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CALL TO ORDER

[Time: 00:00:00]

Mayor Lane: No reason for a gavel. Good afternoon, everyone. It's nice to have you here. We have a schedule this event, first a special -- just a city council meeting with a couple of items on it and we will go right from that to a work study session that will follow. But what I will do right now, of course, and it is approximately 4:00, so I will call to order the city council special meeting. I will start with a roll call, please.

ROLL CALL

[Time: 00:00:24]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you, Ms. Jagger. We have no other reports before the introduction of our primary business but I will go through some business items, standard business items. We do have Tom Cleary and Jason Glenn here almost immediately to my left, and if there are any medical emergencies, please see the Scottsdale fire representative, who is right here, right in the middle of the audience, ready to assist if you have any need for that type of assistance. The areas behind the council dais are reserved for council and staff.

SPECIAL MEETING ITEM 1 – FISCAL YEAR 2015/16 PROPERTY TAX LEVIES

[Time: 00:01:40]

Mayor Lane: With those basic elements covered, we will start into the -- we have two items on this -- for this council meeting, this special council meeting and we will start first which is our fiscal year 2015/16 property tax levies and we will have Ms. Lee Guillory who is standing right here ready to go. So Ms. Guillory, welcome.

Finance Director Lee Guillory: Thank you, Mayor Lane and members of council. During the first week of June, the city held a public hearing on the fiscal year '15/16 property tax levy and rates. The primary tax levy proposed at the hearing including a levy of -- a primary levy of \$27.3 million. This includes \$26 million for the general fund and \$1.3 million for the risk fund for recovery of tort claims and an additional \$22.3 million in secondary levy for debt service payments on voter authorized general obligation bonds. The total levy is \$59.6 million and results in primarily and secondary tax rates as shown on the screen and they total \$1.1537 for \$100 of assessed valuation. State law requires at least 14 days from the date of appearing from adopting the ordinance to levy the taxes and with a 7-0 vote, council passed the motion to proceed to adopting the property tax levies at this time on the June 23rd meeting. The action item tonight is a request to adopt ordinance 4207, levying the fiscal year '15/16 primary and secondary property tax levies and I'm available for questions if there are any.

Mayor Lane: Thank you. I will ask council if there are any questions on Ms. Guillory's topic. If none, then I would accept a motion. To accept or to deny.

Councilwoman Klapp: I will make a motion. I make a motion to pass the ordinance 4207, adopting the fiscal year 2015/16 primary and secondary property tax levies.

Councilwoman Littlefield: Second.

Mayor Lane: It has been moved and seconded. All those in favor, indicate by aye and those opposed with a nay. Thank you. I will move right on then. Thank you very much for that presentation, and thank you for the vote.

SPECIAL MEETING ITEM NO. 2 – FISCAL YEAR 2015/16 STREETLIGHT DISTRICT PROPERTY TAX LEVIES

[Time: 00:04:25]

Mayor Lane: We will move on to item 2 which is a fiscal year 2015/16 street light district property tax levies.

Finance Director Lee Guillory: During the first week of June, the city also held a public hearing on the fiscal year '15/16, municipal street light district property tax levy. By 7-0, council passed a motion to levy \$578,400 on the city's 365 street light districts to cover electric utility costs of the street lights within those districts. The action item tonight is a request to adopt ordinance 4208, levying the fiscal year '15/16 street light property tax levy by district. Again, I'm available for questions.

Mayor Lane: Thank you again. Any questions of Ms. Guillory on this topic? Seeing none, I would accept a motion to accept.

Councilwoman Klapp: I move that we adopt ordinance number 4208 assessing the street light property tax levy by district for fiscal year '15/16.

Councilmember Korte: I will second.

Mayor Lane: A motion has been made and seconded. No further comments are seen. All those in favor, please okay with an aye. Oppose with a nay. Motion passes unanimously. Thank you very much. All right. So we have completed the two items we have to consider.

ADJOURN THE CITY COUNCIL SPECIAL MEETING AND CONVENE THE CITY COUNCIL WORK STUDY SESSION

[Time: 00:06:27]

Mayor Lane: We have no mayor or council items and so we will adjourn this meeting. So if I could take a motion to adjourn this special meeting.

Councilmember Korte: So moved.

Councilmember: Second.

Mayor Lane: Moved and seconded. Those in favor of adjournment, please indicate by aye. We are adjourned on that special meeting. I would like to go immediately to the convening of the city council work study session. I don't think we need another roll call. And so we'll call that item to order with the same information on the front end.

PUBLIC COMMENT

Mayor Lane: We do for this work study session have three items and we do have a public comment period and we have a total of 15 minutes set aside for public comment. This comment time is reserved only for the items on this agenda and will just occur now at the beginning of this work study session. If you have thoughts you would like to share with the council to consider, but do not wish to speak, please submit them in writing to the city clerk and the clerk will ensure that council receives those comments. We do have maximum number of cars which I didn't necessarily mention. There is available five requests to speak and that's the maximum that we have. They each have three minutes to speak on the subject, and I will start then public comment. If you would come to the podium up here. Loren Molever.

Loren Molever: Thank you. >> My name is Loren Molever. I spent most of my time in Scottsdale. I practice law in Scottsdale. I was a member of the task force to write the general plan. Over 20

folks and I spent over 200 hours working on the task force with the exception of four of us who resigned during the process. Many of those four are part of the coalition that has now, after the process of the general planned task force ended come before the public and the council and suggested some changes to the general plan. While I don't support the method of the coalition and I think it was cowardly to address these items in this fashion. Instead of sticking with the task force, four of those members who resigned I think are all members or members of the coalition. Certainly I know at least two of them are, but in any event, that's one thing that troubles me as a person who spent all of those hours painstakingly on a volunteer basis to help the city and write the general plan, but we could quarrel or have differences of money on the process undertaken by the coalition.

What concerns me more and what I think is most important is that the council allow the plan to be voted on by the public. I would hope the council would support the plan, but at the very least, let it go to a vote. If you don't let it go to a vote, it bastardizes the whole process. It invalidates not only our task force but all the task forces to come on any subject, all the commissions, anyone who volunteers their time for the city, if we are led to believe that we are volunteering to work in a process only to have at the last minute the council say, you know what, we are just not going to vote on it. The only reason I can imagine the council would not bring this to a vote would be fear of the no vote people out there campaigning which is certainly their right to do. This is much less about the process that's been utilized to show that they don't want the general plan that the task force put together. It's more about what I think is a thinly veiled threat to the city council in terms of those of you who are going to be running for election in the future and I think that would be most unfortunate. And I would implore the council to please let the public vote on the plan. If the coalition is successful in having the plan not passed, so be it. Shame on those of us who support the plan, but state law requires that there be a general plan and I think to not put it to a vote is both a violation of the letter and the statute. I see my time is up.

Mayor Lane: Thank you, Mr. Molever. I somewhat inadvertently, we have started with item two, which is the Scottsdale general plan 2035 and it might facilitate a better use of our time with regard to the majority of the folks who are here with us today. So I will go ahead and continue on item two, so that we make sure that we maintain consistency with even some of the requests to speak. I will go ahead and continue that. I want everyone to note that we are on item 2, which is the Scottsdale general plan 2035 here for presentation, discussion and possible direction to staff regarding the general plan task force. Again, on the general plan, we have Philip Allsopp.

[Time: 00:12:00]

Phillip Allsopp: Mayor Lane and council, thank you very much for this opportunity. I served as a commissioner on the general plan commission and have some comments pertaining to what I believe is due process. We as commissioners were charged by city council to conduct the work that we did with plenty of input from the public and employing a transparent, publicly accountable process that openly solicited public input on every topic. If the COGs had committed comments and alternatives to the content of the general plan that we were developing, we would have been bound to consider them and deliberate on their inclusion or as edits no what had already been done in exactly the same way as we considered input from members of the public who either wrote in or stood before us

verbally if city council was unhappy with what we were doing, we or city staff were doing, they could have easily said so or done something about it. In fact, you didn't. We continued on, and in fact we completed the work.

We wound down our work, and with the thanks of city council and Mayor Lane for our efforts. I was there in person and heard your vote of confidence in what we had done and voted thanks. And now city council's responsibility as elected representatives of all the city of Scottsdale citizens is to adhere, I believe, to the due process involved with the tenure and the work product of the commissions that you establish, particularly the general plan commission any other commission that you want to establish. In the absence of any council decision to stop the general plan commission's work before it was complete, it seems to me that due process also involves city council supporting the efforts of the work product that your own general plan commission was asked to undertake, which we did. And I also believe that it's very, very important for due process to allow the citizens of Scottsdale to decide by voting whether or not they like what they read. Thank you.

[Time: 00:14:34]

Mayor Lane: Thank you, Mr. Allsopp. Next would be Nancy Cantor.

Nancy Cantor: I spent four years working on general plan business for the city of Scottsdale. When we saw first one voted down, I was game to sit on the town hall to establish the vision and the values. Those visions, statements and those values are critically important. Are they any different than what we had in 2001? Well, I was involved in that general plan too. No. But they are reinforcing for a community that has grown, not just in size, not just in population, but in demographics. We're a big city now.

And this summer, I'm sure you are quite aware of the Wheel-Inn Ranch and the plight of the people down there who are going to be moved out. One of the reasons I'm involved down there is because we have no policy statements or guidelines to deal with what these people are going through or what any neighborhood is going to go through as they face redevelopment. Saying they are part of your community is going to be displaced because you have no guidelines and you have no policy statements. It is a pretty sad situation. And these people will be leaving Scottsdale, most of them. There's nothing we can do to help them.

The general plan contains more than land use statements. It contains public safety statements. It contains human service statements. It contains cultural statements that the people in this community value. It shouldn't be shot down just because of land use that somebody doesn't agree with. It shouldn't be shot down because we don't agree with a character statement or a design statement. We need to deal with those things and we need to be open more in that discussion. But that document is critically important to the redevelopment, and here I go of southern Scottsdale. This is a document that supports the character area plans. This is a document that will reinforce the quality of life that we all have come to love and expect. So look at it as more than just land use. Look at it as more than just character areas and look at it as more than just design. We are far more involved in the city than we were.

[Time: 00:17:26]

Mayor Lane: Thank you, Ms. Cantor. Next, the former councilman Bob Littlefield.

Bob Littlefield: A little over two years ago when I was an esteemed member of this August body, we appointed the general plan task force and at the time, the council was presented with a list of 25 people, which the staff had put together for a straight up or down vote. And I and Councilman Phillips at that time voted against that because looking at the names on the list, it was pretty clear that the list was designed to produce a task force which would produce a more development-friendly, frankly, general plan update. Well, you guys got your wish.

The general plan task force did produce a general plan update, which is more aspirational than prescriptive and contains words like should instead of shall and must. And for that reason it was unacceptable to me and it was unacceptable to many neighborhood folks and the coalition of greater Scottsdale to their credit, has put together a set of changes, which in you made those changes would turn this general plan update, it would take the nice aspirational features that were developed by the general plan task force and add to them some tightening down of the rules to make this a general plan that would truly protect Scottsdale special character and high quality of life. So I would suggest that the appropriate thing to do here is to put on ballot the general plan update with those changes, because without the changes this general plan is really pretty much meaningless. If that doesn't occur, if the majority of you are not willing to accept those changes, then I would certainly hope that those of you who are elected on the platform protecting the neighbors and maintaining Scottsdale's special character and high quality of life would stand firm on those principles and not let anything go to the ballot which is any less tough than what is proposed by the folks at COGs. Thank you.

[Time: 00:19:59]

Mayor Lane: Thank you, councilman. Next is Scott Calev.

Scott Calev: Good evening, city council. Firefighters, I thank you for everything you do for the city. The city would not be what it is without you and, of course, our police force. I thank you. As everyone has spoken about tonight, the general plan I look before me at a group of people that I have seen four or five times in the last five or six months and in reviewing the general plan, I don't see what I think many people may be talking about and thinking about is enhanced neighborhoods. You can't enhance a neighborhood when the noise is going up. Exceptional experience, you can't have an exceptional experience when Scottsdale road and cactus has become the new speedway to see how fast a Harley or a sports car can go. You can't have a good character design when you have what I said is a sewer of sound and a funnel of filth. You can't protect the environment when cars are sitting in traffic longer. The speeds are faster. The air pollution is higher. And the noise pollution is getting exacerbated. You have an urban area that I'm calling mixing 21% in the rural area is 27%. When I moved to Scottsdale road and cactus, I thought I was in the urban area. Or excuse me, I thought I was in the rural area. Now I'm in the center of Scottsdale. Noisy. Loud, and different. I sat outside of a home in northern Scottsdale off of Pima and the speeds that the cars were going had

to be -- and this was at 10:00 at night, 60, 70, 80 miles per hour. I know the speed limit is not that high.

In the general plan, I was looking around, are we lowering the speed limits? By reducing the speed limits, we can reduce the air pollution. And, of course, one thing that I thought was great, the terminology in the general plan to protect the airport. What are we protecting the airport from? We are certainly not protecting it from me. I'm a little person. I can make a lot of comments about the safety of the airport, which I thank the city council for recognizing, but as Bob Littlefield mentioned, the people and not get away from the people that they are elected. You cannot be elected to another position when you are not supporting the neighborhoods they said they would support. Again, you have a nice evening.

[Time: 00:23:20]

Mayor Lane: Thank you. That completes the public testimony on our second item which is the Scottsdale -- that we are taking as first item, but nevertheless, the Scottsdale General Plan 2035. So with that, we will proceed with the presentation, discussion and possible direction to staff regarding the general plan task force's recommendation, recommended in the draft Scottsdale plan 2035 and we have Erin Perreault here. Erin, welcome.

PNT Manager Erin Perrault: Mayor Lane, members of council, tonight, I will go over the task force recommended draft general plan 2035. Through that process, I will highlight some of the larger comments we had to date as well. Let's begin. In terms of the general plan process, it's been a five-phase process. We are about halfway through that process currently. We have gone through visioning, drafting of the plan by the task force, and then we are currently collecting public input from a variety of community members, individuals, boards and commissions and then we would move into a public hearing process that is tentatively scheduled for the fall and winter of this year.

In terms of community outreach opportunities, as you can see from this long list of opportunities, that these are the primary things that we utilize to engage the community. Two of them include the town hall process that you heard about earlier. Community workshops as well were conducted on specific themes with the community that we knew coming out of the 2011 process, the community still wanted to discuss. And in addition, the task force met 22 times in a public hearing setting to actually draft the plan.

What is in the plan before you? Is a new vision statement, three new community aspirations and seven community values. Those community values are used as chapter headings to organize the plan, and then underneath those chapter headings, you have 17 state mandated elements. You have five community created elements and those are designated by the green arrows on the screen and the two blue arrows are two new community -- or excuse me, state mandated elements that we are required to have in our general plans but do not exist in the 2001 general plans. So you can see by the new designations here, we have four new elements in the 2035 draft plan that we don't have today in our 2001 plan.

Moving forward, the visioning for the 2001 plan was done in the early and mid-90s, and really is predicated on four dominant themes and six guiding principles. I know you are all familiar with those. The Scottsdale general plan draft 2035 is really organized under three community aspirations. Vision statement contains or you can find those three community aspirations in the vision statement itself. We also have those three community aspirations, giving a little more detail in the plan as well. In terms of the community values we have seven community values, but what I wanted to point out to you is that the text that is in orange and the text that is in green on the slide also show you that we really retain those six guiding principles and the four dominant themes in the values that we have in the draft 2035 plan. In addition to those, collaboration and engagement has been added. We have always had a community involvement element. Now that has been elevated in this plan to a community value.

[Time: 00:27:34]

In terms of chapter one, this is the main focus in terms of most of the comments we heard to date, but it contains three elements. Two are community created and the land use is state mandated. Character and design remains largely intact from what it is in the 2001. We have included generalized height descriptions based on a number of community inquiries with regard to where height can and can't be in the city. And so those generalized heights have been included in the character type portion of the plan and that's new to the plan, and then there's been a new goal added to the character and design element which is on the very bottom which is honor western and equestrian lifestyle.

Moving on in the character and design element, the 2001 plan includes 22 character areas or future character areas where we would have a community process and then public hearings to establish an area and a plan for. We have only adopted seven total since 2001, a couple of those were adopted prior to 2001. So on the far right that you see, you see the seven adopted character area plans we have today. The 2035 general plan recommends a total of 11 future character areas.

In terms of collected comments specific to the character and the design element, a majority of them, I do believe could be incorporated based on the task force discussions we had to date. It could be incorporated. Largely those have come from COGs as has been mentioned previously. Two of them are worth examining a little bit further are included on the slide. The first is relative to cd1. That's character and design element one. That's determining appropriateness of development. It has a bullet underneath that that in the plan on the left says creation of new or reinvention of the existing character of an area when necessary. The intent from a task force standpoint is if you have a blighted area you don't want to perpetuate that type of character in that area. You have want to either create new or reinvent the character of that area as you revitalize the area. That was the focus and the intent from the task force discussion. The suggestion is to really take that, modify it and change it on formal character areas, which wasn't the task force discussion intent. So that would -- further consideration of that would be further warranted. All of the adopted character areas would remain and that's on the map on the plan currently. Until the council takes action on whatever the recommendations from that community outreach process contains, there is further language on the right suggested by COGs to then go ahead and kind of reel that in, that says those

areas must be Preserved and that they wouldn't be changed in any way. So that is the difference between the existing document and their suggestion currently.

Moving on to the land use element. The land use elements largely stay intact from the 2001 plan. There are economic types of land uses to improve socioeconomics in the community and then the protection of the airport is from a land use standpoint. So having compatible land uses near your airport is a goal that has been added to the plan. In addition what you see on the right on the slide as well is the noise contours surrounding the airport are not currently recognized in the general plan. So we have included that in the general plan draft as well.

In terms of future land use we are required to show by state statute our land use mix and locations of those land uses throughout the community. This really remains unchanged from 2001. So the locations are the same, the mixes are the same. We are predominantly residential and open space community. A large portion of the open space at 27% is Preserve and, of course, we have mixed uses and nonresidential uses at about 10% over all of our land use.

[Time: 00:32:20]

In terms of the land use element, it also contained our amendment criteria. We often get asked why can we amend the plan? We can legally amend the plan per state statute. As a community, you want to be able to have -- be responsive to either opportunities or challenges over a long-term plan, which the general plan is. So that's another reason to consider amending your plan from time to time. What does the amendment criteria do? It really protects the land uses you want to protect. It may be the protection of residential areas from density. It also protects, the way we have it in 2001 and as proposed in the 2035, it also protects our economic land uses as well. And then it also shows us what type of process a change would have to go through. So it provides that guidance.

Those processes, of course, as you know are either a major amendment or a minor amendment. The one difference being a major amendment is heard one time per year, requires the additional planning commission hearing and requires one additional vote on council, and, of course, we have to provide enhanced notification to surrounding jurisdictions as well. The analysis that's done for both major and minor amendments is the exact same from a staff standpoint. So we look at both amendments, whether it's major or minor, the same way when we analyze the land use proposals.

Just to give you an idea of what's happened under the current general plan in terms of our amendments. Council adopted non-major amendments, made up 40% of the cases that have been heard, major amendments make up 23%. 3% have been denied. 3% have elapsed. That means someone came in and made application for a general plan amendment and never followed through. So it never went anywhere. And then we've had 31% that have made application then formally withdrawn that application after one point during the public hearing process.

The draft amendment criteria proposed currently under the 2035 plan includes the four criteria amendments that we have in the 2001 plan. That's changing land use, area of change, character area compliance and water and wastewater infrastructure consideration. There are a few new ones

added by the task force that includes if the text at the general plan level were to change in the amendment criteria section or the land use definitions, that it would trigger a major amendment process as proposed currently. If a change to a current growth area or the addition of a new growth area were to be suggested that would require a major amendment under this addition and then the general plan land use overlay, we have different types of overlays on the general plan land use map.

