

SCOTTSDALE CITY COUNCIL  
WORK STUDY SESSION MINUTES  
TUESDAY, FEBRUARY 28, 2017



CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Work Study Session of the Scottsdale City Council at 4:05 P.M. on Tuesday, February 28, 2017, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane  
Vice Mayor Suzanne Klapp  
Councilmembers Virginia L. Korte, Kathleen S. Littlefield, Linda Milhaven, Guy Phillips, and David N. Smith

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn,  
City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

**MAYOR'S REPORT**

Mayor Lane congratulated Councilmember Korte, who was recently awarded the Human Rights Campaign's "Individual Equality Award."

Mayor Lane read a proclamation in honor of Cactus League Hall of Fame Week.

**PUBLIC COMMENT – None**

**1. Council Rules and Board and Commission Membership**

**Request:** Discuss and provide direction to staff regarding:

1. Modifications to the adopted "Rules of Council Procedure," including a proposed change to Rule 5.11 regarding electronic communication during public Council meetings.
2. Membership on City boards and commissions, including term limits.

**Presenter(s):** Bruce Washburn, City Attorney

**Staff Contact(s):** Bruce Washburn, City Attorney, 480-312-2405, [bwashburn@scottsdaleaz.gov](mailto:bwashburn@scottsdaleaz.gov);  
Carolyn Jagger, City Clerk, 480-312-2411, [cjagger@scottsdaleaz.gov](mailto:cjagger@scottsdaleaz.gov)

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

City Attorney Bruce Washburn gave a PowerPoint presentation (attached) on proposed Rules of Council procedure modifications and membership on City boards and commissions.

There was consensus to accept the proposed modifications for "Rules of Council Procedure," with the following changes:

- Rule 5.11 Use of Electronic Devices, remove the second sentence.
- Add a new rule authorizing the Mayor to serve as a non-voting, ex-officio member of all boards and commissions and to appoint a Councilmember as a non-voting, ex-officio member of all boards and commissions in his or her stead.
- Add a new rule to limit board and commission applicants to one application.

There was not consensus to make changes to the boards and commissions membership or terms.

## 2. Organization Strategic Plan

**Request:** Receive and discuss progress updates on top priorities for the current year, identify and discuss any additional priorities for the next year(s), and discuss strategies to achieve these priorities, including possible direction to staff.

**Presenter(s):** Brent Stockwell, Assistant City Manager

**Staff Contact(s):** Jim Thompson, City Manager, 480-312-2811, [jthompson@scottsdaleaz.gov](mailto:jthompson@scottsdaleaz.gov)

Assistant City Manager Brent Stockwell; Planning, Neighborhood and Transportation Manager Erin Perreault; Tourism and Events Director Karen Churchard; Economic Development Director Danielle Casey; Transportation Director Paul Basha; Budget Director Judy Doyle; and Human Resources Director Donna Brown gave PowerPoint presentations (attached) on the City's organization strategic plan.

Erin Perrault was asked to provide the Council with copies of the single family and multifamily housing studies that were recently completed, as well as providing housing price comparisons citywide and regionally.

Councilmember suggestions included:

- Developing partnerships with schools in the southern areas of the City to improve performance and graduation rates.
- Promoting and providing information to visitors to downtown on how to get to other areas of the City, including Scottsdale Fashion Square.
- Implementing a formal communication process with downtown merchants.
- Extending the trolley route to include the entire length of Fifth Avenue, particularly the intersection of Stetson and east to Scottsdale Road.
- Encouraging bike rentals and bicycle events in the Downtown area.
- Promoting and marketing Scottsdale's Downtown.
- Providing updates from the Tourism Advisory Task Force on current projects.
- Partnering with the Library Board to participate in storytelling rebranding efforts.
- Reviewing existing bus routes to maximize ridership.
- Increasing efforts to publicize/advertise bus and trolley routes.
- Contemplating employee surveys that become part of the leadership work plan.

**MAYOR AND COUNCIL ITEMS – None**

**ADJOURNMENT**

The Work Study Session adjourned at 7:23 P.M.

