenda item and I hope it results in a strong meaningful ordinance. Is this really loud? Yeah. Is that better. Okay. Thank you.

I have read the nine large water user ordinances of other Arizona cities, they are summarized and linked in this Kyle Center report on the screen and I encourage everyone, including our decision makers to read these ordinances. Staff's presentation began with the water demand exhibit, Council approved it in June of 2022. Why? Because that year, we entered first ever Colorado River shortage, a tier one and we knew a Tier 2A shortage was coming in 2023. Fast forward a year, we're now in 2023, and Scottsdale Water at a work study like this one suggests reducing the threshold for requiring a water demand exhibit from 100,000 to 50,000 gallons per day.

How does Tier 2A compare to now? C.A.P. has not yet received its 2027 supply determination from the Bureau of Reclamation but assuming the lower basin agreement is signed, it's expected that best case, it

will be in the equivalent a Tier 3 shortage. Accordingly, the city of Scottsdale can be expected to declare a stage 3 severe water shortage. And into the future, that will likely be our best case new normal. So, if we keep the water demand exhibit, perhaps we should reduce the threshold to 50,000 gallons as Scottsdale Water suggested before.

Also, as was mentioned, the water demand exhibit applies only to projects requesting a general plan amendment or rezoning, and we should definitely expand its application, as well as whatever other parts develop in an ordinance.

On another topic, it appears that the large water commercial users in Scottsdale that were covered on slides 6 and 7 considered only potable water use. We should be looking at all water use. This pie chart of all water use oh, I miss the day when we could use slides. It's very hard to read up there. This is different from what you saw on slide 9, which was only potable water use. Here turf irrigation represents 16.3%. On slide 9, it was just 1%. I am not out to get golf courses. Yes, they are economic drivers. Yes, we have contractual obligations. Yes, ADWR is involved. Bottom line, the golf courses are large water users and Scottsdale has a lot of them. We must be transparent about their water use there. This has not been occurring. Dodging the issue breeds distrust and misinformation. I ask this Council to insist that we do better. Thank you.

Mayor Borowsky: Thank you. Next, we have Raoul Raoul Zubia. Are you going to will you do we have a copy that slide show you just did? Maybe you can send it or give it to the clerk and we can disseminate it. Thank you so much. Welcome.

[Time: 02:06:39]

Raoul Zubia: Sorry about this. My phone is acting up. All right, I am sorry. I apologize for that. It's my nope. Let me turn off the phone. All right. Now I'm ready. I apologize for that. Good evening, Mayor and Council, Raoul Zubia, address on record. But I want to start by thanking Mayor Borowsky for bringing this issue forward tonight. It's an important one and deserves the Council's full attention.

When we are dealing with Scottsdale's water issues, it's important that we have a lot of workable, enforceable options. We can't afford to rely on just one or two strategies. We need a range of options that actually work and that we can hold ourselves accountable to. The large water user ordinance is a good idea, and I believe it could be an important new option for the city moving forward. But as we look at the challenges ahead, it's also critical that we maintain diversified water portfolio. As we proceed with new tools and new ideas, Scottsdale's dependence on the Colorado River cannot be ignored. That dependence is a vulnerability and one we need to actively work to reduce.

So, for this reason, I'm asking the Council to get their water Works Study Session scheduled soon. All options need to be discussed, and especially we need to talk honestly about the benefits of completing the advanced purified water treatment facility. Now, this source of new water cannot be discounted. It may be the only true long-term answer to our water issues and the longer we wait to have that conversation, the fewer options we will have down the road. We have a responsibility, not only to

ourselves but to the future generations of Scottsdale. Please, we need to get this right. Thank you.

Mayor Borowsky: Thank you. All right, that concludes comments. Public comment on this item.
Councilwoman Whitehead.