The infill incentive district that was adopted in 2010 was added to that and criteria was added if we will have more overlays at a general plan overlay, that would be required for the major amendment as well. That's what you are seeing in number seven. The draft plan retains some exceptions to the general plan criteria. Those are brought forward from 2001. No new exceptions were added. It's just retaining the ones we have now under the 2001 plan.

In terms of criteria amendments, since 2001 plan has been ratified, number one clearly has triggered the most amendment a combination of one and two have triggered 31% of our amendment determination and then only 2% have been triggered by criteria number two. And I just want to highlight a couple of modifications between the 2001, what you see on the left land use table and the 2035 land use table as proposed in the plan. The 2001 category d which is highlighted in yellow now, has been deleted. There are no land use designations on the land use map now for any of those land uses listed in category d. So they have never been used under the 2001 plan. So we have eliminated those.

In terms of office and employment in 2001. Office and employment in 2035 have been combined as employment and it has two distinctions. We still keep a distinction between our light industrial uses and our office uses. What it does is it changes the colors on the map but not the locations of where we are. We have not proposed any new locations nor those. And then the task force deleted the regional use overlay because it's not a land use it. Shouldn't be on the land use category. So in terms of land use number two, currently in the 2001 general plan, a change in the general plan land use category coupled with ten or more gross acres roughly south of the canal or white area on the southern portion of the city and 15 or more acres in the yellow portion of the city are what trigger amendment number two. The task force draft plan really just made that 10 acres citywide.

[Time: 00:38:05]

The final element in this chapter is earth, culture and creative community. It is a new element that's been added to the general plan in this draft. You can see it retains some goals from 2001 and then there are a few goals added in terms of supporting art and culture programming and facilities and encouraging creative place making and then also promoting creative community through education and exposure kind of to the creative process in a variety of different ways.

Collective comments on the land use, here's where we have the most comments to date, with regard to the land use, the majority of what you received from the COGs document as well. First one is on the land use mixture table that we are required to have by state statute, the suggestion is to go from one dwelling unit per one or more acres, which means gross acres, to looking at real neighborhoods from a lot size standpoint instead. So this is a departure from how we have looked at general plan

amendments, in particular with rural neighborhoods.

In addition, the open space land use category definition for McDowell Sonoran Preserve ends with text that says remain as permanent open space with limited permanent construction. What you see on the right is a little bit more limiting in terms of text, in terms of permanent open space, with permanent construction limited to trails and trail heads. The difficulty with adding that at this timing is that this council actually gave direction to explore options on the D.D.C. and that language on the right might be too limited if you want to take that into consideration.

Moving forward into more of the land use comments, what you will see on the left is criteria number one that we talked about. Each of the criteria, one through four are triggered by a change in land use categories. That is intentional. It is very specific because you have to be changing something at a general plan level to trigger the criteria for it. If we then take the suggestion on the right, it seems to be focused on any change that could be a zoning change that doesn't change the general plan and that legally we can't incorporate that into the document as written currently under that proposal, because it wouldn't be changing something at a general plan level. What you see is the 2035 land use matrix in the top left portion of the screen, and the bottom right portion of the screen is the COGs suggested land use matrix currently submitted over the weekend. What I have done is just highlight those portions that differ from the 2035 land use matrix and as you can see, those things highlighted in the COGs matrix as proposed really focus on open space, or developed open space, and that's where it differs the most.

In terms of collected comments moving forward, again, we have the discrepancy in the general land use category on the left so that you are changing something at the general plan level and then more vague change language discussion. On the top right, there's also a suggestion not to do 10 acres city wide with regard to criteria number two and the acreage, but to do 5 acres south of the canal, and 10 acres north of the CAP canal. This was discussed as part of the task force process, that 5 acres was brought up at that time and the task force intentionally decided on the 10 acres to be retained citywide. That's the proposal 9 task force brought forward to you.

In terms of criteria number three, again going from a specific change telling what you would be changing in the general plan to a more vague change language is difficult to include if it means a zoning change that doesn't trigger something changing in the general plan. And then you can see that additional language has been added on to criteria three from the suggestion.

Number four is similar to the previous amendments in terms of going from that specific identifying what would change at a general plan level, which would be land use to a more vague a change, again if it is not changing something at the general plan level, it wouldn't trigger the criteria in the general plan.

And finally, in terms of growth area, there's, again, a suggestion that it would be a change accompanied by a new expanded growth area. We could take a change in general land use plan in this instance. Growth areas are in the general plan. So this could be considered for a change currently as we could rewrite the language because growth areas are at a general plan. That would

be a general plan level change.

And then there's a suggestion that is not in the draft currently and that's text amendments to the existing zoning ordinance. Again, that wouldn't be changing anything at the general plan level. So it wouldn't trigger any of the general plan amendment criterias. You are changing and entirely different document, and you are changing another document. Not a lot changes at the goal level in a number of these elements.

In terms of open space, we noted the Preserve we have as its own special type of open space. That's new to the document. In terms of environmental planning, the majority of this stays the same from the goal level standpoint with the introduction --

[Time: 00:44:28]

Mayor Lane: Excuse me just one second, Erin. On the last slide, the primary open space types adding Preserve to it, I realize it's part of the original -- or the plan as it is. What was the intent there? Is the Preserve further protected through this measure or designating it through this or is it --

PNT Manager Erin Perrault: From a policy level, it would be further recognized because it's not recognized. Right now it's recognized as a natural open space and not specific Preserve land. One, it makes that distinction between the two. Two, it just further helps support the Preserve ordinance that we already had, that has its own protections to it. The other types of natural open space might not have.

Mayor Lane: Essentially as the general plan, it's really a recognition issue. It doesn't imply some further level of protection, other than just recognizing it?

PNT Manager Erin Perrault: That's correct. So recognizing what we purchased. It would be an ordinance level that you would get into that more level of protection that you would need to do not general plan level.

Mayor Lane: I guess the only thing that would concern me, frankly we do have an ordinance and there's restrictions on the use of the growing smarter grant funds that prohibit any change with it. They throw it into this and it doesn't frankly open the door for anything.

PNT Manager Erin Perrault: It does not.

Mayor Lane: Thank you.

[Time: 00:45:57]

PNT Manager Erin Perrault: In terms of the conservation element, again it retains the majority of goals from the 2001 general plan with a new goal added for the protection of erosion of significant water courses or bodies. And water resources element really retains a lot of the same goals and

policies. There's a new goal focusing on preparing and adapting for climate change and climate impacts. Energy element is new. This is state mandated. It was state mandated after the 2001 general plan, and so the majority of these goals are included -- are new and included in the draft by the task force.

Chapter 3 is a collaboration engagement element. Our chapter includes the community involvement element. We have this from 2001. It basically remains the same. Some new policies have been added to help strengthen the goals that we already have. Chapter 4 includes an entirely new element. That's the healthy community element. It is community created. So not state mandated and then three other state mandated elements as well. With healthy community, it addresses different things from a goal level from human services and health to focus on local foods completed being a welcoming, supportive and inclusive city, accommodating the needs of seniors has been added as a new goal. So you can see the variety of new thinking in the task force of the community.

The housing element remains the same in terms of goal levels, some new policies have been added again to the document to strengthen these and then preventing housing discrimination, although we have to do that from a federal and state standpoint is also now recognized at a general plan level. Recreation. Again, largely remains intact from 2001. The safety element post-9/11. So the 2001 general plan was written prior to that. We did have a lot of input from our police department, fire department. So you are seeing a number of those new goals with the different things that they have to deal with and encounter on a daily basis.

Chapter 5 is the connectivity element that includes circulation and bicycling. In terms of circulation, we retain all the goals that we have currently today. Just last week we heard from the transportation commission in terms of selective comments on refining or further working on two policies. So you see those suggestions on the right. And that will need further public comment and eventually city council as well with regard to making those changes to the task force recommended plan. The bicycling element does retain some previous content from 2001, but really it includes some new content. We beefed up the bicycling element with regard to what we have in the 2001 plan.

Revitalization include these elements. A number of them, the new one being state mandated is neighborhood preservation and revitalization. Although this is a new element, we does have quite a bit of content at a goal level for this element already in the 2001 general plan. So some of that has been reorganized into this element and then some new focus from a goal standpoint on neighborhood planning and strong community -- encouraging strong community through neighborhood interaction.

Conservation, rehabilitation and redevelopment really remains primarily intact from what we have in the 2001. As do growth areas. We retain the three growth areas we have currently today and that's along the McDowell and the Scottsdale corridors downtown and airpark.

Cost of development has a couple of new goals. One is focused on requiring development to pay its fair share of the cost of public service and need that it generates. That's state statute language. And coordinating infrastructure investment and land use decisions is a new goal that's been added by the task force. Public services for the most part remains the same. From 2001 at the goal level, as

do public buildings.

Moving on to Chapter 7, economic vitality is a community developed area. It largely stays intact in terms of the goal that are already in our existing general plan with the addition of ensuring retention of fiscal resources and that was really a large discussion from a task force standpoint so we can govern appropriately and provide services for the community.

Chapter 8 is an entirely new chapter. Often we get question on how the plan is implemented over time. This was an attempt to explain that to the community in terms of what types of implementation tools you might use, funding sources who is responsible, the process and programs either we are doing now or new ones we might have in the future to implement the plan and then how we will measure the progress of the plan. Currently we are required to measure it annually in terms of a general plan annual report by state statute.

So the timeline is established currently. We have completed the planning commission study session and, of course, we are here this evening for the city council study session in June. We'll continue public outreach, also host a community outreach that is scheduled for September and do another study session to update what them with what we are hearing from the community as well. Then we would move into the public hearing process of remote planning commission and regular recommendation by planning commission in October. And doing another city council study session in October, to update you on what we have been hearing throughout the summer and September and October. And then finally tentatively scheduled for city council adoption hearing in December. The earliest public vote at this point would be November 2016 for the plan.

With that, it concludes my presentation. I know it's long but it is a large document. I'm happy to take any questions you might have.

[Time: 00:53:15]

Mayor Lane: We try not to interrupt too much. I certainly appreciate that presentation and the completeness of it. Probably we'll -- we will have some questions. I will guess on the general overall, what I saw was we have a number of things that have been considered by outreach and suggestions by various either departments and/or from outside sources or the public in general. And some conclusion as to what the consequential effect might be or what the -- well, the legality of it might be. I'm not sure if that's entered into some of that correspondence but if I were to stop on a couple of items that I've had some concern for and they happened to have come by virtue of the coalition of greater Scottsdale recommendations, there are two items I would want to address specifically but there's just an overall consideration that I have -- it's determining that the general plan is supposed to be prescriptive and I would say that in our process we have a two-step process, and that will be -- my interpretation of what the law and the statute indicates and what we have done historically and most other communities have is that the general plan is more aspirational and that our zoning code and our guidance are the prescriptive portion of this.

I'm concerned that when we get recommendations that are meant to be more prescriptive and thus

more defined and restrictive as far as our determinations under the general plan that I have just an overall concern for those recommendations. Two stand out that would cause me great concern is the citywide text amendment, the desire to not to allow it to circumvent major general plan amendments and to that point it becomes a general plan amendment. Is that right?

PNT Manager Erin Perreault: That's a COG suggestion to use a new amendment criteria, focused on text amendments at the zoning ordinance level.

Mayor Lane: Yes, the criteria for that.

PNT Manager Erin Perreault: The text amendment to the existing zoning ordinance.

Mayor Lane: The text amendments that come before the council are generally speaking much more simple and they are designed to either streamline or to clear up or to interpret, but to really stay on track, not to necessarily try to get around a general plan amendment. So I'm concerned about that for that reason, as well as when we then prescribe in the general plan something that effectively changes the rights of anyone under our laws, under our code, our zoning cord in this particular instance, it does seem to me that it goes outside the realm of what the general plan is meant to guide us in, in an aspirational kind of way. So that's the one.

And the other one that touches on the same area of things actually whoever put the page number on these were really trying to challenge my eyesight, very, very light. So hold on one second until I find it. It is, again, under the criteria and it's the first item, the change in general plan land use criteria -- category criteria, first item, and the added language or any change that increases density by greater than 25% from what is allowed by existing zoning. Again in a two-step process, somebody has to go through the general plan amendment process, but then they then have to go through a zoning process to determine whether or not they are able to get that change in zoning, the underlying zoning. So one begets the next step, but it doesn't necessarily mean that somehow someone who is relying upon a zoning category -- which would involve an increase in density that somehow the general plan would weigh in and say, no, you can't have whatever that zoning prescribes. You have to have no more than 25% increase. It's not anything other than the fact that, again, we are sort of in a prescriptive kind of way. So I think that's a little backwards and those are some of the concerns on the overall, given the definition that this is meant to be that this is a prescriptive guideline and not an aspirational one. I think we do have some -- I have some concern about even how the others might be implied. That's a comment to this point in time.

Do I have any other conversation with regard to the general presentation or questions? All you need to do is push that button. Well, one of the things I probably should mention too, obviously, again, just so that everyone is clear on it, is that this is a work study, of course.

I know you said it and I will say it again, and that we are only here for the presentation, for the information, some discussion and to present a consensus, instructions or directions to staff and proceeding further.

So I would just say simply that personally I'm concerned about the recommendations that the coalition of greater Scottsdale has here and with those two particularly and I also think I heard that if, in fact, any element of this was not accepted that it wouldn't be accepted in any case if all of these changes were not accepted together, then it wouldn't be accepted. Maybe I have that right. I may be wrong. Yes, Councilman Smith?

[Time: 01:00:46]

Councilman Smith: I don't have a button to push, but I will talk. I guess the -- well, first thing I would like to do is compliment the team that worked so hard in putting this document together. I went to many of the sessions and I know that of you worked hours and hours and hours to come up with what I think is a great document and a very -- it is truly an aspirational document and I applaud the inclusion of a whole new chapter on arts and culture because I think it is important to our city and I think it's important to the citizens, but it is a very thoughtful document and I don't -- nothing that I say and I will have other comments but nothing I say will detract from my appreciation for the effort that everyone did in bringing this into -- in realization.

The other comment I will make, though, is that -- because some of the speakers talked about due process and how we shouldn't be violating due process. I don't really consider having the kinds of conversations that we're having, whether comments come from COGs or members of COGs or members of the public or wherever they come from. That's what this is all about. That's part of process, at least in my opinion, and we should be debating these issues.

I think the task force has done a remarkable job of coming up with an outstanding document, but I don't think that the five-step program that's been outlined for us here or the steps that remain all the way to November 16 on the citizen vote are intended to preclude continued public output or public input. So I welcome it. I also don't feel intimidated by any of the input that I get or where it's coming from, if it makes sense to me. I want to talk about it. If it doesn't, we won't. I don't consider things are coming as a package, take it or leave it, either from the task force or from other parties.

So with all of that said, I think we are doing exactly what we should be doing. We have a remarkable document in front of us. We are going to continue the due process of looking at comments from the public. And I am very much hopeful that whatever form and whatever changes, if any other changes I hope this document will go to the public in November of 2016. Because I think it's, frankly, a little embarrassing that our city is still working off of a plan 13, 14, 15 years old. We should, as a city, as a council, be able to come together and support a new vision, a refined vision that reflects the city of today.

[Time: 01:04:08]

A lot of the discussion is on the land use in a way, that's kind of a shame because that does ignore the other 427 good pages of document here that are hopefully expressing the vision of the citizens and the mayor made a point that, you know, it is -- he doesn't want it to become a prescriptive document. I

don't think any of us want it to become prescriptive to the extent that maybe he's concerned about, but there is a fine line between something being aspirational and saying, you know, I hope that the city becomes this in the future versus saying I not only hope it. I want to make sure that it becomes. I want to be sure you listen to me and hear my aspirations. So I'm not so alarmed by some of the things that maybe become more prescriptive if they still, in my mind support the aspirational goals of the plan.

And I think Erin, in the matrix that you have shown, it looked intimidating, the land categories that were submitted for our consideration tonight, versus what's in the general plan adopted by the task force. But I didn't see that many different situations where a land use was going to trip from major to minor or from minor to major. It may be helpful if you can go back to that. Because as intimidating as the new schedule looks, as I looked at it, the intent was to perhaps be more granular and disassociate some land use categories that are frankly, not similar.

I would -- I don't know whether anybody can see that or not, but category a, that was adopted by the task force included three categories of land use, rural neighborhoods, natural open space and the Preserve. And that's probably as good an example to use as anything, that the Preserve is like nothing else in the city, in terms of land use, and to lump it together with natural open space or even worse with rural neighborhoods, the implication is if you are changing something in category a, if you are changing something from the Preserve to a rural neighborhood, that's just a minor change. Now, I know there's lots of protections that we have to not change the Preserve, but the reality is it's -- I think what the matrix was -- the expanded matrix that was submitted for our consideration was doing was simply disassociating those categories and putting them into their own individual categories. And in that case, of course, if you did want to change from natural open space to rural neighborhoods, it would be a matter of some considerable importance and it would be a major change but to that point, I think the ones you have circled or the ones in yellow or maybe both -- Erin, can you explain what would be tripping from minor to major if we adopted this expanded land use matrix?

PNT Manager Erin Perreault: Mayor Lane, members of council, I will suggest on the COGs suggestion on the bottom right, the things highlighted in yellow differ from meaning that they are calling out majors in most instances instead of a minor amendment. So those are the differences between the two land matrix on the slide. The one circles, the top circle, so to speak, that one, I don't believe the task force actually intended.

I think it was an unintended consequence to keep Preserve with rural neighborhoods because based on the discussions at the task force level, there was a recognition that the Preserve is special. So that's why I circled that one for further discussion and then the lower circle in the bottom right, what that matrix currently says is that if you change from any one of those categories, commercial employment or mixed use, to any one land use also in that same category, they are showing no amendment is required.

We are currently, if we changed, for example, between commercial and employment today, we would at least do a minor amendment to document that at a city council level and then, of course, a land use level. So there is a difference there in terms of leaving that square blank on the COGs matrix and that

square being blank intended or not, I can't speak to you, but it says you don't need an amendment to change between commercial employment and mixed use and currently you would need a minor amendment to do that.

Councilman Smith: Well, I don't know if that was intentional or not. My interpretation and maybe right or wrong was that if it was blank, it was still a minor amendment. I didn't know there was a category of major, minor and nothing at all.

PNT Manager Erin Perreault: Well, if you look at the rest of their matrix, obviously if you go from Preserve to Preserve, leaving it blank means you don't need any kind of action or amendment. So leaving it blank would -- I'm interpreting mean that for the same blank category but I don't know if it was intended.

[Time: 01:10:05]

Councilman Smith: Well, help -- because I'm having difficulty reading and I'm sure people in the great world out there are having even more difficulty. Talk for a moment about what things are actually in this new expanded matrix, tripping to major, which were otherwise minor in what the task force came up with.

PNT Manager Erin Perreault: So focus on the COGs matrix?

Councilman Smith: That's the one up there. Yeah.

PNT Manager Erin Perreault: So what they are saying if you read across, if you change from Preserve, to b, to open space, that would be a major amendment. If you would change from Preserve to b, which is rural neighborhoods, that would be a major amendment. Currently you are correct, they are grouped together in the 2035 proposed draft. So those are minor amendments currently. Then if you move down to natural open space category, the way it reads is if you read from natural open space to rural neighborhoods, that would be a major amendment. Moving down to the next one, it basically reads as develop open space. If you were to change that to rural neighborhoods, suburban neighborhoods or cultural institutional or public use, those would be major amendments. Currently they are minor amendments as proposed and also in the 2001 general plan.