**SUBMITTED BY:**



**Carolyn Jagger**  
City Clerk

Officially approved by the City Council on March 21, 2017

## CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Study of the City Council of Scottsdale, Arizona held on the 28<sup>th</sup> day of February 2017.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 21<sup>st</sup> day of March 2017.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

## Item 1

### 2017 Amended Rules of Council Procedure

***City Council  
February 28, 2017***

#### **VOTING AT WORK STUDY SESSION**

5.6 Work Study Sessions shall be used to provide the Council with information and to allow the Council an opportunity to discuss City issues in detail and in a less formal manner. Other than to provide direction to staff, which may be done informally or by motion and a vote of the Council, no action shall be taken by the Council at a Work Study Session. Fifteen minutes, for a maximum of five speakers, may be set aside at the beginning of the Study Session for public comment, but such comment shall be limited to the items on the Work Study Session agenda.

## USE OF ELECTRONIC DEVICES

5.11 Councilmembers shall not use any electronic device capable of sending/receiving messages to/from outside parties for ~~that the~~ purpose of communicating with outside parties during any public Council Meeting. ~~Electronic devices should only be used for accessing stored information that is directly related to the items listed on the agenda on the device or on the City's electronic network~~ during open public Meetings. During Executive Sessions no person present shall use any electronic device that is capable of sending/receiving email, text or any other form of electronic communication to/from any person inside or outside of the Executive Session.

## MOTION TO CONTINUE

11.12 A motion to continue ~~shall only apply to a Main Motion, and shall may~~ be used to postpone an item on the agenda to either a specific date or to a date uncertain. A motion to continue is debatable and may be amended, but only to alter the time. An item continued to a specific date must be brought back on that date, even if the action is to continue the item again to another date or indefinitely.

## LIMITING COMMITTEE MEMBERSHIP TO LESS THAN A QUORUM

15.5 The Mayor shall ~~be a non-voting, ex-officio member of all Council committees, unless otherwise designated, and shall~~ serve as the Chair for any Council committee on which he or she sits.

## VOTING AT WORK STUDY SESSION

Work Study Session (Study Session) – A Meeting to provide information to the Council and to allow the Council an opportunity to discuss City issues in detail and in a less formal manner. Other than to provide direction to staff, which may be done informally or by motion and a vote of the Council, no action is taken by the Council at a Work Study Session.

**VOTING FOR BOARD AND COMMISSION APPOINTEES**

ADD THE FOLLOWING TO RULE 11.3:

Each Councilmember shall indicate his or her choice for an appointment to a City board or commission by announcing the candidate's name, which shall be recorded as an affirmative vote for that candidate. If a Councilmember does not indicate a choice for an appointment, no vote will be recorded. An affirmative vote by at least four members of Council is required for appointment.

**MEMBERSHIP ON MORE THAN ONE BOARD OR COMMISSION**

SRC § 2-241(d)

A member is considered to have resigned from an existing board or commission upon appointment to another board or commission and upon the appointment of a successor to replace the member.



**SIX YEAR LIMIT ON BOARD AND  
COMMISSION MEMBERSHIP**

SRC § 2-241(d)(continued)

Once a total of six (6) years of service on the same board or commission is reached, a member is not eligible for reappointment to the same board or commission.

**Questions and Discussion**

Item 2

**Organization Strategic Plan**

City Council Work Study Session  
February 28, 2017



**Revitalize** McDowell Road corridor through ongoing work with residents, businesses & SkySong



Anticipate and plan for future **transportation** needs



Provide strategic support of **tourism and visitor events**



Prepare and adopt **fiscally sustainable** operating and capital budgets



Carry out the comprehensive **economic development** strategy



Reinvest in a **high performance** organization and work culture



**Revitalize** McDowell Road  
corridor through ongoing work with  
residents, businesses & SkySong

## **COS Policies, Programs, Actions in MRC 2011-2016**

- **Direct investment – Capital Improvement Projects, Public Art, etc.**
- **Southern Scottsdale Character Area Plan**
  - **Land Use Changes**
  - **Growth Area, Regional Centers, Activity Areas**
  - **Implementation Items**
    - McDowell Road Corridor Permit Fee Reduction Program
    - Increased Public Art
    - Enhanced streetscapes and connectivity
- **Los Arcos Redevelopment Designation**
  - **Central Business District / Planned Community District Text Amendment**
- **Local Grassroots Effort – Scottsdale Gateway Alliance**