[Time: 02:08:54]

Councilwoman Whitehead: Thank you, Mayor. Obviously, I support this. I think what residents might notice is how few large water users we have. Well, that's because the majority of our water is actually used by single-family homes and I agree with the suggestions that Dr. McMahon made, I think those are good suggestions we need to look at all wet water, not just potable water and also, I just want to suggest for people who are looking at the presentation that was given to Council, that in the past, when we are given charts, it's divided into or somehow labeled indoor water versus outdoor water, because indoor water we can recycle, and turn back into potable water. Outdoor water is essentially distributed to the point that we can't get it back into the system. So, there's a really big difference between, so when you look at these different categories, I think you know, in future presentations, we need to look at those two.

And also, if we have users using reclaimed water, we need to know the breakout. I think as Mr. Zubia said, a lot this is a great first start and a lot more transparency into these numbers would be helpful. And I will say that, of course, I have been asking for presentations just public discussions on water for well over a year. So, while I support this large water user ordinance, we need it. I want to stress that it by no means gets us past the current challenge that we're in. Conservation is one aspect of the water strategic plan that we passed, but ultimately, we know and we knew this 30 years ago and we knew this in 2024, we need a we need to have a future that does not rely as heavily on the Colorado River.

And for that, we need to get back into the business of funding the Scottsdale water strategic plan, which identified four sources of water to replace the the Colorado that we're no longer going to get. This has been stalled for two years. I don't mind continuing to review and make decisions, but it has been stalled, and in that time, we have gone the wrong direction in Scottsdale. Our water use is up, the critical projects that we need, especially the advanced the advanced water purification facility has been stalled and although there are rules at the ADEQ that are still evolving, I think almost finalized we know Phoenix is moving forward with three of those facilities. That's not an excuse to stop.

We had we have lost a wave of top policy and technical experts on staff and that is by no means to be critical of the staff that remains, that are working very hard. I appreciate you, but we have lost important expert tease that helped develop our strategic plan. We're spending water financial reserves on operations. We're spending it on one time less uncertain water sources and that's water reserves that won't be available in the future and we're drawing down our our water that we have stored underground and that is the piggy bank. Let's be clear that's a one live time source. If groundwater was a solution, this nation would not have spent billions of dollars building the CAP. So that's not the answer.

We have possibly if mother nature cooperates, we have a two-year reprieve if a sense, the cuts we are going to experience, some pretty steep cuts but those cuts are far less severe than what could have happened that's because of the federal government and California voluntarily cutting their own supply and helping Arizona in that regard. In that time, we need to get back into the business of what Councils, the 30 years have done in Scottsdale and as I often say, fight about everything but water. We need to plan conservatively and deliver the best-case scenario. I would like to see the clangs that some of our speakers mentioned and some additional clarification on the data that we get. But we have to understand we're not conserving our way out of this current situation and we need to take water seriously and take it out of politics. Thank you.

[Time: 02:14:33]

Mayor Borowsky: Vice Mayor McAllen.

Vice Mayor McAllen: Thank you, Mayor. Thank you, Thyra, for the presentation. I have a question. Going back to one of the slides, where it said the two the two largest water users, you said one was an HOA and one was a resort. Do you have the names of what those are or who they are?

Thyra Ryden-Diaz: Mayor, Councilwoman McAllen, members of Council, I do. We purposefully didn't put them on the slide here to call them out. I'm happy to provide that information to you.

Vice Mayor McAllen: Is that public information?

Thyra Ryden-Diaz: You wouldn't be able to find it, but...

Vice Mayor McAllen: Okay.

Thyra Ryden-Diaz: I'm happy to tell you if you want to know which ones are.

Vice Mayor McAllen: Okay. Thank you.

Mayor Borowsky: Councilman Kwasman.

Councilman Kwasman: Yes, I'm going to quickly state there's no disagreement among any member on this dais that water a long-term conservation needs to be handled of course. But let me be the one to always remember that any type of large-scale plan like this is going to put individual residents and homeowners squarely in the cross hairs even if they claim they won't do it. We have heard members say that homeowners are the number one users of water. Guess who will be regulated if they think that you are the target. It will be moms and dads. It's going to be small business owners. It's going to be grandpas and grandmas, and I want to make sure that in a fury of large-scale, blind shotted regulation that we don't that we don't lose sight of whom we are actually regulating. And I want to make sure I see I'm I know we're going to get another comment but another another aspect here is that is that there's clearly a statistical disagreement between the city of Scottsdale and other people, that one of our largest

economic drivers, our golf courses are being targeted.