Councilman Smith: Well, here's my point. I don't know what anyone else may react. I don't find this an alarming number of changes. I mean, in fact, on the top line, when you change it from the Preserve to anything else, I think it is a major amendment or otherwise known as a big damn deal. And frankly, we've got all kinds of protections for the Preserve to prevent that from happening probably already, but I wouldn't find it discomfoting to reiterate that it's going to be a major amendment if we ever change the Preserve to something else. The top line I don't find any problem with, and as you point out, the task force may have intended that to be a separate category anyway.

The second category going from developed open space, that's basically going to be golf courses and parks and things like that. Any time you are going to change those to any kind of neighborhood,

again, it's going to be a big damn deal, otherwise known as major. Visually and intentionally, I think this new matrix is trying to say those things which, you know, it's listing the land uses in terms of their cascading density in a sense and saying those things that are creating greater density, are probably going to be major amendments. I personally don't have a problem with it.

I guess I will let others speak but I don't think it's doing it an injustice, an injustice to what the task force intended. And maybe I will pause there and let others weigh in on that, if you want. I do have other questions but I will pause.

[Time: 01:13:18]

Mayor Lane: Well, you know, in fact, this is the point I was making earlier with regard to the Preserve being indicated. You know, we are all here right now and this document and this prescription will exist long beyond us and frankly, will be followed through, if we ever get to another change, but nevertheless that was my concern with having the Preserve listed. Somebody sees that it's open to a major general plan amendment. I realize that there are other protections within code and as I mentioned earlier, even the fact that we acquired some of this with state funds that restrict it further, but, you know, I think your answer to my question about it was it was really to put it on notice that it was a separate item, that -- to recognize it. It isn't particularly big deal because I do believe those other protections are there. I'm wondering if there's not another category that it's not subject to another amendment.

PNT Manager Erin Perreault: Mayor Lane, just to clarify for the public record currently the Preserve and the 2001 general plan has a designation at the natural plan level as general open space. If you change from natural open space to any other category, except rural neighborhoods and its own category, natural open space, then it would be a major amendment today as well. It's not that far off its departure currently.

Mayor Lane: Now that we separated it out. If we are going to separate it out, it's not natural open space. It's specifically land that's outside the realm, I think of consideration of a major general plan amendment. You know, again, I don't know the legal consequences of that because this is a general plan, but if we are going to break it out, we might as well make it clear that it's -- you know, it's nothing like what it was before and it's outside of it.

[Time: 01:15:34]

Councilman Smith: My follow-up, my second question had to do with the eight or nine things that create a general plan amendment situations. Can you explain again why it is that you are reluctant to delete the words change and general plan land use category as a preamble. Before you answer, I have no -- I think what the concern of people has -- was in putting this or suggesting that deleted language -- their concern was that in your criteria, number two, for example, when you said a change in general plan land use category of 10 or more acres, would be a criteria. Nothing happens unless the general land use category is changing off the matrix. If you leave those words in there. Explain why the words need to be there.

PNT Manager Erin Perreault: Mayor Lane, members of council, you need to be changing something in the general plan to trigger the criteria amendment four. So you need to amend something at the general land level. Typically what we amend is land use and you will see that throughout other communities' general plan amendment criteria as well, as they -- you have to change something in the general plan document itself. The focus, when we make a determination on general plan amendments, whether major or non-major, is really whether you are changing from the definition that you have for the land use, you have currently and the one you are proposing to go to, and the generalized densities for those categories as well. So if you are making a change, even if it's a zoning change that doesn't change the density of a specific land use at the general plan level, and you meet that definition, then you are not changing anything in the general plan. So you could be 20 acres versus 10 acres and not trigger any change at a general plan level.

Councilman Smith: Then let me ask you on this item two, the area of change with it -- it now reads a change in the general plan land use category of 10 or more gross acres. If -- if somebody was, in fact, changing a land use off the matrix going from, let's say, suburban to urban, nothing would invoke unless it's 10 or more acres.

PNT Manager Erin Perreault: No, we would look first at criteria number one as a standalone. So you would look at that matrix and if it told you, whatever the changes, if it told you major on that land use matrix, then we would determine a major change whether it was 2 acres or 10 acres. Then once we look at criteria number one, we look at each criteria on their own standings. We look at criteria number one and then we look at criteria number two. So if it doesn't say major amendment on criteria number one, then most likely it won't be a major amendment on criteria number two.

Councilman Smith: So let me interrupt you. You said you looked at them each individually, but it sounded to me like if it didn't change the category, you would never get to number two.

PNT Manager Erin Perreault: No, you could get to number two. You could make a change that says minor amendment on number one, but if it's more than 10 acres, it would then trigger number two. So you are changing a land use category per the first category, it might be a minor amendment but then we have to look at how many acres are changing. That could then trigger a major amendment.

Councilman Smith: So the guidance is that if it meets any one of the final criteria, it will be a major amendment?

PNT Manager Erin Perreault: That's correct.

Councilman Smith: I guess I would make a comment then again, speaking for myself. I was not particularly troubled with going to the 10-acres north of the C.A.P. and 5 acres south of the C.A.P. I think this was a recognition in the plan 15 years ago that the gross area of these two portions of the city are vastly different and the intent of having 10 acres down south and 15 up north was just, I thought, kind of a gross attempt to recognize that you are working with a larger land mass up north than you are down south. So I thought it was a nice fix to go back to some recognition of the relative

size of the areas that we are talking about and make it 10 or more acres up north, 5 or more acres down south. That's my two cents worth. I may have some other comments but I will let other people talk.

[Time: 01:20:44]

Mayor Lane: Thank you, councilman. Any other comments or direction? Yes, Councilman Phillips?

Councilman Phillips: This is a silent group. My two cents worth. You know this past week, our council, we have heard a bit of vitriol, tonight we heard some of them call them cowardly. These are our residents. We can't speak to them and the development community the same way either. I have to agree with Honorable Littlefield's comments that this task force was mostly development community and as such they want a general plan that makes it easier for the development community. Then as you look at this, phase three is public input. Public input is COG. COG represents the community. So we have a development community, and we have a resident community. And I think this is where the big divide comes from, what developers want and what the residents want and I -- I commend both of you for the work you have done on the task force, an amazing amount of work, long, hard hours.

I can't imagine how much time and effort you put into this and I know you believe you have done the perfect job. And, COGs also believes they have done the perfect job and they are trying to protect the community as best they can. So my feeling is that what I would like to see by the next council study session which is October 13th, I would like to see a compromise by this development community and by the resident community. And the development community, I.E., the task force, I.E., the community, COGs and maybe we could select leaders from each group and get together with their staff and hammer out this compromise because we are not going to get anywhere otherwise. That's what this all boils down to.

And for us council to try to decide which side we want to choose, it's going to end up with nothing at all. I really believe we can do this. I though it's hard for both parties but I think Scottsdale's future is worth the fight. I mean, this is a 2035 plan. This is for another 20 years. You have to know, it's very important that we get this right now. It's very important and I'm proud that we are actually talking about this and we are doing this. We are not like some other communities in other cities that past their draft during the night and nobody even knows what's in it. We really care. The residents really care what's going on in Scottsdale. And therefore, they need to sit together at the table and hammer this out.

So that is my suggestion that we can get selected leaders of each of these groups together with their staff and go over with the differences and hammer out a compromise you can bring to the council in it study session and we can all agree on, and we can have a great general plan that will guide us through the next 20 years. Thank you.

[Time: 01:24:18]

Mayor Lane: Thank you, councilman. That more or less is a position on a direction, a statement on that, and I would be interested if there are other comments on that particular request for direction. Yes, I'm sorry. Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. First of all, I too would like to thank the task force and the citizens of Scottsdale for the time and the effort and the care that they have given to this very difficult challenge of trying to create an updated general plan for the city of Scottsdale. It is a monumental task and they have spent uncountable number of hours trying to achieve this.

I think Scottsdale is extremely fortunate that we have citizens who are so deeply caring about our cities that they are willing to put their effort and their time into this effort. I have reviewed the document from the citizen task force and I have reviewed the recommendations from the coalition of greater Scottsdale or COGs. And I find good in both of them.

The task force has updated and placed in the document all the additional sections that the stay of Arizona law now requires. I find this to be I have necessary and I have no problem with that. They also certainly made the plan more readable and more beautiful. And I don't believe that's an unnecessary thing. Any change approved from the general plan is actually a negation of the citizen's vote when it was put before them. I believe it's only because of the high level of need that we should even consider changing that vote.

And because the general plan is such a long lasting document, I believe it is paramount that it should be difficult but not impossible to change it. I do believe the standards should be tight and the changes should be extremely tough to make. We are after all not only overriding the voice of people who vote to approve this document, but we are also overwriting the voice of the people as they say yes or no.

I don't particularly feel endangered or challenged or threatened in any way by either the task force or the COGs representation. I believe that each of these organizations have done their due diligence and their duty. The duty of the task force was to put together a document for a general plan to be approved by the council and then by the citizens. The duty of the COGs as they saw it was to try to make that plan better and to add additional protection to the land uses of the document and things they saw as weakness. That's the right of any citizen to come before us and to do that. COGs is a citizen organization, and it is run by citizens. I don't feel threatened by them. I don't feel threatened by the task force. I think they are doing their diligence as they should. It is now our turn to do ours. It is not a case of trying to override or overrule the task force. It is a case of the council doing their job to review the documents put in front of them for their contemplation and discussion and to see what is the best thing in their best interest for the citizens and in our best judgment to do going forward. I do not want to see a negation and discarding of a new general plan in the future.

I think it's necessary that we update our plan, but I think that Councilman Phillips and Councilman Smith have the right idea. They need to get together. They need to work together and see if we

can come up with compromise ideas and suggestions that will incorporate the best of both. Does that mean everything from the task force or everything from COGs, no. But I think if they can get compromises together to make something hammered out that they can both agree on, that is good for future of Scottsdale and that incorporates the main key element of what they each want, then we can go through that as a council and say, yes, let's put it to a vote of the people. Until that happens, I'm not willing to pass this.

It's our duty as a council to protect the citizens quality of life and to protect the land we do that. To that end, I believe the changes suggested by COGs make a great deal of logical sense, if you look at the matrix, it progresses in a logical manner from lease dense to more dense to more dense, each one moving progressively and makes a lot of common sense. I like that. It adds a layer of protection by dividing out the different categories of land uses.

There is nothing else in Scottsdale that's like the Preserve. It is not a rural neighborhood. It's a Preserve, set aside and we are going to actually be talking about that later on how we can Preserve the Preserve. So you can't lump it together. It is a separate thing. They are not contradictory necessarily. I think until we can work out these differences and until we can make changes that are compatible for both, and for us, as a council that I can recommend passing this on to the vote of the people. Thank you.

[Time: 01:30:32]

Mayor Lane: Thank you, Councilwoman Littlefield. Councilwoman Klapp.

Councilwoman Klapp: Some of the things that were said regarding getting the task force people and the COGs recommendations, some discussion together, I would agree with. I think that there needs to be will more discussion and what also was said is it's very difficult to vote on the recommended draft general plan based on the fact that there are obvious differences of opinion related to various elements of plan. So I don't want to throw out the plan in its entirety, because I respect the work that was done by the task force and I do believe there needs to be more public outreach and discussion related to the differences of opinion issues, but where I don't agree is the suggestion that we try to get that consensus by October.

I just don't think -- I think that's pretty ambitious to consider that we could have these groups get together and there could be some kind of incentives developed by October. So my direction would be that we do proceed with the task force recommended plan but that we continue having public outreach and discussion as well as discussion that would include the task force and -- and the COGs people who in their recommendations an try to work cords a consensus on major items in the general plan and by doing so we are going to have to provide an alternate timeline. That's what I would ask the city staff to do is come up with an alternate timeline that builds in more public discussion. Because where we are today is at a position where it's very difficult for this council to act upon the recommendations that are coming forward because we got passport recommendations on one side and COGs representations on another side. I don't think they will say, I like this one and he likes this one and we will come up with a general plan. That's not the way the general plans are put together.

So that would be my direction. I don't know if we are looking for motions here or we are just looking for comments, but those are the areas that I think are important in moving this plan forward.

[Time: 01:33:22]

Mayor Lane: Thank you. If I would clarify the point I made when Councilman Phillips mentioned an approach and that approach -- and correct me if I've got this wrong is that a new element be put into place with representation from COGs as you identified them as a citizens group that would be inputting on this and some other group. I think you define them as developers. I'm not sure I like that necessarily, that one against the other as far as that is concerned. We have a whole group of other citizens that may not be on either side of that. So -- and I think it adds another element into this. So I'm concerned about that approach. I appreciate where you are coming from but I appreciate how that might or might not work.

We do have a process in place and it was described and lined out for us by Erin earlier and some of that dictated by state statute as to how we go about this, inclusive of the task force. That was a representation. This may take some exception with the makeup of that task force, but we also know that a number of people resign from that task force, that we were putting forth new suggestions on behalf of the citizens as they define them. So I'm concerned about that. I'm more than just a little bit and I think that -- I wouldn't support that kind of direction. Whether we need some more time on this that's one thing.

But one thing that we are supposed to be here doing as a body, we are representatives of citizens, irrespective of how people may feel, how we do that job. We were elected to do that and we evaluate what's in front of us right now and will I'm trying to -- personally, I'm trying to look at it from that perspective. I think there are some things that may cause difficulties legally, whether it's constitutionally or whether it's by state statute, that we may be imposing within this restrictive side of some of the suggestions that have been made. I have addressed some skepticism that I may have because of the overall prescriptive nature as defined by the suggestions that have been put forth before us. I can't tell you that I figured out each one of these. I look at the bigger bumps in the road.

I think that's what we are here to do to evaluate as we move forward, how do we move it forward to the next hearing, not necessarily a new select group but the citizens hearing. What are we going to hand to them? We do have some responsibility to give them some guidance on what we believe about the plan as it exists and frankly, maybe if other suggestions as they have been given to us by departments and as well as by a separate citizens -- excuse me, separate citizens group. That's the kind of guidance, I think what our job is here. So I'm not ready necessarily, unless we -- I think we could have some further conversation about the finer points of this, but then I think we do need to launch into what is the next step by prescription, Erin, which I think is another hearing like this.

I saw it on the overhead a little while ago, but nevertheless, we should follow through on that, but we should have some kind of direction from this group as to what we feel and presumably as a majority consensus of the elements. Whether we are ready or not to pick through every item. There are

certainly some items that I think we might want to consider whether they should go forward or not. And I think that's what we are here for. That's my thought about it right now. I would certainly like to see from each of the councilmembers some further thought on maybe even the items that I mentioned but other items that they may have, either concerns or some development on. Yes, councilwoman.

[Time: 01:37:32]

Councilwoman Klapp: I wanted to make clear that I would demand that we would move forward with the plan that came from the task force but have more public outreach on that plan, and that could include discussions about some of the things that have been brought to us tonight by COGs and it would include the task force and the general public. We're a long way apart on where various citizens see the task -- see the general plan should be. So my concern is that we don't think that we're going to come up with consensus real quickly, based on what I'm seeing here, but we should proceed with the document that we have from the task force, have general public outreach and then from there, try to work toward consensus and because of that, divide between what the task force has and what COGs has suggested, I don't believe we will come up with something that's going to come back to this council as quickly as the current timeline suggests. So I would suggest that we ask the staff to provide us with another timeline that would expand discussions because it's going to take a while to get consensus.

Mayor Lane: And I don't disagree with maybe the extension of the timeline. I don't disagree with that necessarily but one exception I would make is that there's a purpose to this meeting and I think our input on it needs to be considered moving forward. If a consensus -- there is a consensus to move forward with any of our comments here, but majority consensus going forward. And I'm not trying to just hang my hat on a couple of things that I think are particularly onerous in this, and the two that I mentioned earlier, specifically, I think, yes, I think we should move it forward, but I think as a council, if we agree, we should identify those items that may cause us problems, as far as the legitimacy, the legality of this, and frankly, the imposition on anyone who is dependent upon the code, the zoning code to be able to rely upon it in its execution under law. That's my concern about it.

Other than that, I don't really have any -- I'm suggesting that others may have some other thoughts specifically that we well might have a consensus on that, maybe not. And if not, then, you know, we are at an impasse as far as that is concerned and it frankly goes to your point that it may take us a lot longer if we can't agree on any particular item of inclusion or exclusion. Obviously given -- and I believe, unless there's some difference of opinion on this too, that the document that's been given before us, from the task force is certainly the baseline. You know, maybe I should ask for a consensus, if that's an acceptable document to move forward. Okay. No?

[Time: 01:40:52]

Councilwoman Littlefield: I would like to say one thing about the document that we have been looking at, and that is there are only two elements within that document that we are concerned. With the other elements, I don't know of any concerns regarding them at this point in time. So that

much of, which is this much of the document could be moved forward because I don't think there's any concern with the two elements that we have been discussing.

Mayor Lane: Well, the only thing I would want to say to that, Erin, before you comment, is I think we have an obligation to go through the rest of this process, which is an additional public outreach. If we have nothing to lend to this, this will move forward. I mean, if we have nothing -- you know, frankly, I don't know if I should have even posed the question. If we say nothing about this and the consensus, the process continues on whatever timeline we agreed to. But the process does continue because there's aisle another opportunity for public outreach. If we can't even agree to end send the document that we have, suggest to further outreach and discussion forward, then we probably -- we're at a total impasse in which case we have bigger problems. Yes, Councilman Phillips.

Councilman Phillips: I understand what you are saying, mayor and I agree that the document can move forward, but the idea is the compromise. And I think this council knows full well that right now we do not agree and this document is not going to pass the council as it sits. The only way this is going to pass, and let's be honest, is that these two groups can get together and hammer out the details. If they don't, they will keep coming back to us and I we will say, I'm not going to do it. I'm not going to do it that way.

Do we want a new general plan or not? I think the only way to do that is to get these two groups to agree. I don't see any problem with them getting together. We don't have to tell them to get together. You can get together by yourselves. You know, hammer out the details and come back to us. As far as the timetable goes, I'm just going by this timetable. Can we make a longer timetable?

PNT Erin Perreault: Mayor Lane, members of council, yes, there's flexibility in that timetable.

Councilman Phillips: So if we have more time to do it, then we have to take as much time as it takes. I think that's just the way it is. That's the only reason I said October is because of the timetable. You know, until the development community, and that's what it is and the resident community gets together and hammer out the details, this council is never going to agree. And that's how I feel about it.

[Time: 01:43:38]

Mayor Lane: Well, if I might councilman. I certainly understand the perspective that you are trying to draw between, the interested group, versus the citizens as a whole and then a specific industry outside of the businesses in the whole. So I get that, and they can certainly meet. You are absolutely right. If we are following the process as it's been determined, this is one of those steps if we can't get past this step, then we have a problem. We have a problem to the point that we may as well just determine right here and right now that we are not going anywhere with this. And so if that's where we are at I would save everybody a lot of additional time right now and say, hey, let's kick this down the road and we will find another group and some new time and see if we can come to grips with it. Now, I'm not an advocate of that. I think that's a horrific thing to sentence Erin to, another year or more of this is a trial. But nevertheless -- so I'm not an advocate of it. I'm also not an

advocate of moving in order with something we know is doomed. And so if we don't have any thoughts here about what's acceptable or not, we got a real problem. Yes?

[Time: 01:45:04]

Vice Mayor Milhaven: Thank you, mayor. You are right, we got a real mess. I agree we are going nowhere fast and I agree it's time for us to do our jobs. So with that, let me step back a minute, though, and thank everybody who has given their input because that's what this is all about is everybody having an opportunity to provide input and be considered. So we have all had a long time to think about this and this has been a long process, and I think back to when I first took my seat, it was the end of the last process with the general plan task force. And I read that general plan cover to cover three times and the bright and responsible, shiny new councilwoman I thought the plan was too restrictive, but I need to respect the public process. This is what the citizens came up with and desperate about my reservations about the plan, I voted to move the plan forward.