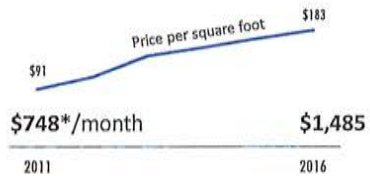
## McDowell Road Corridor Boundary



## Increase in Housing Property Values

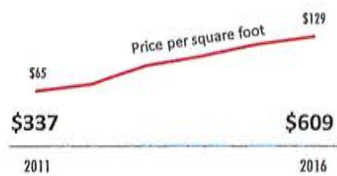
### Single Family

**+101%** Median values since 2011



### Townhomes, Condos, Mobile Homes

**+98%** Median values since 2011



\*Estimated monthly payments assume a 20% down payment at a 30 year conventional interest rate of 4.45% (2011) and 4.32% (2016) - principle and interest only, and not inclusive of HOA fees.



## Increased Demand for New Housing

Since 2011,  
**1,329** new multifamily units built

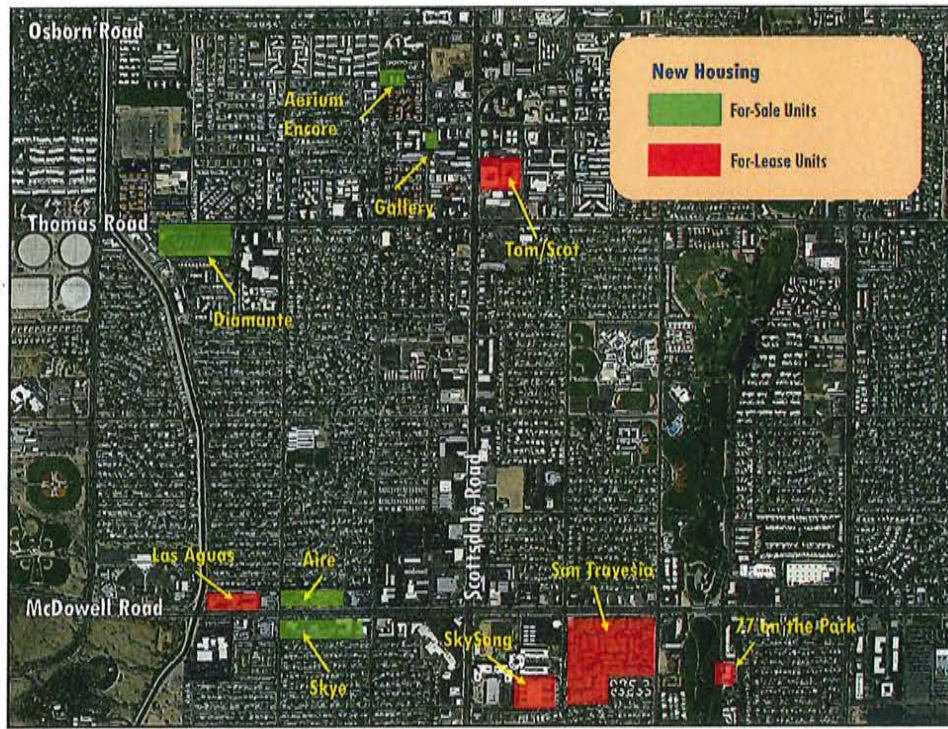


**12%** Upper Mid-Range  
 (Renters by choice)

**88%** Discretionary  
 (Typically double-income-no-kids)



**96%** Occupancy in 2016, representing **+2%** since 2011.

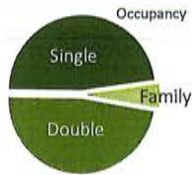


## New Housing - Resident Snapshot



### New Housing Renter Profile

Average Renter  
**Millennials**  
**\$50k ↑**  
 Average Income



Typical Lease Term  
**12+**  
 Month Lease

Mix of renters and buyers:  
 • Young professionals, empty nesters, etc.