As the Chairman of the Economic Development, of the Economic Development Committee, I'm not going to be the one that's going to attack the greatest industry for water conservation who have single handedly changed economic landscapes in Arizona out of self-regulation. The heavy hand of government is just that. It's heavy. Whatever this city this city decides, whatever our wonderful staff puts together and whatever this this Council votes on has to have the best industries of our moms and dads and our outstanding industries, including the golf industry at heart when we move forward. Thank you.

Mayor Borowsky: Thank you. Councilwoman Dubauskas.

[Time: 02:17:28]

Councilwoman Dubauskas: Thank you. I had a question about this slide. So, we have two hospitals that are 100,000 to 250,000 gallons a day. Multifamily and HOA. How many multifamily versus HOA?

Thyra Ryden-Diaz: I'm not sure. Jill, can you answer that question? So, two HOA and the other four or multifamily.

Councilwoman Dubauskas: So, four multifamily. They are large multifamily complexes.

Thyra Ryden-Diaz: So, the HOAs that's usually if they are using potable that's potable water that they are using for their irrigation.

Councilwoman Dubauskas: Okay. The irrigation for their landscaping, rather than for...

Thyra Ryden-Diaz: It's on a landscape meter. So that's what a group like the HOA is watering for the whole development off a landscape meter and they are using potable water to do so.

Councilwoman Dubauskas: Oh, so they are not using the reclaimed...

Thyra Ryden-Diaz: No, that's correct.

Councilwoman Dubauskas: The reclaimed water for landscaping.

Thyra Ryden-Diaz: Correct.

Councilwoman Dubauskas: Is that something we could look into?

Thyra Ryden-Diaz: I mean, currently our RWDS system, it was built by the golf courses and go there. There are some HOAs that have do some reclaimed water. So, it's absolutely something we could do. It's just financial investment for them.

Councilwoman Dubauskas: Yeah, I guess part of what I'm thinking about when I look at this list is maybe it was something that Councilwoman McAllen was driving at as well, are there ways to reduce the use if this is a large-scale use? Are there ways to reduce the use or ways to use not potable water for that? So, we have four HOAs in the first category and a bigger HOA in the bottom category and two resorts. We have industrial, one mixed use, mixed use probably goes along with the apartments, condos also so that's going to probably end up being five multi-families.

And so I think it's interesting to point out our biggest users here seem to be multifamily and then the question that comes next is maybe this is an area that we could put some attention to and drive different water sources or could we talk to them about their water use? You know, that kind of so it seems like if we haven't done that maybe it's an opportunity but maybe you have and I just don't know.

[Time: 02:20:09]

Thyra Ryden-Diaz: Okay. Mayor, Councilwoman Dubauskas, Mayor, members of Council so this presentation is really just about new users to our system for large water use. So, I just want to kind of bring it back to what we're talking about specifically and what you would want in that, what Council would like in that ordinance, that's why we brought you the options. So, we do have a conservation plan. We do go out and we have a commercial plan for HOAs and large commercial and we can reach out to us and we have a program. We do a large water audit for them. We haven't had as many ask for that in the last year, we had more in previous years so that's absolutely something...

Councilwoman Dubauskas: We have a policy today and so that what would an ordinance do that's different than what we currently do today?

Thyra Ryden-Diaz: So, because it came up a couple of times in here and it's a defining point, is that unless you come in to planning and development services services and need a general plan amendment or a zoning change, we don't we can't we can't apply this policy at all. Because of those changes with those House bills and the Legislature we don't have any hook anymore. So, we need an actual ordinance so that we can go after those users because we can't. They can just do it by right. So...

Councilwoman Dubauskas: The ones that are from those those three pieces of legislation?