Here we are five years later, or four years later, and we have a new general plan task force. I'm respectful of everyone on the team. I don't think it was developer heavy. It's retired tech executives, attorneys. We have lots of people on there that are not from the development community. I think it was balanced. The task force is now disbanded. They have turned it over to us to use whatever public input there is. Now it's time for us to do our job and say where do we want to incorporate changes or not? And I'm going to be very practical and if we look at how we vote on zoning cases, we are a 4-3 council on zoning issues.

And I have to say, I agree with the mayor, there's several things that I take exception with, but I will pick two. I support the mayor in taking a text amendment should not be a major general plan amendment and in saying increasing density greater than 25% should not be a major general plan amendment. If we were to go around and see if we have consensus do we have five people who agree on one side or the other of that? And I would like, if we could to do that, I would bet it's 4-3 and not a 5-2. Councilwoman Littlefield is nodding her head. Yes, I think you are probably right.

So if that's the case, that there are certain things where we are -- because it is fundamental to what we campaigned for, for our constituency wants, why we ran for the council in the first place because of the vision we have for the future of our community, then I don't know that there's a compromise. I think it's up to us to be practical and honest with each other and say, would you or would you not be willing to support a general plan that includes this element, yes or no. If we don't have five votes that means sending it back to the drawing board and more public output isn't going to change the fact that fundamentally, we will not change the philosophical position. That's what I would like to suggest.

Do we take the two issues the mayor suggested and ask my colleagues, would you be willing -- how important are those two issues to you, being in or out the plan for you to be able to move it forward? And I will say I could not move a plan forward that included those.

Mayor Lane: Obviously I'm in that position.

[Time: 01:48:44]

Councilman Smith: Well, I will say I think this is a silly process. If we are going to achieve some compromise on the plan, you don't do it by going item by item by item and asking if there's approval or disapproval --

Vice Mayor Milhaven: What I'm suggesting is there are no compromises, except at this table. At the end of the day this council is the arbitrator of compromise.

Councilman Smith: You can't test that on one item.

Vice Mayor Milhaven: There may be other items that become show stoppers. I'm suggesting if that one is a show stopper, all the other ones become moot.

Councilman Smith: I don't know where my abstain button is, but I abstain.

Mayor Lane: There's no abstain button, and there's a reason for that. Notwithstanding that, we are not talking about a vote to put it on the ballot. All we are talking about at this point in time, what our view of the floor, as far as the rightness on those two particular items. If we do nothing more to communicate to the public that we have a problem with those two items because of the legal or constitutional issues which are actually saying the same thing, then I think we are at least saying that. So I would say, it will undoubtedly come back up again, but we will have communicated at least the reasoning and the thinking of four people as far as those two items are concerned if we are ever asked about it. So I say that that at least gives us the idea to move it forward in that fashion at the very least. I have think what you are talking about, robin is that those are items that the majority, the simple majority -- the simple majority of the council -- yes. Anyway, the simple majority of council would agree on.

[Time: 01:50:37]

Councilmember Korte: Thank you, mayor. I'm frustrated with this process too. I look -- as opposed to some other councilmembers, I believe that this process has been one with integrity. We started with hiring Arizona town hall for a visioning process that was two and a half days long, 100 plus people representing the community and they came together on a vision statement. From that group, they chose -- Arizona town hall chose individuals for that task force which I believe represented our community, both geographically, demographically and a special interest. I believe special interests were represented, up until they resigned. So when they resigned this then -- what is it, a year later, I'm trying to think, it was about a year ago. I'm not surprised that the four that took their toys came back with this at the midnight hour, regarding this general plan.

I am not only -- so not only am I in agreement with those two items that both mayor and Councilwoman Milhaven brought up, but I also have a couple more. And one is on page 74 when we talk about the McDowell Sonoran Preserve, adding the language permanent construction limited to

trails and trail heads is a non-stopper for me. That is a non- -- that is -- that is -- I will not go any further with that one. I do not -- that flies in the face of this council moving forward with a concept around the Desert Discovery Center.

I also, on page 77 in area change criteria two, when the change in land use density or height involving five or more gross acres south of the C.A.P. and 10 or more acres north of the C.A.P. will by shrinking that down to 5 acres south of the C.A.P., then let's just shut redevelopment down in the southern part of the Scottsdale. Left's just shut it down because that will shut it down. There are some larger parcels in the southern part of Scottsdale that are prime for redevelopment, and if you make that a major general plan amendment, then it's a nonstarter. It's not going to go anywhere. So you might as well just shut revitalization and let SkySong do its thing and that's all that's going to happen. So those are an additional two.

Besides the land use matrix, I don't agree with the proposed changes to the land use matrix, and so there are several elements that I believe are nonstarters and quite honestly, I'm not willing to compromise on it.

Mayor Lane: Councilwoman. Well, thank you, councilwoman. I wonder, could you get me the first one that you had mentioned.

Councilmember Korte: Which was around the McDowell Sonoran Preserve?

Mayor Lane: Yes.

Councilmember Korte: Page 74. It's towards the back. And it is in a long paragraph. So the proposal by COGs was to include verbiage, quote, permanent construction limited to trails and trail heads and that's a nonstarter for me. And as important as the criteria -- the land use criteria change of five acres south of the C.A.P., might as well just shut any redevelopment down.

Mayor Lane: That last one, that one there is really another example, I suppose of prescriptive law, more or less and I think it runs along the same lines of some of the other things. So I would certainly agree with you on that one for sure and now I lost track of --

Councilmember Korte: Page 74.

Mayor Lane: And I would agree with you on that. I don't think that's necessarily on the order of prescriptive change in law but nevertheless I would agree with you on that one as little.

Vice Mayor Milhaven: And I would say, I have others. Those were included in my list. Councilman Smith, would you be willing to move the current general plan recommended by the task force to the voters.

Councilman Smith: We don't normally have dialogue across the table like this. I don't think there's a reason to move the thing forward to voters without having the public input and without us as I

council talking about it.

Vice Mayor Milhaven: So we are talking about it now. We have some public input. Is there anything in the COGs recommendation that you would think would need to be in the plan in order for you to accept it? Are there changes you would need to see to move the plan forward to citizens?

Councilman Smith: I'm going to answer yes to that, because you are trying to pin down what individual item is more important than the other. I think -- I tell you, frankly, I'm concerned -- we are, in fact, getting into a weird process here. I didn't think you were when they were talking about following due process.

Mayor Lane: You know, if I might councilman maybe it is a little built of a different exchange for a work study and I was checking to see if Mr. Washburn was going to weigh in on the idea that we have to be careful not to pre-vote this but at the same time, what we're looking at are what are the items that need to be included or excluded in the information in order to move it forward. I hope you don't mind. I think it is a reasonable -- in a very difficult kind of obviously discussion that we are having on this, I can understand the Vice Mayor's thought of trying to get some further consensus by drawing that out a little bit. And, again, it's sort of a fine line. I'm not saying that we have done something illegal and I probably shouldn't have talked to somebody -- or rather our meeting is concerned and protocol as the work study. We are not taking any action other than to give guidance to staff as to what we would like to see advanced. So we are --

Vice Mayor Milhaven: I guess what I'm trying to suggest is if there are there are changes that councilman Smith would like to see from the proposal coming from the task force that he would need to see to feel comfortable moving forward with it. Then that comes back to we are going to need to be the ultimate arbitrator of that compromise. I think the task force came up with the compromise. I think it's a compromise but they will tell you that this is a compromise. They have disbanded. They have now left it in our hands. We are collecting public input. The COGs recommendation is part of that.

And it's up to us to do our jobs and say, do we accept the public comment and change this document or not? And if philosophically that we are 4-3 and four of us are saying we are not comfortable with where the COG is recommending. And Councilman Smith, are there things that would prevent you from moving forward with the plan as it is. If you say I think, yes, there's important changes that need to be made. Then more public input is not going to help us. We need to find a different progress.

Councilman Smith: And I will respond to that.

Vice Mayor Milhaven: He was just clearing his throat.

Councilman Smith: If the city attorney is nodding in the affirmative, then I can respond to it.

Vice Mayor Milhaven: He's not waving.

[Time: 01:59:10]

Councilman Smith: Okay. The process I'm concerned with, mayor and fellow councilmembers, is that we are trying to take a vote on the plan as it is right now and move it forward or not forward and just abort the whole process and I thought the whole process was supposed to be we are supposed to get public input. We are supposed to debate and how I could live with it or I couldn't live with it, but everyone seems to want to abort that process, just immediately take the vote and kick the can down the road and admit that we can't come up with a plan. And I just don't accept that. I don't accept the fact that there's not a compromise on some of these issues. They are important issues to a subset and by the way, it's not just the four that took their toys. You know, the chairman of COGs is Sonnie Kirtley who sat through the entire process.

It's not even that we are talking about things that are going to quote/unquote shut things down. If the public doesn't understand the difference what we are talking about and some of the major and minor plans, Erin had a screen up there or a slide up there that showed what it means to be a major plan amendment. It takes one more vote from council and it is a process that you only do once a year and there are other idiosyncrasies to it. If they think it will shut it down because they need five votes from council instead of four and if this is because four people took their toys and went home. I think they have legitimate public input. It's our responsibility to debate that public input and decide whether we can live with it or not live with it.

Erin put up there the items that she needs direction for from us on, and we haven't even responded to have of them. I tell you one that, you know, if I can keep the microphone for a moment, one of the items that she was looking for direction from us on was on page 65 of the plan. And it is a request that the definition of rural neighborhoods be changed to indicate that lot sizes of one acre or larger will be the definition of development and rural neighborhoods. To me, this is a significant change, and we haven't talked about it. It is a significant change because what I know what the people are trying to avoid. They are trying to avoid the situation where they end up with a whole bunch of houses crammed together because of the open space of washes and mountains and other stuff doesn't permit development in some of the areas up north. But the result is that we end up with individual houses on half an acre, a third of an acre, a quarter of an acre. We end up with the kind of thing that you see if you go up to Alma School Road, north of Happy Valley. And if you look at that, you say, this is rural development? Well, it's only rural development because we have allowed ourselves to get into the shorthand of saying, it can only be an average of one per acre.

I can't count the number of pages. It must be hundreds in here that talks about the importance of rural character of our community. It's 27% of the total land mass, even more than that, if you exclude the Preserve. It's probably 35% of the developable land mass. And we want to continue a practice that says rural development will be rural if it's just an average one per acre. Cram them all together. It's a significant change. It deserves debate, as Erin asked debate from the council. My guidance was I would put that down. Mark me down as favoring that one.

Mayor Lane: You would or would not?

Councilman Smith: I would.

[Time: 02:03:50]

Mayor Lane: If I will might councilman, just in response to, that anything that has not been indicated as something we would want to have removed is somewhat -- well, it's tacitly accepted to move forward in the process. I think what we have done is we have identified -- we have four votes as far as the text amendment, the implementation of the text amendment as a major plan amendment, as well as the restriction on any future zoning being restricted to 25% of what existing zoning allows. Both of those items as pointed out, there's four folks that say those two items are not acceptable and for the reasons that I think we have shared with you.

Councilwoman Korte, you mentioned three others. I think it was three others. Nevertheless, that she finds some difficulty with, and wouldn't have those changes in. So those are rejected changes and at this point in time, I don't think it's really been tallied by Virginia Korte's points have been made but nevertheless those are the changes that we are saying to the public as we move this forward. We are not trying to negotiate a compromise here but there is just a sense about where things will fall out.

And in frustration, some of the frustration you yourself noted, we all feel a little bit of, given the fact that we have been through this process many times. In fact, if Erin is not frustrated, I don't know who might be. Nevertheless, it's a process that we have struggled with for quite some time. So we share that frustration.

If there's not a solution here, it's pretty easy to start to conclude, maybe we need to put a different time able on this and look at this in not an entirely different light but maybe with a different council. I mean, that sounds pretty extreme, but that's pretty much how it goes. I don't know that it -- how much that would change it. Who knows? But the fact is we seemingly, when it goes to a vote that would be required to put it on the ballot, there's not five votes one way or the other.

That causes some -- all we are trying to identify right now is in order to move it forward in the process, if there are items you want included, well, nobody has excluded those as far as any comments from the four. So naturally we will move forward, the further outreach and the public and I even conceded the point and I think Erin will handle this correctly, but we're essentially saying a simple majority and moving it forward will not include the two items we talked about but undoubtedly they will be brought up by the public. They will be thrown back into the mix somehow or another, but what it does do is at the very least, it will communicate the concerns that we have and if someone wants to go through the minutes, maybe even the reasons for but the two that we have agreed upon and now we also have the three others.

Just only because I was addressing you, Councilman Smith, if you -- awe environment got some further comment on, that I certainly would want you to do that.

Councilman Smith: My only comment would be if you are saying everything that hasn't been rejected stays in, that wasn't what I was hearing from others. What I was hearing from others is they are rejecting the entire package, everything in it, sight unseen. I think specifically to you, Councilman Milhaven when you were holding up the COGs package and said you didn't agree with any changes in there. Maybe I misunderstood you.

Vice Mayor Milhaven: The mayor had two items that he took issue with that he didn't want to see those changes made. I was in agreement that I wouldn't want to make those changes. I had others but those were enough of a roadblock. You are sort of the swing here, councilman. If you say move -- if the four of us don't want those two -- the text amendment as a major and increasing the density grid, and if we say you don't want those changes or those are critical or are among the critical things, the changes I need to see to support this draft, this plan, then there's no point in moving forward with additional public comment because philosophically we all know where we stand on it.

Mayor Lane: But that's when we start to think about the votes that are necessary.

Vice Mayor Milhaven: That's what I was trying to say.

Mayor Lane: At this point in time it would be nice to know maybe how you felt about it, but at this point in time, it's not critical. It will move forward without those two items and undoubtedly there's further comment and input that will be received, either formally or informally on this subject. So we will be back at this again and I suppose that frustration element is whether or not -- if it's already a forgone conclusion, you may not want to be doing that. I'm sorry, yes.

Vice Mayor Milhaven: I think everybody in the room has expressed their frustration with this process and no one is probably more frustrated than the task force members who spent two years of their lives and countless hours trying to find a compromise and staff as well. And, you know, I got to see -- I didn't get -- maybe go to as many meetings as Councilmember Smith did, but I got to go to some council needs to see how thoughtful they were. If they can't support the draft of the general plan, then I think it's a waste of staff's time. If we are the people who are going to decide what public input we accept. If we know where we stand on these issues and I think we all do. We need to be honest with each other and say, you know, councilman, if we don't say a text amendment is a major general plan amendment, philosophically you need to know what you think. Or will it be based on how many emails. I sit with you on the dais, and I know how you vote. I would imagine you have one. And so to just say I'm going to sit back and not have a point of view, I think it is time for us to do our job and have a point of view and stop wasting staff's time if there are not five people who can support some version of this plan. So if there are things in the COGs recommendations that are absolutely critical for you to move forward, I need to know that.

Councilman Smith: And all I'm saying is I refuse to call it a waste of time to continue the process and seek public opinion and hope that a consensus arises out of this, I don't consider myself the swing vote. I think other people may eventually see compromise on any of these issues that they can live with. I think it is irresponsible not to -- not to move forward.

Mayor Lane: Excuse me one second. Mr. Washburn.

[Time: 02:11:24]

City Attorney Bruce Washburn: Thank you, mayor. The open meeting law issues come up a few times already and I just want to weigh in on that briefly, that this is agendaized for presentation and discussion and possible direction to staff on the task force recommended general plan, and I think, frankly, the discussion that has occurred so far has been absolutely 100% on that. I don't think anybody could say it's been anything but a discussion of the task force's recommended general plan and even the discussion about, you know, councilmember, how do you feel you would vote on this issue or do you think you can vote yes or no on this issue, I think those are fair questions. These are the kinds of questions that you can never have in private but I think you can have them in public and that's where we are, but I do want to remind you that no legal action can be taken tonight. So even if somebody says, no, I don't think I would vote for that, or no, I wouldn't vote for, that that doesn't mean that they couldn't vote for that or that anybody can -- so to say -- so to speak take that to the bank, and I'm not trying to influence the outcome of this discussion at all. I think the council is doing its job tonight. I want to make that clear because I can see where somebody might misinterpret that and think some final legal decision has been made tonight on whatever it would be.

Mayor Lane: Thank you, Mr. Washburn. I appreciate that. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. The three items I rose, the land matrix, the land use matrix as proposed by the task force. The McDowell Sonoran Preserve language on page 74, to remain as is, as proposed by the task force and also page 77, the area change criteria 2 to remain 10 acres across the city of Scottsdale, not divided by the C.A.P. And I think those are the three.

And then I do owe Ms. Sonnie Kirtley an apology. I know she was there until the very end. I respect her for that and didn't mean to include you in some of my remarks. So I apologize.

Mayor Lane: Well, as far as those three items are concerned, looking to see who might agree with those being removed as it moves forward, I will start with you Councilman Phillips.

Councilman Phillips: William, thank you, mayor. I can see what we are doing. We are going through the COGs packet and getting a consensus on what we will not do. So we are not going through and getting consensus on what we will do or what will be in the task -- what we won't do for the task force. I mean there's no compromise, basically we are just eliminating COGs things as we go along. I have specific ideas of what I think should be in it. But I'm not here for my ideas. I'm here to represent the people of this city and I think COGs represents the people of this city. And so I agree with their recommendations. Some of them, I will be honest with you, I don't agree with. I don't agree with the 5 acres south. I can see that is a killer. There are certain things, but, you know, if this is what they think is important to them, then I think that's maybe the bargaining chip. Maybe that's the one that says we will drop that one if you agree to allow to have, you know, the COGs matrix. So I guess hope springs eternal, but I think we can agree on these type of things. We can say we don't need this. Let's do this. But to just say we are not going to do this the task force did a

great thing and it's either going to be task force or nothing, it doesn't work as COGs are nothing.

Mayor Lane: We could take them individually, until Councilwoman Korte's items because you might agree, as you just indicated, that you might want to agree we don't want to move forward. We're not here negotiating it. We are here to critically analyze whether they are good for the entire community overall and whether they are legal or constitutional. So we are looking at that, you know, or --

Councilman Phillips: But did you make the comment earlier of the last four vote consensus, that those will not go forward now. And then if you get your consensus with her, those will not go forward. So you are already eliminating things that we can talk about in the future.

Mayor Lane: And you know what, nobody is going to restrict the public in these additional hearings from doing anything that they want to continue to exercise. But what we are telling the public here is what we agree with or don't agree with. That's what our responsibility is.

Councilman Phillips: I agree we can tell the public what we agree or don't agree with them as long as we are not telling the public these are no longer in the conversation.

Mayor Lane: Well, okay. So then I will take yours as a no.

Councilman Phillips: See? Basically that's what you are saying.

Mayor Lane: You don't agree on the consensus. You don't want to have those things removed. You don't agree that they are not necessarily --

Councilman Phillips: Not at this point, no.

Mayor Lane: Councilman Smith.

Councilman Smith: I will vote no as well.

Mayor Lane: No to the consensus on the three items that we would like to have removed.

Councilmembers: Inaudible [Off microphone comment]

Councilman Phillips: But you want to remove it from the discussion.

Councilmembers: Inaudible [Off microphone comment]

Vice Mayor Milhaven: What I'm saying is I will not support modifying the task force recommendation that restricts the -- with the recommended change to the Preserve language, I will not support a revision to the general plan task force recommendation with regard to changing the 10 acres. I would, however, be open to some of the changes in the matrix. But I would not -- so the community

and you can talk about it all you want. I can't take you right away that you can do that but I know based on what I know from the task force work, from my constituency from what I believe to the future of community, I would not support a general plan that incorporated those.

Councilman Phillips: So we have two things here, though. You are saying that the consensus vote, these are ones you will not support and the mayor says this is ones we will not talk about in the future.