### New Housing Owner Profile

1,100 to 1,800 SF condos with base pricing:  
**\$325k to \$430k**  
**+ \$45k** Average spent in upgrades above base price  
**\$65k to \$95k**  
 Estimated Salary needed to purchase

## Overall Increase in Development Activity

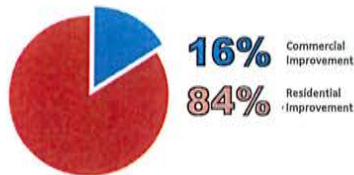


In 2016, **69%** of all permit valuations was in New Construction accounting for **\$40 million**



### MRC Fee Reduction Program

**\$127K** in total cost-savings, 2015-2016





## Development Activity Snapshot



SkySong

- 290k square feet of new commercial office space
- 325 unit apartment complex



77 on the Park

- 22 unit, apartment complex



San Travesia Apartments

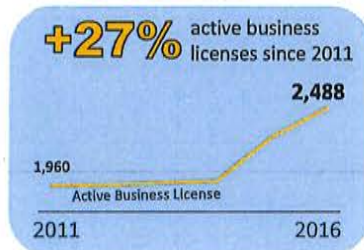
- 572 unit apartment complex



Zara Court

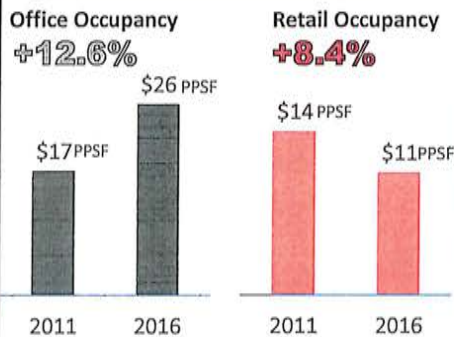
- 6 unit single-family subdivision

## Business Activity Outlook



Since 2011,  
**300k**  
square feet of office space has been added

SkySong 3 & 4  
**290k**  
square feet of office space



## SkySong Snapshot

Since 2008,  
**\$588M** in economic impact  
 generated

→ **80+** Spin Out companies  
 created

Currently,  
**70+**  
 Companies reside at SkySong

employing  
**1,500+**

1951 @ SkySong

Co-working space

- entrepreneurial services
- Mentorship
- entrepreneurship education programs/workshops



## Public Investment 2011-2016

Since 2011  
**18**  
 Capital Improvement Projects Completed

Totalling  
**\$102M**  
 of investment

Ongoing Investment

Approved projects  
 yet to be completed **\$50M**

Investment currently  
 under consideration **\$6.8M**

### Completed Projects Snapshot

 Police Operations Building • \$42.6M Investment (2013)	 Fire Station 601 • \$3.7M Investment (2015)
 McDowell Road Pedestrian Improvements • \$3.1M Investment (2015)	 Peach Park Playground • \$111K Investment (2016)



## Public Art Investment 2011-2016

**\$532k** of investment completed



The Bell, The Flower & The Wash

• \$125,000 installation (2011)



Self Portrait

• \$194,000 installation (2013)



Swale

• \$137,000 installation (2015)



Historical Happenstance Markers

• \$55,000 installation (2013)



platFORM

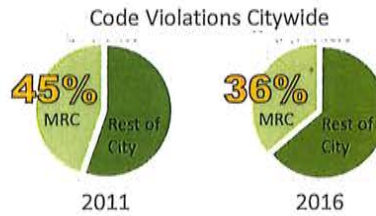
• \$21,000 installation (ongoing)