Thyra Ryden-Diaz: Yes. So, so we because it wouldn't require a zoning amendment or a general plan amendment or a zoning change, they can just kind of come in here and and just...

Councilwoman Littlefield: And...

Thyra Ryden-Diaz: So, develop and then, you know, another point of --

Councilwoman Dubauskas: So that would be our target.

Thyra Ryden-Diaz: Any new users, right because we are we're...

Councilwoman Dubauskas: We're pretty much built out.

Thyra Ryden-Diaz: We're good. Any new users that come in and then we would have to provide them the water. So, it just protects us going forward and this is, you know, also like just potable use. This is how the policy was built. It wasn't built on on using any recycled water and in principle four it does calculate out what they return to the sewer. So that is all actually calculated in principle 4 so that is accountable for what water returns and we use every drop of water. And so, we do get it back. So that's actually accounted for in this policy but we would like it in an ordinance so we can have all of our water users and up to us on Council on what that those thresholds would be.

Councilwoman Dubauskas: Okay. Thank you.

[Time: 02:23:10]

Mayor Borowsky: I am going to ask a couple of questions before you go again, Councilwoman Whitehead. Thyra, what are you recommending? So, I see it's slide number 11, right? Those are the recommendations, based on other city ordinances.

Thyra Ryden-Diaz: Well, Mayor, members of Council, no, actually, the staff recommendation those other ones for the were just what other cities have just so you have perspective, things to think about. And so, what we're suggesting is that as the projected water demand increases, that there would be additional reviews. So, we kind of do the same thing that we are doing for the 100,000 gallons per day user, they would do the water demand exhibit. They would do the conservation plan, but they would be also if you flip over to the well, actually have it on any note here but then that conservation plan would be would be binding the terms of service. So right now, we don't have any hook later if they use more water, and then we can't go back and say we have more water. That's some of these recommendations that we would do for everyone, we would do an annual review of large water users over 250 gallons a day, they come in and say this is how much we are using and we don't have any ability to go back and say you used more. So, there would be, you know and some of the other ordinances there's penalties for that. And there are penalties vary like we don't have any way if you come in and say I'm only 100,000 gallons per day and I'm do all of these conservation measures, we would like to go back through and we have the ability to go back and the users we currently have. We don't have anything to change that. That's just perspective and that's new ones coming in and like I and, you know, the golf course issue and recycled water I don't know that there are any golf courses out there. This could be some land available that someone says by right they will put a golf course in and we wouldn't be able to work with their water. So, this is really just moving forward, so that we keep within our D.A.W.S. plan.

Mayor Borowsky: So other cities, I have a question, I guess this ask probably for the city attorney as example, slide 11, the physical water supplies conveyed to the city, this is in another jurisdiction and another municipalities ordinance, conveyed to the city to offset usage. So that sounds like they're required to bring their own water for lack of a better description is that right, the ones that you have

looked at?

Thyra Ryden-Diaz: Mayor, members of Council, yes, that's correct. There are other cities that require developers to bring in wet water.

Mayor Borowsky: I would like to see something like that city attorney, can you talk to us about this. I know when the Axon conversation came up and my, I wanted to press them to bring their own water, we were advised by our city attorney that not to do that, because it it could create exposure to the city. So how do we get there? How do we I mean, I believe if we're giving increased zoning, if and when that ever happens but if it's not as you point out, Thyra, a by right use, I would like to have the flexibility to require that, the conveyance to the city and I know it's happened in Scottsdale, not on this Council's watch but I know it's happened. But if we had an ordinance that spoke to that I think we would be in a better position.

Thyra Ryden-Diaz: Correct.

[Time: 02:26:56]

Luis Santaella: So, Mayor and members of Council, there are cities that have ordinances that require the water to be brought in for the development, right? We are obviously a city that has 100 assured water supply and we work through the state to have that designation. So not because of that, not every development is required to do bring in water. And we could potentially enact an ordinance, though to do that, if that is what we wanted to do.