Vice Mayor Milhaven: I won't support a general plan that includes those. However much you want to say, I am who I am, and my constituency is my constituency. They voted for me.

Mayor Lane: Everyone keep in mind that we are here to look at the task force general plan, what they brought forward. A lot of work study sessions we don't have any input, testimony that's given. We used to never do that at all, but we have opened up that work study. It's really something to work with the task force and staff on that plan. Now, we have in front of us and there's nothing wrong with this, unless we have it in front of us, some suggestions to change the task force's recommendation. And so what we are deciding now as to whether or not to accept those changes. Now, heretofore, we have already decided not to accept the changes on the 25% of the increase in density, and the other being --

Councilmembers: Inaudible [Off microphone comment]

Mayor Lane: Thank you, the text amendment. That's on the table right now with a simple majority. What I heard you saying, you don't want to go for any of the ones that -- how do I want to phrase this and frankly, I will look to the vice mayor but essentially we do not want to amend the task force, the general plan that was put in front of us by the suggestions specifically that have been made by COGs for these three areas. This is the next item of consensus.

Councilman Phillips: So I can see where you can vote to say, I will not be approving this in the future. What I can't see is a consensus to say these are off the table from now on.

Mayor Lane: Well, here's the thing, anything can continue to happen in the process. But we are communicating to the public. We are responsible to communicate to the public what our feelings are about this. Legal, sensibility, community, however we see these things interacting in the wrong run on a general plan. So that's what our job is. So all we are doing right now is just letting people know.

Councilman Phillips: You are not saying it's off the table but at this time you don't approve of it.

Mayor Lane: Someone could obviously bring it back.

Councilmembers: Inaudible [off microphone comments].

Councilman Phillips: Your constituents could call you and say, if we go with this, you will go with this. And you could come back to us and say I have new direction.

Mayor Lane: But sooner or later, we will have to go through that process and that will undoubtedly include whatever comes to the table at this time. We are just now communicating how we want it to move forward on the basis of the simple majority here. So with that, obviously, we have two that would like to incorporate -- or, yeah, so you have got two votes. I know we registered them as no. It's month against the motion or the opinion that --

Councilman Phillips: Mayor let me clarify that I'm not voting I would like to incorporate these. I'm voting to say, I don't know I want to take them off the table at this time.

Mayor Lane: Okay. So effectively that goes against the wishes of the lead discussion on it.

Councilman Phillips: If that's how you believe.

Mayor Lane: I presume, David, you are in the same position. You want to include them in the amended general plan. You want the general plan amended going forward to include these?

Councilman Smith: I will answer yes to that, but I'm going to add a statement that we are not discussing anything. We are just popping up items and we are voting, 4-3, 4-3, 4-3. I don't think that's informing the public about anything. I mean, I had probably a boringly long discussion about the changes to the matrix and what I will thought were the benign aspects of that. No one else has talked the matrix. Somebody said I will take some of it and others say I won't take none of it. I don't know that this is a terribly interesting process for the public. They probably found somebody better on TV.

Mayor Lane: If I would say this, my original motion for consensus on this and that was the two items of the text amendment, and the 25% density increase, those are two items that I very specifically addressed exactly what my objection was to that and why. I think it was also added to by vice mayor and I think Councilwoman Klapp also spoke toward that. Anybody who voted on that consensus could have said no, we think that's a great thing and we do want it incorporated. That was the opportunity to speak toward it. And that's what we have been doing. So I don't want to discount the opportunity to discuss these items.

We have all seen this. We have seen everything that has been suggested. We have seen the general plan. It doesn't mean that we are not trying to communicate to the public. We are but we have identified those items we want to incorporate, suggested amendments by virtue of not excluding them. If we say, hey, we don't want to incorporate these things that were suggested, then that's the direction that the simple majority is going.

Now based on Councilwoman Korte's three items, I wonder whether or not taking them one by one, and the reason I say this, Councilman Phillips, you said that you don't necessarily agree and maybe your direction to your public would be that I don't think the 5 acres and the 10 acres is a good thing to do and this is your decision. It could come up again later on, that's the way the process works but the bottom line is that would be your opinion at this point in time. So I would ask Councilwoman

Korte, if you want to take these one by one, because I did hear some separation of the issue.

Councilmember Korte: You bet.

[Time: 02:24:52]

Mayor Lane: So give us your lead.

Councilmember Korte: Okay. I asked for consensus on three items. One page 77, area of change criteria two, to the COGs wishes to add the verbiage to change 10 acres to 5 acres south of the C.A.P. for a major general plan amendment. That's the first one. Number one. I propose that we retain the task force verbiage.

Mayor Lane: The original language.

Councilmember Korte: The original language.

Mayor Lane: Does that change anything for you, councilman?

Councilman Phillips: I well might not agree with that, doesn't dismiss the fact that COGs does. I can't make that distinction.

Mayor Lane: You are making the decision, not COGs.

Councilman Phillips: That's why I have to leave it on the table.

Mayor Lane: Would you want to have that hang in there? That's essentially going forward? Okay. I know where you are at. I would be decree able -- well, I have to choose my language correctly. I would rather not include that additional language on the five and the ten, retain the original language.

Councilmembers: Inaudible [Off microphone comment]

Vice Mayor Milhaven: Me too.

Mayor Lane: Councilwoman Littlefield.

Councilwoman Littlefield: Inaudible [Off microphone comment]

Mayor Lane: All right. So we have got -- so it's -- so the consensus there is simple majority is that it be --

Councilmembers: Inaudible [Off microphone comment]

Vice Mayor Milhaven: So if we are not going to have an opinion tonight, where are we going to have

an opinion?

Councilman Phillips: I have an opinion in the next study session if the leaders of each group can get together with staff and hammer out a compromise.

Vice Mayor Milhaven: So it's COGs and who else?

Councilman Phillips: It's COGs and some other groups. They are still out there. They still talk to you guys personally. You know exactly who they are.

Vice Mayor Milhaven: We know who the task force members are and the task force opined.

Councilman Phillips: And you are friends with them and you can talk to them --

Vice Mayor Milhaven: And some of them are your friends too.

Councilman Phillips: And I will do that too. But I can't take it off the table. What I'm hoping is that we can do that, so that the next study session will come back and say, you know what, I talked to my people and they are agreeable to this and not this.

Vice Mayor Milhaven: I talked to my people, they are agreeable to this and not that.

Councilman Phillips: It might actually work.

Mayor Lane: Have a consensus of four not to amend the plan on that item.

Councilmember Korte: The second?

Mayor Lane: Yes.

Councilmember Korte: The second item was page 74 to maintain the original language on page 74 regarding McDowell Sonoran Preserve, maintaining the original language and the task force report.

Mayor Lane: I would agree with that, no further comment on it.

Vice Mayor Milhaven: I agree.

Councilmembers: Inaudible [Off microphone comment]

Mayor Lane: Okay. Councilman Phillips.

Councilman Phillips: I don't agree.

[Time: 02:28:43]

Councilmember Korte: And the third --

Mayor Lane: 4-3 on the consensus.

Councilmember Korte: The third was the matrix, to maintain the original matrix as presented by the task force, period.

Mayor Lane: Okay. I wish I knew what the consequential effect of that matrix was one way or the other. Obviously the only fact of it, I don't like the Preserve being indicated on there as a major plan amendment, and so --

Councilmember Korte: You know, mayor, I will withdraw that one. Let's leave that on the table.

Councilwoman Klapp: I would like to state I thought you made a valid point when you were discussing the matrix, about the Preserve that I really don't think it needs to be in there either. I think there should be a statement in the general plan that you cannot make an amendment with the Preserve and just take it off.

Mayor Lane: You don't have to reference the ordinance. I don't think it should even be on the matrix but other than that, the matrix that was in that plan, that task force recommendation is fine. That's the only one that I have an issue with is the Preserve.

Councilmember Korte: Is that a suggestion -- is that a --

Councilwoman Klapp: That would be a suggestion of mine that --

Councilmember Korte: For consensus?

Councilwoman Klapp: That we use the same matrix, we just remove the reference to the Preserve off the matrix.

Mayor Lane: So accept the suggested matrix --

Councilwoman Klapp: But remove the Preserve.

Councilmember Korte: The original language. The original matrix?

Mayor Lane: Oh, all right.

Councilmember Korte: The original matrix.

Councilwoman Klapp: Yes, the one that's in the task force recommended plan.

Councilmember Korte: And remove the Preserve.

Councilwoman Klapp: Remove the Preserve.

Councilmembers: Inaudible [Off microphone comment]

PNT Manager Erin Perreault: I believe the Preserve ordinance allows for certain Preserve lands to be extracted from the Preserve based on council action. So I don't know that we could include language that negates that. We would have to consult with legal but certainly you can consider keeping it or removing the Preserve in terms of major or non-major amendment.

Mayor Lane: All right. So if we might, is there a consensus, Kathy, are you weighing in? It's it is exactly.

City Clerk Carolyn: Jagger: Your Honor, we are not picking up all the councilmember comments. Can we remind them to be sure to turn their microphones on when they speak?

Mayor Lane: Thank you. Yes, councilman.

Councilman Smith: Mayor, could I ask and maybe it's to Councilmember Klapp, if you could revise your motion to just remove the Preserve from the matrix, period, then I think we might get a vote on that. If you say you want to remove it --

Mayor Lane: From the suggested matrix?

Councilman Smith: From any matrix.

Mayor Lane: Oh, I see. All right.

Councilwoman Klapp: I'm okay with, that but I would like the matrix will that's in the recommended plan.

Mayor Lane: The task force one.

Councilwoman Klapp: In the plan. So I probably couldn't say I wouldn't accept any matrix. I won't accept the matrix without the exception of what's in the plan.

Councilman Smith: I'm not saying what matrix you would like. You are just saying in your opinion, the Preserve should be removed from any matrix, period.

Councilwoman Klapp: Okay. I could -- I could accept that, whether everybody else does, I don't know, but, yes. I think the Preserve doesn't belong in the matrix.

Mayor Lane: I'm all right with that too. I don't know whether that means that we are staying with

the task force matrix.

Councilwoman Klapp: That could be a separate thing. I think he's saying separate, two steps to this process, remove the Preserve and --

Mayor Lane: All right. Let's stick with the first one first so we don't lose track of this, but in any case -- so you removed, if I might be so bold, councilwoman, you removed the original suggestion not to adopt the suggested new matrix.

Councilmember Korte: Correct. Yes and then Suzanne Klapp presented another option.

Councilwoman Klapp: Yes. And I think what was suggested is fine with me, that there are two things here. One is that I would recommend that we remove the Preserve from any matrix discussed in the future. Second to, that I would approve the matrix that's in the task force's recommended plan. That's two things. You can take them separately because I think Councilman Smith only wants to agree with the first part.

Mayor Lane: All right. Let's try that one. You start with your first.

Councilwoman Klapp: The first one is to remove the Preserve from any future matrix in the plan, the land use matrix.

Mayor Lane: We will go around and you want to address this issue.

Councilwoman Littlefield: I have a question. Councilwoman Klapp, why do you want to do that? On what basis?

Councilwoman Klapp: Because as was suggested it really isn't subject to amendment, with some slight changes in what Erin said about some things that council can do, but just basically to follow what the ordinance says to follow about the Preserve. You can't really amend it. So why have it on the matrix? I think it just muddies up the matrix.

Mayor Lane: Councilwoman Littlefield, any

Councilwoman Littlefield: I would just think that all of the land within the Scottsdale boundary should be a part of the matrix, just by general principle.

Mayor Lane: Well, let me just -- if I might, the only problem with it is it's not necessary. It's protected in a variety of other ways that the implication is in there as a separate line item and it's subject to a major plan amendment. The implication is that it's part of this process and it's really not. All right. Councilman Phillips.

Councilman Phillips: Well, I have to admit that I don't understand the ramifications of taking it out. So I would say not to take it out at this time, so I can understand it further, how that works.

Mayor Lane: Councilman Smith.

Councilman Smith: And I would be agreeable to taking it outta assuming that Erin and the legal people can provide the protections otherwise needed for the Preserve because it really is not an element of land that can be omitted by major category.

Councilmembers: Inaudible [Off microphone comment]

Councilmember Korte: Yes to Councilwoman Klapp.

Mayor Lane: You might just leave your microphone on and just be quiet.

Vice Mayor Milhaven: Mayor, I would also go with taking it out.

[Time: 02:36:41]

Vice Mayor Milhaven: We can keep walking through this list and I feel like councilman Phillips said earlier, we are getting nowhere fast. I would like to make a suggestion about how we move forward. What we see is there are lots of opinions and they rarely -- the five of rarely agree on anything. The same five of us don't agree on another thing.

Might I suggest that we follow a similar process that we use for the bond, have staff put together a list of the COGs recommendations and give each of an opportunity to say needs to be included, should not be included and I can compromise around this, to get a consensus of where we are, to see is there a way for five of us to agree on some version, some adaptation of the task force recommendation because if we can't -- and then that would give Councilman Phillips the time he needs to talk to his people to see -- and see where we wind up. I'm not feeling like we are getting any closer to any agreement with this process. I think it just continues no demonstrate how divided we are.

Mayor Lane: And I appreciate the fact. We are not trying no demonstrate division, but nevertheless, you know, I would say we are making progress, but I will also endorse what you have suggested. I think that's a far more efficient way to go about it in a quicker, cleaner way to do that. And frankly, we already have established, at least to a degree the things that are important to us. The own thing that we will lose in that process is the very discussion we are talking about by someone who might want to advance an argument for or against. Well, that's the only thing that I see as a problem.

Vice Mayor Milhaven: If you leave it to say, I'm adamantly opposed and I'm in vehement support and on this, I'm negotiable and I'm willing to consider either side and I'm willing to be persuaded.

Mayor Lane: I do appreciate what you are suggesting, but part of our -- I really do and, in fact from my perspective, it would be a far easier thing to try to orchestrate, but one of the obligations we have is to have discussions in public about our feelings about it. So maybe there's and adaptation to that

process that we could discussion.

Vice Mayor Milhaven: Maybe we do another work study and say here's the outcome of the poll. What is the best way to move forward? Mr. Washburn has something?

Councilman Phillips: Mr. Mayor, I would agree, as long as it's part of the continuing process.

City Attorney Bruce Washburn: Thank you, mayor. If I can remind you, when we did that on the bond, it was preliminary to what the council would take legal action and, in fact, we made sure that the results of the survey were disclosed at the time that the council was going to take legal action. So in other words, it can't be out of a public meeting process to have that discussion. So if we do proceed with this, I would assume it would be in that context.

Mayor Lane: You mean in the context of a regular meeting rather than a work study?

City Attorney Bruce Washburn: It can be work study, just as long as the results were made known to the public as long as they were made known to the rest of council and part of the process for this kind of discussion to take place, of a regular meeting or a work study.

Mayor Lane: Well, a work study, certainly it's discussions and not necessarily -- but it is to agree as we witnessed here to deliberations on it. We are responsible to make sure that that's done in public. That's the only caveat I have to a total agreement with that approach. Yes, councilwoman.

Councilwoman Littlefield: I will agree with Linda's suggestion, Councilwoman Milhaven's suggestion. I think if we could, all of us do something like that on all of the different changes, perhaps we can eliminate some things that really aren't that important to us and target on those things that are. If nothing else, we can focus the discussion on the next work session on those items.

Mayor Lane: I think that's valid. Yes?

Councilmember Korte: I think it's a great idea. Let's consider perhaps it is premature. Premature. So we have committed to some public outreach this document from COGs is one public outreach and we have meetings set for other groups and other areas of the city. So we don't know what's going to come from those sessions and that input for us to believe that this is the end all of input, I think it's premature.

Mayor Lane: Premature to have the council to decide --

Councilmember Korte: To do the poll.

Mayor Lane: You think it's premature to do that?

Councilmember Korte: Yes.

Mayor Lane: Part of this process is this meeting and part of what our responsibility is, is to have an open discussion, of our levels of thought, deliberation on all the individual items and when I say that, we could have come in with no input and just said, you know what, we don't like this particular provision that the task force brought forward. We could have been doing just that. And instead what we are doing is debating -- I don't know that anybody came with objections to the languages that's in the task force deal but we haven't ever touched upon that. That could have happened too. What we are really talking about are suggestions that have come from outside. In this meeting, that's what we are doing. I have really do believe strongly.

The poll is one thing but I do believe we owe it to the public to discuss our feelings and why we should be doing it or not, the very suggestions. I'm all for getting our thoughts together and doing our homework ahead of time and coming back and ready to discuss them. And if there's only one person that says no to an item and everyone else says yes, the opportunity to at least discuss it. Now, that could be elongated and difficult discussion. I think we owe that to the public as far as that's concerned. We have been wrestling with this thing for a long time. We want to make sure that we are doing it right and we communicate as best we possibly can and that we hopefully -- I know there's been a lot of voice frustration, and the lack of consensus and the lack of votes to put it on the ballot. But that's something that we have got to deal with.

[Time: 02:44:02]

Councilman Phillips: Mayor, can we get a consensus on her suggestion?

Vice Mayor Milhaven: I think Virginia is right. Let's continue with the public outreach that we have planned and see what other issues are raised and then we have -- we know we have a comprehensive list. Poll us and then we can have a work study to discuss the results of the poll.

Mayor Lane: I would take them separately. I know Councilwoman Korte said this is premature. We have already discussed this quite a bit. There are a lot of things on the table and a lot of discussion. I would ask staff to go ahead and put together the program, that matrix of our opinions and the gradation just like we did with the bond issues and then we will set some kind of time to make sure that we go through that in public. Now, in the meantime, we may have something additional to add. Right now we have a quantifiable issue that's come from a public organization, a group of citizens that we can address, I think clearly. And we may have other things with it. We can do another poll if we want to or we can separately debate that depending upon how extensive that comes to us.

Councilwoman Littlefield: I would like to say, I like the idea that Councilwoman Milhaven suggested. I also think that if in the course of the public outreach other ideas come before the staff, that we have not considered, maybe has enough support from the public that should be incorporated into our thoughts, that that would be something that could be done and to our own benefit, to be able to talk about it and discuss it at a future date. So I like that. I would support that. I think that's a good idea.

Mayor Lane: And the only thing I'm suggesting is that any departure of that, I endorse that as well but I do want to make sure that we approach and respond to this. I want to get a good sense of where we are and what is vital and what's potentially negotiable and what is an absolute no. But in any case, we will get additional input from the outreach, I'm sure. But, remember, it won't be as structured as this. And -- and I don't imagine it will be.

PNT Manager Erin Perreault: Mayor Lane, and council, similar to what we did in 2011, we collect citizen comments, board and commission comments and group comment with individual comment and you will get those in a matrix format. You got some of them today. We anticipate -- we have seven more boards and commissions to go to, for example. So we anticipate more comments from that level and also in the community as well. So we would document all of those comments for you.

We currently have in October work study session, I think it's the 13th already set through the clerk's office. We can certainly retain that. We anticipated having the majority of comments by that time what I would suggest is possibly looking at postponing the tentative planning commission and city council date, however, because depending on what happens at that work study, it could be a different direction at that point and we haven't formally advertised those in terms of the newspaper yet because we don't have to but we have those dates and I would like to clearly communicate whether they are happening or not happening to the community as well.

Mayor Lane: I'm already in agreement.

Councilwoman Klapp: Yes, I think we need to look at the timeline here, based on how long it's going to take us to get somewhere on this, that our timeline is way too ambitious at this point.

Mayor Lane: Now, there's one consequential. If we talk about this in public which is our obligation to do, it I'm talking about our thinking and feeling about that, that's positive and good. The only thing that we are not lending to, the change in the timelines will probably facilitate this. I think whatever we do with what we've got right now, we need to somehow come to some consensus as we move forward otherwise we will argue the same points over and over again. So incorporate that if you will into the timeline. And we are of a consensus on taking that correction. Nods of heads is fine. Okay. We are good. And thank you.