## Code Activity

Since 2011, complaint-based violations decreased **-41%**



In that same time, Graffiti violations decreased **-70%**





Provide strategic support of  
**tourism and  
visitor events**

*Scottsdazzle*



Scottsdazzle



Scottsdazzle





Scottsdazzle



Scottsdazzle



Scottsdazzle



**Eric Buttruff**  
 December 6, 2016 · It  
 Allowed on Timeline  
 View on Instagram

Director Karen with the City of Scottsdale Tourism & Events talks with @ertruff on @sonorahighabc15 about the "Art Walk I Spy Santa" and other events upcoming for @scottsdazzle this weekend. All the info is at scottsdazzle.com #prworks #event #HappyHolidays — with Terri Quattella, Karen Churchard, Sonoran Living and Scottsdazzle at ABC 15 Arizona

Like Comment Share

You @Stacy Vance, Anna Vaino and 12 others

View 3 more comments

**John Joseph Veltri NICER**  
 Like Reply · 1 December 6, 2016 at 3:45pm

**Kate Hastings Good work Cindy Carsten, Karen Churchard and Jeffrey Latta Ferris**  
 Unlike Reply · 1 December 6, 2016 at 6:15pm

**Craig Kavera Very cool! Congrats Karen!**  
 Unlike Reply · 1 December 6, 2016 at 11:02pm

**Leri Newberry Looking good Karen!**  
 Unlike Reply · 1 December 7, 2016 at 6:56am

**Kare Esther Madero Good job girlfriend!! Ray you with Terry O. you are great! Love**  
 Unlike Reply · 1 December 7, 2016 at 4:10pm

Write a comment

BRING YOUR TEN GALLON HAT,  
 TEN GALLON WALLET AND TEN  
 GALLON APPETITE.

WESTERN WEEK IN DOWNTOWN SCOTTSDALE

- FEB. 9 - ARTWALK: WESTERN SPIRIT
- FEB. 10 - HASKKNIFE PONY EXPRESS AT SCOTTSDALE'S MUSEUM OF THE WEST
- FEB. 11 - OLD TOWN FARMERS MARKET
- FEB. 11 - PARADA DEL SOL PARADE
- FEB. 11 - TRAIL'S END FESTIVAL



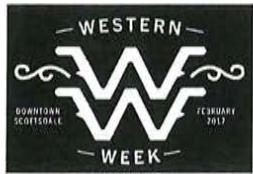
SCOTTSDALEWESTERNWEEK.COM



Tara-Lynn Creative  
Clayton.king@blm.org.au  
www.claytonking.com







**SPRING TRAINING IN SCOTTSDALE**  
 FEBRUARY 24 - MARCH 28  
 BY SAN DIEGO PADRES TRAINING IN SCOTTSDALE  
 FEBRUARY - APRIL 6  
 CAPTAIN LEAGUE HALL OF FAME AND HISTORY CLIMB  
 MARCH 6  
 SCOTTSDALE BART RACE 45  
 SCOTTSDALE PLAY DATE  
 SCOTTSDALE'S SPRING TRAINING FESTIVAL

SCOTTSDALE DOWNTOWN  
 1st Edition

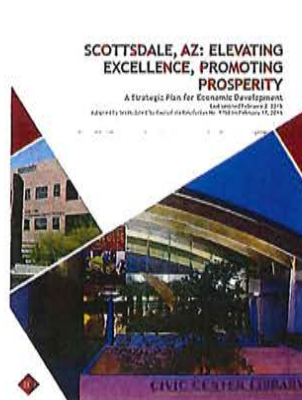
SPRINGTRAINING.COM



Carry out the comprehensive  
**economic  
development** strategy

## Economic Development Strategic Goals

1. Retain and grow existing economic drivers and employers
2. Support efforts that will enable Scottsdale's present and future employers to cultivate, retain and attract the talent that they need
3. Focus efforts and investment in strengthening key employment and business centers
4. Elevate Scottsdale's engagement in the national and international economic development arena
5. Build a Scottsdale business location brand on par with Scottsdale's tourism brand
6. Grow and attract quality firms and jobs — domestic and global in targeted sectors