Mayor Borowsky: I think that's a really good idea and the way I envisioned this was, you know, we have to factor every development into our our long-term water assurance, right, the 100 year. And if it doesn't if a development doesn't fit within the 100-year water supply. I mean that's a whole different conversation. That's a moving target. The 100-year water supply assurance but if it doesn't fit within our our plan, the city's plan, I would really like to see us have that flexibility to require that. I think that's critical at this point. So, I'm going to turn it over to Councilwoman Whitehead. But thank you for that, Luis.

Councilwoman Whitehead: Well, I I will agree with the Mayor that that would be interesting to explore, you know, we had not required that in the past, and I I thought we were prohibited by state law and I also want to, again, stress and Thyra, that perhaps moving forward we can divide up this this pie chart in the past has divided outdoor versus indoor water and the reason I think that's really important is that if, in fact, what we're trying to do is solve a problem, we should treat large water users that for outdoor water differently, I mean it seems to me, would you agree that the indoor water comes back that should be treated differently if we're or do you want to keep them lumped together?

Thyra Ryden-Diaz: Mayor, and Councilwoman Whitehead, members of Council, so this is the policy that was approved in 2022 and it does talk about in one of the slides, it had the formula that how they determined the large water here it is on number two. So that was included in here. The the graphic on

there showing potable water use, that was consistent with what the current policy is. So, it wasn't it's so we do have that. That shows the water the outdoor water use and so the outdoor water use in this current policy in their water demand exhibit is heavily counted they go through different they have to provide all of these different conservation numbers that go beyond our code in that so that outdoor water use is already contained in here, in -within the current policy.

Councilwoman Whitehead: So, it is differentiated.

Thyra Ryden-Diaz: It is in the water exhibit, yes, it.

Councilwoman Whitehead: I couldn't see that we were going to do that moving forward.

[Time: 02:30:17]

Thyra Ryden-Diaz: Well, they would still have to do the conservation and then number two is the calculation where it does determine what their outdoor water use is. Calculation number two in and comes in their water exhibit.

Councilwoman Whitehead: Okay, because I think everybody every stakeholder, every resident would love to have the discussion of, gosh, how do we best divvy up water, but first but first we have to make sure that we have that secure affordable water and that's what the problem we're trying to solve and that's why I you know, I like the idea of having the option to bring in water for new development but also dividing up water that we're not getting back versus water that that is coming back into the system.

And I also you know, I want to address some of the actually, Councilman Kwasman brought up something that is really important, and that's the single-family homes. That is exactly who we want to protect, and so the problem with the large water users is they don't account for all the water and it is only moving forward for new projects. So, my point in solving the problem is we have to help our homeowners and perhaps Mr. Kwasman doesn't know why his water bill probably isn't that high, it's because we have, for as long as I have been on Council absolutely not charged the same amount of water for every drop. So, we have worked very hard to not raise the rates or keep water you need, the homeowner needs very, very affordable and then putting the burden of cost on you know, on water that is not not needed but a user perhaps a horse property would like to would like to use. So, we do not have the same water rates across the board, and I don't see us ever going back on that.

And I also want to talk about golf courses. We have someone who represents the golf industry, I just want to stress that the golf courses are extremely motivated to reduce their water usage besides staff, it's their biggest costs. So, I think everybody in Scottsdale is very much on the same page and it's just up to this Council that to follow policies that have been adopted and make sure as I said we need to conserve conservatively plan for the future with the worst-case scenario so that everybody can benefit from the best-case scenario that we deliver on. But thank you for this and thanks for all the clarification and so maybe if you you know, follow up with that divided outside and indoor, that would help me. Thank you.

Mayor Borowsky: City attorney.

[Time: 02: 33:08]

Luis Santaella: Mayor, members of the Council, based I need to correct myself about what I said earlier. We're not 100% clear if we can actually require someone to bring water in because of the water assured supply. There are some communities that are doing it, but they may be doing it in violation of state law. So, we will need to research that thoroughly and get back to the Council and we'll let you know and I apologize for the misstatement earlier. It's been one of those weeks.