Incidentally, I probably did not say it at the front end but as always, I want to thank the task force and, frankly, everybody who has lent a voice to this because that is, as someone else said, a very clear indication of our community and their involvement and their interest. So everyone should be commended but we are all subject to the discussion. So thank you. And thank you, Erin and staff.

WORK STUDY SESSION ITEM NO. 1 – FIRE DEPARTMENT STANDARDS OF COVERAGE AND DEPLOYMENT PLAN

[Time: 02:49:20]

Mayor Lane: Now, I'm sure first item, I may owe an apology to the fire department. I'm sure that

the fire department will be motivated to be even briefer in quicker in anywhere comments now that they -- but thank you very much, chief, and --

Fire Chief Tom Shannon: Well, mayor what we will do is provide you an opportunity for complete consensus right out of the gate! Well, it's my pleasure to briefly, briefly introduce our consultant Joe Parrot from the Emergency Services Consulting International. Joe is a senior consultant at E.S.C.I., and that is a company that provides consulting in what is considered the standard for reviewing fire departments and the services that they provide in their communities against the national standard. Joe will be a wealth of information for you. I believe each of you had a chance to meet him some months ago. Staff -- excuse me, staff will be here for any follow up questions that you may have, whether they be very high level, strategic level questions or very, very in the weeds. But without further ado, I will introduce Joe Parrot.

Mayor Lane: Welcome.

ESCI Senior Consultant Joe Parrott: It's a pleasure to be back in Scottsdale. It was much cooler the last time I was here. And apparently this hot weather will be moving into Oregon later on this week and into the weekend. So we will be enjoying it up this when I return. I had a wonderful experience working with your fire department staff, Chief Shannon and Chief Freeberg and everyone else involved have been extremely helpful and provided excellent information in a very timely manner. And so what -- I have a high degree of confidence of everything that's notice this report. I wanted to let you know that Lance Lanyard and E.S.C.I. architects are here with me tonight as well in case you have any questions regarding the facilities analysis and review portion of this project.

Standards of Coverage and Deployment Plan is the document that was prepared for you. It was prepared in accordance with guidelines produced by the Commission on Fire Accreditation International. They nationally accredit fire departments and review their procedures, processes and everything else that goes on with what they do and provide accreditation to those that are successful. We also look at industry best practices and national standards and guidance from both the likes of the NASA fire protection and others. It describes the community that's served by the fire department, the services the department provides to that community, and the community expectations of the fire department, and that's the -- I met with a number of you the first of the year to discuss what those might be. Critical tasking and alarm assignments, I will talk more about that. Historic system performance, how well has the performance been doing in terms of response time and other factors. And finally it concludes with my conclusions and recommendations for service improvement and both terms of quality and efficiency.

The document is a thorough review of community risk. So a thorough review and analysis of the services provided to the community. Anything that's getting in the way of doing good service; and again, finally the recommendations. What it does not is a mandate that you the council start spending a lot of money. It's not a mandate of a lot of money or expenditure of funds. It's for use in your policy discussion.

Real quickly, and I will go through these slides fairly quickly. This is largely what you know already.

Scottsdale is a very diverse urban community. Large resident population, and a significant influx of tourism, employment, you know, your static resident population is just the -- the tip of the iceberg, the very specific events and add significant numbers of people to the community. I do have to share a compliment with the department on the way they are able to staff for those special events. They do a very, very good job.

The fire department is a full service department, and it has 15 stations, 260 some employees, a minimum of 67 firefighters on duty at any one time, and they provide a full arrangement of services all the things that I would expect from an urban nature fire department. And even a little bit more. So they are working real hard.

Some different -- the community risk section talked about what the fire department was able to protect. The service population variation for special events, employment and other things going on and like I mentioned the department is doing a good job managing the additional workload that comes with that. Floods. There's extreme flooding and such that occurs during the monsoon season. Your city has been doing a lot of work mitigating those risks but there's still a challenge at times. And then wild land fire. There are areas to the city's north end and certainly the McDowell Sonoran Preserve risk, and that's a treasured option. Making sure it doesn't burn up in a wildfire is of significance importance.

The department is busy, 28,500 responses between July 1st, 2013 and June 30th, 2014, the majority of those emergency medical. By month, your busiest months are March, April and May and it gets really slow July, August and September. September in particular. And very typically, with an urban level fire department, the workload varies significantly by time of day. The early morning hours when people aren't up and moving around and starting fires and getting sick, there are relatively few calls. Starting about 8:00 in the morning and running until about 8:00 in the evening it gets very, very busy. So it's not static. The majority of the service demand is also down in this area down here. 40% of all calls of service that the fire department responds to, exist or occur down in this area south of station 3. That area contains 30% of your total population. Some of the drivers with that are that it's the entertainment area and a lot of people are there that don't live there and come there and unfortunately have to call for the fire department services.

Unit hour utilization, that's how busy each of the fire companies are. It's basically a percentage of time that they are actually committed to an emergency event. You have two stations, engine 601 and station 1 downtown and station two in the downtown area are both very busy and, again that just reflects the incident density that you saw in the previous slide. As we look at how your community is expected to grow over time and how the fire department services are utilizing -- being utilized now, how that utilization rate has changed, we project that by the year 2040, if everything goes the way the predictions are, they will double their response load to over 56,000 a year. And so this system is not the least bit static as well.

I want to talk about what makes a response effective, versus non-effective before I get into the performance side of things. It's a fairly simple equation. If we could get enough well trained people well right tools and equipment to an incident quickly enough, we can be effective. If we don't have

the personnel, then we won't be effective. If we don't have the right tools, we will not be effective. If we get there too late on those calls that time matters, we are not going to be terribly effective. People train emergency responders, tools are the apparatus and the equipment. Time is the duration between the start of the event and our fire department's intervention and then effectiveness is really measured by the degree to which the harm caused by the event is limited. The harm has already occurred. We want to limit the continuation of that harm.

The people side is defined in the document in critical tasking section. It's -- it's all of those activities that need to happen fairly quickly upon arrival of response personnel and how many people it takes to really do those different functions. Tools are the apparatus with the equipment that carry. And based on the nature of the emergency, phases, somebody has to notice. It could be a firearm alarm or someone just witnessing an emergency. They have to make a contact with dispatch. Dispatch has to figure out and figure out who has to respond to that call and what city and Phoenix is multi-jurisdiction. They need to get the right equipment on and assemble on the vehicle and initiate the response and then there's the travel time and set up time and incident control time. A lot of things have to happen between the initiation of the emergency and we actually start making it a better situation.

We focused real -- in large detail on those five items, initial contact, and initial dispatching and others. We care about time for several reasons. In a fire event we know that fires grow in a particular predictable fashion. They start small and the flames increase and start burning nearby combustibles and flammable gases begin to accumulate inside the room, particularly at the ceiling level because they are warmed and at some point the phenomenon occurs, in the 5 to 10 second depending on the fuel level. At flashover, all the combustible gases and the preheated combustibles ignite fairly violently. At that point it's no longer a room and contents fire and it's extended into the balance of the building. Two realities, one is it will be a significant loss and anybody who was in that space at the time is no longer a survivor. We have gone from rescue to recovery. Data proves that as long as we can keep it in the room of origin, we can really minimize the losses and the injury rates and the death rates. If it extends to floor boards in the building of origin, they double again. So trying to catch it small before that flashover event is really our goal in fire suppression.

Now Scottsdale a bunch of years ago took a very -- I consider a courageous move and adopted a mandatory sprinkler ordinance. Congratulations. Even with that ordinance, you still have over \$2.5 million worth of fire loss last year in buildings and those were buildings that were not sprinklered, predate of the ordinance or those fires occurred in spaces not protected by the fire sprinklers. So there's still a fire risk within the community.

Emergency medical services same thing. The longer we go without -- if our heart stopped, the longer we go without C.P.R., the less chance we will have to survive. A.E.D.s are critical, having trained citizens, so we can initiate the life-saving care. It's critically important. Trauma, we have an hour from the injury to emergency -- to surgery, if there's significant bleeding going on. Stem myocardial infarction where people go straight to the cath lab. A variety of other things that make emergency medical calls even time critical.

We evaluated the department's performance using national stand. The chief and I talked about how we wanted to do that evaluation. We both agreed that evaluating based on national standards would be the best approach. Part of that is from conversations that I had with many of you, talking about how you wanted the fire department to be as good or at least as good as similar communities and benchmarking against the national standards seem to make the most sense. I looked at various things, call process time, the call transfer time and all the way through to full effect of response force. How long did it take to get everything to the incident responsible for a multiunit response.

So going through these really quickly, the time to answer and transfer the call is unknown. We have no idea. Scottsdale P.D. receives the 911 call and if it's a request for fire department services, then they transfer that caller to Phoenix metro dispatch, who then does the interrogation and determination and dispatches the fire department. There is no data to know how long that takes and you will see a recommendation later that that would be really important to know. The time Phoenix then takes once they get the call to dispatch and notify response personnel in fire, the target is 60 seconds, 80% of the time. They are doing it in 82 seconds, 80% of the time, longer than the standard. Emergency medical calls 90 seconds, 90% of the time they are getting them out in 99 seconds 900% of the time. They are relatively close to the standards. I am going to talk about those in a minute too.

Turnout time, fire, 80 seconds, 90% of the time. E.M.S., and 90% they are getting out the door in 73 seconds. I've got to tell you in hundreds of departments, I have done this type of work. That's the best performance I have seen. Congratulations to them. Travel time, this is the elephant in the room. Target four minutes 90% of the time, and actual is almost seven minutes. This is a difficult town to transit, especially responding code three in a great big fire truck. There are challenges here and I will talk about some.

These are the current fire station locations and the area around each that a fire truck can get to in four minutes of travel time as you can see there's a lot of area of Scottsdale that's not well served. 70% of incidents that occurred during that time period that we reviewed occurred within a certain radius of the station. Total response time, this is from the customers' view point, from the time I have call 911 until I have help at my front door. Again, we have a component that we can't measure at this time, and this is the call answer transfer time. From the time Phoenix received the call until time was at the front door this is the performance that was achieved and this is the national standards for what this performance will be. So we are a little over four minutes above the standards and the emergency medical calls.

One of the questions I asked several of you when we were talking is what is your expectation from the time you pick up the phone until help is at the front door and your responses were closer to the national targets. So based on at least your assessment of community expectation, there's some work to do. Effective response force. We didn't use the full definition as prescribed by the fire department. We have used that which is included in the national standard which says how long does it take to get two fire engines, a battalion chief and 14 firefighter into a house fire. Actual performance was at the 12 minute 16 second range. So, again, work to do here.

We evaluated geographically the capability of the department, based on the current deployment.

The map on the left shows the area to which 14 -- bearing levels of firefighters can arrive. The areas of light blue and dark blue is where we can get 14 firefighters. The rest of the area is not. The map on the right is how we can get the two engines, ladder truck and the battalion chief. The green is good and the white is not served. So, again, there's deficiencies in the system there.

We have some recommendations. The chief and I have spent a great deal of time discussing these and his staff. I think we are pretty well in agreement that this is the way forward. We would like you to adopt response performance goals. This is your fire department goal. It's not for tomorrow. You are a full service city and as a council, you have a lot of priorities you need to balance out. Additional funding for the fire department will have to be weighed against the library and the police and everything else that you are involved with, but at least provide your fire department a goal to strive for, a basis to report you to progress on changes that they make and such.

And so we have recommended this set of performance goals for your consideration. We would like to know how long it takes to answer and transfer a phone call. That could be a small piece. I suspect it is probably a small amount of time. We don't know. It would be great to evaluate that. Dispatch, I think we can get quicker service out of dispatch. Just over the standard. They use pre-alert. Let's get the location and the basic nature and get that out to the first two response units. 30, 35 seconds, 90% of the time is all it takes to do that, which is a full minute improvement over the current dispatch times. So the system -- the equipment is in place already at Phoenix to do that. It's just a matter of procedure changes that Chief Shannon and team can work on getting in place.

Tier response to E.M.S. incidents. We don't necessarily need to send everything to every E.M.S. call because some are minor. Some are relatively, you know, kind of scratch your head and go why did you call 911 for this? Some are clearly life threatening and deserve a response to be effective. Phoenix is already querying the caller to define whether this is a low priority or a high priority call. The fire department right now is sending basically the same response to every E.M.S. incident. That's the system, they respond to single engine, backed up by an ambulance. That's fine. There may be some responses but the ambulance doesn't need to respond to. A little bit later, I will talk about quick response units, smaller two-person calls that are perfectly effective on the basic life support and nonlife threatening responses. So trying to at least scale back the response on those calls that don't necessarily need the full level response that will be an improvement -- help improve not only the utilization of resources but the system reliability and such. Quick response unit. Again, we are talking about a two-person unit, one paramedic, one other.

There's a current need based on workload and there's a discussion in the report about the workload within that downtown -- that downtown area. The units in that station are already overburdened. There's some response time suffered because of that having a quick response unit in that station area would it allow it to respond, saving the engine for the more significant calls this is a prime candidate to try this process out. So we would really recommend implementing that quick response unit in the early term within station 601 to test it. It's a concept that's being used across the country. It works well.

There's a current need in that station area, and we would recommend that happen fairly quickly. It

also supports the tiered E.M.S. dispatch. Now you have a smaller unit that can respond to the basic life support calls. The big challenge is going to be deploying the system, deploying resources within the community in a way that provides the response performance that at least many of you will thought the community expected. To get the 90% coverage, it's very expensive, I will not deny that. 11 new fire stations, five new fire engines, and nine quick response units and 108 more firefighters, \$58 million one time and another almost \$9 million a year ongoing this deployment option would provide you the six or the 20 minute response time coverage. And if that's the target you have want to set, the fire department will work diligently to try to move forward with that.

Recognizing that that's a pretty expensive price tag, did I offer an alternative. And that's to say rather than 90% of the time, we get there in four travel times or six response minutes. We call it 80% of the time. 20% of our calls be longer than that performance than 10%. Now national guidance, in this case 1710 primarily says we want to try to measure performance and set performance based on the 90th percentile. We want to deliver service to as many customers as possible but we recognize there will be odd things happening in a response, traffic, construction, bad address, all -- a variety of different things. We have want to keep that number of long calls to a very minimum. You do have the option. It's a policy call, and clearly up to you to set that percentage wherever you want to. So if you want to say we'll get to 80%, and that's good enough, 20% will be longer. That's fine. It's also a much cheaper option at half the cost long term on an annualized basis.

In deciding where to add new resources, one of the things I did discuss with you are should it go where the next most likely follow is to occur or should we improve service in areas that have more deficient service? This slide and then the report also shows based on the fire department's planning zones where demand occurs -- greater demand occurs in first quarter mile and where the service may be suffering more than others, the northern corridor, for example, and the top one desert foot hills are both very long response times. Very low demand but very long response times for the calls that do happen. So, again, the policy call is if you have another dollar to spend on the fire department, where do you want to put it? Improving service to those who aren't getting well served now or improving service to the areas where it's most likely the next call is going to occur? Geographically, that's pretty easy to define.

Final recommendation had to do with wildland fire. It's in here for two reasons. One, I think there's some opportunities for the fire department to improve the wildland fire capability and the other is they are pursuing accreditation and there will be a criteria for wildland fire review within the S.O.C. So we are ahead of the game on that one. Increased level of training. The firefighters right now are trained at the fairly basic level. We would encourage them to increase that training and to provide a better response. Second, since road access is very limited and it will stay that way, as you clearly mentioned to me when we met, developing more agreements with air attack resources will be very valuable, meaning with private contractors and U.S. forest service and state planes and stuff. Just having agreements in place so the air attack resources can get in there quickly and keep that fire small so it doesn't spread beyond. And with that, I would be happy to answer any questions.

[Time: 03:17:27]

Mayor Lane: Thank you. We undoubtedly will have some questions. We will start with Councilwoman Korte.

Councilmember Korte: Thank you, mayor. For Chief Shannon, the bond measure moving forward, we have two new fire stations going on and a relocation and how does that impact these numbers?

Fire Chief Tom Shannon: We do. Well, certainly, the building of permanent stations, mayor and council, station 13th's location. And station 16 will help provide a more appropriate platform to respond to companies from, but they don't do much to change that response zone. 13 will help a little built as it moves to the southwest. Station 3's rebuild is the opportunity there and the consideration of station 4 is an opportunity. If you may have noticed by the -- that map, where as we -- right around the McCormick park area and then southwest of station 4, there's a gap. There's a response gap and we believe that that's an opportunity to consider, perhaps, a singular station holding a number of apparatus and a number of considerations. There are a number of real benefits from what's coming from the bond proposals.

Mayor Lane: Thank you, councilwoman. Yes, Councilwoman Klapp.

[Time: 03:18:46]

Councilwoman Klapp: You noted the -- I think it's called a quick response unit. Is that only recommended right now for the downtown station? Is that correct?

Joe Parrott: The downtown area is essentially overworked now. The response workload has the response unit beyond the 10% and, again, we measured performance at 90th percentile, if the response unit is busier than 10% of the time, it can't meet a 90th percentile response measure. It's ready to go in that area. So, yeah, that's why we are recommending that station now.

Councilwoman Klapp: Are you looking down the road for another quick response unit that you might need besides downtown?

Fire Chief Tom Shannon: Mayor, members of the council. Yes, ma'am. So the opportunity there is we currently operate a four-person engine company called 60/40. It's a 40 hour engine company that at its inception was used to basically backfill stations with the downtown turn in the economy as we try to adapt to basically taking every sworn member that we could and get them back into the streets. We needed something to relieve companies to do training and the things we had to get done. That opportunity is morphed into continuing what Joe has recommended in the quick response units and perhaps right sizing the response and some of those very busy areas in peak times. So we are really looking at that. But one very interesting recommendations in the study is that -- and I will tell you that we are not alone in this. The region is very, very closely looking at this. Mesa is doing some innovative stuff that's applying smaller platforms. Chandler is doing that right now as well as Tempe, and so I think we should look at smaller platforms to respond to the lower acuity calls.

This doesn't negate the need for a fire truck in a fire station, nor would Joe recommend that because

we still need that effective firefighting force to respond. The two-person units are clock stoppers, if you will for the lower acuity call and along with our partners from rural metro. He's here to answer any questions about our partnership. We would recommend that that at a minimum, a gap filler between going to full four-person companies as we transition, the downtown is busy, and getting busier.

Station one there is even with the relocation is very busy as know mentioned. Could use a quick response unit now and with any really projected development along the McDowell corridor, we would very seriously recommend it, the addition of quick response units to address some of those call types. And it's not as mysterious as it used to be. Data and analytics give us a good idea of where the call is going to be and what type of call is going to be. We can overlay in this community pretty reliably the types of calls we are going to get and almost about when we are going to get them. And so what used to be anecdotal information, one call per thousand in Scottsdale, it's about 1.27 calls per thousand, which makes us above the average and yet we can pretty reliably predict when and where those calls will be.

So yes, ma'am, long answer, short question, we think we should look at those Q.R. U.s.

Joe Parrott: The more expensive deployment option, 90th percentile. Only five of those were full-size fire engines and the other nine were quick response units only.

Fire Chief Tom Shannon: As I think with the station 3, station 4 area challenge, creating an -- we need to obviously look at this with good data, but intuitively, we would say that if you can get station three more northeast and station 4 more southwest or make that a single location, you get the benefit of saved facility, cost and more appropriate singular platform for two companies to respond out of and then maybe use the old station four location at District 3 as a quick response unit platform to kind of catch those gap areas. As Joe pointed out, we have the benefit and you all intuitively got there. Six minutes is what science tells us that your brain and your house need in terms of a response. For us to play chess out there and cover the map is really what we are looking to do. I think those are the opportunities then and certainly the bond may provide that.