## Annual Report Materials Available



Annual and quarterly reports available at [www.ChooseScottsdale.com](http://www.ChooseScottsdale.com)

## Goal 1: Key Achievements

*Retain and grow existing economic drivers and employers*

- Since July 2015, more than 160 business visits representing more than 4,500 new jobs in 3 years
- Five Think Tank events conducted
- Annual Business Appreciation event held with newly located or expanded firms
- First ever five week small business training series and Weebly on Website in a Night
- Business feedback portal launched in Feb. 2016 to determine corporate satisfaction



## Goal 2: Key Achievements

*Support efforts that will enable Scottsdale's present and future employers to cultivate, retain and attract the talent that they need*

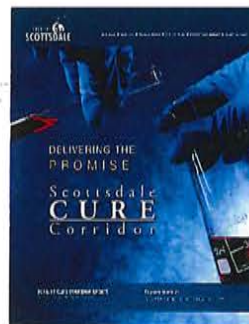
- Launch and growth of Talent Attraction initiative to support local firms
- Programming to support business HR representatives with more than 60 attendees at first event
- Creation of Relocation Guide and ChooseScottsdale.com/Work portal
- Partnership with Business United for Scottsdale Schools



## Goal 3: Key Achievements

*Focus efforts and investment in strengthening key employment and business centers*

- Growth in annual Cure Corridor event success and new strategies launching in late FY 2016/17
- Strong support of Downtown Scottsdale 2.0 efforts
- Research, business outreach and partnership regarding downtown parking solutions



## Goal 4: Key Achievements

*Elevate Scottsdale's engagement in the national and international economic development arena*

- Launched economic development updates and 101 presentations
- Increased number of business appreciation visits annually to 110 in FY 2015/16 and FY 2016/17
- Annual broker appreciation event grown to 90+ attendees
- Partnership with Canada Arizona Business Council for Wings & Wheels event and international business interaction



## Goal 5: Key Achievements

*Build a Scottsdale business location brand on par with Scottsdale's tourism brand*

- Three national awards of excellence from the International Economic Development Council and two statewide awards since Strategic Plan approval
- Eight or more hotels including business welcome video on in-house tv channel
- Creation of a 3-year economic development marketing plan
- 200 – 500% or more increase in social media marketing reach and >900% increase in LinkedIn reach; new joint marketing efforts with Tourism and Airport



## Goal 6: Key Achievements

*Grow and attract quality firms and jobs – domestic and global in targeted sectors*

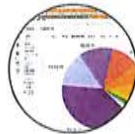
- Since July 2015
  - 369 new leads generated or received and responded to
  - 1,538 jobs attracted or retained
  - Direct economic impact of more than \$10.7 million over five years
- Supported catalytic events like Phoenix Startup Week
- More than \$15,000 raised for Eureka Loft enhancements and training programs
- Completed trademark service mark registration process for Eureka Loft Scottsdale



Anticipate and plan for future  
**transportation** needs

### **Key Transportation Achievements**

- **Scottsdale Road Bus Route 72: 10-minute frequency Fashion Square to Tempe Transit Center**
- **Priest Drive Bus Route 56: New Service from Priest / Washington Light Rail Station to Miller / McDowell**
- **Sunrise Express Trolley: 5 to 10 a.m. Remote Parking to Northeast Quadrant**
- **New Shared Use Path Signs Beginning in Indian Bend Wash this calendar year**
- **Transportation Master Plan**



Prepare and adopt **fiscally sustainable** operating and capital budgets



**Prepare and adopt fiscally sustainable operating and capital budgets that strive to:**

- ✓ **Meet Council's broad goals**
- ✓ **Identify community needs, priorities, challenges and opportunities**
- ✓ **Identify opportunities/challenges for service delivery, capital assets and management**

**Improve citizen access to online budget and financial information**

- ✓ **[www.scottsdaleaz.gov/finance](http://www.scottsdaleaz.gov/finance)**
- ✓ **Improved versions of Monthly Financial Update/Report**
- ✓ **Exploring including financial information as part of city's open data portal**