Mayor Borowsky: Well, I do think it's important and the reason I brought this forward one of the reasons I brought this forward is because I'm aware of other communities that have these. So hopefully hopefully we can do that and I think it turns on whether, you know, we're we're providing an additional benefit, right.

Luis Santaella: And Prescott Valley is a key community that does that and there's not an overall consensus. Some towns say we don't think we can do it legally, but we're doing it anyway. Perhaps there's actual did an actual lawful answer to this question.

Mayor Borowsky: Okay. And then just last comment here before we move on and I know Councilman Kwasman wants to speak. I do think that's the HOAs that are watering with potable water, I think we should really be doing something about that. I think designing a plan to wean them off of that is a really good idea. So that's super interesting. Councilman Kwasman.

Councilman Kwasman: Yeah, I live in an HOA in McCormick Ranch with some of the most beautiful and lush topography. That's one the reasons why we live there. When a politician tells you that there's water that you need and water that you don't need in your home, run. It's a real big problem. And I want you to know that whatever we come up with here, the the we're going to be voting on making sure that we protect residents and we protect homeowners and protect moms and dads.

This has rationing written all over it, and if you can't read between the lines here, you are saying you got to deal when you have politicians and you have elected officials and you have a deal for long enough, we want to make sure that you appreciate what you had and you are not going to have what you had when they are looking the other way at multifamily and large development and they are going to punish individuals and I want to make sure that we don't do that and I know we will get great Council consensus to make sure that we protect moms and dads here for our families and have beautiful homes and neighborhoods alongside making sure we secure our water for the future.

Mayor Borowsky: All right. Just on that note, I think this is all discussion to avoid that in any talk of rationing in the future. Okay. I think we're good. Thank you so much.

Thyra Ryden-Diaz: Thank you.

MAYOR AND COUNCIL ITEM 2

Mayor Borowsky: Appreciate it and last but not least we have the financial and capital improvement plan update. And Scott Selin is here to discuss that with us.

[Time: 02:36:26]

Budget Director Scott Selin: Good evening, Madam Mayor members of Council, very pleased to be here tonight to give the preliminary fiscal year end '25/26 update on the general fund. Before I start, I do want to emphasize that this is preliminary and there may be some potential shifts between what you see here today and the final close of the year.

This is a rough overview of the timeline we close on June 30th year. We are doing the preliminary. The year-end audit begins this month and goes into and through October and then final report presentations will be in November and December.

Some high-level takeaways for the general fund, overall the total revenues there's a 3.6% increase year over year, and when compared to the budget, a 4%, 4.7% positive variance. Looking at our sales tax, we saw some activity in the last quarter of the year which was higher than the previous years. There are many factors that could contribute to this, but it does appear that inflation related to the Iran war was a contributing factor to what we saw in the last quarter of fiscal year '25/26, and we'll talk about that briefly in some future slides. Interest earnings were impacted by a higher balance in interest rates. It's been the case all year. And in going to the expenditure side, the operating expenditures, if you exclude the transfers out had a 3.4% positive budget variance.

This table shows the general fund revenue for all of our categories, we have our three largest at the top, and our taxes local, which includes sales tax, electric and gallons franchise fees, cable TV fee and some stormwater fee, that showed overall 7% positive variance. Our property tax was fairly close, very small negative variance and then state shared revenues was about 2% to the positive.

So, talking first about interest earnings, we put together this table on the right-hand side is what I will focus on. When the FY '26 budget was adopted, we anticipated an ending fund balance of about \$198 million, as well as a 3.5% interest rate. It is a little too early to know, but but to have a preliminary ending balance yet, but we believe it's going to be over \$200 million, slightly over \$200 million, but also keep in mind that the interest earnings from some other funds also makes it into the general fund. And my understanding is that the actual interest rate was closer to 4% than to 3.5.

This slide shows the performance of the individual sales tax categories, categories that have the most significant in terms. Budget was retail, restaurants and other activities, and we attribute those gains to inflation and large one-time audit payments in the other activity category.