Councilwoman Klapp: One other question about that. Is the quick response unit to be housed at the station or is it going to be staged somewhere outside of the station?

Fire Chief Tom Shannon: As described by Joe's plan to get the maximum coverage, you would have to have new locations for those Q.R.U.s to operate from, but I think a transition between now and then could be peak time floating units if you could imagine.

Councilwoman Klapp: It would be moved around and not actually located --

Joe Parrott: It very well could do that.

Fire Chief Tom Shannon: Mathematics lets us predict that demand and where that demand will occur and so we can pre-stage. And when we look at the system, if we go down to the Phoenix

regional dispatch center and we look at the big board, it looks like a moving organism at all times because that's exactly what's happening. We watch where there are vacancies and we are moving resources. So the Q.R.U. is an advantaged tool to cover areas previously not covered. Yes, ma'am.

[Time: 03:32:41]

Mayor Lane: Thank you, councilwoman. Chief, I guess my question would be a couple of things and that is some of the information that Joe you just went through as far as the targets, but also as well as just statistical information with regard to response times and workload, I'm wondering if there are -- and I recognize what we have here in the way of some recommendations a and b on the one side of things but also the quick response vehicles, all of it has some impact on those statistics.

Are there things -- I want to set aside for a moment, because I want to ask a separate question on a relocation of fire stations. Are there things that have been uncovered with the identification of those statistics and the targets and our ability to meet targets, or not that we can do with existing resources to reallocate and, of course, this comes into the -- the relocation of fire stations rather than building new. There's no breakdown between that, but I've got to imagine given if we are looking for those 25 incidents that are far north and we will try to redo these percentages if they are 10 minute deals it goes into that average, is there something that we are going to be able to do easily in the reallocation of resources that would drop that number and do we consider the number of instances other than the weighting of that stack when we think about answers to it?

Fire Chief Tom Shannon: At this point, moving a resource from point a to point b, because this area up here is poorly served will just create a gap over here and now you have this area. There is no overlap between fire stations at this point. So moving simply just moves -- just changes who has got the slower service.

Mayor Lane: So there really isn't any reason to have a relocate a full sized fire station. They are awful new.

Joe Parrott: Well, in the plan I put together for the fire department, there were some stations that could -- rather than add only new stations, I was -- I looked at moving stations to reduce the total number of stations overall. There were some areas that if this is a poorly served area here, we need to put a resource here but now I have overlap between these two stations. So if I take this one, it needs to be rebuilt anyway because it's an old station. And I can fill this gap because I did something over here. I looked carefully at moving stations and using G.I.S. analysis to help with that process.

Mayor Lane: If you moved one from an area to provide greater response time and another given area, all you are doing is shifting the problem. So that's why I was asking about relocates versus new.

Joe Parrott: I understand your question as not adding any new resources, just move them.

Mayor Lane: No, I'm not saying that. In your suggestions it says in the one case it says 11 new or relocated. And then I guess my question is -- and then it goes to your response, that relocating only

just transfers the problem to another area. There's there no real overlap. I thought I heard you say that.

Joe Parrott: Yes, that was my misunderstanding. Relocating stations from one place to another is a good place in order it create balance with the entire system. And I did do some relocations of existing stations because that was the best way to proceed with either of the plans, both plans include relocated fire stations. But both plans also include additional fire stations beyond what currently exists. So to the extent I could spread some out and avoid having to add even another fire station, I did that.

Fire Chief Tom Shannon: And Mr. Mayor, members of the council, while in Joe's document, it presumes it's 60/40 and its recommendation is that 60/40 remains performing its current work, I think that we are tasked with doing what I think you were asking all the time, which is the what is the biggest amount of coverage with the resources that we have had. I think 60/40.

Mayor Lane: And the best coverage.

Fire Chief Tom Shannon: Yes. 60/40, the 40 hour truck is doing a lot of great work in the very needed areas. The opportunity to consider breaking that four-person unit into two two-person units and try to get a larger spread over perhaps a number every days and hours of the day is worth some looking at. And that's where as Joe provided this content, we really wanted to make no assumptions about what he would find, although we intuitively knew what we would hear. I think it's worth looking at that.

I'm not necessarily so pessimistic that we can't do some innovative things with the resources we have now, but I will tell you this, and I have shared with a number of you, we still got some staffing issues. We still got to address the attrition issue and then we've got some -- some coverage issues that we're going to face over -- between now and when the economy provides an opportunity for us to make those adjustments but the reality is that we benefit from being in this larger system greatly, and all of the participating members, Phoenix included, are looking at ways to right size the response, and the things we can do most immediately cost no money at all. First of all, our partners at the police department are working very closely with us to get that call from that primary answer point to the fire department, very quickly. The fact that they are unable to quantify it is really a technology issue and there's some process issues that they need to address, however, they are all in. So that costs no money.

The Phoenix fire department needs to adopt these more modern dispatching methodologies which is 911, what is your emergency? And if I can spend a little time with you and get the right resources to you, that makes sense, however, we balance between the getting the right resource there and the time issue that Joe has described in terms of effective response. So they are working with this.

Certainly our ambulance partners, we are working with them to maximize the efficiency of getting the patient to the end care location that they most appropriately should get to from the gate. So this is where the community medicine conversation comes up. If we don't need to go on that call, let's not

go on that call. Let's get the community member to the right resource to start with. If we don't have to turn a wheel, that's great, the members got what we needed.

There are a lot of things coming down the pike that I think are reasons to, you know, think positively about where we are at. But I can tell you that we will be coming forward in future budget years for different ways to handle this ever growing call volume.

[Time: 03:32:41]

Mayor Lane: Well, then, let me ask this, if some trends working with the healthcare industry even locally, that in part responds to some. Things that we are talking about with respect to medical response instead of fire. So rolling an engine company, that could be equally or appropriately assigned, as you are saying, making an assessment of what the situation is. Are things that we are currently at least investigating and working towards. So I see that as potentially part of the answer. These recommendations also include a number of quick response, separate areas and separate equipment.

So let me gather my thought here. I want to say that there's two -- well, there's one other thing that I got here on the list. I will go to that right now. And that is the methodology that has been utilized here in the assessment of performance against targets and performance against time targets, workload issues. Are these things that on a continuing basis, is this a methodology that we can employ internally to continue to monitor our performance, no matter what we institute? In other words is it something that we can now independently or I should say internally make sure that you are reporting to us on a regular basis as to how we are moving toward or away from some of these things?

Fire Chief Tom Shannon: Mr. Mayor, members of the council, that would be my first recommendation, is quite honestly, hold our feet to the fire and report whether it be quarterly, biannually, you decide. How we are doing on meeting these performance objectives. Rather than asking you to adopt a 90th percentile which we know is astronomical number and hardly attainable, frankly, by most of the country, I would suggest you to that for us to adopt a methodology for analyzing or performing against science, that we tell you where we will spend that databased on data. I would say that's a very appropriate direction.

Mayor Lane: Well, I they that's really what is going to be an expectation, particularly when we are talking about this potential of increased investment in the area, that it's going to have to be measured against some target or some goal or some science as you are saying. So my question really goes to do we have the capacity internally now to be able to provide these kind of figures on an ongoing basis?

Fire Chief Tom Shannon: Mr. Mayor, members of council, absolutely. Our current performance measures indicate many of these same data points. I have a very, very talented staff that currently reports out on a number of them. I would argue that Ryan was Joe's right-hand man on this issue. It's good to have smart guys in your camp, right? I don't expect him to go anywhere soon. We can report very regularly on these items.

Mayor Lane: One of the other things we found in the past, I'm talking about years ago, is a different sort of baseline on how these things are measured. I'm presuming that nowadays there are standards as to when the tires roll, so that we are talking about apples to apples, no matter what kind of disapproval.

Fire Chief Tom Shannon: Absolutely. It's N.F.P.A. standards based on national institute of science technology. These are not industrial standards in terms of cultural standards. They are a science-based standard. And so I feel very confident that if we just follow this same methodology and Mr. Mayor, you may remember you were Vice Mayor when you heard about this kind of conversation. And not much has changed in terms of what we predicted would happen in Scottsdale but certainly our ability to gather the data and precisely say how we should customize service, I think, has improved and we will continue on that path.

Mayor Lane: And we have, as you well know, relocated and built some new fire stations, but on sort of the old school of setup, and no quick response units necessarily were rolling engine companies, all of those things that add to the cost to -- to coverage, but at the same time, they don't necessarily address efficiently and effectively the majority of what your calls or incidents are. I think there's probably some adjustment there and that's why I was talking about a little bit of a reallocation of existing resources as maybe --

Fire Chief Tom Shannon: Yes, I'm certainly not opposed to that, the challenges. We must have engines and ladders in each station and we have a certain number of utility players, if you will. And so the innovation and the efficiencies that you talk about are going to need to come with some additional resources.

Mayor Lane: And I understand that. One other caution, I suppose is that we are careful when we adopt -- and I will use this word but I won't use it ultimately. Some standards that put us at risk, you know, of certainly the prospect of falling short of a standard, and not moving short of a target or whatever. I would suggest what we hear from us is that we certainly embrace the methodology that you have employed in this analysis and consider the kinds of places we want to be, as far as the performance levels. We want to continue to monitor and as we say, not that we are not going to think forwardly on the basis of what we have right here at hand, but nevertheless, to make sure that we are making our moves strategically and investing where we need to be and immediately on the basis of just the kind of report we are seeing here.

Joe Parrott: Mayor Lane, if I may. One of the recommendations is that you do, as a council, adopt performance goals. A goal is something to be achieved in the future when it's possible to do so versus a standard that really sets this as the expectation of performance, which won't happen for a while.

Mayor Lane: And Joe --

Joe Parrott: The former fire department I worked for, that council had adopted a goal, 5 minutes 30 seconds from receipt of call to arrival of the first unit 85% of the time. We demonstrated to council

that we were at the time only achieving at 68% of the time. We prepared a resource improvement plan and presented that to council, defined that we would fully expect design element we should be at the 75 to 80% if we can just do. This shows we implementing the plan. In fact, we were able to demonstrate that this is the kind of success that we had statistically, which obviously makes everybody feel real good about the effort. So having your -- having you define for them what your future goal, where you want them to be, I consider to be deeply important in their ability to actually -- them periodically report to you, okay, we did these things because you allowed us to have the funds, and this is based on your goal.

Mayor Lane: But recall, whether it was standard or whether we call it a goal, if we set it and we adopt it, and we somehow or other don't meet it, we have some answering to do. And that can be a costly decision for the city. So it's just a careful area when we talk about the language, even in the direction here.

Fire Chief Tom Shannon: I appreciate it.

[Time: 03:41:02]

Mayor Lane: Yes, councilwoman.

Vice Mayor Milhaven: Yes, I agree. I think Councilwoman Korte mention the bond. When we see the outcome of the bond, we will have a sense of the community's appetite to invest in additional fire service and that will guide future decisions we might make. And, you know, you pointed out too that some of these standards are by science but some of them, very few fire departments are meeting them. And so while we would ideally love to perform the standards that science says. You were asking about the number of incidents and that's a really important question. When you look at some of these districts, they get 25 incidents per square mile, versus others that are 700 incidents per square mile. So does it make sense to have six minutes in the more rural areas.

I think the recommendations make a lot of sense and knowing that some of this should be done by reallocating resources, we know others will need investment. I think using these statistics to help justify as you have described I think would be really helpful. And I would love to see some kind of a progress update, maybe twice a year. So great work and congratulations for exceeding any other fire department in your turnout rate. Congratulations and thank you for that work.

Mayor Lane: Thank you, councilwoman. One thing I was thinking about before, how does automatic aid and their surrounding community response to our city, how does that play into these stats, if it does at all?

Fire Chief Tom Shannon: I will let Joe tell you. I think you would say I'm biased. It's a good news story.

Joe Parrott: Automatic aid and mutual aid, I'm blessed to spend most of my time on the western states because fire departments in this part of the country understand that helping your neighbor is a

good thing because then you get help back. You go to the East Coast, and those folks haven't got a clue when it comes to working cooperatively. It boggles my mind. I say can I see the mutual aid agreements and they don't have them. It provides significant amount of support during the time period that I reviewed the data, which was a year's period, Scottsdale responded 1788 times outside the city to other agencies. Other agencies responded into Scottsdale 2,592 times. So you've got more in than you got. When I looked at that --

Mayor Lane: Is that because they just wanted to come our direction more often or was it really needed.

Joe Parrott: More fun to fight fires in Scottsdale? I don't know. Other agencies provided 1730 hours. If you compute that based on a response unit at maximum 10% utilization, that's the equivalent of one and three-quarter extra response units in Scottsdale.

Fire Chief Tom Shannon: One thing I would like to add, so how we can quantify that is in the document, it refers to about 1.75 pieces of equipment in the city every day, as a benefit of being a participant in the automatic aid system. That equates to \$3.2 million in actual value to the citizens of Scottsdale. Our automatic aid agreement is about \$1.3 million a year and I look at it as the best insurance policy you could ever buy. Right now today, you can get 600 pieces of equipment right here to the Kiva without asking for an additional piece of help. It will keep coming. It's second to FDNY in terms of size. It makes perfect sense in terms of sharing of resources. It doesn't negate the obligation to cover and address its own fire service delivery problem. It's there to help you when you've got those hot spots.

So that map south of McDowell really tells an important story about our community and it really tells great value of having our neighborhoods in Phoenix and Tempe as partners in this. We need to have parity in the system, yes, there are obligations of staffing that we must maintain to be a participant, but clearly the numbers indicate that we are an overall benefactor at the system and quite a bargain.

Mayor Lane: But to my original question, as far as the stats, the response times are they included in these figures here in terms of the automatic aids time or are they strictly on the basis of your response?

Fire Chief Tom Shannon: No, all the travel coverage maps that include adjacent agency resources all the incident performance response times and such include responses by adjacent agencies. So on the one hand, their proximity and their availability when we need it adds to our responses, and our response time potentially. But if they were a bit slower than we are, and just on a normal course of things, it might adversely affect our numbers.

Mayor Lane: Can we hold them to this standard?

Fire Chief Tom Shannon: Do I think it would be very telling to see how we are performing in the system? We have continual conversations with our partners to talk about response area concerns. This most recently came when we had to take dramatic steps during the downturn in the economy and

singularly staff station 602. We heard from Phoenix quite rapidly when they were coming in and we were able to analyze their extended response times and vice versa. So this is truly a living organism in that when your neighbor makes a move, it impacts us. So yes, we need that data. We have encouraged them next to go through this process. They are not quite there yet. They are a little bit larger of a machine to get into this process. But we need to have them do that.

[Time: 03:47:58]

Mayor Lane: Yes, Councilman Smith.

Councilman Smith: A couple of questions. One is really pretty simple, I think. It is a geography question, but you talk about a response time of the 90%, 80%, whatever, do you ever make a difference in your fire response time objective up north versus down here, given, for example, the fact that properties are sprinklered in the north? Flashover does not occur in six months if the sprinklers go off?

Fire Chief Tom Shannon: Mr. Mayor and members of the council. There's a lot of presumption in where the fire is, the time of fire, the fuel load, all of those things. I can tell you when a fire occurs in a room that includes a sprinkler, it very frequently, and most oftentimes is contained to that room. We have good data that suggests that. Obviously when it occurs, say, in the attic space that may not have a sprinkler, on the roof, you know, pick a place where the sprinkler wasn't in the sprinklers in the home. Then it doesn't matter how many sprinkler heads go on underneath the fire, we lose it.

We certainly have benefited from -- in terms of, well, I was just getting ready to say dollar loss avoidance but when we lose a home up north, it's typically of higher value. So we might see a larger impact. So I have guess I would hedge the bet and say I can't tell you for sure. We know that fire predicts very consistently. We need to put 14 people around a working fire of any type to try to impact its progress immediately. We know what that takes in terms of engines and ladders and command officers. So we know we benefit from sprinklers throughout the city. But depending on the fire, we can't tell you in any great detail.

Councilman Smith: The sense of my question, we do have finite resources here. If we try to figure out how to allocate those finite resources. It seems like we spend money to prevent the largest amount of loss and that's not necessarily measured in response time. That's measured in as you point out the value of the housing at risk and whether it's sprinkler or whether it's not. But I'm uncomfortable with setting a standard that says I just want to get from location a and b in 6 minutes and 20 seconds or whatever the number was without some sense of what I'm going to do, what I will avoid when I get there. So again, from my financial analytic approach to things, I would love to see something that says if I spent another \$10 million, I can avoid another \$20 million of loss based on those kind of considerations. Maybe that's a refinement that the numbers don't lend themselves to. But to me, it's terribly important. That informed me where to spend the money.

Fire Chief Tom Shannon: I think I would agree entirely that we should -- if you tell me, Tom, I will give you \$1, where will you place it. We should be able to tell you. Data tells you to place it here.

While we would never minimize protecting the entire community equally, we can say that the likelihood of an event occurring in an area is greater based on density and population, use, all of those things. I don't think it's an unreasonable question to ask. I think it's relying on the data to help us spend future dollars.

Joe Parrott: I want to caution not to limit the discussion to just how much property may be lost to the fire. Less than 2% of fire department responses are fire responses, responses to put out fires. 71% are emergency medical calls. The valuing of putting some financial value on the physical --

Councilman Smith: I'm not talking about E.M.S. I'm only talking to fire.

Joe Parrott: But it's the same resources that respond to both calls.

Councilman Smith: But we are being asked to get people 90% of the time to -- well. However you come up with it, I think some kind of a what are we getting in the dollar return and if it's a human life return. Then it gets to my second question do. We have any way to measure the -- I will call it the workload. By way of example, suppose we have an area without coverage and we need to locate a station here. We may only get 10 calls a year and maybe all ten of those calls take us 15 minutes to get there, so it looks like a horrendous experience but we are only answering ten calls.

Is there a way in your statistics to inform us of workload? Because with all due respect to your people, I want to work them as hard as I can. I want to get the most I can for every dollar I spend. To me, the way of being informed, how best to spend finite resource is to spend them in a way where I get optimization of workload of the workers and optimization of results from either property loss or lives saved. To me, a single statistic of 6 minutes and 20 seconds, that doesn't do it. I'm looking for more.

Fire Chief Tom Shannon: I think he will let Joe answer from the industry and the business side of this. There are thresholds at which we would say, you need a station and there are thresholds that we would say you need an additional company. I will let Joe expand on that concept, based on what we know about us.

Joe Parrott: The report has a fairly detailed section on workload in it. Starting on page 45 that describes workload based on response of a company and how hard each one is working now in the response environment. It shows where responses occur and where incidents occur more frequently in some areas than others and there are maps that show that. In the recommendations, I offered you the ability to look at -- in fact, I will move back to this slide here. If you want to, as I said provide better service to areas that are not being served well now, then you would default to desert foothills and northern corridor for those next resources because those are the slowest areas but they also have the fewest number of calls. If you want to provide the next service to the most likely call to occur, based on probability, it will be downtown. That's where the next resources will go. That's why I recommended the next quick response unit in downtown. That's based on the conversations that I had with you previously. That's where the next dollar should be spent. So, yeah, there's workload information in the report, that I think gets to what you were asking.

Councilman Smith: And so maybe we are both saying the same thing. Ultimately, when we are asked to spend more money, make more commitment, whatever spending finite resources it has to have an R.O.I., a return on investment, however you denominate that because it may not be as simple as choosing graft one, or graft two off the screen.

Joe Parrott: It's a policy decision. As you were talking, I was think of the proposed station 12 area along Hayden and --

Fire Chief Tom Shannon: Do you have something you want to talk about?