**Evaluate options for ensuring long-term financial stability**

- ✓ **Received favorable election results on 2 of 6 bond questions (pavement replacement on city streets and to construct/reconstruct 4 fire stations) totaling nearly \$29 million**
- ✓ **CIP Subcommittee formed to review the city Capital Improvement Plan and make recommendations to the City Council**

**Evaluate performance and make adjustments as needed throughout the fiscal year**

- ✓ **Ongoing monthly financial updates and reports to monitor and evaluate revenue versus expenditure performance**
- ✓ **Developed an automated quarterly performance report used to assess results**



Reinvest in a  
**high performance**  
organization and work culture

## **Reinvest in a high performance organization and work culture**

Focus on efforts that support the workforce to ensure Scottsdale employees feel valued for their contributions are equipped to perform at a high level, receive feedback and recognition based on their performance and receive pay that is fair, equitable, and competitive in the local market.



## **1. Offer relevant training programs for employees at all levels of the organization**

- Based on employee feedback obtained in the last fiscal year, the primary training focus for FY 16/17 is leadership development.
- HR Training & Development developed the 'Leadership Education and Development (LEAD I) — Foundations for Supervisors'. This 2 ½ day in-house training (Oct. 2016) provided supervisors/managers with the tools and knowledge to make legal, ethical and policy-based decisions.
- The 35 attendees gave an overall rating of 3.76 score on a 4.0 scale.
- Due to popular demand, we will repeat LEAD I in April 2017.

## **1. Relevant training programs continued**

- 'LEAD II — Leadership Essentials' will provide supervisors/managers the tools to lead, engage, and empower employees to perform at their best. This once a week for five weeks course is scheduled for March 2017, and was filled within 24 hours of being offered.
- Other citywide training offerings are ongoing.

## **2. Evaluate options for ensuring employee benefit programs are cost-effective, competitive, and desired by employees**

- As the Classification Plan was created in FY 15/16, the focus is to implement the plan in FY 16/17.
- HR Director requested an audit of all pre-employment programs to include updating job descriptions (Audit #1606 – HR Compliance Programs). Will complete this fiscal year.
- Successfully implemented legislative mandates:
  - FLSA Final Ruling regulation, effective Oct. 16, 2016
  - HB 2350 for sworn personnel, implemented Dec. 1, 2016
  - Prop. 206, raising the minimum wage effective Jan. 1, 2017

## **3. Evaluate options for ensuring employee benefit programs are cost-effective, competitive, and desired by employees**

- The Employee Health and Wellness Team was rebranded the Total Benefits Advisory Committee (TBAC).
  - Increased employee representation and participation
  - Redesigned to discuss strategies to reduce medical costs
  - Encouraged participation in HSAs
  - With the Office of Communication, a biweekly Benefits Bulletin is provided to all city staff to ensure they are informed.
  - HR Benefits continues to provide individual consultations to employees and departments, as requested.

#### 4. Ensure high-quality, responsive service is provided through efficient and effective processes.

- Citywide team identified and implemented customer service standards
- Citywide team of trained facilitators conducting process improvement efforts in city departments
- Citywide team creating a single portal for citizen inquiries and work requests by July 1, 2017
- Performance report prepared and released on a quarterly basis to provide insight into key measures tracked by staff to ensure the efficiency and effectiveness of city services
- What Works Cities initiative focuses on evidence-based decision-making by improving open data and use of low-cost evaluation to improve services



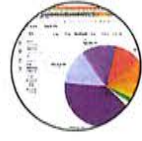
**Revitalize** McDowell Road corridor through ongoing work with residents, businesses & SkySong



Anticipate and plan for future **transportation** needs



Provide strategic support of **tourism and visitor events**



Prepare and adopt **fiscally sustainable** operating and capital budgets



Carry out the comprehensive **economic development** strategy



Reinvest in a **high performance** organization and work culture