Earlier in the presentation I mentioned that in the final quarter of fiscal year '25/26, we saw some sales tax behavior that was a little atypical. This was a cumulative budget to actual variance for our sales tax

by month for the whole fiscal year. If you start with July and go through first nine months of the year it hovers between 2 and \$4 million, and then in April, you see a kind of pop where it goes up to about \$9 million, and it corrects a little bit in May and then another pop in June, up to a total of \$14 million.

To further illustrate this point, we put together the chart that compares the fiscal year '26 sales tax revenue in yellow revenue and in July there's a difference between the two years but if you look at the remainder of the months for the first nine months of the year they are fairly close, and 26 is higher and some years 25 is higher until you get to April and you see a fairly large variance between the two and then it reverses a little bit and then June exacerbates the difference that we're seeing in '26 compared to '25.

[Time: 02:41:01]

As I mentioned earlier there are many factors that contribute to our sales tax performance, one thing that seems clear is there were some nationwide economic trends that were impacting our sales tax performance what we have here on this slide is a going back to 2025, the 12-month percent change of CPI-U, to show impact of inflation. So going back to January of '25 through roughly February of 2026, it kind of hovers between 2 and 3%, mostly settling around the middle, between 2 and 3%, and then when it hits February and then March showed up at 3.3% and then further increases to 3.8, and 4.2 in May, it cools off a little bit in June to 3.5, but it is still over what we have been seeing over the previous 18 months or so. The timing of that increase does align with the Iran conflict that began at the end of February, and economists have cited that the war has been has impacted inflation, in various sectors of the economy.

So, moving on to our state-shared revenues our state shared income tax showed \$1.7 million in positive variance for the whole year, this was expected after the state excluded a certain tax credit from the calculation of state shared income tax that came in after we had made the budget. And also, in lieu in about \$1 million.

This is license, permits and fees this is the middle row, the fire charges for services. If you look at this, this is predominantly ambulance revenues and if you look at the year-over-year change, 87% that's increased revenue from phase two that went live partway through last fiscal year and then when you look at the budget variance of negative 19%, that is due to the revenue projections were originally based on net billings rather than cash collections and we have made an adjustment in the '26/27 budget that the was just adopted several months ago now at this point.

Moving over to the expenditure side, the first chunk of that table that overall we were looking there's a 3.4% positive variance amongst all the categories when you don't look at transfers out at the bottom, there's a negatively testify variance of 10% and that's due to the increase that came in and that's transferred over to the CIP, and so greater revenue indicates a greater transfer out. That's why that transfer is exceeding what we budgeted originally.

Finally, this is the expenditure side for all of the various departments within the city. I have been

pointing out the police department just when you look at '26 compared to '25, the '26 totals of 201.6 million is significantly higher compared to '25 mostly due to the \$50 million PSPRS payment that was made and overall our departments were 3.3% positive budget variance on the expenditure side. I believe that brings me to the end. I would be happy to stand for any questions you may have.

Mayor Borowsky: Thank you, Councilwoman Whitehead.

Councilwoman Whitehead: On the sales tax, if I understand you correctly, we are not getting more. We are not buying more stuff, people are paying more and that's where the added sales tax is coming from?

[Time: 02:44:30]

Scott Selin: We believe that's a factor going on and there may be other factors going on.

Councilwoman Whitehead: Okay. Thank you.

Mayor Borowsky: All right, Scott I don't see any other questions or comments. So, thank you very much.

Scott Selin: Thank you.

Mayor Borowsky: Excellent. And that concludes the Work Study items and now we have the Councilmember updates.

Ben Lane: I apologize, there's the CIP side still.

Mayor Borowsky: Oh, Alison, yes, indeed. And for that we have Alison Tymkiw.

[Time: 02:44:58]

Transportation and Infrastructure Senior Director Alison Tymkiw: Thank you Mayor, members of Council for the CIP quarterly update, we have a short video.