Chief Ryan Freeburg: I would like to answer the question how we quantify today, it's many your budget narrative that we give to the council every year. Currently we report out on confining the fire to room of origin with a 90 percentile save and we look at property loss and property saved on an annual basis. I think we did that for a three-year regression. We do have some measurables and benchmarks we use. We use return to spontaneous circulation on the E.M.S. calls on those who we get a return of pulse as we take them into the hospital. So we do have some benchmarks we have been reporting out that you see annually in part of your budget narrative.

Fire Chief Tom Shannon: That's giving specific call types and I guess what we are looking at, we have to look at what is the geography creating in terms of calls for service and what are those calls of service. And so it's a very thoughtful process that we consider. When do we ask for additional resources and so I agree with you, that just saying, hey, here's a map, and it's going to -- we have to start overlaying these checkerboard designs over to meet a response time, when the calls for service may not match that, it makes no sense. We are being very thoughtful in identifying those hot spots, those population and use generators if you will that tell us we cannot reliably provide services. We have to ask more for. And so I have every confidence that we can do that for you.

[Time: 03:57:48]

Mayor Lane: Thank you, councilman. You know, this is something I made a little built of an assumption of before. When we look at just that graph -- this graph right here, when we are talking about 25 incidents, at 843, I mentioned before whether there was a weighted average on that. This would go to maybe you would consider it valuation. You could consider it as a time consideration. In our northern reaches we have much greater distances involved and sometimes the different terrain that may add to the issue, but nonetheless, if I have 600 incidents in south Scottsdale and my average time there is eight minutes I have a real problem. If I had 25 incidents in the far northwest reaches. It is not to consider that they are expendable or something, about. If I have 25 instances and a good percentage are not fire incidents because we have most of those homes who have sprinkler systems. If I take the 25 times its weight and weighted average there and as far as the time and the number of incidents and divide it out, that would give us a system-wide average. I'm not sure. I was assuming that before, but as I listen to this conversation, I don't know that that's -- that comes into play and that would be a realistic way to at least look at resources and the allocation of resources to the greater need.

Joe Parrott: Performance analysis in the report is based on the entire system. So it's saying, the long responses in the north end are influencing the overall result as compared to the short responses in the south end. Now, in terms of looking at performance expectations and goals, standards, however you want to define them, it's perfectly legitimate to divide the community into separate parts and say, because we have so much activity in the southern portion, we want to set a goal -- a response time goal of x for that area, because the northern portion is so remote. You know, it's largely new homes fully sprinklered and the like, we can set a different performance expectation of your department for that area. That happens in a number of communities across country and it's perfectly acceptable.

Mayor Lane: Well, what I would suggest at this point is certainly we have a report and thank you very much for that, Joe. And it's very comprehensive and very revealing of our situation, but rather to adopt something in the sense of a program, at this point in time which would obligate us to meet some of these things that we are talking about here, we want to use the information on an ongoing basis and we very much appreciate the baseline that we have here and even with the considerations for the suggestions or the recommendations. But what I would think and, of course, all we are doing here in the work study is to say that we want to accept certainly what report -- and thank you very much for that. And I think was valuable for us, and to my earlier comment, I think it was supported by others. I have think we want to make sure we adopt a methodology that is consistently applied using the science within the system to make sure we are evaluating ourselves on an ongoing basis, our progress or any setback we might have with it, and plot going forward on the basis of that information.

Fire Chief Tom Shannon: Understood. I think that's an appropriate way forward. We would be happy to report semiannually or as frequently as you would like and give you a sense of how we are doing against this baseline.

Mayor Lane: And I think -- well, I think -- I think semiannually would probably be good, otherwise we would be falling all over ourselves well information. Unless there's any other comments from the council. There is not. Thank you very much.

Fire Chief Tom Shannon: And thank you very much.

WORK STUDY ITEM NO. 3 – PRESERVE STATUS UPDATE

[Time: 04:02:11]

Mayor Lane: All right. Our last and final item, and thankfully I had Kroy standing by here. The Preserve status update and the request here is for presentation, discussion and possible direction to staff regarding the status of Preserve taxes, Preserve planned and projected expenditures and operations and maintenance, including the rough outline for an endowment concept. Mr. Ekblaw, welcome. It sounds like a number of things to present. I don't know whether we had --

Strategic Projects/Preserve Director Kroy Ekblaw: I will be brief.

Mayor Lane: Yeah, I'm looking to see, I will find your power point. We have it, right?

Strategic Projects/Preserve Director Kroy Ekblaw: Yeah. Well, good evening mayor and members of the council, this is really a response to study session we had about a year ago, looking at Preserve status and issues of maintenance and operation and so we are going to refresh your memory just a little bit about what occurred there. We will talk a brief update on land acquisition and improvements within the Preserve and also an update on the taxes, where we stand with projected revenues. We will talk briefly about maintenance and operations and then the Preserve commission, further direction from last year has been looking at possible use of the tax funds for maintenance and operations, again, only an option. It was a request from council to explore and the request this evening will be for direction from the council if you want to explore this concept in greater detail.

Last year, the result of the study session from the council was to continue pursuit of parcels 11a and some remaining private properties and I have a graphic that will show you where all of those are. And to monitor and evaluate the projections for revenues and expenditures and the commission has been reviewing that over the last year. And then to evaluate and consider options for use of any extra dollars that were not possibly needed for land or improvements and that included be it operations and maintenance, promotions, education awareness, marketing of the Preserve or the research. They were given the response to report back now. So parcel 1 is approximately 290 acres located at the northeast corner of Pima and Dynamite. Those are state trust lands. We are working on the zoning case that the state trust land is requiring in order to pursue that acquisition.

Equally another trust land is parcel 1a which is 115 acres east of Pima, along near the Dixileta intersection, along the Rawhide Wash alignment and then there are three private properties surrounded by the Preserve that we're working on in the goose neck or Tom Thumb area over near 128th Street south of Jomax Road alignment.

The improvements and I did not provide all the detail that we did a year ago and I can certainly provide you with more. We refined a look at that. Most of these would be upgrades or enhancement of parking in future years over the next five years to a variety of trail heads. Gateway we are doing improvements right now to expand the parking there. The one that would be new, in particular is the last one on, there the Pima Dynamite and that's contingent upon getting that land to be able to put that in. We also have trails and we're predominantly focused with new trails in the northern areas. And we have some trail -- some minor -- not minor but a couple of additional trails, particularly in the southern area that we're doing -- we will be holding off on until we do some additional wildlife study and the other item that is included in the cost of this approximately \$17 million that's identified is a potential of wildlife crossing considerations in the future, when Rio Verde or Dynamite is built to its full width and connectivity to the north to south.

These are similar to what we saw last year, since 2009, the Preserve acreage has doubled from 15,000 to 30,000 acres protected. We are in the process of trails from 2012 to 2018. We expect the increase to rise to about 60-miles to 210 miles. That 210 is a bit of a guesstimate. It will be 220 to 210 miles of trail when we are done and then trail heads have gone from six to 11, and if Pima and

Dynamite were to be developed, we would reach 12 trail heads within the Preserve.

So there's been the growth period that we have been in, concerns, the discussion that we had a year ago, and the part of the packet, is an update from the conservancy and stewarding the Preserve. Their total hours in response to growth has increased 74% since 2011 and their patrol hours have doubled and maintenance hours have seen a 50% increase since 2012. Tours, they provided 80 free hikes and mountain bike, equestrian rides for the public in the past season. They have their citizen science and nature guide programs and provide educational programs and on site education as well as the science work that their stewards are involved in and then total active stewards versus those reporting in 2014, nearly doubled in that period of time and in 2014, 147 new stewards were trained as part of their program. So, again, our partner, ongoing communication has been responding to that from the standpoint, these are the numbers we presented a year ago in the costs that the city staff incurs, be it the direct costs, be it the costs for utilities, custodial, maintenance and other things are all included in these numbers, as well as the indirect costs, the overhead rate that's applied, were roughly in the \$670,000 for the '14/15 budget.

In looking at the long-term consumer change increases as we add more trails and trail heads over 10 years we are projecting this could increase to close to \$1 million. We would do more study on that if we get into this, look at an endowment concept from the commission. Future resource considerations, again, we are very new in the sense that we really went from zero acreage, to zero trails and trail heads, just 20 years ago, and now we have an extensive amount. We work very closely with the conservancy and that communication is fundamental, just last three weeks ago, we were meeting with the top stewards in the conservancy, going through the expectations, and we have that as part of our agreement with them that we do that on a minimum on a yearly basis. We are in discussion with them on a daily basis as needed. And upcoming will be the resource management plan within the next several months. There will be much more detail coming to you on that.

From the standpoint of the Preserve taxes, we have the two taxes, 1995 was for land acquisition only. 2004 included improvements in addition to land acquisition. Neither of the taxes would allow for maintenance and operational costs and so the concern would be that if we were to propose that, there would need to be an approach to go back to the voters to approve some type of amendment.

The status of the revenue expenditures and these are based upon projections recently upon the treasurer's off, the projected uncommitted cash through 2034, which is the term of the second tax, so it includes the end of the first and to the end of the second, would be approximately -- and these are subject to change, \$142.6 million. That land acquisition and this is the parcels, 1, 1a and the private properties we have estimated at roughly \$37 million. If we were to bond for that \$37 million, there would be a debt service of just short of \$21 million for that. And that 17 or \$16.8 million in projected capital project costs, is at \$16.8 million.

So those are planned items that we have based upon the existing master plans and land acquisition direction. That leaves us with roughly the \$68 million in future uncommitted cash. And so the request was to look at options for use of those remaining dollars.

[Time: 04:11:49]

Mayor Lane: Excuse me one second, Kroy. On this and maybe I'm missing something, but the projected land acquisition cost of \$36 million and yet the projected debt service on a bond of \$37 million is \$21 million. Are we have talking about an add there that there's actually an additional cost over the principal of \$21 million?

Strategic Projects/Preserve Director Kroy Ekblaw: In essence, when we go to the state land and we bid, and if we spend \$30 million, whatever that exact number is, and we bond it for that, then during the course of the repayment of those bonds through 2034, is projected --

Mayor Lane: So the full debt service of interest and costs and the principal is somewhere closer to \$58 million?

Strategic Projects/Preserve Director Kroy Ekblaw: That's correct.

Mayor Lane: I wanted to make sure.

Strategic Projects/Preserve Director Kroy Ekblaw: And I have Lee here to explain anything that I get unclear.

Mayor Lane: But then the projected capital project costs, that's an add to this as well?

Strategic Projects/Preserve Director Kroy Ekblaw: That was that list of expansion of trail heads or the new Pima dynamite trail heads we have things projected out over the next five years.

Mayor Lane: So off the 143, essentially is \$68 million coming off of that.

Strategic Projects/Preserve Director Kroy Ekblaw: That's right.

Mayor Lane: Okay.

Strategic Projects/Preserve Director Kroy Ekblaw: And so looking then at the options of use of that, and, again, this is an example given direction to provide to go in other options but the target here roughly 44% is land acquisition and other improvements and really the concept of the endowment concept was targeted towards roughly a \$1 million target. Could you achieve ultimately a -- some type of annual annuity off of \$34 million or 50% of the remaining Sundays that would generate an annual annuity estimated at roughly \$1 million and that would be targeted for operations and maintenance in perpetuity.

The remaining 6% was then targeted for the same type of annuity idea to achieve Preserve promotion education opportunities and, again, all of these figures will vary based upon sales tax collections, bond interest rates and rates of return. So there is variation there. But this was laying out the commission's concept and the key things that they wanted to identify is that first obligation to the

existing tax funds will still remain to the bonds that are out there. That we cannot change and that would be part of what we would evaluate given direction to look at this in greater detail, is what challenges we would face in identifying some type of annuity in this concept, and that -- okay.

There we go. There would be no new or additional tax obligations. This would be working within the existing two taxes that we have age that the majority of the Preserve operations and maintenance costs would then not require general fund support, and the commissions concept was that this would offer sustainable funding approach to provide support of the Preserve and would minimize the possibility of the need in the future for user charges within the Preserve.

The percentage that was identified for promotion, education, would be something that would be aimed towards both tourists, residents and users so that they would better understand the importance of continuing to protect and manage the Preserve, based upon its long range goal of protecting the Preserve in perpetuity. About that, the commission is requesting the direction to proceed with further detailed analysis and refinement of these concepts. We will certainly be working with the attorney's office, the treasurer's office and Preserve staff looking at the legal, financial considerations that would be associated with existing bond obligations and election law that would have to be considered based upon existing taxes and the expectation is that the commission would return with a finalized report as of later this year or by early 2016. And that concludes my presentation and I'm happy to any okay questions take any direction the council may have.

[Time: 04:16:51]

Mayor Lane: Thank you, Kroy. I appreciate your presentation and supporting information from your slides. I don't know if there's any questions from the council on any aspect of this. I will go ahead and start with Councilman Phillips.

Councilman Phillips: I think it's genius and I like it.

Mayor Lane: All right. Any further comments? Yes, councilwoman?

Vice Mayor Milhaven: This is a question for Lee. If we are going to have this leftover money. We see what a big fee the debt service, the interest expense is. Are the bonds set up that we could prepay some of them. What we if use the \$67 million to accelerate paying the down the bonds. Then we would have more than \$67 million?

Finance Director Lee Guillory: Mayor Lane and councilmembers, yes, the bonds are typically issued non-callable for their first ten years. But after that point, they usually are -- there are call features available that the money could be used to pay off some of the outer maturities.

Vice Mayor Milhaven: I think that might be something worth looking into, if you take the tax revenue and pay off the bonds faster and at the end of the tax we have more cash left over so we would have an even larger endowment. I think that might be worth considering. Thank you.

[Time: 04:18:02]

Mayor Lane: Thank you, councilwoman. Thank you, Vice Mayor. Yes, Councilwoman Littlefield.

Councilwoman Littlefield: I also like the idea of an endowment. I think it is a good use of remaining funds and I do have a suggestion for consideration, kind of on the order of what Linda was saying. In order to continue an adequate flow of funds into the foreseeable future, I would suggest that we look into a reinvestment of 5% of the income derived from these investments or an amount equal to the average rate of inflation as determined over stated periods of time, whichever is greater and this would allow us to maintain a purchasing power with the endowment so that it doesn't lose value over time due to a declining value of the dollar. Not to throw out one, but two possibly consider.

[Time: 04:19:00]

Mayor Lane: Thank you, councilwoman. Councilman Smith.

Councilman Smith: Well, at the risk of taking the other side and sounding Scrooge-like, I like endowment and I like them as personal saving accounts and whatever in a personal sense or even in a business sense. I am, however, not keen about taxing the citizens to set up a savings account. That's not generally the way we run government. The citizens were generous in giving us taxing authority for the purpose of buying land and later buying land and doing improvements thereon.

But I don't think we -- and Kroy mentioned we would have to go back to them and get their approval for this. I would be a little hard pressed to figure out how I would tell the citizens that they ought to tax themselves to create a savings account and I noticed that one of the slides, by the way, mentioned that this has no future projected increase in sales tax and I guess we could add it also has no decrease in sales tax. It, in other words is including the sales tax as currently assessed on all items, including food.

I have had some discussions with several people and one of the proposals that we have talked about here, it hasn't gone anywhere just yet but it hopefully will someday in the future. We will eventually stop our most regressive tax that we have here in the city which is the taxation of food, which falls most heavily on the poorest people in town. And if we do that, it will have an effect on the tax revenues here. What it means is there will be a lower endowment. So maybe what we are trying to say is we would like to do an endowment and do it on the food tax of poor people in the city. If that's the proposal being I will obviously be opposed to that.

One other comment I want to make, this is a financial clarification for the people listening, if they are listening at this hour. The \$146.2 million of projected revenues coming in over time includes interest earnings. So while we have interest expense on some of the debt that we are experiencing even the new debt, at the same time, we are expected to have interest earnings on whatever monies are over and above debt service, even as we have them now. So it's -- it's not as simple as just saying that the debt service is an onerous \$20 million. You are also getting some interest earnings and obviously if you reach a point where you have full confidence you have plenty of money, by all means pay the debt

off early. But I'm not in favor of doing an endowment at the expense of food tax.

Mayor Lane: Thank you, councilman. Councilwoman.

Councilwoman Klapp: Are you suggesting that to have an endowment we end the tax earlier? Is that what you are saying on the Preserve? Instead of saving the money, end the tax earlier?

Councilman Smith: Actually in part that might be what you would construe from what I'm saying. I would say we end the tax on food, that portion of the tax that comes into the endowment each year. Just as I propose we end the tax on food that generates tax for the general fund and all the other areas that would not eliminate the endowment possibility. Instead of having \$67.9 million at the end of the period, you would have more like 15, \$20 million. It doesn't eliminate it completely.

But there's probably some people who would have a school of thought says, even 15, \$20 million, if you have the choice of creating an endowment -- I mean, we are only doing this with taxpayer money for heaven's sake. It's not like we are out earning this money. We are taking it from people. And if we are going to take it from the people just for the purpose of an endowment, you come see me when you need the money and I will give it to you then. In the meantime, I will save it rather than you. Government is not real good at saving money.

[Time: 04:23:18]

Mayor Lane: Thank you, Councilwoman. Thank you, Councilman Smith. Councilwoman Korte.

Councilmember Korte: Thank you, mayor. I know it will surprise Councilman Smith that I agree with you only on one aspect of it. Excuse me.

Mayor Lane: Control yourself.

Councilmember Korte: Don't get too happy dance. And we talked about this endowment for quite a while and when it was proposed six, eight months ago, you know, it sounded like a great idea and let's move forward. Let's sustain this Preserve with an endowment. However, if you consider that as Councilmember Smith adroitly states that we're not earning this money. We are taxing for this money and somehow that doesn't sit well with me to create an endowment on the backs of people. I would rather us look at spending down the debt quicker to save that amount of money and then at the end of this road, let's evaluate and perhaps there's some other uses for it at the end of the road. But to create an endowment and freeze that kind of money for just to be able to use the interest, it's not sitting well with me.

Mayor Lane: Thank you, Councilwoman. I have to say there's a lot of good suggestions that have been put on the table with regard to how to go about this and how this might be best utilized. I don't know that I take exception with anything that's been proposed. I think there's some options in how we look at this and either how we pay down debt or some type of investment, whether we have an endowment, whether we first seek to possibly reduce taxes on one side, as a partial -- there's two

things that I can see. If we take down debt, we are saving money that otherwise would be paid one way or another. That's something that can be acknowledged and I think, frankly, as the vice mayor indicated, may even provide more funds than what we are projecting on the basis of what we have just seen.

If we were to take a portion of that and consider -- now, the only problem I have with this is you have to go to the public and you have to explain what you are doing. So how you structure the reduce or the reduction of sales tax on the overall to sort of accommodate -- I'm talking about now for food consumed at home, and councilman Smith, I always try to make that clarification because we're not really that worried about all the people going to restaurants and eating and as far as that tax is concerned. It is food consumed at home, when you are talking about group of people who are looking.

I don't know if there's a difference of opinion on this and it may take a little bit of doing but I think it's warrants putting together some analysis and we will look at a couple of the proposals presented with how we best maximize the possibility on that end, and then also give some consideration as to what the impact would be of -- in concert with that, at least considering what a tax cut might do on the food tax. And we can look at it. We have a little bit better information on hand on the overall. So unless there's some further suggestion on that, and if that's a suitable guidance, if we are -- a consensus on that, we are done.

Strategic Projects/Preserve Director Kroy Ekblaw: Thank you very much.

ADJOURN THE CITY COUNCIL WORK STUDY SESSION

[Time: 04:27:57]

Mayor Lane: And thank you, Kroy. Thank you very much.

Councilwoman Littlefield: So moved.

Mayor Lane: I think I heard a so moved.

Vice Mayor Milhaven: Yes.

Mayor Lane: All right. We are adjourned. Thank you very much.