Thank you and here we have the slide showing the funding for each of the projects that were just highlights, the Brown Avenue parking structure, that's a Bond 2019 project. Total project \$20.9, funds spent to date \$1.2 and remaining \$19.8 million.

The Bahia Drive drainage improvement at WestWorld total project budget was \$10.4 million, which is a CIP WIFA loan. This shows funds spent as of July. So, it shows nothing has been spent yet but we have incumbers the contract, obviously and have been paying the contractor.

Thomas Road sewer and water improvements total project budget of \$2.5 million, funds spent to date of .4, and 2.1 remaining this is water reclamation and wastewater development fees.

Cactus Trail, the trail improvement program total project budget of \$1.8, funds .55 with 1.3 million remaining and this is transportation sales tax.

City Hall solar another Bond 2019 program project, total project budget of \$4.7 million and funds spent of \$3.6 million and then the Thompson Peak Dog Park \$6.4 million budget, \$4.5 spent to date and \$1.9 remaining, again a Bond 2019 program project, and this project is complete. So just a reminder that the funds spent are through July. So, you would see it's depleted more since then. So, with that, if you have any questions, I would be happy to answer.

Mayor Borowsky: Councilwoman Whitehead.

[Time: 02:53:20]

Councilwoman Whitehead: Thanks Alison, it sure is fun watching these projects come to real life. Do you know if the drainage at WestWorld is going to fix the pooling water that is visible off of Bell Road North Bell Road when you are on Thompson Peak, when you are crossing over the Wash, there's always pooling and mosquito issues to the north that.

Alison Tymkiw: Councilwoman Whitehead at Bell Road and Thompson Peak.

Councilwoman Whitehead: So, it's at Thompson Peak just past 100th Street.

Alison Tymkiw: Okay. Yeah, no, so this project is on site, it's on WestWorld's property. It's to correct WestWorld drainage issues but that we can look into that location and let you know.

Councilwoman Whitehead: Okay. Well, thank you.

Mayor Borowsky: Vice Mayor McAllen.

Vice Mayor McAllen: Thank you, Mayor. Thank you for the presentation, Allison. My question is about the Thomas Road improvements. After the water, after that's done and then you actually go into the improvements I just want to remind you that the southeast corner of Thomas and 68th Street has an inaccessible sidewalk due for handicapped people. We brought this up with all the ADA when they did the surveying and when they came out and talked to the public. I'm sure that's part of your the scope of the work, but I just want to remind you again publicly, that that telephone pole needs to be moved so people in wheelchairs or bikes can along that sidewalk.

Alison Tymkiw: Thank you, Vice Mayor McAllen. We are aware of that.

Mayor Borowsky: All right, Allen, that's all for the questions. Thank you so much.

Councilwoman Littlefield: Mayor?

Mayor Borowsky: Oh, I'm sorry. Yes, Councilwoman Littlefield.

Councilwoman Littlefield: Yeah, I would just like to tell her that we took our dog to the new dog park and she made it very clear that she thought it was a very wonderful thing that we did just for her. The dog loved it. So, thank you very much.

Mayor Borowsky: Excellent. Sounds fun. Thank you so much. All right. Now we have Councilmember updates, if any. Vice Mayor? Vice Mayor McAllen.

COUNCILMEMBER REPORTS

[Time: 02:55:43]

Vice Mayor McAllen: Thank you, Mayor. I just want to congratulate the Parks and Recreation Department for a great special event. The whole Civic Center was packed for the recreation rewind. It was a lot of fun, fun family event. That being said one of the tents that was out there was Scottsdale Historical Society and they are reopened for the fall so winter visitors can start just piling in to the Historical Society and then I wanted to mention with the improvements to City Hall parking lot, farmer's market will be opened October 3rd and it will be fabulous! So excited about the new location.

Mayor Borowsky: Terrific. Thank you. Move to adjourn.

Councilwoman Whitehead: Second.

Mayor Borowsky: Thank you.

ADJOURNMENT

[Time: 02:56:29]